

**2022-2023 Annual Fall PTO/Booster Meeting  
Questions & Answers**

**1. Q – Can you please elaborate on the reasons why there are only 3 fundraisers allowed per year?**

A - This is in accordance with Board policy in an effort to not overwhelm the community with fundraising efforts.

**2. Q – How do we go about increasing the 3 fundraiser limit?**

A - This would be a request to change Board policy. At this time, there is not a formal process to request those changes.

**3. Q – How do we charter Scouts? What information do we need to report for Scouts?**

A - Click on the Boy Scout Charter icon on the [www.kleinisd.net/psa](http://www.kleinisd.net/psa) website for information regarding chartering a boy scout troop. If you have additional questions, you can contact Tara Tims as [ttims1@kleinisd.net](mailto:ttims1@kleinisd.net).

**4. Q – Is there a Treasurer handbook (how to manual) for new Treasurers?**

A - Information is in the District Guidelines Handbook on the [www.kleinisd.net/psa](http://www.kleinisd.net/psa) website. Also, under the Financial Meeting tab, you can refer to the Spring Meeting slide deck and handouts as they relate to the responsibilities and guidelines of each position.

**5. Q – If our PTO charters a cub scout group, do we have to report their Financials on our tax forms?**

A - Yes, you must include your boy scout charter in your financials and your 990-tax filing.

**6. Q – What is a 502c3 (corrected to 501c) versus 501c3?**

A - A 501(c) organization and a 501(c)3 organization are similar in designation; however, they differ slightly in their tax benefits. Both types of organization are exempt from federal income tax, however a 501(c)3 may allow its donors to write off donations whereas a 501(c) does not.

**7. Q – Does the 3 fundraisers include "membership" drive?**

A - No, memberships do not count as a fundraiser.

**8. Q – What is considered a spirit night?**

A - Spirit Nights are events where the community may eat at a specific restaurant on a given night and a portion of the proceeds will be donated back to the organization represented.

**9. Q – What if your Booster Club already has a debit card and just recently got it due to the direct request from the Coach and Parents?**

A - Debit cards are prohibited for Parent Support Organizations according to the District Guidelines for PSO groups. This is a main source of fraud. Obtaining a debit card opens your group to an unnecessary liability. We encourage you to close this out with your bank.

**10. Q – What is the W-9 Tax Form for and when is that due?**

A - The W-9 is a form that you should receive from any vendor for which you will pay for services. You may also be asked to complete this form from companies that will donate to your organization. This form provides the information necessary to issue 1099-NEC or 1099-MISC forms. The W-9 will remain a part of your vendor records. The 1099 forms are due by January 31<sup>st</sup>.

**11. Q – Are all parents automatically part of the booster club? Or do they have to pay to join?**

A - The answer to this question lies within the organization's by-laws. Refer to the membership qualifications as to who can be members of the organization and what is required in order to remain in good standing.

**12. Q – Do the people who perform the audit have to be members in good standing of the booster club?**

A - No. Please refer to Section 7 of the District Guidelines Handbook for Parent Support Organizations. The treasurer may not be a part of the audit committee. It is also recommended that you have 1 or 2 that are not officers or authorized signers on the account.

**13. Q – If we order \$1000 worth of pizza from a chain restaurant for resale do we need to complete 1099?**

A - No, you do not have to issue a 1099 for the purchase of a product. A 1099 must be issued for services of \$600 or more in a calendar year for companies that are not incorporated. You will use the W-9 provided by the company to determine the status of their entity. There are a few other instances in which a 1099 must be issued (legal services, awarding of prizes, etc.). You can refer to the [IRS page](#) for more specific information.

**14. Q – How does the coach pay for team lunch/dinners and hotels etc. if Booster Club is not allowed a debit card?**

A - The booster club should donate funds to the campus to cover those expenses. The coach will then follow normal district purchasing and travel procedures.

**15. Q – If you provide a scholarship, do you have to make payment to the college, or can it be paid to the individual?**

A - We recommend issuing scholarships directly to the university or school rather than the student's name. This is easier for tax reasons as well as to verify enrollment.

**16. Q – I have been requested to provide the bank statements to the athletic department, is this required?**

A - Yes, each campus administrator and/or sponsor can require that these be submitted as part of the financial report. This aids in turnover of officers as well as to provide additional backup for the financials submitted. This is a common practice.

