
Santa Rosa Independent School District



BOOSTER CLUB GUIDELINES

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ORGANIZATION

ROLE OF THE ORGANIZATION

Booster clubs and school support organizations shall organize and function in a way that is consistent with the District's philosophy and objectives, with adopted Board policies, and in accordance with UIL regulations as applicable. [Exhibit G – Board Policy GE (Local), Exhibit D – UIL Booster Guidelines]

Each booster organization and school support organization must maintain bylaws that are jointly reviewed on an annual basis by the administration and the organization's officers. The rules of membership shall be clearly stated in the bylaws. Only active members in good standing shall be permitted to hold office or vote upon any matter of business of the organization. The bylaws must address the organization's fiscal year, structure and the method to be used to elect officers. At a minimum, the booster organization and school support organization shall elect the following officers on an annual basis.

PRESIDENT

Typically, the president of a booster organization and school support organization is the parent/guardian who has been active in the organization. The major duties include, but are not limited to, the following:

- Preside at all meetings of the organization;
- Regularly meet with the designated campus representative regarding the organization's activities;
- Resolve problems in the membership;
- Regularly meet with the treasurer of the organization to review the organization's financial position;
- Schedule annual audit of records or request an audit if the need should arise during the year;
- Perform any other specific duties as outlined in the bylaws of the organization.

VICE PRESIDENT

The vice-president acts as the president's representative in his/her absence. They must remain familiar with the organization. The major duties include, but are not limited to, the following:

- Preside at meetings in the absence or inability of the president to serve;
- Perform administrative functions delegated by the president;
- Perform other specific duties as outlined in the bylaws of the organization.

Note: Larger booster organizations and school support organizations may find it necessary to elect several vice presidents with responsibility over differing areas. Such positions shall be clearly defined in the bylaws of the organization.

SECRETARY

The secretary is responsible for keeping accurate records of the proceedings of the association and reporting to the membership. The secretary must ensure the accuracy of the minutes of the meetings, and have a thorough knowledge of parliamentary law and the organization's bylaws. The major duties include, but are not limited to, the following:

- Report on any recommendations made by the executive board of the booster organization and school support organization if such a governing board is defined by the bylaws;
- Maintain the records of the minutes, approved bylaws and any standing committee rules, current membership and committee listing;
- Record all business transacted at each meeting of the association as well as meetings of any executive board meetings in a prescribed format;
- Maintain records of attendance of each member;
- Conduct and report on all correspondence on behalf of the organization;
- Other specific duties as outlined in the bylaws of the organization.

TREASURER

The treasurer is the authorized custodian of the funds of the association. The treasurer receives and disburses all monies indicated in the budget and prescribed in the local bylaws or as authorized by action of the association.

All persons authorized to handle funds of the association should be covered by a fidelity bond in an amount based upon the organization's annual income and determined by the executive board. The major duties include, but are not limited to, the following:

- Serve as chairperson of the Budget and Finance Committee if prescribed within the bylaws of the organization;
- Issue a receipt for all monies received and deposit said amounts on a weekly basis (daily if receipts on hand exceed \$250.00);
- Present a current financial report to the Board of Directors of the organization and general membership within thirty days of the previous month end;
- File current financial reports with the Business Office on a monthly basis;
- Maintain an accurate and detailed account of all monies received and disbursed;
- Reconcile all bank statements monthly as received and resolve any discrepancies with the bank immediately;
- File sales tax reports as required by the comptroller's office (monthly, quarterly, or annually);
- File annual IRS form 990 in a timely manner;

- Submit records to audit committee appointed by the organization upon request or at the end of the year;
- Other specific duties as outlined in the bylaws of the organization.
- Submit GASB 39 information form to the District's Business Office annually by August 1 (see appendix)

Note: Due to the increasing requirements placed on charitable organizations by the Internal Revenue Service, it is strongly recommended that the Treasurer have bookkeeping background.

PARLIAMENTARIAN

The primary duty of the parliamentarian is to advise the presiding officer on parliamentary law and matters of procedure when requested. The president or presiding officer of the organization alone has the power to make decisions or rule on a point of order. Thus, after the parliamentarian has given his advice, the presiding officer must make the ruling to the organization – he is not obligated to follow the recommendation of the parliamentarian. The parliamentarian should be thoroughly familiar with the bylaws and any standing rules of the group on which he serves. A copy of Roberts Rules of Order Newly Revised should be maintained by the organization and referenced as needed.

ELECTION OF OFFICERS

The election of officers of the organization will occur annually within the timelines and manner prescribed by the booster organization and school support organization bylaws. Typically the election of officers should occur by May of each year so that the newly elected officers may be in place for the start of the next school year. The transfer of records and audit of the accounts should be completed no later than July 1st of each year.

Officers may be elected in a variety of methods (simple majority, secret ballot) in accordance with the organization's bylaws. The election of officers should be from a slate of officers presented by the nominating committee in the spring of each school year. Recommendations may also be taken from the floor at the time of the vote in accordance with Roberts Rules of Order. At no time should officers be appointed without the input and approval of the membership. A District employee may not serve as the treasurer nor be authorized to sign checks for the organization.

The organization shall provide the name, address, email address and telephone number of the newly elected officers and the authorized signers of bank accounts (annually) to the campus principal, athletic/band director (if applicable), Superintendent's Office, and Business Office or designee. Any changes in positions shall be reported to the campus principal in a timely manner. (See Exhibit C for Booster Club Officer Information Form)

STANDARDS FOR MEETING

Notice of all meetings of the booster organization and school support organization should be published at the district **seventy-two hours prior** to the meeting date. The notice should clearly indicate the date and time of the meeting and the items to be discussed. Such booster and school support organization meetings may not occur without the presence of the district administrator or designee in attendance.

TRAINING REQUIREMENTS

The booster club and school support organization executive board is required to attend one meeting yearly held by SRISD Administration to give updates. Training requirements should be implemented into the operations of the booster club and school support organization in a timely manner.

SPECIAL COMMITTEES

Special committees are created for a specific purpose and voted upon by the membership. The committee is automatically dissolved as soon as that purpose is accomplished and the committee report is made. The special committee may not be able to complete its assignment during a school year and members may function into the ensuing year until the purpose of the committee has been achieved. Individuals who have a conflict of interest shall not be allowed to serve as members of the committee. For example, senior parents would not be included on a scholarship committee since their child is a potential recipient of the monies.

AUDIT COMMITTEE

At the end of the fiscal year, an audit of the booster club's and school support organization's financial records should be conducted. The audit should be performed by someone who is independent from day-to-day financial activities. Ideally, this audit should be performed by a group of three individuals; however, if the membership size does not allow, the audit may be performed by two individuals. The primary objectives of the audit are to:

- Verify the accuracy of the Treasurer's financial reports;
- Ensure that the club's cash balances are accurate;
- Determine that established procedures for handling booster and school support organization funds have been followed;
- Ensure that expenditures have been appropriately received and occurred in a manner consistent with the organization's bylaws;
- Ensure that all revenues have been appropriately received and recorded.
- Submit a copy of audited financial report to the Business Office no later than August 1 following the end of the fiscal year.

The audit committee shall make a report to the general membership upon completion of the audit. 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 organization shall make records available as requested by the committee.

RULES FOR DISSOLUTION

To dissolve a booster organization and school support organization, a resolution shall be adopted by the booster organization and school support organization (or the executive board if the organization is inactive) stating that the question of such a dissolution be submitted to a vote at a special meeting of the members having voting rights. At least 30 days prior to the meeting, written or printed notice shall be given to each member entitled to vote stating that the purpose of such meeting is to consider the advisability of dissolving the organization. The booster organization and school support organization must determine the distribution and usage of treasury monies and other assets before dissolution. In order to comply with Internal Revenue Service guidelines, care should be taken to ensure that excess funds are distributed within the framework of the organization's original purpose – i.e. band booster funds would remain with the musical program. Any other distribution of funds could void the organization's tax exempt status and force it into a fully taxable situation.

