

Overview of MISD Fundraising & Partnership Training



Overview

- Although PTAs and Booster Clubs are individual 501(c)3 tax exempt organizations, their activities impact the district and the public perception of the district
- Partnerships (PTA, PTO, and Booster Club) should be formed to promote and support school programs and/or complement a student group or activity, with prior approval from district designee
- Encourage involvement by all parents throughout the community

Main Responsibilities

- **PTA/Booster Club** - A PTA/Booster Club supports students and staff at a primary or secondary school respectively. Principals/sponsors select, plan and organize activities while the PTA/Booster Club supports the event
- **Sponsor/Liaison** - Under the supervision of the campus principal, a sponsor of a student group is the liaison between the booster club and the school/district. With the approval of the campus principal, the sponsor determines the activities and trips in which the student group will participate and guides the booster club to support the student group. The sponsor must not be considered an officer or voting member of the booster club
- **Principal** - Approving the formation of a PTA/Booster Club, the activities of a student group and some activities of a PTA/Booster Club.

PTA/Booster Clubs Shall

- Use school facilities only with prior approval ([GKD](#))
- Coordinate and obtain approval for all fundraising activities with principal or designee of MISD
- Submit annual financial report to the Financial Services Dept. or designee annually
- Be voluntary and support student activities of the school and district
- Submit names and contact info of all officers and the bank account signers to associated principal or designee
- Pay all taxes and debts incurred
- Comply with School Board policies when donating money or gifts
- Comply with UIL guidelines, District policies, and Federal and State tax laws
- Provide evidence of adequate insurance coverage for activities conducted on school premises.
- Assume liability for any and all personal injuries or property damage arising from activity
- Have their own set of bylaws and a governing body
- Have an odd number (5,7) of officers
- Attend annual training provided by the district

PTA/Booster Clubs Shall Not

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

Goal of PTA/Booster Clubs

- Support student organizations
- Provide supplemental equipment, materials, etc.

District Provided (Needs)	PTA/Booster Club (Supplemental)
Uniforms	Addition to what the district currently provides
Competition gear/materials	Projects (lockers, paint, branding, equipment)

Capital Expenditures

- [Google form](#) process for PTA/Booster Clubs to request purchasing a capital expenditure on behalf of the district
 - Purchase of an individual item or project that cost \$5,000 or more
 - Request form will include the following items

- Reason for the request	- Timeline of project/purchase
- Details on what the request entails	- Lifespan of the capital expense
- How the request will help achieve the districts strategic plan	- Are there recurring cost? - What are the recurring cost for? - What is the associated cost?
- Cost of the project/purchase	

Process for Capital Expense Request

- Once the submission is received, district leadership will review
- If the district needs to look further into the request regarding facility or safety concerns, the district will assign appropriate district personnel to determine whether the request pertains to needs or wants
- Leadership will determine whether the request is a need or want then make a decision accordingly
- District will ensure appropriate parties are involved for considerations
- District will communicate with the requesting organization on the final determination

