



# **BOOSTER CLUB MANUAL**



**Supporting the Students of the AVUHSD**

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# Booster Club Basic Requirements

Booster clubs are parent organizations formed primarily to assist student groups with obtaining resources for events, supplies, equipment, and various fees and expenses. Booster clubs are separate from the District, and they are not under the control of or the responsibility of the site administrator, superintendent, or governing board. Their funds are not controlled by the district or the students, nor should they be involved in the administering or supervising of the activities of student organizations.

However, governing boards are able to approve guidelines for booster clubs to follow and the organization's fundraising activities. Education Code section 51521 requires that all organizations that conduct fundraising to benefit clubs, schools, students, or the district at the K-12 level have prior approval from the school district's governing board or the board-assigned designee.

To meet statutory requirements, the Antelope Valley Union High School District (District) has policies and regulations requiring booster clubs to do the following:

1. Submit for approval annually a completed application with required documentation.
2. Each officer must submit a signed Acknowledgement Form (see Forms section).
3. Complete a Hold Harmless Agreement (see Forms section).
4. Submit a copy of annual financial statements to the Business Services Office (BSO) at the end of the fiscal year (and mid-year financial statements upon request).
5. Be in compliance with all District Policies and Regulations.

The district or principal reserves the right to revoke any booster club with cause. Booster clubs must also comply with the following rules, or their approval may be terminated.

1. Booster clubs may not imply any form of responsibility on the part of the District, school, or ASB.
2. Booster clubs are not legal components of the school district and must have their own tax identification number; they are NOT allowed to use the school or District tax identification number.
3. Booster clubs are responsible for their own tax status, accounting, and financial records.
4. Booster clubs must not commingle their funds with ASB funds.
5. Booster clubs must submit a Certificate of Liability from their insurance company identifying the AVUHSD as an additional insured and a Hold Harmless Agreement.
6. Booster clubs must carry their own liability insurance in an amount equal to or exceeding the minimum determined by the District.

7. Booster clubs cannot make purchases with any AVUHSD employee's name or use a District address for deliveries.
8. Booster clubs must have their own bank account separate from the District and/or ASB.
9. Booster clubs are authorized to operate for a period of one fiscal year, with renewals available.
10. Fundraising activities at any school site are under the control of district or school authorities.
11. Any rules and regulations developed for the club organization must conform to the law, the Board of Education's policies and regulations, and the school site's policies and procedures.
12. All Booster club members must be made aware that no individual should personally benefit from the organization's activities, and this should be made part of the bylaws. If a booster club dissolves or terminates, the club's constitution should provide for the distribution of any excess funds to another non-profit organization, the ASB, or the District.
13. If a booster club decides to operate a bingo or raffle activity, California Penal Code Sections 320.5 and 326.5 regulate these events.
14. Booster clubs' ability to use school facilities at K-12 districts is regulated by California Education Code 38130-38139, known as the Civic Center Act.

Booster and parent organizations are not legal components of a school district. Each organization must have its own tax identification number, own bank account, and be directly responsible for compliance with IRS and state reporting and disclosure requirements. Donations to booster clubs can only be legally deducted if the club is officially approved by the IRS as a 501(c)(3) tax-exempt organization. Other restrictions apply, and each donor should consult their own tax advisor. It is the organization's responsibility to be both knowledgeable and compliant with all state and federal laws.

This summary is intended as an overview only for booster club organizers. The following attached manual provides more in-depth information regarding the operation of a booster club. We recommend using it, as needed, for guidance on the rules and regulations affecting each booster club.

AVUHSD encourages and appreciates the benefit that our Booster clubs provide to the students of our district. Please direct all questions to the school site Principal or the Business Services Office.

I wish each and every Booster club continued success.

Sincerely,

Greg Nehen  
Superintendent, Antelope Valley Union High School District

# Purpose of a Booster Club

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Booster clubs are composed of parents, community members, and staff members coming together for the purpose of supporting specific school activities for the benefit of students, such as athletic teams, debate teams, and musical groups. They are an important means of connecting parents and other community members with the curricular and co-curricular activities of students, and the AVUHSD (District) Board of Education welcomes and encourages parental interest and participation.

