

# Wylie ISD Booster Club Training

Wednesday June 12, 2024

# Meeting Agenda

- ▶ Updates to Booster Club District Guidelines 24-25 School Year
- ▶ General Review of District Guidelines for Booster Clubs
- ▶ Review Annual Requirements for Booster Club
- ▶ Question and Answer

# Welcome & Thank you!

- ▶ The district greatly appreciates the time, effort, and financial support that the parent/booster clubs provide to our students, staff, and schools.

# UIL & Non-UIL Booster Clubs

- ▶ In writing of the Wylie ISD Booster Club guidelines, the district has used UIL Booster Club guidelines as a resource to incorporate in the manual based on their sound and established practices used to govern booster clubs.
- ▶ If conflicts arise related to Non-UIL activities, then those will be addressed on a case-by-case basis.

# Campus & District Contacts

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- ▶ Scott Roderick
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- Steven Franks
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# New District Email Address

- ▶ The Finance Office has created a new District email address for Booster Clubs to communicate with us. I am the employee that checks and responds to Booster Club questions.
- ▶ [BoosterClub@wylieisd.net](mailto:BoosterClub@wylieisd.net) or just [boosterclub@wylieisd.net](mailto:boosterclub@wylieisd.net)

# New Audit Committee Review Document

- ▶ Document serves as a checklist and reconciliation aid for audits.
- ▶ Recommended that an audit review be done at least once per quarter.
- ▶ There should be at least two members on the Audit Committee.

# Wylie ISD Booster Club Guidelines

- ▶ Located on the District website:
  - ▶ Finance Department/Booster Club Guidelines
  - ▶ Link: [Booster Club Guidelines](#)
- ▶ The Booster Club Guidelines were prepared to help booster clubs by providing organizational and financial guidance and assist booster clubs in meeting District, State, and Federal requirements.
- ▶ They were also prepared to provide recommendations for improving each organization's management of their day-to-day activities.
  - ▶ Even though a booster club works very closely with the District, it is a separate entity from the District.
- ▶ Reviewed and updated annually
- ▶ Every Booster Club is responsible for reviewing and following these guidelines.



# Wylie ISD staff to assist booster clubs

- ▶ Campus Principals
- ▶ Athletic and Fine Arts Directors
- ▶ District Coaches and Sponsors
- ▶ Finance Office

# District oversight

- ▶ The District's designee for overseeing the activities of Booster Clubs is the **campus Principal in conjunction with the appropriate Director or Sponsor of the campus organization.**
- ▶ As the responsible District employee, the Campus Principal and appropriate Director or Sponsor shall:
  - ▶ (1) approve the formation of any such organization;
  - ▶ (2) approve the constitution and bylaws of such organizations;
  - ▶ (3) ensure that an organization's sole function is to support the educational activities of the designated program area; and
  - ▶ (4) have the authority to disallow the continued association of any school program and booster organization that has been judged by the principal and respective director, if applicable, to be disruptive to the educational activities or goals of the program or group.

# District Coaches/Sponsors

- ▶ Every Booster Club will be required to work with the applicable District staff member
- ▶ Coaches and Sponsors:
  - ▶ are answerable only to their immediate supervisors and ultimately to the Superintendent;
  - ▶ serve as advisors to the booster club and can provide any information needed to operate efficiently, appropriately and within the District's guidelines;
  - ▶ are not voting members of the Booster Club;
  - ▶ nor can they hold an office in the Booster Club.
  - ▶ Coaches and Sponsors have all authority, given to them by the District, over the operation of the team or group and the activities.

# Booster Clubs

- ▶ Must be approved by respective Campus Principal and applicable Director or Sponsor
- ▶ Be organized as a 501(c)(3) organization
  - ▶ Have constitution/bylaws that are jointly reviewed on an annual basis by the Campus Principal and appropriate Director or Sponsor and the Booster Club officers.
    - ▶ Copies of the organization's bylaws must be on file with the campus administration.
  - ▶ Have a slate of officers as follows: President, Vice President, Treasurer, & Secretary. Per Wylie ISD Booster Club guidelines:
    - ▶ Full time employees of the District shall not serve in a financial capacity of a booster or other parent organization. Financial capacity includes holding positions of treasurer or serving as a check signer.

