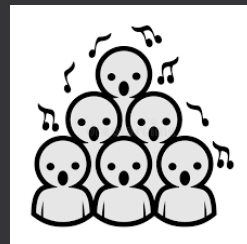


Booster Club Finance Training

Wylie ISD Finance Division

2022-2023



Role of Booster Clubs

- Provide support for student activities
- Encourage involvement by all parents

Booster Clubs Shall



- Use school facilities only with prior approval
- Obtain approval for all fundraising activities
- Submit audited financial report to Accounting@wylieisd.net
- Submit names and contact info of all officers and the bank account signers to Accounting@wylieisd.net
- Pay all taxes and debts incurred
- Comply with School Board policies when donating money or gifts
- Comply with UIL guidelines, District policies, and Federal and State tax laws

Booster Clubs Shall Not



- Have authority in directing District employees in their duties
- Be involved in decision making activities for a student group
- Give a gift or cash in excess of the limits imposed by UIL guidelines
- Give anything to students without proper approval from school administration
- Pay any member for services rendered with Booster Club funds
- Use the District tax IDs or sales permit IDs
- Employees of the District shall not serve in a financial capacity of a Booster Club

Fraud Prevention

- Money should never be kept at a treasurer's home
- Two people should always count the money, and both should sign the receipt verifying the amount
- Two signatures should be required on all checks
- Have a member who does not have check signing authority review the bank statement monthly before giving it to the treasurer
- Never sign a blank check or a check made out to "cash"
- Deposit funds in a timely manner
- Do not pay bills with cash
- Conduct an annual audit of the books