Booster clubs are separate from school districts with which they are associated and are not governed by the Education Code. Booster clubs do not have free access to schools and their students. The AVUHSD Board of Education and administration have, and will maintain, exclusive control and management of its public school system.

## Formation of a Booster Club

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### **Booster Club Approval**

In order to fulfill its legal and fiduciary requirements, the District Business Services Office (BSO) must approve all booster clubs. All booster clubs are required to submit an application annually, whether new or continuing (if previously approved). Any request for approval must include a completed application with all required documents.

Booster clubs are not permitted to operate until final approval is received from the BSO. Authorization shall be granted for a period of up to one fiscal year, beginning on July 1st and ending on June 30th, but may be revoked by the Superintendent if considered necessary. Requests for continuing authorization must be presented annually.

Organization members and their board should be aware that no individual should personally benefit from the activities conducted by the organization.

### **Naming of the Booster Club**

A booster club name may not imply any form of responsibility on the part of the District, school or ASB. A booster club creates and maintains its own identity. The name of the school is not allowed to be used in the name without the addition of the word “booster” attached to the name. **Booster clubs may not use the school or District address on its letterhead or for any other correspondence, purchases, or deliveries.**

## Tax Information

Booster clubs are not legal components of the school district and each club must have its own tax identification number. The District recommends filing for tax-exempt status as a 501(C)(3) Non-profit. This is required for donations to be legally deducted by donors. Individual donors should consult their own tax advisor for additional tax advice. All necessary forms are obtained through the Internal Revenue Service (IRS) and California Franchise Tax Board. State and Federal forms and further information can be found on the following Web sites:

### Tax Identification Number

IRS Form SS-4, *"Application for Employer Identification Number"*

Instructions: <http://www.irs.gov/pub/irs-pdf/iss4.pdf>

On-line application: <https://sa.www4.irs.gov/modiein/individual/index.jsp>

### Tax-Exempt Status - Federal

IRS Publication 557, *"Tax-Exempt Status for Your Organization"*

IRS Rules & Procedures: <http://www.irs.gov/pub/irs-pdf/p557.pdf>

IRS Form 1023, *"Application for Recognition of Exemption Under Section 501(c)(3) of the Internal Revenue Code"*

Instructions: <http://www.irs.gov/pub/irs-pdf/i1023.pdf>

Application: <http://www.irs.gov/pub/irs-pdf/f1023.pdf>

***Note: Upon approval, the IRS will issue a determination letter that recognizes the booster club's 501(c)(3) nonprofit, tax-exempt status. Booster clubs cannot legally furnish donors with receipts for a charitable tax deductible donation unless they have obtained this type of official determination letter from the IRS.***

### Tax-Exempt Status - State

To apply for California tax-exempt status, use form FTB 3500, *"Exemption Application"* **or** FTB 3500A, *"Submission of Exemption Request"*

FTB 3500, *"Exemption Application"*

Application & Instructions: <http://www.ftb.ca.gov/forms/misc/3500bk.pdf>

FTB 3500A, *"Submission of Exemption Request"*

Application & Instructions: <http://www.ftb.ca.gov/forms/misc/3500a.pdf>

***Note: FTB 3500A can only be used by organizations that have a federal determination letter under Internal Revenue Code (IRC) Section 501(c)(3).***

Generally, an approved 501(c)(3) tax exempt organization is required to file the following with the Internal Revenue Service annually:

0 - \$50,000	Form 990 - N
\$50,000 - \$200,000	Form 990 - EZ
Over \$200,000	Form 990

California requires a postcard filing for earnings under \$25,000. Over \$25,000 requires a Form 199. All 501(c)(3)'s in California are required to register with the California Attorney General's office and annually file a form RRF-1.

Organizations not filing for 501(c)(3) status are not tax exempt and there can be no charitable contributions. They cannot hold themselves out as a tax exempt entity and are a taxable entity for Federal and State tax purposes.

Additional IRS tax information may be found at:

<http://www.irs.gov/charities/article/0,,id=96109,00.html>

## **Sales and Use Tax Laws & Obtaining a Seller's Permit**

Booster clubs are not sales tax exempt, unless they have filled out the proper application forms from the California Franchise Tax Board. 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 function. No item purchased tax-free by an exempt organization can be used for the personal benefit of a private party or other individual.