# Booster Club

- ▶ Each booster club should strive to remain in good standing with all state and federal agencies.
  - ▶ Booster club officers are solely responsible for ensuring that their organization are following all state and federal regulations.
- ▶ File annually with the Campus Principal
  - ▶ Slate of Booster Club officers, **by June 1st** of each school year
    - ▶ If changes during the year, file with Campus Principal as soon as change is made
  - ▶ List of authorized bank signers, **by June 30<sup>th</sup>** of each school year
    - ▶ If changes are made during the year, file with Campus Principal as soon as change is made
  - ▶ Annual Financial Report , either audit or review by committee as designated in organization's bylaws
    - ▶ Within 60 days of the last day of school - **August 1, 2023**
  - ▶ Budget for school year **no later than September 30<sup>th</sup>** of each school year
    - ▶ approved by general membership

# Financial Responsibilities

- ▶ Booster clubs must have a **President and Treasurer** to operate. One person **cannot do both responsibilities** since these positions act as a check and balance and provide the required internal controls.
- ▶ Booster clubs cannot have spouses or family members hold the office of President and Treasurer at the same time.
- ▶ The term of office for the Treasurer should be limited to two (2) years.
- ▶ The duties of the officers should be delineated in the bylaws of the organization.

# Financial Responsibilities - Fundraising

- ▶ Before beginning any fund-raising activity:
  - ▶ The Booster Club must submit a written proposal to the Organization Sponsor that details the time for the fund drive, the method by which the funds will be raised, whether students will be directly involved in the fund-raising and if so, how much student time will be involved as well as if it is a tax-exempt sale
  - ▶ The Sponsor will submit to the Campus Principal for their final approval
- ▶ Administration will ordinarily not authorize Booster Club fundraising activities that occur at school and potentially interfere with or detract from instructional time or that will require excessive student time outside of school.

# Financial Responsibilities - Fundraising

- ▶ The IRS prohibits tax-exempt organizations from **requiring** people to participate in fundraisers. Likewise, schools may not **require** an amount be “donated” in lieu of participating in a fundraiser.
  - ▶ whether a person participates in a fundraiser and regardless of the amount of revenue raised, that person cannot be denied the opportunity to receive an equal benefit.
- ▶ School Districts are NOT permitted to hold raffles
- ▶ Booster Clubs are permitted to hold raffles within guidelines from the office of the state’s Attorney General.
  - ▶ <https://www.texasattorneygeneral.gov/cpd/charities-nonprofits-charitable-raffles>
  - ▶ Complete separation from Wylie ISD on the raffle tickets, communication, etc. must be maintained.



# Financial responsibilities - Accounting/Reporting

- ▶ A Booster Club must establish and maintain a bank account in its own name and keep track of all revenues and expenses related to the Booster Club's activities.
  - ▶ This account is not a school account and is not subject to audit by the district's internal or independent auditors.
- ▶ At a minimum, the organization's membership should be provided with a financial statement and bank reconciliation at each meeting.
  - ▶ The financial statement should provide a comparison of budgeted versus actual expenditures and receipts.
- ▶ Each Booster Club must file a copy of the adopted audit or committee review annually to the Organizational Sponsor and Campus Principal, on or before the **60<sup>th</sup> day after the last day of the school year.**

# Financial responsibilities - Banking

- ▶ The Booster Club bank account shall not include the school's name on its checks.
  - ▶ It is suggested that at least two officers sign each disbursement.
  - ▶ Both signers should be parents or guardians with children in the affiliate Booster Club.
  - ▶ **School district employees may not be the signer on Booster Club bank accounts.**
- ▶ Upon receipt of the monthly bank statement, the balance indicated on the statement shall be reconciled to the bank account balance in the general ledger as of the last day of the month.
  - ▶ The reconciliation should be completed within thirty (30) days of the date of the bank statement.