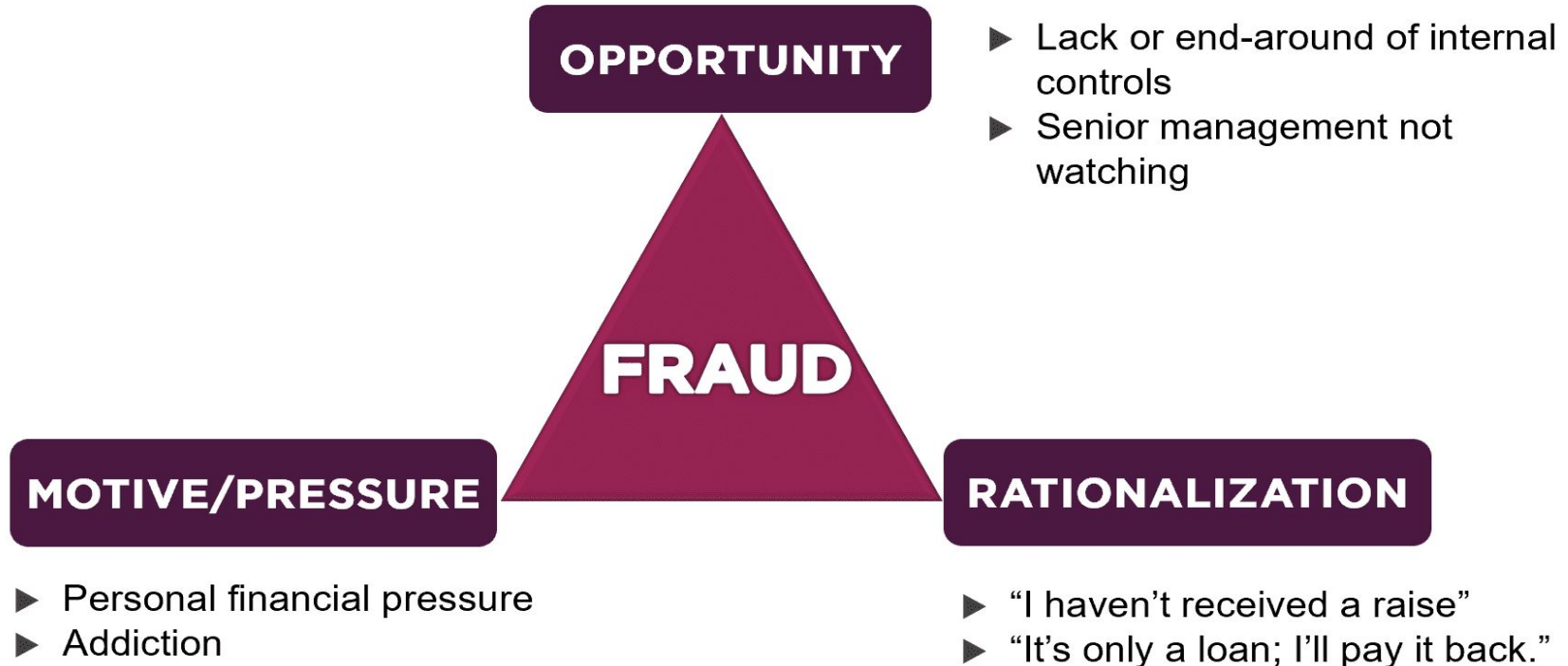
Fraud Prevention

- Money should never be kept at an individuals home
- Two people should always count the money, and both should sign the receipt verifying the amount
- Two signatures should be required on all checks
- Have a member who does not have check signing authority review the bank statement monthly before giving it to the treasurer
- Never sign a blank check or a check made out to “cash”
- Deposit funds in a timely manner (within 2 business days)
- Do not pay bills with cash
- Do not withdraw funds from account through an ATM
- Conduct an annual financial report