LIABILITY

The District strongly encourages booster clubs and school support organizations to obtain adequate insurance protection for liability and financial fraudulence. Organizations should have various safeguards set up to protect the officers and membership, and funds that are raised. Organizations must provide adequate insurance coverage for activities conducted on school premises. The District cannot provide insurance coverage for Booster Clubs and/or School Support Organizations.

A General Liability Policy protects not only the organization, but protects the individual member.

An Accident Medical Policy provides additional coverage for out of pocket medical expenses to help deter lawsuits and to provide coverage where the General Liability Policy does not. This policy does not replace your liability policy but is a complement.

The Bond or Commercial Crime policy is set up to protect your money, scrip, and securities in the event they are embezzled, stolen, or fraudulently altered.

The Officer's Liability Policy is set up to protect the way you manage your organization and the decisions that are made by you and other board members. These decisions include what type of fundraiser to have where to hold the event or any other managerial decisions.

A Property Policy provides protection for the personal property of your organization from such perils as theft or fire. One thing that most organizations don't realize is that your Property Policy can also protect your fundraising merchandise, auction items, and raffle prizes.

FEDERAL AND STATE REPORTING

This section provides general tax information to organizations. It is each organization's responsibility to seek competent professional tax advice for its own tax reporting and filing requirements. The information provided in this document is not intended to be specific or all inclusive.

APPLICATION FOR FEDERAL TAX EXEMPT STATUS 501 (C) (3)

- General instructions on the rules and procedures for federal tax exemption may be found in Internal Revenue Service (IRS) Publication 557 - How to Apply for Recognition of Exemption for an Organization...
- The booster organization and school support organization must apply for exemption from federal taxes on Form 1023, Application for Recognition of Exemption under Section 501 (c) (3).
- The application must be accompanied by Form 8718, User Fee for Exempt Organization Determination Letter Request, which provides a user fee to be paid to the IRS, depending on the anticipated annual gross receipts. Upon acceptance of the organization's exempt status by the IRS, a determination letter will be received as evidence of approval. The letter should be kept in a safe, permanent place as it will be used time and again to prove the organization's exempt status.
- Each organization must submit to the District's Business Office a copy of the determination letter issued by the Internal Revenue Service with regard to the organization's exempt status with the GASB 39 information form.

NOTE: Instructions for completing these forms and copies of these forms can be found on the IRS website at www.irs.gov under "forms and publications." The IRS main number is 1-800-829-1040, and the Tax-Exempt section is 1-877-829-5500.

APPLICATION FOR EMPLOYER IDENTIFICATION NUMBER (EIN)

- The IRS requires all organizations that conduct business to have their own Employer Identification Number. The SRISD Employer Identification Number is not available to booster clubs and/or school support organizations.
- The EIN is obtained with the SS-4 Form from the IRS. (A member's social security number should not be used as the organization's EIN for banking or other business purposes.) The EIN will be the number used to establish a bank account for the organization.
- The organization must file its Articles of Incorporation and Bylaws with the Secretary of State's office as a non-profit association. Typically, an attorney licensed in the State of Texas completes the articles of incorporation. Further information may be obtained on the Secretary of State's web site at www.sos.state.tx.us.
- When a number is assigned to the organization, ensure that the paperwork is maintained in a permanent file from year to year.
- The recommended fiscal year end for a booster club or school support organization is June 30.

NOTE: An organization can now apply for an EIN number online on the IRS website at www.irs.gov, then under “forms and publications” insert “employer identification number” and continue to complete the application process online. [See Exhibit E – Sales Tax Permit FAQ]

ANNUAL FILING REQUIREMENTS

Every booster organization and school support organization exempt from federal income tax under section 501(c) is required to determine the necessity of filing an annual Form 990, Return of Organization Exempt from Income Tax. It is the responsibility of the organization to determine whether filing is required and, if so, to complete the requisite filing.

Further, even though booster organizations and school support organizations are recognized as tax exempt, they may be liable for tax on the portion of income deemed to be unrelated business income (UBI). UBI is income from a trade or business activity, regularly carried on that is not substantially related to the charitable, education or other purposes that are the basis for the organization’s exemption. Each organization must determine whether additional forms must be filed in this regard. More information can be obtained from Publication 598, Tax on Unrelated Business Income of Exempt Organizations.

PUBLIC DISCLOSURE

A nonprofit organization must provide copies on request of its original application for tax exemption, including any supporting documents filed by the organization in support of its application, plus any letter document issued by the IRS in connection with the application. In addition, the organization must provide copies of its annual IRS information returns for the past three years, including all schedules and attachments. When a request for information is made in person, the booster organization and school support organization is required to furnish the requested information immediately under IRS guidelines. Further, the organization will be required to comply with the timelines established by the Texas Public Information Act, Texas Government Code Chapter 552.

Organizations are exempt from the above requirements, with the exception of requests under the Texas Public Information Act, if they have made the documents widely available, such as posting them on a web site, or if it can be demonstrated that the requests are part of a harassment campaign. Requests made under the Texas Public Information Act may be subject to limited exceptions and should be immediately forwarded to the campus administrator for review. If the organization elects to post the information on a web site, specific IRS criteria must be followed which produces an exact reproduction of the information; HTML format is not acceptable. It is acceptable to post financial information in a database of other charitable organizations such as GuideStar which can be located at www.guidestar.org.

SALES TAX

APPLICATION FOR STATE SALES PERMIT NUMBER TAXABLE STATUS OF PURCHASES

- All booster clubs and school support organizations **must** apply for their own sales permit number. They **may not** use another organization's or the District's sales permit number.
- Application forms for a sales permit number may be obtained from the Texas Comptroller of Public Accounts.
- 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 functions.
- Each organization can have two tax-free sales days per calendar year according to Texas State Sales Tax Law.
- No item purchased tax-free by an exempt organization can be used for the personal benefit of a private party or individual.
- A booster organization and school support organization must provide the vendor with a valid signed exemption certificate when claiming state sales tax exempt status. Exemption certificates do not require numbers to be valid nor is the vendor required by law to honor the exemption.
- Items which become the personal property of the student (cheerleader uniforms, band t-shirts, etc.), even though connected with a school or organization, are not exempt from tax. Items which are purchased by the organization through budgeted funds as an award to a student are not taxable.
- Meals purchased by the organization for athletic teams, bands, etc. on authorized school trips are exempt from sales tax if the organization contracts for the meals. The booster organization and school support organization must pay for the meals with a booster and school support organization check and provide an exemption certificate.
- Individual members of the athletic team, band, etc., may not claim exemption from the sales tax on the meals they purchase while on a school authorized trip.

COLLECTION AND REMITTANCE OF SALES TAXES

The booster organization and school support organization shall collect sales tax on all taxable sales as appropriate to the location of sale.

When imposing sales tax, the organization has the option of:

Example Only (use appropriate sales tax amount for area of sale)

- Adding the tax to the item's selling price - thus, if the selling price of an item were \$2.00 and the tax rate is 8.25%, the school would collect \$2.17 ($\2.00×1.0825) from the buyer for each item sold.

- Absorbing the tax in the item's selling price - thus if the item sold for \$2.00 including tax, the school would retain \$1.85 and remit \$0.15 for sales tax. If this method is used, divide the total sales by 1.0825 (assuming a tax rate of 8.25%) to find the taxable sales. To determine the sales tax amount, subtract the taxable sales from the gross sales.

TAXABLE STATUS OF SALES

School and school-related organizations need not collect sales tax on the following:

- Admission tickets;
- Club memberships;
- Sale of food and soft drinks sold during a regular school day, subject to an agreement with the proper school authorities;
- Food and drinks sold at PTA/PTO carnivals;
- Vending machine sales;
- Meals and food products, including candy and soft drinks, served in an elementary or secondary school during the regular school day;
- Candy and food items sold through fundraising drives by PTA/PTO or students of the school who are under eighteen years of age;
- Two tax-free sales of otherwise taxable merchandise per calendar year, per school, per organization are allowed. A record of the sale must be maintained in the minutes of the organization.

