



## **BOOSTER CLUB AND SCHOOL SUPPORT ORGANIZATION CHECKLIST**

Booster groups are any support organizations formed by parents, interested community members, and/or interested patrons as a means to support extracurricular activities or complement a particular Tomball ISD student group beyond serving as mere spectators. The booster club must be approved by the appropriate District Administrator, must submit the required documentation each year, and must attend the required annual Booster Club training. In addition, an exempt organization must abide by all Tomball Independent School District (TISD) policies and procedures, University Interscholastic League (UIL) regulations, and federal and Texas state laws concerning booster organizations. Booster groups who fail to comply will not be allowed to operate and will be dissolved.

The following checklist serves as a guide to help ensure that your booster club has complied with the District's board policies and guidelines and federal and state regulations governing booster clubs. In addition, the information you document here will help future officers continue your compliance efforts. The following documents are required to be submitted to [Boosterclub@tomballisd.net](mailto:Boosterclub@tomballisd.net) by August 15th each year:

- Booster Club Checklist
- Confirmation statement (Booster Club Guidelines-Exhibit B)
- Financial report (Booster Club Guidelines-Exhibit C)
- Leadership Information Sheet (Booster Club Guidelines-Exhibit E)
- Bylaws

The information provided by the District is not an authority of specific accounting situations or tax-related issues concerning individual booster clubs. Therefore, booster clubs should obtain competent independent counsel, such as a Certified Public Accountant (CPA) or an attorney, to address accounting and tax matters related to their specific circumstances, at their own expense.

Booster clubs shall organize and function in a way consistent with the District's vision and objectives, and within adopted board policies GE (LEGAL/LOCAL) and GKD (LEGAL/LOCAL).

***Booster Groups Not Compliant with TISD Policy and State/Federal Regulations  
will not be allowed to operate after September 15.***

## Formation

***Must have a District Approval; Must have a minimum of 8-members; Officers must be elected within 1-month of formation; Groups are not allowed to form during the school year; Booster groups (Excluding PTAs) are not allowed to form at the Elementary and Middle School Levels; Complete the appropriate paperwork to submit to the District. Any group formed to support a student organization, grade level class, athletic team, etc., is considered a booster club/group.***

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ANY BOOSTER CLUB NOT IN GOOD STANDING WITH THE DISTRICT, AND STATE, AND FEDERAL REGULATIONS AND REPORTING REQUIREMENTS SHOULD NOT ACCEPT DONATIONS THAT ONE MIGHT CONSIDER TAX DEDUCTIBLE. ADDITIONALLY, ACTION SHOULD BE TAKEN IMMEDIATELY TO OBTAIN GOOD STANDING STATUS WITH ALL ENTITIES.

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### **General Reference**

\_\_\_\_\_ 1. The appropriate administration (ex. Principal, Director of Athletics, Director of Fine Arts, etc.) must approve a booster group to form. Only high school campuses are allowed to have booster groups. Once formed, provide the district's Director of Athletics, Band, Choir, Sponsor or Principal with a list of booster club officers at the beginning of each school year and as officers change. Booster groups are required to have 4 Officers: President, Vice-President, Treasurer, & Secretary. The list should include:

- Name
- Office Held
- Mailing Address
- Cell Phone
- Email Address

\_\_\_\_\_ 2. The Booster club's official mailing address (School facilities may not be equipped to handle booster club mail. All mail should be given directly to the president and treasurer.

- Official Name
- Address
- City, State, Zip Code

### **Insurance**

\_\_\_\_\_ 3. The booster club should consider purchasing a general liability policy, event liability, and/or fidelity (bond) insurance coverage policies. The booster club, nor officers or members, is covered under Tomball ISD's liability insurance. Please leave blank if you do not carry liability insurance.

### **Fundraisers**

\_\_\_\_\_ 4. All fundraising activities for the current school year shall be pre-approved in writing by the Employee Sponsor and Principal.

\_\_\_\_\_ 5. Since the booster club is a 501(c)(3) organization, per IRS regulations the organization cannot require members or students to fundraise or raise a certain amount. Fundraising is an opportunity to generate revenue for the booster club as a group, not individuals. Therefore, revenues should be recorded in a group account where all members or students have the same opportunity to benefit equally from the revenues. The booster club cannot use an individual account to credit an individual for funds raised. If the booster club elects to raise funds in any form that focuses on individuals and not a group, the club runs a risk of being fined by the IRS.