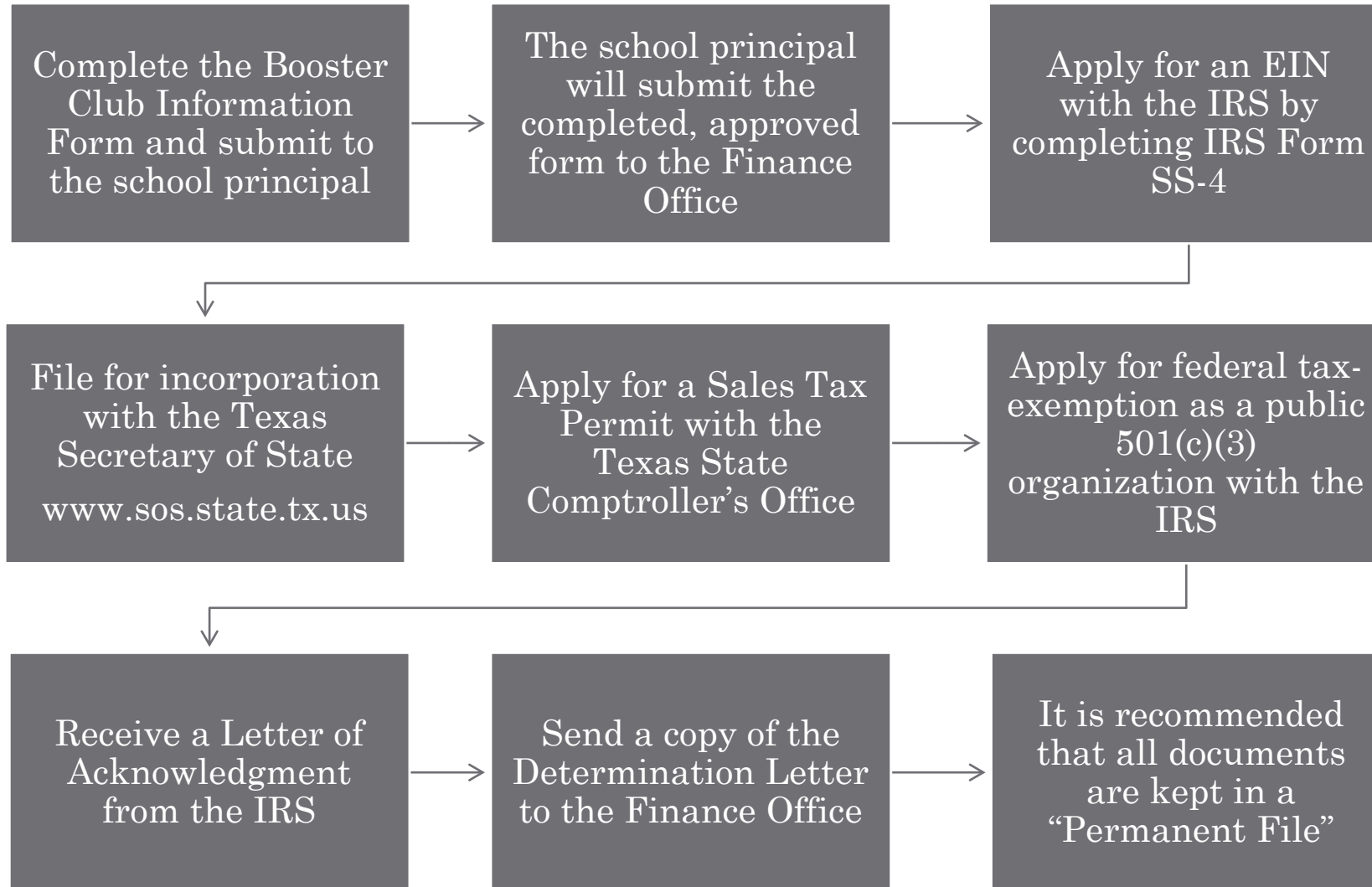


Officers



- **President**
 - Presides at all meetings
 - Resolves membership problems
- **Vice President**
 - Presides at meetings in President's absence
 - Performs admin functions delegated by President
- **Secretary**
 - Reports on recommendations made by the Executive Board
 - Maintains the records of meeting minutes, committee rules, and membership
 - Conducts and reports on all correspondence
- **Treasurer**
 - Custodian of funds
 - Serves as chairperson of Finance Committee
 - Issues receipts of monies received
 - Files all State and Federal tax reports
 - Reconciles all bank statements in a timely manner
 - Presents current financial reports to the Booster Club Board monthly

Steps to Starting a Booster Club



Non-Profit Corporation

- Clubs are encouraged to incorporate under the Texas Business Code
 - Organization will become formalized by adopting Articles of Incorporation and Bylaws
 - Helps to shield individuals governing and operating the organization from liabilities incurred
 - A non-profit organization is created by filing a certificate of formation with the Secretary of State

Federal Reporting

- Must have an Employee Identification Number (EIN)
 - Can be obtained for no cost through the IRS by online, by phone, or mail
 - [http://www.irs.gov/Businesses/Small-Businesses-&Self-Employed/Apply-for-an-Employer-Identification-Number-\(EIN\)-Online](http://www.irs.gov/Businesses/Small-Businesses-&Self-Employed/Apply-for-an-Employer-Identification-Number-(EIN)-Online)
- Obtaining 501(c)3 (Tax Exempt) Status
 - Complete IRS Package 1023/1023EZ
 - <http://www.irs.gov/Charities-&Non-Profits/Application-for-Recognition-of-Exemption>
- Federal 990
 - Every exempt organization is required to file an annual Form 990
 - Must Use form 990-N if receipts are \$50,000 or less
 - Must Use Form 990-EZ if receipts are between \$50,000-\$200,000
 - Form 990 if receipts are more than \$200,000

State Reporting

- Become Incorporated in Texas
 - http://www.sos.state.tx.us/corp/forms_boc.shtml
- Obtain Texas Sales Tax Permit.
 - Applications available on Texas Comptroller Website
 - <https://www.comptroller.texas.gov/taxes/sales/faq/permit.php>
- Franchise Tax
 - Franchise tax reports must be filed until Comptroller's office has granted tax exemption

Sales Tax

- All Booster Clubs must apply for their own sales permit number
- Sales by a Booster Club are generally taxable
- Each Booster Club can have two tax free sale days per calendar year
 - <https://www.comptroller.texas.gov/taxes/publications/94-183.pdf>
- Taxable Status of Purchases:
 - Boosters must provide vendor with a valid signed exempt certificate
 - Items which become personal property of the student (t-shirts, uniforms, etc.) are not exempt from tax
 - Items purchased through budgeted funds as awards to students are not taxable
 - Meals purchased by the organization for teams, groups, bands on school trips are not taxable

Sales Tax Collection



- The Booster Club shall collect sales tax on all taxable sales
- When imposing sales tax, the organization has the option of:
 - Adding the tax to the item's selling price:
 - Example 1: Selling an item for \$2.00, with a tax rate of 8.25%, the organization would collect \$2.17 ($\2.00×1.0825)
 - Absorbing the tax in the item's selling price
 - Example 2: Absorbing the tax in the items selling price: Item sold for \$2.00 including tax, the organization would retain \$1.83 and remit \$.17 for sales tax

Sales Tax Collection (cont.)



