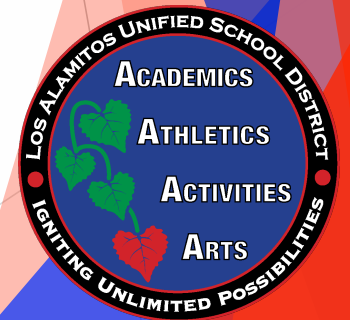


LAUSD BOOSTER CLUB

GUIDELINES WORKSHOP

Ondrea Reed, Deputy Superintendent of Education Services
Blake Hyepok, Assistant Principal



PURPOSE OF MEETING

- Educate booster boards on school board policies, education code and state laws regarding operation of a booster club associated with a school district.
- Ensure all booster board officers have accurate information regarding their role and liability of operating a booster/501-3C.

Thank You!



BOOSTER CLUB BASIC REQUIREMENTS

Page 1

- Booster clubs are parent organizations formed primarily to assist student groups with obtaining resources/funding.
- Booster clubs are separate from the District and they are not under the control of or the responsibility of, the site administrator, superintendent or governing board. Their funds are not controlled by the district or the students, nor should they be involved in the administering or supervising of the activities of student organizations.
- School boards approve guidelines for booster clubs to follow and the organization's fundraising activities. **Education Code section 51521 requires that all organizations that conduct fundraising to benefit clubs, schools, students or the district at the K-12 level have prior approval from the school district's governing board.**



BOOSTER CLUB BASIC REQUIREMENTS

Page 1

To meet statutory requirements, the Los Alamitos Unified School District has policies and regulations requiring booster clubs to do the following:

- Submit for approval annually, a completed application with required documentation. **(Exhibit A)**
- Each officer must submit a signed Acknowledgement Form. **(Exhibit C)**
- The Board President must complete a Hold Harmless Agreement. **(Exhibit D)**
- Submit Parent Organization/Booster Club Bank Information form to the Business Services Office (BSO). **(Exhibit B)**



BOOSTER CLUB BASIC REQUIREMENTS

Page 1

- Submit a copy of the Booster Application for Fundraising Activity Form, if they plan to engage in any financial activities, to the BSO. **(Exhibit E)**
- Submit a copy of their Booster By-laws to the Activities Office at LAHS and have them posted on their website for members.
- Be in compliance with all District Policies and Regulations.

The district or principal reserves the right to revocation of any booster club with cause. Booster clubs must also comply with rules or their approval may be terminated.



BOOSTER CLUB BASIC REQUIREMENTS

Page 1 – Page 2

- (1) Booster clubs may not imply any form of responsibility on the part of the District, school or ASB.
- (2) Booster clubs are not legal components of the school district and must have their own tax identification number; they are NOT allowed to use the school or District tax identification number.
- (3) Booster clubs are responsible for their own tax status, accounting and financial records.
- (4) Booster clubs must not comingle their funds with ASB funds.



BOOSTER CLUB BASIC REQUIREMENTS

Page 1 – Page 2

- (5) Booster clubs must submit a Certificate of Liability from their insurance company identifying the LAUSD as an additional insured, and a Hold Harmless Agreement.
- (6) Booster clubs must carry their own liability insurance in an amount equal to or exceeding the minimum determined by the District.
- (7) Booster clubs cannot make purchases with any LAUSD employee's name, or use a District address for deliveries.
- (8) Booster clubs must have their own bank account separate from the District and/or ASB.



BOOSTER CLUB BASIC REQUIREMENTS

Page 1 – Page 2

(9) Booster clubs are authorized to operate for a period of one fiscal year with renewals available.

(10) Fundraising activities at any school site are under the control of district or school authorities.

(11) Any rules and regulations developed for the club organization must conform to the law, the Board of Education's policies and regulations, and the school site's policies and procedures.



BOOSTER CLUB BASIC REQUIREMENTS

Page 1 – Page 2

(12) All Booster club members must be made aware that no individual should personally benefit from the organization's activities, and this should be made part of the bylaws. If a booster club dissolves or terminates, the club's constitution should provide for the distribution of any excess funds to another non-profit organization, the ASB or the District.

(13) If a booster club decides to operate a bingo or raffle activity, California Penal Code Sections 320.5 and 326.5 regulate these events.

(14) Booster clubs' ability to use school facilities at K-12 districts is regulated by California Education Code 38130-38139, known as the Civic Center Act.



BOOSTER CLUB APPLICATION

Exhibit A

All booster clubs are required to submit an application annually, whether new or continuing (if previously approved). Any request for approval must include a completed application with all required documents. Booster clubs are not permitted to operate until final approval is received from the BSO.

Authorization shall be granted for a period of up to one fiscal year, beginning on July 1st and ending on June 30th. Requests for continuing authorization must be presented annually.

Currently, there are no recognized booster clubs under LAUSD. It is necessary for ALL boosters to submit an application and the requirements as soon as possible. Boosters who don't submit by October 1, will be asked to suspend booster operations.