Fraud Triangle

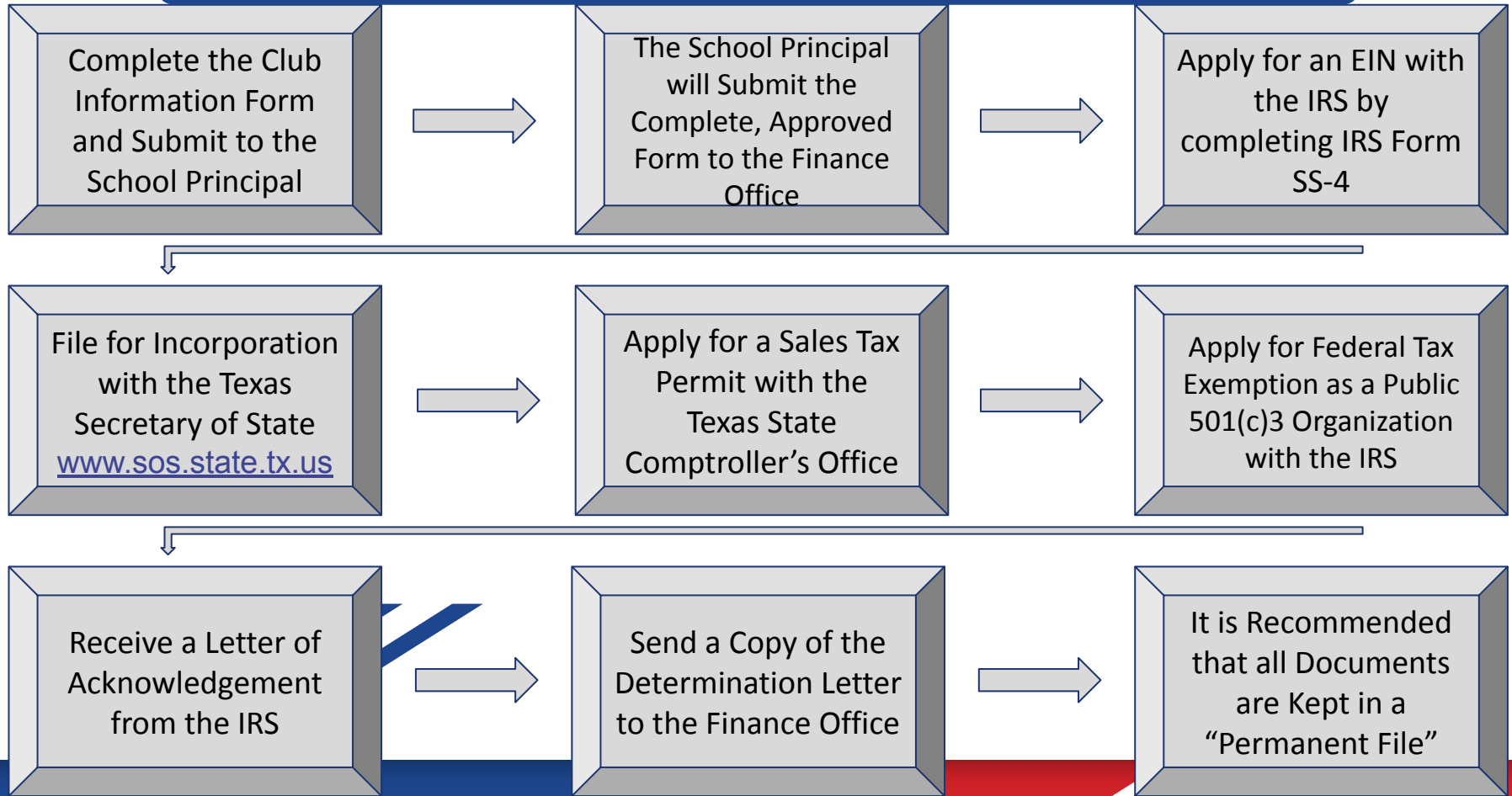
Is a model commonly used in auditing that aims to explain why an employee decides to commit fraud in the workplace



Officers

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

Steps to Starting a Booster Club



Non-Profit Corporation

Clubs are encouraged to incorporate under the Texas Business Code

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

Federal Reporting

- Must have an Employee Identification Number (EIN)
 - Can be obtained for no cost through the IRS by online, phone, or mail
- Obtaining 501(c)3 (Tax Exempt) Status
 - Complete IRS Package 1023/1023 EZ
- Federal 990
 - Every exempt organization is required to file an annual Form 990
 - Must use form 990-N if receipts are \$50,000 or less
 - Must use form 990-EZ if receipts are between \$50,000 to \$200,000
 - Must use form 990 if receipts are over \$200,000

State Reporting

- **Become Incorporated in Texas**

- http://www.sos.state.tx.us/corp/forms_boc.shtml

- **Obtain Texas Sales Tax Permit**

- Applications available on Texas Comptroller Website
 - <https://www.comptroller.texas.gov/taxes/sales/fag/permit.php>

- **Franchise Tax**

- Franchise tax reports must be filed until Comptroller's officer has granted tax exemption



Sales Tax

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



Sales Tax Collection

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

Sales Tax Collection (cont.)