Therefore, state and local sales taxes shall be imposed and collected on all sales for:

- Items sold by the school store (i.e. pencils, erasers, paper, etc.);
- Any type of booster club and school support organization materials;
- Any other item sold as personal property (i.e. school pictures, uniforms, sweaters, etc.);
- All sales of items such as handicrafts, T-shirts, candles, cups, books, and school supplies sold by a school associated organization during a fundraising drive;
- All other personal property except for those items specifically excluded above.
- Sales tax should be filed in accordance with the Comptroller's guidelines (typically on an annual basis).

For questions regarding sales tax, call the Texas Comptroller of Public Accounts at 1-800-252-5555 or refer to www.window.state.tx.us.

ACCOUNTING FOR TRANSACTIONS

METHOD OF ACCOUNTING

There are a wide variety of computerized accounting packages available to assist the organization in accurate financial reporting. Each organization should consider using an accounting package or computerized accounting method to be used for several fiscal years. Establishing records in a spreadsheet format is perfectly acceptable, although somewhat cumbersome. It is preferable to adopt an accounting package for long-term use. The packages chosen should be reviewed on a biannual basis for effectiveness and accuracy of financial reporting. Packages should also be evaluated based upon their ease of use and overall cost, both financial and training, to the organization.

At a minimum, the membership should be provided with a financial statement and bank reconciliation at each meeting. The financial statement should detail the budget to actual expenditures and receipts. Cash receipts and disbursement reports should be available for review when needed or at the annual audit. Any individuals who actively coach or direct a UIL activity should not have control or signature authority over organizations funds.

CASH RECEIPT PROCEDURES

All cash collections received by the booster organizations and school support organizations for fees, dues, fund raising, etc. must be deposited upon receipt. All funds must be supported by some type of record documenting the source and amount of funds (tabulation of monies collected form; cash receipt form, ticket sales record, etc.).

Such documentation shall be readily available for audit purposes.

Deposits shall be made daily if the total receipts on hand exceed \$250. If daily receipts are less than \$250, deposits shall be made within one week; even if the receipts for all days combined are less than \$250. All money must be deposited prior to holidays and weekends.

Bank deposits should be prepared as follows to ensure the integrity of the financial reporting:

- 1) Separate all currency and coins by denomination and carefully count and record it in the appropriate section of the bank deposit form.
- 2) A tape may be run of any checks included in the deposit rather than indicating the checks individually on the deposit slip form. A copy of the tape should be retained with your copy of the deposit records.
- 3) Total the deposit slip.
- 4) Tally the pre-numbered cash receipts and make certain that this total matches the deposit total.
- 5) Attach the cash receipt verification with a copy of the deposit slip and file in date order.
- 6) For large deposits, have another individual independently count the currency and coins, and verify that the amounts have been correctly recorded on the deposit slip.
- 7) Both individuals should initial the deposit slip next to the currency amount on the deposit slip.
- 8) Seal the deposit in a deposit bag in the presence of the second individual. This is called dual control and, places the organization in a better position to challenge any claim that the bank may make that the currency received was not correct.

PETTY CASH

Each booster organization and school support organization may maintain a 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 is not allowed. The petty cash funds should be used for emergency purchases only. All other purchases should be made with the appropriate organization check.

BANK ACCOUNT

To open a bank account, the organization must first obtain an Employer Identification Number (EIN) from the IRS. (See Federal and State Reporting section - Application for EIN.)

- The school's name should not be solely used on the organization's checks or on its literature. The use of the school name only might imply that the school or the District is responsible for any obligations entered into by the club. The name must include the organization's name on the bank account. Example: John Doe High School Band Booster Club.
- It is suggested that at least two (2) officers sign each disbursement. Both signers should be parents or guardians with children in the affiliate organization. School District employees may not serve as the treasurer nor be authorized to sign checks for the organization.
- All funds received should be receipted and deposited within 24 hours of receipt. Commingling of the organization funds and school activity funds is prohibited.
- School employees may not accept loans of funds from parents and student organizations.
- The Treasurer should reconcile the bank statement monthly and prepare a monthly financial report to the organization's Board of Directors.

BANK RECONCILIATION

Upon receipt of the monthly bank statement, the balance indicated on the statement shall be reconciled monthly to the bank account balance in the general ledger as of the last day of the month.

Items needed for reconciliation:

- Bank reconciliation form
- Prior month's bank reconciliation
- Bank statement
- Check Register and/or Cash Disbursements Journal
- Cash Receipts Journal
- General Ledger

To complete the bank side of the reconciliation form, perform the following steps:

- Indicate the ending balance per the bank statement.

- Check off outstanding checks from prior month's bank reconciliation using the bank statement.
- Determine the outstanding checks by comparing the Check Register to the bank statement, including any remaining checks from the previous month.
- Determine the deposits in transit by comparing the Cash Receipts Journal to the bank statement.
- Identify any items that need to be corrected by the bank, such as check printing, returned check charges and material encoding errors. These items should be grouped together under Other Adjustments.
- Total all items and enter the amount on the Adjusted Bank Balance line.

To complete the General Ledger side of the reconciliation form, perform the following:

- Indicate cash account ending balance from the general ledger.
- Compare the bank statement to the Check Register and list any cleared checks that were not posted.
- Indicate any outstanding returned checks.
- Indicate the interest earned per the bank statement. This amount should be immediately posted.
- Identify any items that need to be corrected on the General Ledger (such as immaterial encoding errors) under Other Adjustments.
- Total all items and enter the amount on the Adjusted Cash Balance line.

Compare the adjusted bank balance to the adjusted cash balance to make sure that they are in agreement. If they are not, the reconciliation is NOT complete. Examine the prior month's reconciliation to ascertain that all items have been posted and/or corrected.

If at all possible, a computerized reconciliation program should be used in conjunction with the organization's financial package.

DISBURSEMENT OF FUNDS

All requests for disbursement must be made from established budget line items. If a request exceeds the budget or is for an item not previously included in the budget process, a vote of the membership must be taken prior to expenditure. Direct payments and gifts to employees and alcoholic purchases are not permitted uses of booster and school support organization funds.

Booster organizations and school support organizations may not contribute funds in an effort to increase the personnel allocations and/or stipends of a particular program or campus without the express written approval of the Superintendent.

A disbursement voucher should be completed for all expenditures regardless of the amount. 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.

1099 REQUIREMENTS

Internal Revenue Service guidelines require that all payments for services or miscellaneous income in excess of \$600.00 made to an individual by a booster organization be reported on a Form 1099-MISC (miscellaneous income) on an annual basis. The booster organization should secure an IRS Form W-9 from the provider at the time of service to ensure that the organization has an accurate record of the tax payer identification number. The organization must then issue a Form 1099-MISC or form 1099-NEC to all qualifying vendors performed in the calendar year by January 31st. According to the IRS Instructions for Form 1099-MISC and 1099-NEC, a Form 1099 MISC must be filed annually for each person to whom you have paid during the year:

- At least \$600 in rents, prizes, and awards, other income payments, etc. for Form 1099-MISC and at least \$600 in services (including parts and materials) for Form 1099-NEC.

The Internal Revenue Service web site should be accessed for appropriate 1099 reporting requirements and forms at www.irs.ustreas.gov.

FUND RAISING

All booster organizations and school support organizations shall complete a Fundraiser Form and a Use of Facilities Request Form for each type of planned, scheduled or anticipated event, activity, or product sale and receive the approval of the Superintendent and designee. [See Exhibit B – Fundraiser Form, Exhibit H – Request for Use of Facilities]

For safety reasons, the district discourages door-to-door solicitation.

RAFFLES

Booster clubs and school support organizations are permitted to hold raffles. The State of Texas Attorney General's ruling on raffles specifies that an organization must be in existence for at least three (3) years before they can conduct a raffle. Raffles are a legal activity for a charitable organization provided each of the regulations listed below are followed:

Each ticket must indicate the name and address of the organization, name of an officer, price of the ticket and a description of each prize valued at \$10 or more. No prize may be valued in excess of \$50,000.