BOOSTER CLUB APPLICATION

CHECKLIST OF DOCUMENTS

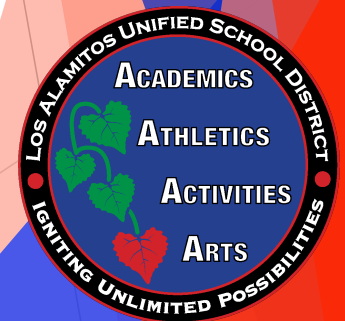
- Booster Club Constitution/Bylaws
- Booster Club Bank Information Form
- Proof of Tax ID
- Booster Club Manual Acknowledgement Form (Signed by Each Board Office)
- 501-3C Federal Determination Letter
- Hold Harmless Agreement
- Certificate of Insurance
- Additional Insured Endorsement
- Application(s) for Fundraising (if applicable – one form per fundraiser)



SALES TAX & SELLER'S PERMIT

Page 5

- Booster clubs are not sales tax exempt, unless they have filled out the proper application forms from the California Franchise Tax Board. Organizations that have applied for and received a letter of exemption from sales tax do not have to pay sales and use tax when they buy, lease or rent taxable items that are necessary to the organization's exempt function. No item purchased tax-free by an exempt organization can be used for the personal benefit of a private party or other individual.
- Any booster club planning to conduct fundraisers involving the sale of goods or merchandise must obtain a California seller's permit. This includes, but is not limited to, the operation of concession stands, and selling of school spirit clothing or other items. Booster clubs may not use the seller's permit of another booster club or the District's sales permit number. Sales by a booster club are generally taxable.



INSURANCE REQUIREMENTS

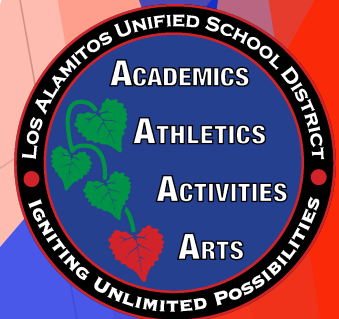
Page 6

The District requires booster clubs to provide a Certificate of Liability Insurance with the minimum required limits of coverage listed on the certificate and below:

General Liability: \$1,000,000 (per occurrence)

It is additionally recommended that booster clubs maintain Crime Coverage or a Fidelity Insurance Bond in an amount enough to cover the annual total booster cash receipts.

The certificate must indicate the Los Alamitos Unified School District endorsed as “additional insured”, and have the name of the school in the description area. When using school facilities, the District may require a higher level of coverage based on the type of use requested, such as athletic activities and large events.



BYLAWS & ORGANIZATION

Page 8

- Please see pages 8-9, to review the the FIVE elements that a Booster Constitution should include, and the SIX elements for bylaws.
- Membership – NO fees can be collected as a condition of membership unless a booster is a nationally recognized booster organization that requires fees at a national level. (No membership drives.)
- Board Positions – President, Vice President, Secretary, Treasurer (Parliamentarian)
- Annual Audit - At the end of the fiscal year, an audit of the booster club’s financial records should be conducted. The audit should be performed by individuals who are independent from day-to-day financial activities. The audit committee shall make a report to the general membership. Any discrepancies noted shall be brought to the attention of the president of the organization and a resolution reached prior to presentation. All officers of the shall make records available. As an alternative to an audit committee, an audit may be conducted by an outside party, such as a CPA. (It is highly recommended for Booster with an operating budget over \$300,000 to hire a CPA /outside party for the audit.)

Employees from the site of origin of a booster CAN NOT serve in a voting executive board position.



CONSULTANTS & INDEPENDENT CONTRACTORS

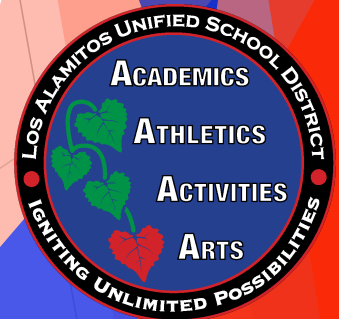
Page 14

Consultants may be hired to assist with various projects or presentations that may be needed. Booster clubs should be aware of the regulations that must be followed.

If someone is not already an employee of the school district, a determination must be made as to whether that person legally is considered an employee or an independent contractor under the IRS regulations.

Independent contractors frequently are called consultants within the school district community. If it is determined a person is a consultant, a completed W-9 is required prior to payment for services. Please reference IRS 1099 reporting requirements for consultants.

Consultants, who aren't cleared through the Department of Justice Data Base, cannot be left alone with students without being the presence of a District employee.



