



White
Settlement
ISD
Guidelines
for Booster
Clubs, PTO,
and PTA

2024-2025

WHITE SETTLEMENT INDEPENDENT SCHOOL DISTRICT
GUIDELINES FOR BOOSTER CLUBS, PTOs, and PTAs

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WHITE SETTLEMENT INDEPENDENT SCHOOL DISTRICT

GUIDELINES FOR BOOSTER CLUBS, PTOs & PTAs

Introduction

Community support for school district extracurricular activities through booster clubs, PTOs, and PTAs is invaluable. These clubs and organizations enhance the district's efforts to provide the best in financial resources and enrichment for the programs we provide to our students and employees. When working with school districts in the state of Texas, every booster club, PTO and PTA should be familiar with, and conduct its activities in compliance with, the requirements and limitations set out by the University Interscholastic League (UIL), as well as the school district's own policies. (The full text of UIL guidelines is available online at www.uil texas.org/files/booster-guide.pdf).

Purpose

The purpose of a Booster Club, PTO, or PTA is to assist and support a school sponsored group and its school assigned sponsor through financial aid, volunteer labor, and/or any other co-curricular activities that may provide benefit to the group. All organizations will communicate directly with the assigned sponsor to ensure all activities of the club are in line with the district's goals for the group, team, regiment, etc. Booster Clubs, PTO's, and PTA's are private organizations whose governance and decision making will be handled by its duly appointed board of directors. The district sponsor should serve on the club board as an ad-hock, non-voting member, for the purpose of communication and compliance.

Operating Procedures

While Booster Clubs, PTOs, and PTAs, are private organizations, separate from any control by the districts, they should always operate within appropriate Board adopted policies and procedures, keeping the philosophies and objectives of the district in mind. When applicable, they should also operate in accordance with UIL regulations and procedures, as mentioned above.

Organizations should:

- Be voluntary and provide unified support for student and/or teacher activities of the school.
- Encourage involvement by all parents of students participating in a supported activity.
- Use school facilities only with approval of the school appointed activity sponsor and/or district administration.
- Make certain that all fundraising efforts are conducted in accordance with the district's Fundraising Guidelines.
- Elect a board of directors from membership to govern the club during a specified time frame.
- Have governing documents that should include Articles of Organization, Bylaws, and a Conflict of Interest Policy.
 - Bylaws should be reviewed annually.
- Put appropriate policies and procedures in place to ensure financial integrity and accountability of the organization.

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- This is especially important when cash handling, deposits, and check writing is involved.
- Follow all requirements of Parent Booster USA, Inc., or Texas PTA to maintain a tax-exempt status with the Internal Revenue Service.
- Pay any taxes and/or debts incurred by the organization in a timely manner.
- Secure a Director's & Officer's (D&O) insurance policy from a licensed risk management provider to protect the officers and board of directors

Organizations should not:

- Have authority in directing or influencing school employees in the administration of duties.
- Be directly involved in decision or policy making for a school sponsored group or activity.
- Give an activity sponsor a gift or cash in excess of the limits imposed by UIL guidelines.
- Give anything (including awards) to students without prior approval from school administration.
- Give any money and/or award to any individual or group that is not in line with the charitable purpose of the club.
- Employ or pay any booster club member or school district employee with organization funds.
 - This does not include reimbursements for money spent by an individual on behalf of the club.
- Use the school district's Employer Identification Number (EIN), tax exemption, or sales permit for any purpose related to the club.

Parent Booster USA

Every Booster Club and PTO is required to register and become a subordinate member of Parent Booster USA, Inc., unless the organization's annual gross receipts do not exceed \$2,500. Each organization will receive its tax exemption through their subordinate relationship with the Parent Booster USA, Inc. Each organization must follow all requirements of a 501(c)(3) tax exempt organization as defined by the Internal Revenue Service in Publication 557, as well as all requirements of Parent Booster USA, Inc. The organization agrees to allow Parent Booster USA, Inc. to oversee the activities of the club to the extent it needs in assuring that organization activities meet the required expectations.