Any booster club planning to conduct fundraisers involving the sale of goods or merchandise must obtain a California seller's permit. This is true even if the sales are not taxable. This includes, but is not limited to, the operation of concession stands, and selling of school spirit clothing or other items. Booster clubs may not use the seller's permit of another booster club or the District's sales permit number. Sales by a booster club are generally taxable.

For more information on obtaining a seller's permit, or on sales and use tax, you may contact the California Board of Equalization at [www.boe.ca.gov](http://www.boe.ca.gov) or call 1-800-400-7115. Information can also be found on the following web-sites:

Publication 73, "Your California Seller's Permit": <http://www.boe.ca.gov/pdf/pub73.pdf>

Publication 18, "Nonprofit Organizations": <http://www.boe.ca.gov/pdf/pub18.pdf>



## **Limit of Liability**

The Booster Club is not a school sponsored activity and participation in the Club or in Club activities is purely voluntary. Booster clubs are separate from the District. Booster clubs are not under the control of, nor are they the responsibility of, the school or District administration, or the Board of Education. Booster club funds are not controlled by the District or students. Likewise, booster clubs will not be involved in the administering or supervising of the activities of student organizations. Booster clubs should not cause others to believe it is in charge of or has any responsibility for school activities, especially within the sport or activity the booster club supports.

This manual establishes policies and procedures to be followed by booster clubs operating within the Antelope Valley Union High School District. School site and District administration will advise booster clubs on management, policies and procedures, and may review and/or audit booster club's financial statements to ensure the club's financial integrity. However, the district assumes no accountability or liability for the operation and management of booster clubs. Any financial obligation incurred by a booster club shall be solely that of the booster club.

Booster clubs are required to sign a hold harmless agreement as part of the booster application process.

# Booster Club Organization

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## Constitution and Bylaws

Minimally a constitution should include the following five elements:

1. Name and purpose of the organization.
2. Membership and Tenure.
  - a. Who can join?
  - b. How many members?
  - c. What officers?
  - d. Who has voting rights?
  - e. Will those who move from the school attendance area be allowed to serve their terms if desired?
  - f. What are the procedures for removing someone from office?
  - g. How long will they be allowed to serve?
  - h. Will they be allowed to serve consecutive terms? If so, how many?
  - i. How will unexpired terms be filled when vacancies occur?
  - j. Will leaves of absence be permitted?
3. Executive Board or Officers.
  - a. Positions and duties of each position defined
  - b. Position and term limitations (recommended not to serve for more than two consecutive fiscal years in any one position)
4. Method of amendments to the constitution.
  - a. By who
  - b. By petition of \_\_\_\_\_ percent of members
  - c. By ballot
5. Adoptions or ratification of constitution and any subsequent amendments.
  - a. Shall require (percentage) vote of (Executive

Board) Minimally the bylaws should include the following

six elements:

1. Duties and powers of Executive Board and Officers.
2. The composition and membership of committees.
3. Successions.
4. Elections and qualification for office.
5. Finances.
  - a. Statement of internal controls, authorization of financial activities
  - b. Who shall approve prior to any commitment

- c. Statement determining distribution of assets upon dissolution; should align with framework of the organization original purpose.
6. Meeting schedule.
    - a. For regular and special sessions
    - b. Time, manner, frequency
    - c. What constitutes a quorum
    - d. Who shall conduct meetings

The bylaws could state that vacancies of elected officers are to be filled by the person with the next highest number of votes in the most recent election and that all replacement officers may only finish the term of the person replaced. Organizations may also want to define the procedures for resignation, e.g., a letter to the chairperson, and/or establish criteria for terminating officers who fail to attend meetings, e.g. missing two consecutive scheduled meetings without cause or proper notice to the chairperson.

## **Membership**

1. Parents, community members, and staff may be members of any booster club.
2. The principal or site designee shall maintain ongoing communication with the organization.
3. No fees can be collected as a condition of membership unless the booster club is a nationally recognized booster organization that requires fees at a national level.

## **Election of Officers**

The election of officers for a booster club should occur on an annual basis. At a minimum, they shall elect officers for the position of president, vice-president, secretary and treasurer. These officers will make up the executive board. Each member of the executive board is required to ensure the booster club procedures and operating practices are financially and legally sound, and in conformance with all rules, regulations, laws, ordinances and statutes applicable to the organization. As a member of the executive board, an individual is legally obligated to be prudent and reasonable in conducting himself to help preserve and protect the organization. Executive board members must actively participate in the management of the organization including attending meetings, evaluating reports and reading minutes.