FUNDRAISING VS. PUPIL FEES

Page 17

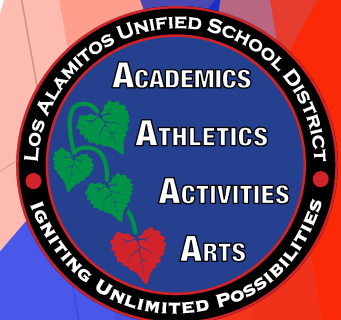
At the beginning of each school year, each booster club shall submit to the principal and BSO a list of tentative fundraising events that each organization proposes to hold that year. Amendments to the scheduled fundraising events should be submitted three weeks prior to the event. The principal or site designee shall review the proposed events and determine whether the events are in conflict with or detract from the school's educational program. No fundraising activities can begin until the booster club obtains approval from the BSO.

- **Food Sales, Bingos, Raffles, Auctions (PLEASE READ)**

Directly Following the Booster Guidelines will be a PUPIL FEES workshop.

Pupil fee means a fee, deposit or other charge imposed on pupils, or a pupil's parents or guardians, in violation of Section 49011 of the Education Code and Section 5 of Article IX of the California Constitution, which require educational activities to be provided free of charge to all pupils.

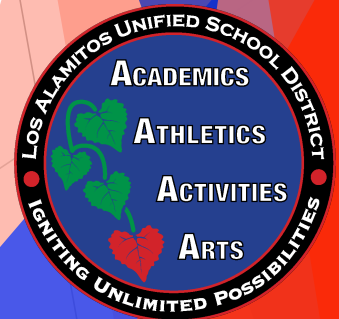
Each fundraiser should have an APPLICATION FOR FUNDRAISING submitted.



FINANCIAL PROCEDURES

Page 20

- Budgets & Budget Management
- Financial Reporting to Membership
- Financial Reporting to District/School Site
- Cash Receipts - All cash collections received for fees, dues, fundraising, etc. must be deposited in total and in a timely manner. All funds must be supported by some type of record documenting the source and amount of funds. Such documentation should be readily available for audit purposes and the process for accenting for cash documented in a booster's bylaws.
- Disbursement of Funds - Direct payment District employees are not permitted use, nor purchase of alcohol or tobacco. The appropriate supporting documentation (invoices, receipts) should then be attached to the disbursement form and filed in check number order. At no time should a check be issued without the appropriate supporting documentation.



FINANCIAL PROCEDURES

Page 21

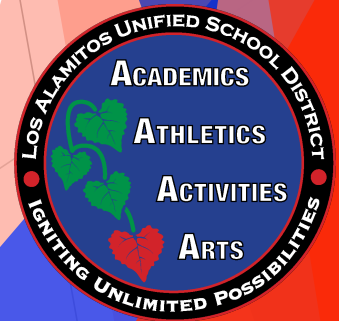
- Petty Cash – A booster club may maintain a small petty cash account. Petty cash must be stored in a locked box accessible by only the treasurer and one other officer. Control of the petty cash account by a District employee is not allowed. The petty cash funds should be used for emergency purchases only. All other purchases should be made with a booster club check. Upon disbursement through the petty cash account, a receipt for the purchase should be retained. Bylaws must outline procedures.
- Bank Deposits
- Internal Controls
- 1099 Requirements - Internal Revenue Service guidelines require that all payments for services in excess of \$600.00 made to a vendor or an individual by a booster club be reported on a form 1099 on an annual basis.
- Retention of Records - Please see list of documents that should be retained by the organization for a minimum of 4 years.



BOOSTER CLUB DO'S

Page 25

- Obtain tax identification number and tax-exempt status, if applicable.
- Open financial account under the aforementioned criteria. Maintain records for continued status.
- Create a logo and name to be used. School and district logos shall not be used without specific authorization of the Superintendent or District designee; booster clubs have their own identity.
- Raise funds by using adult membership. Special projects may include students who volunteer.
- Maintain relationship with site personnel for input of needs.
- Donate all purchases to the school district in accordance with District policy.
- Consult District maintenance department **prior** to purchasing items that require installation or involve site or building improvements.
- Consult BSO **prior** to purchasing goods or services that require on-going maintenance contracts.

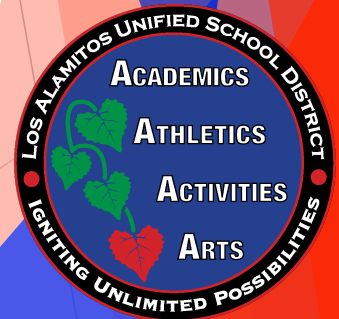


BOOSTER CLUB DON'TS

Page 25

- Conduct fundraiser activities that require a student to participate.
- Co-mingle booster club funds with ASB funds.
- Represent booster club activities as those of the Los Alamitos Unified School District.

FREQUETLY ASKED QUESTIONS
Pages 26 - 35



OUR TEAM IS HERE TO HELP QUESTIONS?

General Questions & Assistance

Blake Hyepok, LAHS Assistant Principal

Bhyepok@losal.org

Booster Programming & Bylaws

Ondrea Reed, Deputy Superintendent

Oreed@losal.org

Finances, IRS/Tax-Exempt & Liability

Elvia Galicia, Assistant Superintendent Business Services

Egalicia@losal.org



THANK YOU FOR ATTENDING...