# Financial responsibilities - Cash receipts

- ▶ All cash collections received by the Booster Club for fees, dues, fundraising, etc. must be deposited upon receipt.
  - ▶ All funds must be supported by some type of record documenting the source and amount of funds and verified by two (2) people.
  - ▶ **It is recommended that deposits be made daily if the total receipts on hand exceed \$250.00.**
    - ▶ If daily receipts are less than \$250.00, deposits should be made within one week even if the receipts for all days combined are less than \$250.00.
    - ▶ Undeposited funds should be safeguarded at all times
- ▶ All Cash Receipts should be reported on the financial report presented at each membership meeting.

# Financial responsibilities - Sales Tax

- ▶ Booster Clubs are generally not exempt from state sales tax collections laws.
- ▶ Booster Clubs are responsible for obtaining necessary information from the Texas Comptroller of Public Accounts to make sure that they are collecting and accounting for state sales tax when that collection is required.
  - ▶ <https://comptroller.texas.gov/taxes/publications/96-122.pdf>
- ▶ The Texas Comptroller's Office requires that Booster Clubs file **at least one sales tax report per calendar year**.
  - ▶ The frequency of filing the sales tax report is determined by the Texas Comptroller's Office.
  - ▶ The amount of anticipated sales tax payments affects the frequency of reporting.
- ▶ One-Day Sale Exemptions

# Financial responsibilities - Sales Tax

Below is a list of some items that are taxable and tax-exempt.

Taxable	Tax-Exempt
➤ Auctions and Silent Auctions (unless the item is tax-exempt by law)	➤ Advertisement Sales
➤ Calendars and Day Planners	➤ Admissions
➤ Candles	➤ Discount/Entertainment Cards and Books
➤ Catalog Sales (Unless the item is tax exempt by law)	➤ Food sold as a fundraiser with proceeds to be used by the organization
➤ Clothing	➤ Magazine Subscriptions greater than 6 months
➤ Flowers and Plants	➤ Services - Car Wash, Cleaning
➤ Gift wrap paper, balloons, etc.	➤ Yearbooks - only if organization keeps publishing rights
➤ Magazines - when sold individually	
➤ Magazine subscriptions sold for less than 6 months	
➤ Pennants	
➤ Garage Sales	
➤ School Store Items	
➤ Spirit Items	
➤ Stationary	
➤ Yard Signs	

# Financial responsibilities - Disbursements

- ▶ At the outset of the school year, a budget of anticipated income and expenditures should be developed.
  - ▶ Expenditures must support purpose of Booster Club
  - ▶ Submit to Campus Principal **on or before September 30<sup>th</sup>** of each school year
  - ▶ No rule or regulation exists concerning the amount of funds that a booster club can have in their account.
    - ▶ Majority of expenditures should be made to benefit the **current participants** in the program.
    - ▶ The booster club should have a minimum amount that would be carried over to the new officers so that they have some money to start the new year.
- ▶ Prior to a disbursement, the request to expend funds should be compared with the budgeted expenditures. Disbursements outside the scope of the budget or line items that exceed the approved budget should require a vote by the general membership.
  - ▶ Approval of disbursement evidenced by meeting minutes is the safest
- ▶ Direct payments to district employees are not a permitted use of Booster Club funds.
- ▶ The purchase of alcoholic beverages or tobacco products is not permitted.

# Financial responsibilities - Legal

- ▶ The school and/or district are not liable or responsible for any contracts or expenditures made by a Booster Club.
- ▶ Agreements for the purchase of goods to be resold for fundraising are the responsibility of the Booster Club entering the agreement, including snack foods and drinks purchased for re-sale at concession stands during athletic events.
- ▶ **Booster Clubs are strongly encouraged to obtain legal assistance before authorizing or signing any agreement or contract in the Booster Club's name.**
- ▶ The district will not expend school district funds to pay any amounts due under such agreements or to represent a Booster Club in any legal action that may arise from the Club's activities.
- ▶ The President should be the designated signer of all agreements and contracts that have been approved by the Booster Club.