Each officer is required to sign an acknowledgement form certifying the officer has read the *Booster Club Manual*. Signed acknowledgement forms should be submitted, with the completed booster application, to the BSO before the first booster club activity of the school year. The acknowledgement form is located at the back of this manual.

## **President**

Typically, the president of a booster club is an individual who has previously been active in the organization. The major duties include, but are not limited to, the following:

1. Preside at all meetings of the organization.
2. Regularly meet with the designated campus representative regarding booster activities.
3. Resolve problems in the membership.
4. Regularly meet with the treasurer of the organization to review the organization's position. The financial information should be reviewed on a monthly basis.
5. Select an officer as the designee other than the treasurer to receive bank statements through the mail at their home address. This individual shall not be a signer on the account. Upon receipt, the designee should review the activity on the bank statement and canceled checks for reasonableness. This provides an independent review by an individual not associated with disbursement activity.
6. Schedule annual audit of records or request an audit if the need should arise during the year.
7. Submit annual financial statements to the school site administrator.

## **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:

1. Preside at meetings in the absence or inability of the president to serve.
2. Perform administrative functions delegated by the president.

## **Secretary**

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

1. Report on any recommendations made by the executive board of the booster club.
2. Maintain the records of the minutes and any standing committee rules, current membership and committee listing.
3. Record all business transacted at each meeting.
4. Maintain records of attendance of each member.
5. Conduct and report on all correspondence on behalf of the organization.

## **Treasurer**

The treasurer is the authorized custodian of the funds of the booster club. The treasurer receives and disburses all monies indicated in the budget or as authorized by action of the booster club. All persons authorized to handle funds of the booster club should be covered by a fidelity insurance bond in an

amount based on the organization's annual income and determined by the executive board; the fidelity/crime insurance bond should cost under \$100. The major duties include, but are not limited to, the following:

1. Serve as chairperson of the Budget and Finance Committee, if prescribed.
2. Issue a receipt of monies received and deposit said amounts on a weekly basis (daily if receipts on hand exceed \$250.00).
3. Prepare a current financial report including bank statements, bank reconciliations, and financial statements within thirty (30) days of the previous month end. Copies should be available for review by the general membership.
4. File current financial reports at the end of each semester (December and June) with the executive board.
5. Maintain accurate and detailed account of all monies received and disbursed.
6. File sales tax reports as required by the State Controller's office (monthly, quarterly, or annually).
7. File annual IRS form 1099 in a timely manner. (See "Consultants" section)
8. Submit records to the audit committee appointed by the organization upon request or at the end of the year.

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

### **Audit Committee**

At the end of the fiscal year, an audit of the booster club's financial records should be conducted. The audit should be performed by individuals who are 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 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. As an alternative to an audit committee, an audit may be conducted by an outside party, such as a CPA.

### **Standards for Meetings**

Notice of all meetings should be provided to the school's activities office to be published seventy-two (72) hours prior to the meeting date. The notice should clearly indicate the date and time of the meeting and the items to be discussed. The booster club may use school facilities only with prior approval of the principal or site designee.

## **Dissolution of Booster Clubs**

To dissolve a booster club, a resolution shall be adopted by the booster 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 fourteen (14) days prior to the meeting, written or printed notice shall be given to activities/athletics office and the Business Services Office, stating that the purpose of such meeting is to consider the advisability of dissolving the organization. The booster club 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 at that particular campus. Any other distribution of funds could void the organization's tax exempt status and force it into a fully taxable situation. This must be noted in the booster club bylaws.

**The District, principal, or site designee reserves the right to revocation of any booster club with cause.**

# Operating Procedures

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## **Purchases for Schools**

Booster clubs by nature are designed to assist the school and/or ASB, and assistance may come in the form of donations such as cash, supplies, equipment and transportation. Donations to the school shall be processed in accordance with board approved policies and procedures. Donations to the ASB or an ASB club will be accepted by the ASB's student council. Donations to a school or the District will be accepted/approved by the Board of Education of the District.