- Each organization may hold no more than two raffles per year and only one at a time.
- Tickets may not be advertised through paid advertising.
- A raffle prize may not be cash.
- The booster and school support organization must have the prizes in its possession before beginning the raffle or post a bond for the full value with the county clerk.
- Only members of the sponsoring organization may sell the tickets.
- The organization must fill out a W2-G form to turn into the IRS if the prize exceeds \$600. A W-9 must be completed by the winner or backup withholding at the rate of 31% must be collected by the organization. Provided the prize value is less than \$5,000 and a W-9 is completed by the recipient, the organization is under no obligation to collect tax.
- Phone solicitation may not be used to promote the event.
- No one may be compensated directly or indirectly for organizing or conducting a raffle or selling raffle tickets.

[See Exhibit F – Raffles]

BINGO

A booster organization and school support organization should consider all applicable regulations for bingo. Detailed rules may be obtained from the Texas Lottery Commission by requesting a copy of the Bingo Enabling Act, the Charitable Bingo Administrative Rules and Bingo Operations Manual by calling 1-800-BINGO77. A Charitable Bingo may not be advertised prior to actually receiving a license.

Bingo may be conducted only in areas that have held an election to legalize the game. Check with the city or county to see if it is legal in the area where the game would be conducted. **Organizations will need to**

obtain the literature to learn all of the requirements. This is only a summation intended to give you a general idea of the level of involvement.

- The game must be open to the public.
- A prize may not exceed \$500 in any single game or a series of prizes may not exceed \$2,500.00 per occasion. In the event merchandise is donated, the actual retail value may not exceed these limits.
- The dollar amount to be awarded at the games may not be advertised.
- Door prizes or other free promotions are not allowed at a bingo event.
- All bingo supplies and equipment must be purchased from a licensed distributor.
- A 5% fee from the winners must be remitted to the state.
- A maximum of six events are allowable per year.
- Alcohol may not be served.

VENDOR SALES

Booster clubs and school support organizations may choose a vendor sale for fund raising. A vendor sale is when the booster club and school support organization act as representatives for the fundraising firms by taking orders and earning a commission. Students shall not be used as fundraisers or sales persons for particular groups, i.e., parent organizations, band parents, booster club, and the like, unless prior approval has been given by the Superintendent. [See Exhibit G- SRISD Board Policy GE (Local)]

The organization is not responsible for the payment of sales taxes on vendor sales. Collections are forwarded to the vendor for remittance to the Texas Comptroller. Additionally, vendor sale activities are not eligible as a tax-free sales day.

The Texas Comptroller of Public Accounts regards the PTAs or other nonprofit entities as the sales agent for the fundraising firm and applies Section 151.024 of the Texas Tax Code.

DONATIONS

School district staff and students are discouraged from accepting gifts of value. Students engaged in UIL activities shall not accept gifts except as provided by UIL Constitution and Contest Rules. [See Exhibit D – UIL Booster Guidelines]

Donations to the District shall become the sole property of the District and not of the accepting organization. Gifts to the District must meet the following criteria:

- Must have a purpose consistent with District purposes.
- Place no restrictions on the school program.
- Do not require the endorsement of a business product.
- Do not conflict with policies or actions of the Board or public law.
- Do not require extensive District maintenance.

To be deductible as a charitable contribution, a payment to charity must be a gift. A gift to charity is a payment of money or transfer of property without receipt of adequate consideration and with donative intent. Generally Accepted Accounting Principles require that the asset be recorded at its fair market value at the time of the donation. The District will make no determination of value for Internal Revenue Service purposes. A gift and grant to the school or District that may impact a campus (i.e. facility, grounds, infrastructure, technology, or curriculum) must have prior approval by the Superintendent, prior to the purchase of such gift. All donations to the district shall require board approval.

SCHOLARSHIP PROGRAMS

The District encourages scholarship programs that benefit students.

Scholarships for a Graduating Senior

- Typically, all qualifying seniors must have the opportunity to apply for the scholarship(s).
- The application process must be clearly communicated, and the application forms must be readily available to all potential applicants and their parent and/or guardian.
- The Scholarship Review Committee must consider all qualifying applicants.
- The Scholarship Review Committee may be appointed by the President of the booster club and school support organization.
- The Scholarship Review Committee may be made up of an odd number (5-7) of members (parents from the Booster Club and School Support Organization who do not have children eligible for consideration for the scholarship, interested teachers, campus administrators, and/or the sponsor). Many times the sponsor is an ex-official member of the Scholarship Review Committee and not an actual voting member so that the sponsor is a source for additional information/input to the Scholarship Review Committee and a final review resource for the Scholarship Review Committee decisions.
- The qualification criteria for selection of scholarship winners (if any) must be communicated in writing to all potential applicants and may not be changed during the scholarship award period. Any changes to the scholarship qualification criteria must be recommended by the sponsor and voted on by the booster club and school support organization membership.
- The application scoring, decision materials, tabulation, notes, certified recordings, and/or any other documentation used by the Scholarship Review Committee in connection with a given applicant shall be made available upon written request to that applicant. An open records request fee may be charged for this service. Scholarship Review Committee must retain the original materials for a minimum of seven years.
- All completed applications must be turned in to the SRISD HS Counselor no later than the deadline set for local scholarship applications.
- The scholarship committee may require an essay for judging purposes. Essay topics may be selected each year and given to all applicants, or the Scholarship Review Committee may allow each applicant to select their own topic upon the sponsor's approval.

BULK MAIL

To be eligible for the minimum rate per piece, the booster organization and school support organization should apply to the post office for a nonprofit permit by providing the postmaster with the following:

- A copy of the Internal Revenue Service exemption ruling;
- Completed application to mail at Special Bulk Third Class Rates for nonprofit organization;
- Copy of the booster organization's and school support organization's bylaws.

When mailing by bulk third class, there must be no less than 200 pieces, which must be identical in size, weight, and number of enclosures and content. The pieces must be presorted by zip code and bundled with an identifying label on each bundle. In order to ensure compliance with bulk mail regulations, it is recommended that you have the local post office review all the pieces prior to printing to make sure that the organization meets all the requirements for bulk mailing.

TOOLS FOR SUCCESS

The following guidelines apply to all parent/booster/school support organizations. If a question should arise which cannot be resolved at the campus level, the Executive Director for Instruction and Campus Support should be contacted for clarification.

Organizations should:

- Hold all meetings publicly and announce in advance, according to the organization's bylaws.
- Be voluntary and provide unified support for student success at the school.
- Encourage involvement by all parents of student participating in the support activity.
- Use school facilities only with prior approval of the Superintendent. [See Exhibit H – Request for Use of Facilities]
- Obtain approval of the Superintendent and designee for all fundraising activities. [See Exhibit B-Fundraiser Form]]
- Have an administrator or designee present at all booster and school support organization meetings.
- Submit a copy of current bylaws and operating procedures to the principal, athletic/band director (if applicable), Business Office, and Superintendent's Office.
- Submit the name, address, email address, and phone number of all current officers and the authorized signers of bank account to the Business Office. [See Exhibit C – Booster Club Officer Information Form]
- Provide adequate insurance coverage for its organization.
- Pay all taxes and other debts incurred by the organization.
- Comply with Board policies when donating money or gifts to the District.
- Comply with UIL guidelines, District policies, and Federal and State tax laws.
- Obtain Federal tax exempt status.
- Obtain an Employer Identification Number.
- Obtain a State Sales Permit.
- Submit IRS Determination letter and GASB 39 information form annually to the District's Finance Department no later than August 1. [See Exhibit A – GASB 39 Form]
- Follow the same standards of conduct as district employees when chaperoning, sponsoring or attending student activities, including rules in the campus handbook.