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One member or student should not receive a larger benefit from fundraising than another. In addition, if a member or student chooses to not participate in the fundraiser, then that person still receives an equal benefit from revenues generated.

**Financial Matters**

\_\_\_\_\_ 6. The bank accounts used by the booster club include (cannot be a District bank account or an individual/family bank account):

Bank Name	Account Name
_____	_____

\_\_\_\_\_ 7. Determine the identification number used for the bank accounts. The booster club's Employer Identification Number (EIN) should be used. Do not use individual social security numbers and do not use the District's EIN.

➤ The identification number used for the bank account(s) is as follows: \_\_\_\_\_

\_\_\_\_\_ 8. Update the authorized signers on your bank accounts as officers change. It is highly recommended that all checks issued require two signatures (officers).

Name of Persons (First Last)	Officer Positions
_____	_____
_____	_____
_____	_____

**IMPORTANT**

***District employees may serve parent organizations as a general member or as a member of its' executive board, except for the position of President or Treasurer. District employees shall not serve in a capacity over the organization's financial affairs, including an authorized signer on the bank account. In addition, a District employee in a supervisory/administrative position that has control, or influence of a school program, is restricted to holding a similar position in a booster club.***

\_\_\_\_\_ 9. 501(c) groups are not automatically exempt from tax. Search the following link for verification of nonprofits that hold state tax exemption from sales and use tax, franchise, and/or hotel occupancy tax: <https://comptroller.texas.gov/taxes/exempt/search.php>. Organizations must apply for exemption with the Comptroller's Office <https://comptroller.texas.gov/taxes/exempt/forms/> **Determine whether your organization is in good standing with the Texas Comptroller's Office and tax-exempt status by emailing** [exempt.orgs@cpa.State.tx.us](mailto:exempt.orgs@cpa.State.tx.us) or calling 1-800-252-5555 Tax Assistance or searching on the link above. The following link provides information regarding Nonprofit and Exempt Organizations: Sales and Purchases and Sales <https://comptroller.texas.gov/taxes/publications/96-122.php>. The following link is provided by the Comptroller that entails general information for sales tax and fundraising activities. <https://comptroller.texas.gov/taxes/publications/94-183.pdf>.

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\_\_\_\_\_ 10. Determine whether your organization is in good standing with the IRS by calling the Exempt Organization Section of the IRS or searching the following link: <https://www.irs.gov/charities-non-profits/tax-exempt-organization-search>

\_\_\_\_\_ 11. File the booster club's Texas Sales Tax Report as required. *The Texas Comptroller's office determines how often the report needs to be filed and is subject to change. The reports could be Monthly, Quarterly or Annually.*

\_\_\_\_\_ 12. Present a Treasurer's Report at every meeting that includes general membership.

\_\_\_\_\_ 13. Present a Treasurer's Report at the general membership meeting that entails the financial position of the club at the end of the fiscal year and an annual report for the previous fiscal year at the first membership meeting of the year. See Exhibit C-Financial Report in the Booster Club Guidelines.

\_\_\_\_\_ 14. Issue 1099 forms to applicable individuals or businesses by January 31 of each year. The 1099 forms should be sent to the IRS by February 28 of each year.

- Note: Request a W-9 from the individual or business before issuing them a check.

\_\_\_\_\_ 15. **IMPORTANT** File the IRS Form 990, 990-EZ, or 990-N (E-Postcard), Return of Organization Exempt from Income Tax, each year.

- The return is due by the 15th day of the 5th month after the organizations' account period ends (due 4 1/2 months after your official year-end).

- For the fiscal year ending in 2011 and later:

- o Booster clubs must use Form 990-N, normally known as the e-Postcard, if: Gross receipts are \$50,000 or less.

- o Booster clubs must use Form 990-EZ if:

1. Gross receipts are more than \$50,000 but less than \$200,000 AND
2. Total assets are less than \$500,000 at year end.

- o Booster clubs must use Form 990 if: Gross receipts are \$200,000 or more OR Total assets are \$500,000 or more at year-end.

- Official Year-End: \_\_\_\_/\_\_\_\_/\_\_\_\_ Due Date for Return: \_\_\_\_/\_\_\_\_/\_\_\_\_

\_\_\_\_\_ 16. Provide a copy of the financial report along with confirmation statement to [Boosterclub@tomballisd.net](mailto:Boosterclub@tomballisd.net) by August 15th of each year. GASB Statement No. 39 of the Governmental Accounting Standards Board requires the District to obtain and review the financial performance information of supporting organizations to determine whether these organizations should be considered a component unit.