When a booster club wishes to give the ASB or one of its clubs money for supplies or equipment, the booster club will first donate the funds. In making the donation, the booster club should clearly indicate the purpose of the donation. The purchase will then be carried out through the District's purchasing system by an authorized agent of the District and in accordance with District purchasing guidelines and statutory laws. It is required that all purchases of equipment for District use be made by the District through donations to adhere to District standards. When supplies or equipment is purchased from donated funds, it becomes the property of the school and District.

A booster club may also donate funds to the ASB or the school for transporting students to events. A field trip request form will be completed by the school in conjunction with the event. The District's Business Services office will invoice the booster club for the cost of the transportation. In no event will a booster club be permitted to remit payment directly to the transportation department, nor will they be permitted to contract for transportation by an outside agency.

## **Purchases for the Booster Club**

Purchases for the booster club will be processed as disbursements directly from booster club funds. This includes purchases of supplies or equipment as it relates to the day-to-day operation of the booster club, as well as purchases necessary to conduct a fundraiser. As an example, if a booster club is running a concession stand, they would purchase the items to be sold from booster funds.

Booster clubs are not eligible for the same special or discounted pricing as received or negotiated by the District, nor can a booster club make purchases under a District contract. Booster clubs may however negotiate their own pricing or contracts from vendors of their choice. Neither the ASB nor the District is permitted to make purchases for or on behalf of a booster club. This includes purchases for fundraisers. Items necessary for a fundraiser may not be purchased through the ASB, even if the booster club provides the funding for the purchase. This would be considered comingling of funds and is strictly prohibited.

## **Consultants/Independent Contractors**

In the course of ordinary business, consultants may be hired to assist with various projects or presentations that may be needed. Booster clubs should be aware of the regulations that must be followed.

*If someone is not already an employee of the school district, a determination must be made as to whether that person legally is considered an employee or an independent contractor under the IRS regulations.*

Independent contractors frequently are called consultants within the school district community. If it is determined a person is a consultant, a completed W-9 is required prior to payment for services. Please reference IRS 1099 reporting requirements for consultants.

## **Use of School Facilities**

The school principal or BSO must approve all on-campus activities, including meeting times, places, dates, and fundraisers. On-campus activities cannot conflict with school schedules, school activities, or district policies, which all take precedence over booster club activities.

Should your organization require and/or desire the use of District facilities (for a meeting or other purpose), please visit your school website or school office and pick up the District's "Application for Use of District Facilities" form. Generally this form should be submitted to the BSO one month before the intended activity. Additional insurance and fees may be required.

**The sale, purchase or consumption of alcoholic beverages or tobacco products while on school property or in the presence of students is specifically prohibited.**

## **Gifts and Awards**

Student and parent gifts to school district employees are an expression of appreciation for coaching, directing, or sponsoring student activities, rather than a gift of significant monetary value. Employees shall in no way encourage students, parents, or support groups to present gifts. Booster clubs should not give anything (including awards) to students without prior approval from school's coach/advisor.

## **Relationship and Interaction with District Personnel**

The booster club must not be used to attempt to influence the sponsor's, principal's or other administrator's decisions or be a lobbying group concerning matters which are duties assigned to district

personnel, such as trips, staffing, and schedules. Additionally, they will not be involved in the direction of a coach or advisor, personnel issues, scheduling of contests, rules of participation, or policy making activities for a student group or extracurricular program. These administrative duties are the sole responsibility of the school and District administration.

## **Other Requirements**

- Booster club members are expected to follow the same standards of conduct as District employees when chaperoning, sponsoring, or attending student activities.
- All publications and communications that booster clubs send to parents and/or the community should be provided to the school site designee.
- Booster clubs shall not directly support political activities by providing campaign donations or placing advertisements in support of a particular candidate as doing so could jeopardize the tax exempt status of the organization. If a candidate is running for office and is invited to join a meeting, all candidates running for the office must be extended an invitation to the meeting.

# Fundraising

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In accordance with Education Code Section 51521, programs, fundraisers or other activities sponsored by booster clubs must be authorized and conducted according to local board policy, laws, and school rules.

At the beginning of each school year, each booster club shall submit to the principal and BSO a list of tentative fundraising events that each organization proposes to hold that year. Amendments to the scheduled fundraising events should be submitted three weeks prior to the event. The principal or site designee shall review the proposed events and determine whether the events are in conflict with or detract from the school's educational program. No fundraising activities can begin until the booster club obtains approval from the BSO.