Organizations should not:

- Have authority in directing or influencing District employees in the administration of duties.
- Be involved in decision or policy making activities for a student group.
- Give a sponsor or coach a gift of cash in excess of the limits imposed by the UIL guidelines from any source in recognition of, or appreciation for coaching, directing or sponsoring student activities.
- Give anything (including awards) to students without prior approval from the school administration. (Faculty sponsors wish-lists should have received prior approval from school administration before submission to an organization.)
- Give a member any gift without the approval of the club membership.
- Employ or pay any member for services rendered with the organizations funds.
- Sign contracts or pay expenses directly from the organizations accounts for any arrangements for student travel associated with the organizations without the prior approval of the principal and athletic/band director (if applicable). (Organizations may donate money or merchandise to the school with prior approval of the administration.)
- Use the District's tax identification number as the organization's identification number.
- Use the District's sales permit number as the organization's sales permit number.

TOP 10 WAYS TO PROTECT YOUR ORGANIZATION AGAINST EMBEZZLEMENT

- 1) Money should never be kept at a treasurer's home.
- 2) Two people should always count the money, and both should sign the receipt verifying the amount.
- 3) Two signatures should be required on all checks.
- 4) 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:
 - a. checks showing up in non-sequential order, checks make out to cash, cash withdrawals,
 - b. checks written out to non-approved vendors, checks written for non-approved expenses,
 - c. and checks written out to individuals.
- 5) Never sign a blank check or a check made out to "cash."
- 6) The treasurer should arrange to deposit the money in the bank as soon after the conclusion of the project as possible.
- 7) Money should be deposited into the organization's bank account daily, even if a project is ongoing.
- 8) All bills must be paid by check, never cash.
- 9) Conduct an annual audit of the books.
- 10) Make sure that you have a Bond policy and make sure to follow the requirements to guarantee coverage.

TOP TEN THINGS TO REMEMBER WHEN FUNDRAISING

- 1) Have a specific goal for each fundraiser, regularly remind yourself and your volunteers of that goal, and promote it to the community.
- 2) Assign an organized person to serve as fundraising chairman.
- 3) If you are using a fundraising company, know the company or check out references and have a written contract.
- 4) Select a program with a good service package that fits your needs.
- 5) Make sure the product you're selling represents a good value at a fair price.
- 6) Look for fundraising activities that have educational value and promote community involvement.
- 7) Delegate and involve as many volunteers as possible.
- 8) Keep it short. People lose interest in long projects.
- 9) Don't overdo it. Remember, kids are in school to learn and parents can only afford so much. Also, remember the children must never be placed in a position of risk.
- 10) Have fun. It's got to be fun!

Top Ten Things To Remember When Fundraising – "Texas PTA Treasurer Chairman's Guide"

REFERENCES

Web Sites

SRISD Web Site	www.srtx.org
SRISD Policy Online	www.srtx.org
Internal Revenue Service	www.irs.gov
UIL	www.uiltexas.org
State Comptroller	www.window.state.tx.us
Secretary of State	www.sos.state.tx.us

District Phone Numbers

Superintendent's Office	956-636-9800
Business Office	956-636-9815
Athletics Office	956-636-9812
Band Hall	956-636-9800 ext. 241
Santa Rosa High School	956-636-9830
Jo Nelson Middle School	956-636-9850
Elma E. Barrera Elementary School	956-636-9870

Other Resources

IRS (main number)	1-800-829-1040
IRS (tax-exempt department)	1-877-829-5500
State Comptroller	1-800-252-5555
Secretary of State	1-512-463-5555
UIL	1-512-471-5883
State PTA	1-800-TALK-PTA

APPENDIX

Exhibit A – GASB 39 Form

Exhibit B – Fundraiser Form

Exhibit C – Booster Club Officer Information Form

Exhibit D – UIL Booster Guidelines

Exhibit E – Sales Tax Permit FAQ

Exhibit F – Raffles

Exhibit G – SRISD Board Policy GE (Local)

Exhibit H – Request for Use of Facilities

Exhibit A- GASB 39 Form



GASB 39 FORM

The Governmental Accounting Standards Board (GASB) Statement #39 requires school districts to consider financial activities of all parent teacher organizations, booster clubs, foundations and other fund-raising entities for inclusion in the district’s financial statements.

In order to determine whether financial information for these groups must be included, it is necessary to gather data regarding the financial activities of these organizations. The following information will enable school district officials and auditors to determine if financial activities of the organization must be included in the annual financial report.

This information is needed no later than **August 1**, annually. The information provided should include financial records year ending June 30. Keep in mind that external auditors who prepare the district’s audit may require additional information.

Name of organization _____

Campus/Activity supported _____

What is the activity of your organization? _____

What is your organization’s Tax ID number? _____

What is the date of your IRS Letter of Determination? (Attach a copy) _____

What is the balance of your organization’s bank account, as of June 30? _____

What is your organization’s fiscal year end? _____

Does your organization’s gross receipt normally exceed \$25,000 per year? Yes No

(IRS defines ‘gross receipts’ as all revenues generated before subtracting any expenses.)

If yes, did you file a Form 990 and Schedule-A last year? Yes No

Date filed _____

If no, were you exempt from filing Form 990 and Schedule-A? Yes No

What are the total annual contributions to the school district and/or students? _____

I confirm that the information provided on this form is accurate to the best of my knowledge.

Printed name and title

Phone number

Signature

Date

Return form to:
Santa Rosa ISD
Business Office
PO Box 395
Santa Rosa, Texas 78593

SANTA ROSA INDEPENDENT SCHOOL DISTRICT OFFICE OF THE SUPERINTENDENT

232 Jesus T. Avila Street, Santa Rosa, Texas 78593 (956) 636-9800 ext. 101 Fax: 956-636-1439

FUNDRAISER FORM

FUNDRAISING APPLICATION AND FINANCIAL RECAP FOR H.S. M.S. ELEMENTARY

Fundraising projects must follow Santa Rosa I.S.D. Administrative Procedures and Board Policy and be approved by the Principal, Business Manager, and Superintendent of Schools prior to commencement.

School Organization: _____ Sponsor Name: _____ Date: _____

Address: _____ Phone number: _____

Project: _____ Location: _____

Fundraising Date/s: _____ Hours: _____

1. Explain fundraising procedure: _____

2. Explain purpose and plan of how the funds will be used to benefit Students/School: _____

3. Project's estimated gross: _____ 3. Project's estimated net: _____

4. This is 1st 2nd 3rd 4th 5th 6th fundraiser for the 1st 2nd semester that I have requested, and this will be my 1st 2nd One day Tax Free Sale for this 1st 2nd Semester.

5. Vendor's Name & Contact Number: _____

Confirmation of Request:

I will maintain compliance with school district policies regarding the sale of merchandise at school and in the community. I understand that no selling is allowed during instructional periods and that all food fundraisers must adhere to our policy on Foods of Minimal Nutritional Value. When appropriate, I will secure a health permit before selling food items. I understand that I am responsible for the sales tax collection, cash collections, and merchandise involved.

SIGNED



Booster Club Officer Information Form

Send an updated copy of this form to the Campus Principal, Athletic/Band Director, Superintendent, & Business Office.

1. **Official Booster Club Name:** _____
2. **School Name:** _____
3. **Sponsor's Name:** _____
4. **Employer Identification Number (EIN):** _____
5. **Official Mailing Address:**
 PO Box / Street Address: _____

 City, State & Zip Code: _____
6. **Date of Change:** _____
7. **Current Booster Club Officers for the** _____ **School Year**

Office Held:			
Printed Name:			
Phone Numbers:	Hm:	Wk:	Cell:
E-mail Address:			

Office Held:			
Printed Name:			
Phone Numbers:	Hm:	Wk:	Cell:
E-mail Address:			

Booster Club Officer Information Form

Send an updated copy of this form to the Campus Principal, Athletic/Band Director, Superintendent, & Business Office.