- Sales tax shall be collected on sales of:
 - Items sold by school store (pens, paper, pencils, et)
 - Any type of Booster Club materials
 - Any other item sold as personal property (pictures, uniforms, sweaters)
 - All sales of items such as handicrafts, T-shirts, candles, cups, books
 - All other personal property except for those items specifically excluded above
- Booster Clubs do not need to collect sales tax on the following; however sales need to be reported:
 - Admission Tickets
 - Club Memberships
 - Food and drinks sold at school functions

■ <https://www.comptroller.texas.gov/taxes/publications/94-183.pdf>

UIL Guidelines

- Unlike Music and Academic Booster Clubs, Athletic Booster Clubs shall not be used to support athletic camps, clinics, or private instruction
- Athletic Booster Clubs cannot give anything to students, including awards
- Athletic Boosters are subject to the athletic amateur rules
- Boosters may donate money or merchandise to the school
- Money donated to the school may not be earmarked for a specific purpose; however, recommendations can be made
- Athletes are restricted by the Athletic Amateur Rule, but Academics has no amateur rules other than the Awards rule that restricts UIL academic students



Financial Reporting

- At a minimum, the organizations membership should be provided with a financial statement and bank reconciliation at each meeting:
 - Should provide a comparison of budgeted vs. actual expenditures and receipts
- GASB Statement No. 39 of the Governmental Accounting Standards Board requires the District to obtain and review financial performance information of supporting organizations to determine whether these organizations should be considered a component unit:
 - Booster Clubs are required to submit to the Executive Director of Finance or designee mid-year and end-of-year financial statements (including balance sheet and income statement)

Payment of Funds

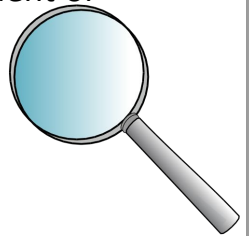
- A budget of expected expenditures should be developed and approved by the general membership annually
- Prior to disbursements, a request should be compared with the budget
- Disbursements outside of the budget should require a vote by the general membership
- Direct payments to District employees cannot exceed the UIL rule of up to \$500 annually
 - Products, money, or service
 - This aggregate amount does not pertain to approved reimbursement of expenses
 - [Section 481, UIL Constitution & Contest Rules](#)

Collection/Payment of Funds

- Venmo/Cash App/Paypal
 - Ensure it's linked to organization account and not someone's personal account
 - Ensure all supporting documentation can tie back to the expense/revenue within the account
 - Reconcile each month and include in your monthly financials
 - Ensure more than one officer has access to account (treasure/secretary)

Annual Financial Review

- An annual financial review is necessary to ensure all income and expenditures are accounted for and consistent with the budget and goals for the year
- The financial review is to protect officers and the organization
- An annual financial review should occur at the end of the fiscal year or when a change occurs in the treasurer or check signer
- An annual financial review can be conducted by an outside party such as a CPA or an audit committee comprised of at least two members of the Booster Club (other than the President or Treasurer)
- To ensure compliance and ease with a financial review, please ensure the everything has supporting documentation for all revenue and expenses



Fundraising Activities

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

Gift to District

- Gifts to the school may be in the form of cash with a request it be used for specific purposes
- Personal property purchases that are placed in, on or around the school will be considered as a gift to the school and district
- Donations valued at \$20,000 or greater require Board approval before acceptance

Scholarships

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

Scholarships (cont.)