The following are guidelines for booster club fundraising activities within the Antelope Valley Union High School District:

1. A Use of Facilities request must be pre-approved at the site level prior to the submission of a fundraising request. Attach a copy of the approved facilities request form to the fundraising request.
2. Students shall not be involved in fundraising activities except as volunteers after school hours and/or off campus for the booster organization.
3. All booster funds are collected and maintained by the organization. The District or ASB tax identification number cannot be used. No booster funds shall be kept in ASB accounts.
4. No coercion should be exercised in fundraising activities and no student or teacher is required to raise any particular minimum of money or sell any minimum number of tickets, etc. Under no circumstances should pressure be brought to bear on students through competition or by special recognition of sales.

Funds received from booster club fundraising activities are used to benefit the student group and school in an appropriate way. Fundraising projects for parental groups should be:

1. For the educational benefit of the student group, coordinated through the principal or site designee.
2. For a specific project, as identified in the current approved budget.
3. In connection with the established goals and philosophies of the booster club as well as Antelope Valley Union High School District guidelines.
4. *For the benefit of the student program that the booster club supports.* The use of individual student accounts or tracking of student accounts is not allowed.

Education Code section 51520 states:

*51520. (a) During school hours, and within one hour before the time of opening and within one hour after the time of closing of school, pupils of the public school shall not be solicited on school premises by teachers or others to subscribe or contribute to the funds of, to become members of, or to work for, any organization not directly under the control of the school authorities, unless the organization is a nonpartisan, charitable organization organized for charitable purposes by an act of Congress or under the laws of the state, the purpose of the solicitation is nonpartisan and charitable, and the solicitation has been approved by the county board of education or by the governing board of the school district in which the school is located.*

On-campus activities, especially fundraisers, should not supplant, duplicate, nor interfere with those of the school or other booster clubs. The principal or site designee has the authority to limit the number or type of on-campus fundraisers.

### **School Connected Food Sales**

Booster clubs must comply with Federal and State law as well as district policies and regulations on the sale of food on school premises. Booster clubs are encouraged to review and become knowledgeable of applicable laws including county food handling requirements, Federal and State nutritional standards, as well as the District's Wellness Policy. Booster clubs are one of the organizations that the district can authorize to operate the concession stands at sporting events in order to raise funds for the organization; however, the ASB is given first priority. Be aware that snack bars are subject to inspection by the County Health Department at any time.

### **Bingos, Raffles and Auctions**

Penal Code Sections 320.5 (raffles), 319 and 326.5 (bingos), authorize, under defined circumstances, eligible organizations to conduct raffles and bingos. While it is not permissible for school districts, individual schools or ASB's to conduct raffles, nonprofit groups such as booster clubs, are allowed to conduct raffles and bingos *as long as the group is tax-exempt in accordance with Revenue and Taxation Code 23701(d) and has been licensed to do business in California for at least one year.*

#### **Bingos**

Certain tax-exempt organizations are authorized by state law and local ordinance to raise money from bingo, provided that: (1) the proceeds are used only for charitable purposes, (2) the games are conducted by volunteer members of the organizations, (3) no salaries are paid with bingo proceeds, (4) there is no commingling of bingo money with any other funds, (5) the organization conducting bingo holds a valid license issued by the city or county in which bingo is played.

Please note the important restrictions on bingos:

- Minors (under the age of 18) are not allowed to participate in any bingo game.
- Only the members of the authorized organization can conduct, operate, or participate in the promotion, supervision, or any other phase of the bingo game.

## **Raffles**

Raffles conducted by nonprofit organizations for charitable purposes are lawful under California law which took effect in 2001 (Penal Code 320.5). Ninety percent (90%) of raffle revenue must be used for a charitable purpose or program. Charitable organizations must register with the Attorney General's Registry of Charitable Trusts prior to conducting a raffle and must annually report the results of any raffles conducted. Registration and reporting forms may be obtained from the Registry of Charitable Trusts by mail or from the Charitable Trusts website.