# Financial responsibilities - Liability Insurance

- ▶ It is recommended that Booster Clubs purchase liability insurance to protect the organization and its members.
- ▶ Coverage to be considered should include general liability, officer's liability, business personal property (if the organization owns property), and fidelity (otherwise known as bond) coverage.



# Financial responsibilities - Petty Cash

- ▶ A Booster Club may maintain a small petty cash account.
- ▶ Strict controls must be maintained by keeping petty cash in a locked box accessible by only the treasurer and one other officer.
- ▶ Control of the petty cash account by a district employee or Organization Sponsor **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.

# Membership Meetings

- ▶ Wylie ISD recommends Booster Clubs hold at least quarterly meetings, but scheduling meetings is a Booster Club decision.
- ▶ All membership meetings shall be public, and the Organization Sponsor must be in attendance.
- ▶ The conduct of Booster Club meetings is under the control of the Booster Club and its bylaws, which should provide for discussion and decision-making in an orderly fashion that recognizes the importance of treating participants in the meeting with respect and civility.
- ▶ Meetings can be publicized in the school announcements and must be open to any resident of the community who wishes to attend.
  - ▶ Other methods of publicizing Booster Club meetings are at the discretion of the Booster Club; however, distribution in school mailboxes or to students through classroom teachers is not permitted.
- ▶ Booster Clubs should have minutes of every meeting that show what issues were discussed and what decisions were made.
  - ▶ The Superintendent Designee may ask any Booster Club to send a copy of Booster Club minutes for review after each meeting.
- ▶ It is recommended that a financial report is presented at each membership meeting.

# Financial responsibilities - Conflict of Interest

- ▶ Officers and members must avoid any conflict between their personal interests and the interest of the Booster Club.
- ▶ Officers and members must avoid actual conflicts of interest and the appearance of conflicts of interest.
- ▶ Officers and members must perform the day-to-day duties with integrity and in an ethical manner.

# Financial responsibilities - Financial Review/Audit

- ▶ An audit or committee review is an examination of the financial records of the Booster Club.
- ▶ It assures that all income and expenditures are accounted for and consistent with the budget and goals for the year.
- ▶ It verifies that the bank balance and ledger balance are reconciled.
- ▶ The audit/review is to protect the Booster Club officers and the organization.
- ▶ An audit/review should be conducted:
  - ▶ at the end of the fiscal year,
  - ▶ when there is a change in treasurer,
  - ▶ and when there is a change in any officer who signs Booster Club checks.

# Financial responsibilities - Financial Review/Audit

- ▶ The Financial Report and the Review Report must be presented by the Booster Club to the Organizational Sponsor and Campus Principal, on or before the **60<sup>th</sup> day after the last day of the school year or August 1<sup>st</sup>, of each year.**
- ▶ The Financial Report and the Review Report must be presented at the Booster Club meeting that includes its general membership **by Oct. 31st, of each year.**
- ▶ Please see Audit/Review Guidelines

## Top Ways to Protect Your Booster Club against Embezzlement

- 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. The Organization Sponsor should never be one of them.
- Have a member who does not have check signing authority review the bank statement monthly before giving it to the treasurer. This person is looking for red flags including: checks showing up in non-sequential order, checks made out to cash, cash withdrawals, checks written out to non-approved vendors, checks written for non approved expenses, and checks written out to individuals.
- Never sign a blank check or a check made out to "cash".
- Deposit all money in the bank as soon as possible, even if a fundraising project is ongoing.
- All bills must be paid by check, never cash.
- Conduct an annual audit of the books.

# Thanks for your support!

- ▶ We do appreciate all you and your Booster Club members do to support the various programs within Wylie ISD
- ▶ We are here to help you and your Booster Club be successful! Please don't hesitate to contact us if we can help!

Questions?