Texas PTA

Every PTA is required to be a member of Texas PTA. Each organization will receive its tax exemption through their subordinate relationship with Texas PTA. Each organization must follow all requirements of a 501(c)(3) tax exempt organization as defined by the Internal Revenue Service in Publication 557, as well as all requirements of Texas PTA. The organization agrees to allow Texas PTA. to oversee the activities of the club to the extent it needs to ensure that organization activities meet the required expectations.

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Officer Roles

While the bylaws of each club/organization describe in detail the offices and responsibilities of those holding office, below is brief explanation of those offices and duties:

President

The President will typically have been active in the organization long enough to understand its purpose and its relationship with the school district and its supported activity. The duties of the president include, but are not limited to, the following:

- Preside at all meetings of the organization.
- Regularly meet with the campus administrator/designated district activity representative regarding organization activity.
- Resolve problems in the membership.
- Regularly meet with the club treasurer to review the club's financial position.
- Schedule an annual audit of records or request an audit if the need should arise during the year.
 - The term "audit" here refers to the reconciling of financial information by a third party, not necessarily an actual audit performed by a certified professional.
- Perform any other specific duties as outlined in the bylaws of the organization.
- Assure the organization is compliant with state, federal, UIL, and Parent Booster USA, Inc. requirements.

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:

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

Note #1: Larger booster clubs 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.

Note #2: A vice president that is available to replace the president in the coming year helps facilitate succession of leadership.

Secretary

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

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- Report on any recommendations made by the board of the booster club.
- Maintain the records of the minutes, approved bylaws, any standing committee rules, current membership, and committee listing.
- Record all business transacted at each meeting of the club as well as meetings of an executive board.
- Maintain records of attendance of each board member.
- Conduct and report on all correspondence on behalf of the organization.
- Other specific duties as outline in the bylaws of the organization or as appointed by the president.

Treasurer

The treasurer is the authorized custodian of the funds of the organization. The treasurer receives and disburses all monies indicated in the budget and prescribed in the local bylaws or as authorized by action of the organization. All persons authorized to handle funds of the organization 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 \$200.
- Ensure that deposits are verified by two people.
- Expenditures should be approved by the organization before the purchase is made.
- Two signatures must be required on all checks.
- If the organization will take funds with debit/credit card devises, the organization is required to notify White Settlement ISD Director of Business prior to taking any credit/debit card payments.
 - A form is required for this purpose.
- Present a current financial report to the board and general membership within 30 days of the previous month end.
- Maintain an accurate and detailed account of all monies received and disbursed.
- Reconcile all bank statements monthly and resolve any discrepancies with the bank immediately.
- File sales tax reports as may be required by the comptroller's office.
- File annual IRS form 990, 990-EZ, or 990 E Postcard at least 5 months following the organization's last month of business or file an exemption to extend that deadline.
 - June will be the last month of business requiring filing by the 15th of November.
- Provide required information to Parent Booster USA, Inc. in a timely manner.
- Oversee development of, and adherence to, financial policies and procedures of the organization,
- Other specific duties as outlined in the bylaws of the organization,

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

Meetings

Regular meetings should be held by the elected board of directors to conduct business. Full membership does not have to be invited to or be present at these meetings. The board should also call regular meetings of the membership for the purpose of communicating board decisions and organization activities. The board of directors may involve the membership in board decisions, but it is not required. An annual meeting of the organization shall be held each July, which is the first month of the new fiscal year, for the purpose of installing new officers. The organization's year will end on June 30, requiring elections for the coming year to take place in the last meeting of the fiscal year.

Special Committees

Special committees are created for a specific purpose, chaired by a board member, and made up from the membership of the organization. They are generally formed as needed, and dissolved as soon as that purpose is accomplished, and a committee report has been made to the board.

Financial Review Committee

At the end of each fiscal year, each organization is required to establish a committee to conduct an internal review of the organization's financial records. Members of the committee should be independent from the day-to-day financial activities. Ideally, this review should be performed by at least 3 individuals with the following objectives:

- Verify the accuracy of the treasurer's financial reports.
- Ensure that the club's cash balances are accurate.
- Determine that established procedures for handling funds have been followed.
- Ensure that all revenues and expenses have been properly received and recorded.