Please note the important restrictions on raffles:

- At least 90% of the gross receipts of the raffle must be distributed to provide support for a beneficial or charitable purpose, therefore the traditional 50/50 type raffle is illegal.
- Detachable tickets must have identifying numbers.
- Only adults (over the age of 18) may supervise the drawing.
- The raffle may not be conducted over the Internet.

Information on how to conduct a legal raffle can be obtained by going to the California Attorney General's Web site at <http://oag.ca.gov>. Before the group can conduct the raffle, it must register with the Department of Justice and complete the annual raffle registration form at [http://oag.ca.gov/sites/all/files/agweb/pdfs/charities/raffle/ct\\_nrp\\_1.pdf](http://oag.ca.gov/sites/all/files/agweb/pdfs/charities/raffle/ct_nrp_1.pdf) by September 1 of the year in which the raffle will be held. On an annual basis, the group is required to submit a report to the Department of Justice that includes the gross receipts and expenses incurred from the operation of the raffle, as well as the charitable or beneficial purposes for which the proceeds were used.

## **Auctions**

An auction is a group of items that have been donated or purchased that are then "sold" in a silent auction to generate donations for a specified group or activity. An auction held on a Saturday, conducted by a booster club with the sole purpose of raising donations for the school, would be acceptable as a fundraiser. Both parents and students would be able to bid on the items, since it would not occur during school hours, and is not considered gambling. However, when a school is working with an organization, the community perceives that the funds raised will be used towards supporting school functions. Care must be taken by all involved that the donations received are used in the manner represented by the organization conducting the fundraiser.

# Financial Procedures

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## **Budgets and Budget Management**

A budget should be developed at the beginning of the year to project expected revenues and expenses and should be revised as needed. Budgets are usually prepared for a one-year period and include the annual goals and a plan for achieving those goals by deciding the following:

Estimated revenues - What fundraisers will be held?

Estimated expenses - What will be the cost to conduct the fundraisers?

Estimated ending reserves and carryover - Is there enough left over to accomplish the goals that have been outlined?

Budget monitoring is also necessary. This is the process of comparing the budget to the actual revenues and expenses at a point in time to determine whether the revenues are coming in as expected and that the expenses are not exceeding the amounts authorized in the budget. This should be done at least monthly so that there is adequate time to adjust plans. If the budget is not meeting expectations because of lower than projected revenue or higher than projected expenses, booster clubs should revise the budget.

## **Financial Reporting to the Membership**

At a minimum, the organization's membership *should* be provided with a financial statement and bank reconciliation at the end of each semester, monthly copies should be available for review. The financial statement should provide a comparison of budgeted versus actual expenditures and receipts. Cash receipts and disbursement reports should be available for review when needed and at the annual audit.

## **Financial Reporting to the District/School Site**

Booster clubs are required to submit end-of-year financial statements to the BSO and school site, and mid-year financial statements upon request.

## **Cash Receipts**

All cash collections received by the booster club for fees, dues, fundraising, etc. must be deposited in total and in a timely manner. All funds must be supported by some type of record documenting the source and amount of funds. Such documentation should be readily available for audit purposes.

## **Disbursement of Funds**

At the outset of the school year, a budget of anticipated expenditures should be developed. Prior to a disbursement, the request to expend funds should be compared with the budgeted expenditures. Disbursements outside the scope of the budget or line items that exceed the approved budget should

require a vote by the general membership. Direct payments to District employees are not permitted uses of booster funds, nor are the purchase of alcoholic beverages or tobacco products.

Approval should be obtained for all expenditures regardless of the amount; it is recommended this be written using a disbursement voucher. 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.

## **Petty Cash**

Each booster club may maintain a small petty cash account. Strict controls must be maintained by keeping petty cash in a locked box accessible by only the treasurer and one other officer. Control of the petty cash account by a District employee is not allowed. The petty cash funds should be used for emergency purchases only. All other purchases should be made with a booster club check.

Upon disbursement through the petty cash account, a receipt for the purchase should be retained. At any given time, the amount of petty cash remaining and the aggregate total of receipts on hand should equal the amount of the established petty cash account.