- The application, scoring, decision materials, tabulation, notes, certified recordings, and any other documentation used by the Review Committee shall be made available upon written request to the applicant
- Must hold on to records for 5 years
- Applicants must be full time MISD senior students for a minimum of one full semester prior to application deadline
- Awards may not be “need” based
- Applicants who have received full scholarships from other sources may not be eligible for local scholarships
- The applicant’s enrollment in an accredited institution is a requirement for receiving scholarship funds

Checklist of Activities

Ongoing & Monthly

- Bank reconciliations & financial reporting
- Sale & franchise tax (until non-profit status is approved)
- Submit mid-year and annual financial statements to MISD
- Submit the following to principal or district leader:
 - Purpose of all fundraising activities and intended use of funds
 - The type, dates and times of the activity
 - Name of person responsible for handling the money
 - Name of sponsoring organization and representative
 - Estimated amount of money raised or to be raised

Year End

- Elect Officers for upcoming year
- Notify MISD of new officers
- Adopt budget annually



Liability Information Guide

- A certificate of insurance adding Midland ISD as a policy certificate holder should be filed with the Midland ISD Risk Management Department annually. (Director of Benefits & Risk Management)
 - AIMS insurance



Resources & Forms

- Guidelines Acknowledgement form
 - Completed by each officer annually
- External Group Fundraiser or Activity Form
- Donations Form
 - [Donations](#)
- Secretary of State
 - www.sos.state.tx.us
- [Sample Bank Reconciliation.](#)
- [2024-2025 UIL Constitution & Contest Rules](#)
- [UIL Booster Club Guidelines](#)
- State Comptroller
 - <http://comptroller.texas.gov/>
- Internal Revenue Service
 - www.irs.gov
- [UIL Booster Club Guidelines](#)
- [TASB](#)
- Board Policy
 - [GE - Relations with Parent Organizations](#)
 - [CDC - Other Revenues: Gifts & Solicitations](#)
 - [CFC - Accounting: Audits](#)
 - [GKD - Community Relations: Non School Use of Facilities](#)³⁰

Resources & Forms

- [Texas PTA Resource Guide](#)
- Booster Boss
 - <https://courses.parentbooster.org/courses/texas>
- Parent Booster USA - Bylaws
 - <https://parentbooster.org/sample-bylaws-generator>
- Lifecycle Checklist
 - <https://parentbooster.org/resources/booster-club-lifecycle-checklist>
- Parent Booster USA
 - <https://parentbooster.org/>
- Sample Financial Controls
 - <https://parentbooster.org/resources/sample-financial-controls-school-support-organizations>
- Cheddar Up
 - <https://www.cheddarup.com/>
- [MISD PTA/Booster Club Website](#)

Conclusion

- Support each other to better support the reason we're all in our positions - STUDENTS
- A comprehensive manual has been created as a roadmap to ensure everyone knows the expectations and the process of completing activities
- Policies and procedures will be reviewed throughout the process and modified accordingly, if changes are necessary to create transparency, efficiency, accountability, and effectiveness



Contacts

- PTA Questions - Amber Davidson with Midland Council PTA (President)
- UIL Athletics - Wes Torres, Amanda Lopez and Alfred Acosta with MISD
- UIL Fine Arts - Beau Garza with MISD
- UIL Academics - Amanda Melchor with MISD
- Donations - Anita Gamertsfelder with Education Foundation
- Financials - Julia Willett-Weekly and Tucker Durham with MISD
- Liability Insurance - Derek Dominguez with MISD

Question

Q - In discussions with local funders, including my employer, the Abell-Hanger Foundation, they have a difficult time funding boosters due to the lack of governance. How can we better work together with Anita (Education Foundation) to identify ways to partner with the Education Foundation to fund larger projects? What amount does the Education Foundation feel comfortable with and many funders have limitations on when they Education Foundation can appeal? I'd like to see maybe some brainstorming around this topic.

A - Education foundation is happy to facilitate any amount

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