### **State Regulatory Information**

**The following items need to be done only once. Once completed, maintain the documentation received.**

\_\_\_\_\_ 17. Determine whether your organization has obtained a Texas Sales Tax Permit.

- Additional information regarding sales tax can be found at:

- <https://comptroller.texas.gov/taxes/sales/>

\_\_\_\_\_ 18. Determine whether your organization has obtained a tax-exemption from the Texas Comptroller's

Office. <https://comptroller.texas.gov/taxes/exempt/>

- The booster club has received a tax exemption from the Texas Comptroller's Office:
  - o Yes \_\_\_\_\_ No \_\_\_\_\_

**Reminder: Only those organizations with a tax exemption from the Texas Comptroller's Office are entitled to the two "one-day, tax-free" sales/auction days.**

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\_\_\_\_\_ 19. If the booster club is incorporated, determine whether your organization has obtained an exemption from Texas franchise tax from the Texas Comptroller's Office:

o Yes \_\_\_\_\_ No \_\_\_\_\_

If the booster club is incorporated, an exemption from Texas franchise tax was obtained from the Texas Comptroller's Office:

o Yes \_\_\_\_\_ No \_\_\_\_\_

### **Federal Regulatory Information**

The following items need to be done only once. Once completed, maintain the documentation received.

\_\_\_\_\_ 20. Obtain an Employer Identification Number (EIN) from the Internal Revenue Service (IRS). See page 7 of the Booster Club Guidelines for information on obtaining EIN.

➤ The EIN for the Booster Club is \_\_\_\_\_

\_\_\_\_\_ 21. Determine whether the booster club has received tax-exempt status as a Public, 501(c)(3) organization from the IRS. If the IRS has approved the Clubs' tax-exempt status, a Determination Letter would have been received from the IRS.

➤ The booster club received its tax-exempt status as a public 501(c)(3) organization from the IRS.

o Yes \_\_\_\_\_ No \_\_\_\_\_

If the booster club has not applied for the tax-exempt status, complete the [IRS Form 1023](#) and pay the \$275 user fee via [Pay.gov](#). If you have applied for the tax-exempt status but have not received your Determination Letter, you should receive an Acknowledgement of Your Request. If not, call the IRS to determine the status of the application.

State and Federal regulatory information included in this section does not include all laws or rules that may apply to your particular situation. The information provided by the District is not an authority on specific accounting situations or tax-related issues concerning individual booster clubs. Therefore, booster clubs should obtain competent independent counsel, such as a Certified Public Accountant (CPA) or an attorney, to address accounting and tax matters related to their specific circumstances. The cost of these services would be the booster club's responsibility. In addition, the IRS and the Texas State Comptroller's Office may be contacted for questions related to your organization's specific situation.

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## IMPORTANT

***Booster club officers and their designated Coach/Sponsor/Principal are both responsible for ensuring their booster club is in compliance with District policies and guidelines, UIL guidelines, and State and Federal regulations. Failure to comply will result in the booster group being dissolved and unable to operate.***

***Regarding holding an officer position with a booster club, or any school related non-profit entity, a district employee in a supervisory/administrative position that has control or influence over a school program is restricted from holding an officer position in a similar booster club. In addition, District employees shall not serve in a capacity over the organization's financial affairs, including as an authorized signer on the bank account.***

For example:

A campus principal cannot hold an officer position in the booster club.

A band instructor cannot hold an officer position in the band booster club.

A football coach at the high school cannot hold an officer position in the football booster club.

District Policy: [GE \(Local\)](#)

Texas Association of School Boards (TASB) booster club questions:

- <https://www.tasb.org/Services/Legal-Services/TASB-School-Law-eSource/Community/documents/common-booster-club-questions.pdf>

University Interscholastic League (UIL) Booster Club Guidelines:

- The UIL guidelines can be downloaded from their website at:  
<http://www.uilTEXAS.org/policy/booster-club-guidelines>

State Regulatory Information:

- <https://comptroller.texas.gov/taxes/exempt/>

Federal Regulatory Information:

- <https://www.irs.gov/charities-non-profits>
- <https://www.irs.gov/charities-non-profits/tax-exempt-organization-search>
- Booster clubs cannot use the district's EIN number or a personal/family bank account.

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An organization is **NOT** automatically considered tax-exempt by acquiring an EIN. All organizations must first apply for an EIN to be recognized as a unique entity and then apply for tax-exempt status. Likewise, the mere fact that an entity is organized as a non-profit organization DOES NOT indicate that it is exempt from federal tax.

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