7. Current Booster Club Officers (Continued)

Office Held:			
Printed Name:			
Phone Numbers:	Hm:	Wk:	Cell:
E-mail Address:			

Office Held:			
Printed Name:			
Phone Numbers:	Hm:	Wk:	Cell:
E-mail Address:			

Office Held:			
Printed Name:			
Phone Numbers:	Hm:	Wk:	Cell:
E-mail Address:			

Office Held:			
Printed Name:			
Phone Numbers:	Hm:	Wk:	Cell:
E-mail Address:			



ROLE OF BOOSTER CLUBS

Neighborhood patrons form booster clubs to help enrich the school's participation in extracurricular activities. The fundraising role of booster clubs is particularly crucial in today's economic climate. Positive and direct communication can prevent most problems. Keep the superintendent informed of all activities.

- Have a chain of command for communication with the administration.
- Clear all activities through your administration.
- The superintendent or a designee who does not coach or direct a UIL contest but has approval authority over booster clubs should be invited to all meetings. All meetings should be open to the public.
- Booster clubs should apprise school administrators of all club activities. Make sure your local administration has a copy of all booster club publications. Invite administrators to all booster club meetings. Have an officer meet with the school administration regularly.
- School administration should apprise booster clubs of all school activities.
- Booster clubs do not have authority to direct the duties of a school district employee. The scheduling of contests, rules for participation, methods of earning letters and all other criteria dealing with inter-school programs are under the jurisdiction of the local school administration.
- Minutes should be taken at each meeting and kept on file at the school.
- Periodic financial statements itemizing all receipts and expenditures should be made to the general club membership and kept on file at the school.

WRITTEN POLICIES

Booster clubs should develop and annually review policies to cover:

- how to obtain administrative approval before beginning projects;
- how to plan and publicize meetings;
- bookkeeping and fund administration including process to obtain superintendent's approval prior to raising or spending funds;
- election of officers (suggestion: one president; one secretary; one treasurer; and three vice-presidents: one vice-president to oversee fall, winter and spring sports);
- taking, distributing and filing minutes;
- public communication;
- proper interaction with music and theatre directors and academic and athletic coaches through the lines of authority as established by the school board;
- a sportsmanship code governing behavior of booster club members and fans at contests, treatment of officials, guests, judges, etc.; and
- plans to support the school regardless of success in competition, keeping the educational goals of competition at the forefront of all policies.

Booster Club Guidelines

Updated July 2016

ROLE OF THE SUPERINTENDENT

Member schools make UIL rules and determine policies regarding penalties to schools, school district personnel and student participants. The superintendent is solely responsible for the entire UIL program. All school activities, organizations (including the booster club), events and personnel are under the jurisdiction of the superintendent. Booster clubs must recognize this authority and work within a framework prescribed by the school administration.

PARENTS

- Remember: The classroom comes first!
- Help conduct fair and equitable competition: adhere to rules, uphold the law and respect authority.
- Remember that officials are human. Respect their decisions.
- Delegate authority to the school, and then support its decisions.
- Set standards by which you expect children to conduct themselves, and live by those standards yourself.
- Be aware of capabilities and limitations of young people. Don't have unrealistic expectations.
- Allow your children to live their own lives.
- Be involved in areas in which your own child is not involved, thus contributing to school unity and spirit.
- Show respect to the opponents of your children.
- Praise. Don't criticize. Urge others to do the same.
- Help your children and their friends develop integrity through the intensity of competitive activity.

COACHES AND DIRECTORS

- Be sure your booster club wish list has been approved by your supervisor before it goes to the booster club.
- Work with your administration to determine what your club can provide.
- Make your request to the club benefit as many students as possible.
- Attend the booster club meetings and/or know what the club is doing.
- Understand that your advisory role to the boosters is without vote.
- Support other programs within your district.
- Meet with parents regularly and make them aware of relevant rules.
- Involve your staff with your booster club. Let the booster club know who your staff is and what duties they perform.

CLUB FINANCES

Fundraising | Spending | Stipends | Gifts to Coaches

Fund-raising projects maybe subject to state law. Be sure that your club is in compliance with applicable law. For example, Texas has a law governing raffles. Also, consider seeking nonprofit or tax-exempt status. Consult the Texas Secretary of State's website as well as the IRS to determine if seeking designation as a non-profit that is tax exempt is appropriate for your booster club. http://www.sos.state.tx.us/corp/nonprofit_org.shtml

Generally speaking, earnings by a properly organized booster club may not benefit any private shareholder or individual.

- Community-wide sales campaigns should be coordinated through the school administration to minimize simultaneous sales campaigns.
- Sales campaigns should be planned carefully to insure that the projects provide dollar value for items sold, and that most of the money raised stays at home. Otherwise donations are often more rewarding than letting the major part of the money go to outside promoters.
- Fund-raising activities should support the educational goals of the school and should not exploit students. Activities and projects should be investigated carefully before committing the school's support.
- Individuals who actively coach or direct a UIL activity should serve in an advisory capacity only to the booster club and should not have control or signature authority over booster club funds, including petty cash or miscellaneous discretionary funds.
- Coach's wish lists should have received prior approval from school administration before submission to boosters.
- Coaches and directors of UIL academics, athletics and fine arts may not accept more than \$500 in money, product or service from any source in recognition of or appreciation for coaching, directing or sponsoring UIL activities. The \$500 limit is cumulative for a calendar year and is not specific to any one particular gift. See Section 481, *UIL Constitution and Contest Rules*.
- Schools shall not pay to coaches, and coaches shall not accept, funds gathered by a high school booster club or other sources within the school district. See Section 1202(b), *UIL Constitution and Contest Rules*.
- Funds are to be used to support school activities. To provide such funding for non-school activities could violate UIL rules and the public trust through which funds are earned.

ATHLETIC BOOSTERS

Individuals should be informed of the seriousness of violating the athletic amateur rule found in Section 441 and the awards rule found in Section 480 of the *UIL Constitution and Contest Rules*. Check with school administrators before giving anything to a student, school sponsor or coach. The penalty to a student-athlete is forfeiture of varsity athletic eligibility in the sport for which the violation occurred for one calendar year from the date of the violation. If a team violates the amateur rule, the penalty shall be assessed against the team and not against each individual. See Section 441(d), *UIL Constitution and Contest Rules*. All fans, not just members of the booster club, should be aware of these rules. It affects the entire community.

- Athletic booster club funds shall not be used to support athletic camps, clinics, private instruction or any activity outside of the school.
- The local school district determines when, how and from whom student athletes can receive meals and snacks. See Section 441(b)(9), *UIL Constitution and Contest Rules*.
- Schools must give prior approval for any banquet or get-together given for students.
- Students may not accept money or other valuable consideration from school booster club funds for any non-school purpose. See Section 441(A)(3), *UIL Constitution and Contest Rules*.
- Student athletes are prohibited from accepting valuable consideration for participation in school athletics - anything that is not given or offered to the entire student body on the same basis that it is given or offered to an athlete. See Section 441(a), *UIL Constitution and Contest Rules*. *Valuable consideration is defined as tangible or intangible property or service including anything that is usable, wearable, salable or consumable.*
- Booster groups or individuals may donate money or merchandise to the school with prior approval of the administration. These kinds of donations are often made to cover the cost of commercial transportation and to cover costs for meals. It would be a violation for booster groups or individuals to pay for such costs directly, without prior approval from the local school administration. See Section 441(b)(9) and Section 840 (a)(2)(A)(iv).
- Student athletes may accept small "goodie bags" consisting of cookies, candy and symbolic gifts from their classmates, if allowed by local school policy. See Section 441(B)(7), *UIL Constitution and Contest Rules*.



ACADEMIC BOOSTERS

We encourage academic booster clubs, whether they cover UIL academic competition in general or specific programs such as theatre, speech/debate, journalism or math/ science. A great need exists for parental involvement and support.

The rules for athletics are different than the rules for academics and music. Athletes are restricted by the athletic amateur rule, which states that athletes cannot accept money or valuable consideration for participating in a UIL sport or for allowing their names to be used in promoting a product, plan or service related to a UIL contest. Academics has no amateur rule. Journalism participants may work for a newspaper and be paid. Actors may work summer stock and be paid. Students may win calculators and software for participating in invitational math contests.