The internal financial review committee shall make a report to the general membership upon completion of the review. Any discrepancies noted shall be brought to the attention of the president of the organization and a resolution reached prior to presentation to the full membership. All officers of the organization shall make records available as requested by the committee.

An external review and/or audit may at times be required or necessary. External reviews or audits should be performed by licensed professional third parties with no direct ties to the organization.

Financial Reporting Requirements

Financial Statements shall be provided to the Director of Business twice a year. The first statement is due Jan. 31 and covers the activity of the organization July 1 through

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Dec. 31. The second statement is due on June 30 and covers the activity of the organization from Jan. 1 to June 30 of each year.

The Director of Business will report to the White Settlement ISD Board of Trustees twice a year on the compliance of the organizations with submitting the financial reports. The report does not constitute an audit or review, but only a report of the activities of the organization.

Donations

As a subordinate organization to Parent Booster USA, Inc. or Texas PTA, all donations are tax deductible as per IRS guidelines. See fundraising section.

Note: Gifts are only deductible by the donor for any amount given that is over and above the market value of goods or services provided in return for the donation. Example: Donor pays \$50 for a ticket to a dinner event that costs the club \$25 to provide. Donor can legally deduct \$25 of the \$50 as a gift over the value of the ticket purchased and should be receipted as such from the club.

Scholarships

If the organization participates in the giving of student scholarships, the following suggestions are made in developing policies and procedures for the organization to follow (per IRS tax exempt application 1023, schedule H):

- Describe the types of scholarships you provide.
- Describe the purpose and amount of the scholarships to be awarded.
- Describe any terms of the awards.
- Describe how your program publicizes the availability of the scholarships.
- Develop an application for students.
- Maintain documentation of recipients including:
 - Name and address
 - the purpose(s) of awards
 - the amount of grant
 - the manner of selection
 - and the relationship of the student (if any) to officers, trustees, or donors of funds to the organization.
- Describe specific criteria used to determine the eligibility and select the recipients of the scholarship.
 - ex. Academic performance, financial need, athletic performance, etc.
- Describe how you determine the number of grants, and the amount(s) of each grant awarded annually.
- If renewable, describe any requirements or conditions that may be imposed on recipients to obtain, maintain, or qualify for renewal of a grant.
- Describe procedures for supervising the scholarships or grants.
- Keep a record of those serving on the scholarship committees.

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- If family members of the selection committee are eligible to receive awards, describe the measures taken to ensure unbiased selections.

Note: These procedures do not have to be implemented if money is given to the school or department for use in their own scholarship program.

Fundraising

Fundraising is an integral part of Booster Clubs, PTOs, and PTAs. Each organization must ensure that all fundraising activities:

- Do not conflict with the district's goals or activities
- Follow UIL guidelines, and
- meet all requirements of the Internal Revenue Service

All organizations, including Booster Clubs, PTO's, and PTA's, must obtain approval from the campus Principal/Athletic Director and the Communications Director, prior to conducting the fundraiser. Under no circumstances is an organization allowed to begin a fundraiser without prior approval.

The Fundraising Application and additional fundraising guidelines are available on the White Settlement ISD website on the Fundraising page.

Sales Tax

Being a member of Parent Booster USA, Inc. or Texas PTA provides tax exempt status to the club/organization and they are no longer required to pay sales tax on purchases made for the organization's own use. The exemption is based on their IRS status and does not require a number. A copy of the Texas Sales and Use Tax Exemption Certification is available on the Texas Comptroller website and should be presented as proof of tax-exempt status when making purchases. The Texas Comptroller website is: <https://comptroller.texas.gov/>

Booster Clubs, PTO and PTA are not allowed to use the district's tax-free status to make tax free purchases.

The State of Texas requires all organizations and clubs that sell products or services in Texas to apply and retain a Sales Tax Permit. The permit allows the organization to sell products and services within the state of Texas. Each organization is allowed two tax-free sales per calendar year. If more than 2 sales per calendar year are conducted, the organization will need to collect and remit sales tax to the state of Texas. More information regarding school fundraisers and Texas sales tax, can be found at <https://www.wsisd.com/departments/communications/fundraising>.