- Sales tax shall be collected on sales of:
 - Items sold by school store (pens, paper, pencils, et)
 - Any type of Booster Club materials
 - Any other item sold as personal property (pictures, uniforms, sweaters)
 - All sales of items such as handicrafts, T-shirts, candles, cups, books
 - All other personal property except for those items specifically excluded above
- Booster Clubs need not collect sales tax on, however sales need to be reported:
 - Admission Tickets
 - Club Memberships
 - Food and drinks sold at school functions
 - <https://www.comptroller.texas.gov/taxes/publications/94-183.pdf>

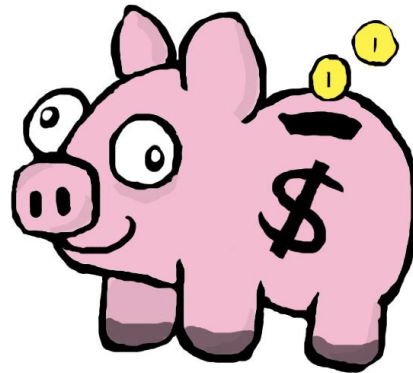
UIL Guidelines

- Athletic Booster Clubs shall not be used to support athletic camps, clinics, or private instruction
- Athletic Booster Clubs cannot give anything to students, including awards
 - Athletic Boosters are subject to the athletic amateur rules
- Boosters may donate money or merchandise to the school
- Money donated to the school may not be earmarked for a specific purpose



Banking

- Booster Club must first obtain an EIN from the IRS to open an account
- Booster clubs may not use just the school's name on its check or literature
- It is suggested that at least two officers sign each disbursement. School employees may not be the signer on Booster Club bank accounts for their own campus or programs



Financial Reporting

- At a minimum, the organizations membership should be provided with a financial statement and bank reconciliation at each meeting
 - Should provide a comparison of budgeted vs. actual expenditures and receipts
- GASB Statement N. 39 of the Governmental Accounting Standards Board requires the District to obtain and review financial performance information of Booster clubs
 - Booster Clubs are required to submit to the Accounting@wylieisd.net mid-year and end-of-year financial statements

Financial Report Example

Wylie XYZ Booster Club
Budget vs. Actual
July 2015 through September 2015

	Jul 15	Aug 15	Sep 15	Jul 15 - Sep 15	Budget	\$ Over/Under Budget
Income						
XYZ Events	0.00	200.00	1,000.00	1,200.00	4,000.00	-2,800.00
Concessions	0.00	600.00	2,500.00	3,100.00	17,600.00	-14,500.00
Donations & Scholarships	0.00	50.00	500.00	550.00	500.00	50.00
Total Income	0.00	850.00	4,000.00	4,850.00	22,100.00	-17,250.00
Expense						
Administrative Expense						
Insurance & Bank Fees	0.00	400.00	0.00	400.00	400.00	0.00
Postage & Supplies	0.00	69.45	44.27	113.72	250.00	-136.28
Total Administrative Expenses	0.00	469.45	44.27	513.72	650.00	-136.28
Fundraiser Expenses						
XYZ Events	0.00	0.00	0.00	0.00	3,500.00	-3,500.00
Sales Tax	0.00	0.00	0.00	0.00	100.00	-100.00
Total Fundraiser Expenses	0.00	0.00	0.00	0.00	3,600.00	-3,600.00
Savings - Major Purchases	0.00	0.00	0.00	0.00	1,000.00	-1,000.00
Special Purchase - XYZ Campus	0.00	0.00	50.00	50.00	500.00	-450.00
Total Expense	0.00	469.45	94.27	563.72	5,750.00	-5,186.28
Net Income	0.00	380.55	3,905.73	4,286.28	16,350.00	-12,063.72

Cash Receipts



- All cash collections must be deposited upon receipt
- All cash must be verified by at least 2 individuals
- All funds must be supported by a record documenting the source and amount of funds (these documents should be readily available for audit purposes)
- It is recommended that deposits be made daily of receipts exceeding \$250, weekly if receipts are less than \$250
- All money must be deposited prior to holidays and weekends

Bank Reconciliation

- Upon receipt of monthly bank statement, the balance indicated shall be reconciled to the ledger balance
- Should be completed in a timely manner
- It is recommended that bank statements be sent to a designated officer through the mail at their home address or electronically

Petty Cash

- Booster Club may maintain a small petty cash account
- Treasurer and one other officer should only have access to lock box
- District employees should not have access to petty cash
- Petty cash should be for emergency purchases only
- Receipts for purchases should be retained



Payment of Funds

- A budget of expected expenditures should be developed
- Prior to disbursements, a request should be compared with the budget
- Disbursements outside of the budget should require a vote by the general membership
- Direct payments to District employees are not permitted unless for a reimbursement of expenses

Audit



- An audit is necessary to assure that all income and expenditures are accounted for and consistent with the budget and goals for the year
- The audit is to protect officers and the organization
- An audit should occur at the end of the fiscal year when a change occurs in treasurer or check signer
- An audit can be conducted by an outside party such as a CPA or an audit committee comprised of at least two members of the Booster Club (other than the President or Treasurer)

Fundraising Activities

- Fundraising projects shall be:
 - For the educational benefit of students
 - Coordinated through the principal
 - For a specific project and not for the sake of raising money
 - In connection with established goals of the Booster Club as well as UIL guidelines
 - Use of individual accounts for members of District groups or clubs is not allowed