UIL academic students are restricted by the awards rule. See Section 480, *UIL Constitution and Contest Rules*. So, as a general practice, booster clubs should not give gifts or awards to students for their participation in UIL contests that count toward district, region or state standing without prior school district approval. School booster clubs may raise money to purchase letter jackets, provided the funds are given to the school without designation to buy jackets for particular students and the school determines criteria for awarding the jackets. Parents may purchase jackets for their own children provided the school designates the student as being qualified to receive the jacket.

Booster Clubs may raise money to provide an annual banquet for academic participants and coaches.

EXAMPLES OF ACADEMIC BOOSTER CLUB CONTRIBUTIONS THAT ARE NOT PROHIBITED BY UIL RULE, WITH LOCAL ADMINISTRATIVE APPROVAL, ARE:

- Purchase equipment for programs such as computers or software for yearbook or computer science.
- Organize and chaperone trips and assist with expenses for travel to academic competitions or educational trips such as journalism conventions or speech tournaments. Booster club funds may be used to provide food and refreshments for students on these trips. A purely recreational trip would not meet the definition of an educational field trip and could be considered a violation of the Awards Rule. See Section 480(2)(d), *UIL Constitution and Contest Rules*.
- Run tournaments, organize fund-raising efforts, recruit corporate donors, raise money for scholarships and arrange for tutors and professional trainers to work with students.
- Fund academic workshop scholarships provided selection of the recipients is not based solely on their success in interscholastic competition. Selection could be based on grade point average or the student's selection of high school courses. All students meeting the conditions for scholarship assistance should be notified and eligible for financial assistance. Funds should be monitored to ensure that they are expended for camp or workshop purposes.

MUSIC BOOSTERS

In addition to the general procedures outlined, the following guidelines apply to Music Booster Club activities.

- Be mindful of the fact that there is no Music Amateur Rule. Therefore, limitations established in athletics intended to ensure compliance with the Athletic Amateur Rule do not apply to music programs and related activities.
- Some music booster clubs assist with expenses for travel to various music-related activities such as UIL contests and performances at away athletic events. Such financial support violates no UIL rules provided that it is approved and coordinated by the local school district.
- Many music groups schedule educational field trips with the approval of the local school administration and under local school district policies. For such trips, specific educational components must be included such as performing for a music festival, an adjudicated contest or a concert tour. Marching performances such as the Macy's Thanksgiving Day Parade, the Rose Bowl Parade or other similar ceremonial appearances also qualify. However, educational components need not be limited to performances. Concert attendance, visiting university/conservatory music facilities and other music related, non-performing opportunities would also be appropriate if approved by the local school district.
- A recreational trip, on the other hand, would not meet the definition of an educational field trip as provided in Section 480(f) of the *UIL Constitution and Contest Rules*. Students receiving the benefits of a purely recreational trip would likely be in violation of the Awards Rule.
- Booster Clubs may also fund scholarships for private lessons and summer music camps provided the selection of the recipients is not based on success in interscholastic competition. Funds for such activities should be carefully monitored to ensure that they are expended for educational rather than recreational activities.
- The awarding of patches, T-shirts or other items for achievement in interscholastic competition would be subject to the UIL Awards Rule. See Section 480(2)(A), *UIL Constitution and Contest Rules*. In order to protect all music students' eligibility, such awards should be approved and administrated by the local school district in accordance with school district policies.



 **Taxes**

Texas Sales and Use Tax Frequently Asked Questions

Obtaining a Sales Tax Permit

▼ Who is required to hold a Texas sales and use tax permit?

You must obtain a Texas sales and use tax permit if you are an individual, partnership, corporation or other legal entity engaged in business in Texas and you:

- Sell tangible personal property in Texas;
- Lease or rent tangible personal property in Texas;
- Sell taxable services in Texas; or
- Sell or lease tangible personal property or taxable services to customers in Texas from an out-of-state business and have revenue from Texas of \$500,000 or more in the past 12 months.

▼ What is tangible personal property?

"Tangible personal property" is personal property that can be seen, weighed, measured, felt, or touched or that is perceptible to the senses. See Tax Code Section 151.009, "*Tangible Personal Property*."

▼ What is a taxable service?

The sale of certain services, including amusement, cable television, data processing and telecommunication services, is subject to Texas sales and use tax. See Tax Code Section 151.0101, *Taxable Services* for a full list of taxable services. See also Publication 96-259, *Taxable Services* [comptroller.texas.gov/taxes/publications/96-259.php] for more information.

▼ What does it mean to be engaged in business?

You are engaged in business in Texas if any of the following statements apply:

- You have a temporary or permanent location (e.g., office, warehouse, place of distribution) in Texas that you operate directly or through an agent.
- You have an employee or representative in Texas who sells, delivers or takes orders for taxable items.

- You perform services using company employees, authorized service agents or subcontractors in Texas.
- You conduct business in any other manner in Texas.

Additionally, you may have sales tax responsibilities if you are a remote seller

[comptroller.texas.gov/taxes/sales/remote-sellers.php], marketplace seller

[comptroller.texas.gov/taxes/sales/marketplace-providers-sellers.php] or marketplace provider

[comptroller.texas.gov/taxes/sales/marketplace-providers-sellers.php]. See Publication 94-108, *Engaged in Business* [comptroller.texas.gov/taxes/publications/94-108.php] for additional information.

▼ How do I get a permit?

You can apply for a sales tax permit using our Texas Online Sales Tax Registration Application System

[comptroller.texas.gov/taxes/permit/], or print AP-201, *Texas Application for Sales and Use Tax Permit*

[comptroller.texas.gov/forms/ap-201.pdf] from the Texas Sales and Use Tax Forms

[comptroller.texas.gov/taxes/sales/forms/] webpage and mail it to the Comptroller's office at:

Comptroller of Public Accounts

111 E. 17th St.

Austin, TX 78774-0100

▼ Is there a fee for a permit?

There is no fee for the permit, but you may be required to post a security bond. For more information on security bonds, contact a Comptroller field office [comptroller.texas.gov/about/contact/locations.php].

▼ Once I have obtained a Texas sales and use tax permit, what are my obligations as a permit holder?

As a permit holder, you are required to:

- Post your permit at your place of business;
- Collect sales tax on all taxable sales;
- Pay sales and use tax on all taxable purchases;
- Timely report and pay sales and use taxes; and
- Keep adequate records.

You are required to file a sales and use tax return even if there are no taxable sales or purchases to report during that filing period.

▼ If my business doesn't have a federal identification number yet, can I still apply for the sales and use tax permit?

Yes, you can submit an application for a sales and use tax permit without including a federal identification number on the permit application.

▼ Do I need more than one permit?

As a seller, you must have a tax permit for each active place of business. A place of business is an established outlet, office or location that the seller, the seller's agent or employee operates to receive three or more orders for taxable items in a calendar year. If you have multiple active places of business, you will receive separate permits for each business location with the same taxpayer identification number but with separate outlet numbers.

A warehouse, storage yard or manufacturing plant is not a "place of business of the seller" for tax permit requirement purposes unless the seller receives three or more orders in a calendar year at the warehouse, storage yard or manufacturing plant.

▼ Can I use the sales tax permit number from my old business or from an existing business that I purchased?

If you held a permit for a previous business and your permit has been cancelled or is inactive, you must reapply for a sales tax permit [comptroller.texas.gov/taxes/permit/] for your new business even if it is at the same location.

A permit is valid only for the person to whom it was issued and only for the business at the address shown on the permit. It cannot be transferred from one owner to another. For additional information on buying an existing business, see the Buying, Selling, or Discontinuing a Business [comptroller.texas.gov/taxes/sales/faq/buy-sell.php] section of this FAQs webpage.

▼ If the ownership of my business changes, is a new permit needed?

Yes. Your business needs a new permit if there are any changes in ownership. If you are a sole proprietor and you incorporate your business, or you form a partnership or limited liability company, this is considered a change of ownership. For example, if you operate a business as a sole proprietor but decide to incorporate, the corporation will have to obtain a new permit for the business, even though you may operate the business as an officer of the corporation. You also must close the sole proprietor sales tax permit [comptroller.texas.gov/web-forms/manage-account/close-location/] if it is no longer needed.