**17. Q – As an incentive to quickly complete fundraising, we offered gift cards. Is this allowed?**

A - No, as this is against board policy for incentives given to in recognition of their fundraising efforts. One exception is that we do allow for tokens that are given from the company as long as they are minimal in value. These can be given with at the principal's discretion.

**18. Q – Do you issue 1099 to small companies like trophy shops?**

A - Yes, if the product includes a customization that would be considered a service and the value over the calendar year is \$600 or more. According to the IRS, if the vendor splits the product from the service, you will only issue the 1099 for the service amount. If the vendor invoices you for a lump sum, then you would issue the 1099 for the whole amount.

**19. Q –Is a booster club membership considered a donation if it includes a t-shirt?**

A - Yes, booster club memberships are considered a donation if they only receive a token item that is of minimal value. The Texas Comptroller's Office considers a shirt or water bottle along with membership as a minimal in value so in this case is not considered a sale.

**20. Q - What is the difference between 1099-Misc and 1099-NEC and what would you use for paying individuals for services?**

A - 1099-NEC is for non-employee compensation so this would be for paying individuals for services such as a DJ. 1099-MISC is for rents/royalties, prizes and awards, etc. More information can be found on the [IRS website for 1099s](#).

**21. Q - Where can I find the requirements for the audit? I can find the forms, but not the directions for how many people are on the committee and who those people are.**

A – Please refer to Section 7 of the District Guidelines for Parent Support Organizations Handbook located on the [www.kleinisd.net/pso](http://www.kleinisd.net/pso) website.

**22. Q - How do you get the 1099-Misc and 1099-NEC forms? I had to purchase them online from Amazon since I didn't realize I needed them until just before they were due.**

A – If you use software such as QuickBooks, typically you can issue directly from the software. You can also purchase forms from Office Depot, Amazon, etc.

**23. Q - If we set up an account through Facilitron, do we pay rental rates for KMPC rooms?**

A – Yes, KMPC is separate from all other campus facility rentals. Facilitron is for campus rentals and there is no facility fee for campuses. Personnel charges may incur. Contact the Klein Multi-Purpose Center for information for KMPC rentals.

**24. Q – Can you provide more information about IRS forms 8282 and 8283?**

A – The [IRS website](#) provides specifics on what constitutes the need for these forms. For specific questions related to your organization, we recommend following up with a CPA.

**25. Q - There was a significant list of tax-free fundraisers that can be done (car washes, bake sales etc.). However, the district caps the number of fundraisers to 3 per year, correct?**

A – Correct, each organization is allowed up to 3 fundraisers per year regardless of taxable or tax-free fundraisers. Of those 3, you are allowed by the Texas Comptroller's Office to use 2 tax-free days, in which you do not have to collect or remit sales taxes on taxable items as long as the transfer of property occurs within a 24 consecutive hour window. If the fundraiser is automatically tax-free (i.e., car wash, etc.), then you would not use a tax-free day.

**26. Q - You said raffle items need to be pre-approved, but do silent auction items also? How would you know what those items are in advance?**

A – Yes, both raffle and silent auction prizes need pre-approval and these are submitted on the same Google form located on the Fundraiser & Analysis section of the [www.kleinisd.net/psa](http://www.kleinisd.net/psa) website. As you are aware of prizes, you can submit 1 form and list multiple items in the paragraph. As you receive additional information or prizes, you can submit additional forms as needed for the same event.

**27. Q - If we bought 500 t-shirts (tax free) and have 250 shirts to sell, how do we do that? Does that count as 1 of our 3 fundraisers?**

A – Yes, if you are selling shirts for a profit, then that counts as one of the 3 fundraisers. You may choose to use one of your 2 allowable tax-free days in which you do not have to collect or remit sales tax as long as the delivery of the shirt to the buyer occurs within a 24 consecutive hour period.

**28. Q – Can you clarify unrelated business income?**

A – The [IRS website](#) has some more detailed information regarding unrelated business income. If you have specific questions, you can reach out to a CPA for guidance.

**29. Q – If we do a donation drive, does that count as a fundraiser or just a donation?**

A – A donation drive or any active solicitation for donations is counted as a fundraiser. It would still be considered a donation to the donor as they are not receiving anything in exchange for their donation. If someone initiates a donation on their own, that would be considered a donation. So the “active” campaigning is what constitutes it as a fundraiser. It replaces the old school “Write a Check” fundraiser.