Gifts to District/Employees

- Gifts to the school may be in the form of cash with a request it be used for specific purposes
- Personal property purchases that are placed in, on or around the school will be considered as a gift to the school and district
- Donations valued at \$5,000 or greater require Board approval before acceptance
- Gifts to employees to show recognition or appreciation should be a certificate or a gift card for \$5 dollars or less

Scholarships



- All eligible seniors must have the opportunity to apply
- The application process should be approved by the campus principal
- The application process must be clearly communicated
- The Scholarship Review Committee must be appointed by the President of the Booster Club
- The Review Committee must be made up of an odd number (5,7) of members (parents of the Booster Club who do not have children eligible for consideration of the scholarship, interested teachers, campus administrators, and/or the sponsor)
- All qualifying applicants must be considered
- Qualification criteria for selection for winners must be communicated in writing to all potential applicants

Scholarships (cont.)



- The application, scoring, decision materials, tabulation, notes, certified recordings, and any other documentation used by the Review Committee shall be made available upon written request to the applicant
- Applicants must be full time WISD senior students for a minimum of one full semester prior to application deadline
- Awards may not be “need” based
- Applicants who have received full scholarships from other sources may not be eligible for local scholarships
- The applicant’s enrollment in an accredited institution is a requirement for receiving scholarship funds

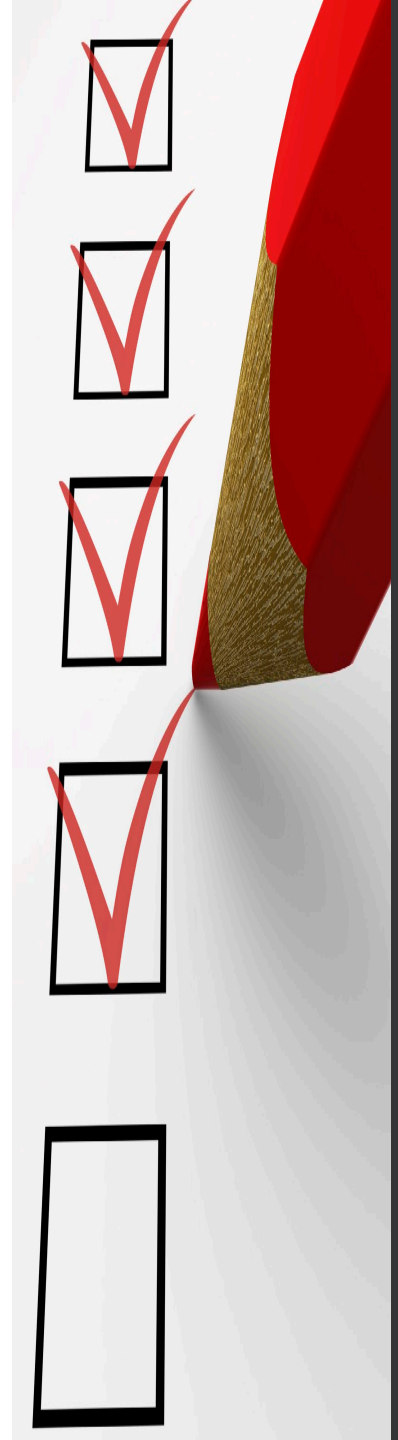
Checklist of Activities

Ongoing

- Monthly Bank Reconciliations & Financial Reports
- Sales and Franchise Tax (until non-profit status is approved)
- Submit mid and year end financial statements to WISD

Year End

- Elect Officers for Upcoming Year
- Notify WISD of new officers
- Adopt Budget



Liability Information Guide

- A certificate of insurance adding Wylie ISD as a policy certificate holder should be filed with the Wylie ISD Risk Management Department annually



Wylie ISD Resources and Forms (cont.)

- Booster Club Guidelines Acknowledgement Form
 - To be completed by each officer
- External Group Fundraiser or Activity Form
- Booster Club Donation Forms
 - Money Donations
 - Capital Equipment Donations – WISD Ownership
 - Capital Equipment Donations – Booster Club Ownership

Other Resources

- Secretary of State
 - www.sos.state.tx.us
- State Comptroller
 - <http://comptroller.texas.gov/>
- Internal Revenue Service
 - www.irs.gov
- UIL Booster Club Guidelines
 - <http://www.uiltexas.org/policy/booster-club-guidelines>

Finance Contacts

- Scott Roderick, CPA – Asst. Superintendent for Finance & Operations
 - 972-429-3027
 - Scott.Roderick@wylieisd.net
- Steve Franks, CPA, RTSBA – Executive Director of Finance
 - 972-429-3039
 - Steven.Franks@wylieisd.net
- Shalyn McDearmon – Director of Accounting
 - 972-429-3037
 - Shalyn.McDearmon@wylieisd.net