▼ If I am no longer in business, can I keep my sales tax permit?

Your permit is valid only if you are actively engaged in business as a seller. If you are no longer conducting business, you should close the business location [comptroller.texas.gov/web-forms/manage-account/close-location/] and return your permit to the Comptroller's office for cancellation. Likewise, the Comptroller's office may cancel your permit if it finds that you are no longer engaged in business as a seller.

Please note that if your permit is active, you must still file sales tax returns – even if you have no taxable sales or purchases to report.

▼ Should I notify the Comptroller's office if I change my business address or mailing address?

Yes. Your current business and contact information must be accurate.

Update your information through one of the following methods:

- Complete the Change Mailing Address/Phone Number form [comptroller.texas.gov/web-forms/manage-account/change-address/] or Close Business Location form [comptroller.texas.gov/web-forms/manage-account/close-location/] online;
- Complete the address change block on your Texas Sales and Use Tax Return [comptroller.texas.gov/taxes/sales/forms/]; or
- Use the Texas Tax Help [comptroller.texas.gov/web-forms/tax-help/] web form.

▼ Am I required to register to pay other taxes?

When you apply for a sales and use tax permit, we may be able to inform you of other taxes, licenses or fees for which your business might be responsible; but it is ultimately your responsibility to determine what taxes, licenses or fees (federal, state or local) your business must report or pay.

▼ Are my business records subject to audit?

Yes. Your records may be audited to determine whether you have collected and paid the correct amount of tax. The audit may determine that you owe tax, that you are entitled to a refund of overpaid taxes or that you have paid the correct amount. In general, you may be audited in four-year intervals; thus, you are required to keep records for a minimum of four years. See the Keeping Records [comptroller.texas.gov/taxes/sales/faq/records.php] section of this FAQs webpage.

▼ Why are you giving telemarketers my business telephone number?

The Comptroller's office receives requests each week for a list of businesses that have been issued new sales tax permits. This is public information, and our office is required by law [comptroller.texas.gov/about/policies/open-records/public-information-act.php] to provide the requested public information, including the permittee's telephone number. Please keep the following in mind:

- We do not sell this information.
- We are prohibited by law from asking a requestor what they plan to do with the information.
- New sales tax permittees sometimes experience an influx of calls from vendors seeking to provide goods or services to the new taxpayers.
- Taxpayers have reported that within a week or two of starting business, the unsolicited calls diminish.
- The Comptroller's office is committed to protecting your information; therefore, none of your **confidential** information is ever disclosed.

Consumer **ALERT**



ATTORNEY GENERAL OF TEXAS
GREG ABBOTT

RAFFLES IN TEXAS: KNOW THE LAW

We have become aware of a proliferation of illegal raffle activity in Texas. It is important for Texans to be familiar with the law before conducting or participating in a raffle. Examples of unlawful raffles include any raffle that is:

- conducted by an individual
- conducted by a for-profit business
- conducted by a charity that has no members or otherwise does not qualify

Texas law allows only certain charitable and non-profit membership organizations to conduct raffles to support their charitable causes. Only the following entities which meet certain qualifications are permitted to hold raffles:

- religious societies
- volunteer emergency medical service providers
- volunteer fire departments
- qualified non-profit organizations

In order to conduct a raffle legally, a non-profit organization must have, among other criteria, members who elect a governing body and an exemption from federal taxes under Section 501(c) of the Internal Revenue Code. A qualified non-profit must also have been in existence for three years. The law permits only two raffles per year, requires several disclosures printed on tickets, and limits the value of prizes purchased by the organization to \$50,000. It is also against the law to hold a raffle in which cash, or anything readily convertible to cash, is offered as a prize, or which is promoted statewide or through paid advertising, including television, radio or newspapers. An unlawful raffle could be considered illegal gambling, which may carry criminal penalties. A county attorney, district attorney or the attorney general may also shut down an illegal raffle.

The Office of the Attorney General is prohibited by law from providing legal advice to individuals. If you contemplate conducting a raffle for fundraising purposes, you should read the Charitable Raffle Enabling Act (which went into effect January 1, 1990) carefully and consult a private attorney with any questions. You should also avoid participating in an illegal raffle. For more information, you can visit our Web site and read our online consumer protection brochure on charitable raffles.

Greg Abbott, Attorney General

**WRITE TO: Greg Abbott, Office of the Attorney General, PO Box 12548,
Austin, TX 78711-2548 • (800) 252-8011 • www.oag.state.tx.us**

RELATIONS WITH PARENT ORGANIZATIONS

GE
(LOCAL)

District-affiliated school-support organizations and booster organizations, and other parent groups, shall organize, fundraise or solicit donations, and function in a way that is consistent with the District's philosophy and objectives, Board policies, District administrative regulations, applicable UIL or other governing association guidelines, and financial and audit regulations. [See also CDC and CFC]

Before engaging in fundraising or soliciting gifts, an organization or group shall notify the principal or other appropriate administrator identified in administrative regulations. [See CDC(LOCAL) for District acceptance of gifts and solicitations]

**Use of District
Facilities**

District-affiliated school-support or booster organizations may use District facilities with prior approval of the appropriate administrator. Other parent groups may use District facilities in accordance with policy GKD.

SANTA ROSA INDEPENDENT SCHOOL DISTRICT
OFFICE OF THE SUPERINTENDENT
(956) 636-9800 ext. 112 Fax: 956-636-1439

REQUEST FOR USE OF FACILITIES

DATE OF EVENT: _____ ACTIVITY: _____

REQUESTOR: _____ ORGANIZATION: _____

REQUESTOR'S ADDRESS: _____ PHONE/S: _____

STAFF IN CHARGE OF SUPERVISION: _____ PHONE: _____

FOR ORGANIZATION/CAMPUS: _____

REQUESTED FACILITY: _____

- KITCHEN ELEM-CAFETERIA FINE ARTS LIBRARY HS GYM
- FB FIELD MS GYM STAGE-LIGHTS SOUND SYSTEM PROJECTOR

STARTING TIME: _____ A.M./P.M ENDING TIME: _____ A.M./P.M.

SET UP TIME REQUIRED: _____ A.M./P.M. TO: _____ A.M./P.M.

PERSON OPENING BLDG. _____ PERSON LOCKING BLDG. _____

Check if needed

_____ CUSTODIAN- funded by acct # _____ A/C NEEDED _____ TIME: _____

Confirmation of Request:

I will maintain compliance with school district policies regarding the sale of merchandise at school and in the community. I understand that no selling is allowed during instructional periods and that all food fundraisers must adhere to our policy on Foods of Minimal Nutritional Value. When appropriate, I will secure a health permit before selling food items. I understand that I am responsible for the sales tax collection, cash collections, and merchandise involved.

SIGNED

RENTAL FEE: IF REQUESTED, MAKE CHECKS PAYABLE TO SANTA ROSA I.S.D.

DISTRICT VERIFICATION/APPROVAL:

FOOD SERVICE DIRECTOR For use of Cafeteria/Kitchen	<input type="checkbox"/> YES <input type="checkbox"/> NO	_____ Signature	_____ Date
ATHLETIC DIRECTOR For use of Gyms/Fields	<input type="checkbox"/> YES <input type="checkbox"/> NO	_____ Signature	_____ Date
PRINCIPAL For use of Campus Facilities	<input type="checkbox"/> YES <input type="checkbox"/> NO	_____ Signature	_____ Date
CHIEF FINANCIAL OFFICER For use of District Facilities	<input type="checkbox"/> YES <input type="checkbox"/> NO	_____ Signature	_____ Date
SUPERINTENDENT Final Approval	<input type="checkbox"/> YES <input type="checkbox"/> NO	_____ Signature	_____ Date

“The Santa Rosa I.S.D. Independent School District is an Equal Opportunity Employer, M/W/D/V.”