## **Bank Deposits**

It is recommended that deposits be made daily, if the total receipts on hand exceed \$250.00. All money must be deposited prior to holidays and weekends. To ensure the integrity of financial reporting, common deposit practices include:

- Separate all currency and coins by denomination and carefully count and record it in the appropriate section of the bank deposit form.
- A tape may be run of any checks included in the deposit rather than indicating the checks individually on the deposit slip. A copy of the tape should be retained with your copy of the deposit records.
- Total the deposit slip.
- Deposited receipts must be grouped together in consecutive sequence to assure all are received. Multiple receipt books should be grouped separately to provide adequate audit trails.
- Tally the pre-numbered cash receipts and make certain this receipt total matches the deposit total.
- Attach the cash receipt summary documents with a copy of the deposit slip and file in deposit date order.
- For large deposits, have another individual independently count the deposit and verify the amount has been correctly recorded on the deposit slip.
- Both individuals should initial the deposit slip.

- 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 deposit received was not correct.

## **Bank Reconciliation**

Upon receipt of the monthly bank statement, the balance indicated on the statement shall be reconciled to the bank account balance in the general ledger as of the last day of the month. The reconciliation should be completed within thirty (30) days of the date of the bank statement. Items that are needed for reconciliation are listed below:

- Bank reconciliation form
- Prior month's bank reconciliation
- Bank statement
- Check register and/or cash disbursement journal
- Cash receipts journal
- General Ledger

## **Internal Controls**

Booster clubs are responsible for ensuring that proper internal controls exist for all of their financial activities. Internal controls are the foundation of sound financial management. They include the policies and procedures that an organization establishes to do the following:

- Ensure that operations are effective and efficient
- Safeguard and preserve the organization's assets
- Promote successful fundraising ventures
- Protect against improper fund disbursements
- Ensure that unauthorized obligations cannot be incurred
- Provide reliable financial information
- Reduce the risk of fraud and abuse
- Protect members and volunteers
- Ensure compliance with applicable laws and regulations
- Maintain an accurate inventory of all goods

It is critical to establish good policies and procedures relative to internal controls. Internal controls not only protect assets such as money and equipment, they also protect people. For example, establishing good internal controls for fundraising events significantly reduces the risk that anyone participating in the event will be accused of any impropriety. Internal controls include segregating duties according to members' functions so that one person is not handling a transaction from beginning to end. This is a critical part of a system of checks and balances. Functions that need to be segregated include the following:

- Those who initiate, authorize or approve transactions
- Those who execute the transactions
- Those who record the transaction
- Those who reconcile the transaction

## **1099 Requirements**

Internal Revenue Service guidelines require that all payments for services in excess of \$600.00 made to a vendor or an individual by a booster club be reported on a form 1099 on an annual basis. The booster club should secure an IRS form W-9 from the provider at the time of service to ensure the organization has an accurate record of the taxpayer identification number. The organization must then issue a form 1099 to all qualifying vendors for services performed in a calendar year by January 31 of the subsequent calendar year.

## **Annual Audit Requirements**

An audit is an examination of the financial records of the booster club. It assures that all income and expenditures are accounted for and consistent with the budget and goals for the year. It also verifies that the bank balance and ledger balance are reconciled. The audit is to protect the booster club officers and the organization.

An audit should be conducted at the end of the fiscal year, when there is a change in treasurer, and when there is a change in any officer who signs booster club checks.

An audit may be conducted by an outside party, such as a CPA or an audit committee. The audit committee should be comprised of at least two members of the booster club (not the president or treasurer).

Audit procedures for the audit committee are as follows:

1. Review reconciled bank statements and canceled checks to determine that:
  - a. Disbursements have been properly documented with an invoice or receipt.
  - b. Disbursements have been properly approved.
  - c. Checks have been properly signed.
  - d. Checks have been deposited or cashed by the payee indicated.
  - e. Checks have been accounted for in the proper sequence (no missing checks).
2. Check addition and subtraction on cash receipts and deposits.
3. Compare cash receipts and deposits to the bank statement.
4. Verify that receipts and disbursements were allocated to the correct account or budget category.
5. Verify that income from sales, dues, or any other sources have appropriate backup. The total amount collected should match the amount deposited into the bank account.

6. Review the treasurer's monthly reports and check them for accuracy. Review the beginning and ending balances on reports to verify that correct ending balances were carried forward as beginning balances on subsequent reports.
7. Determine that only applicable booster club officers are authorized signers on bank account(s). Former officers should not remain on the account(s) as authorized signers. In addition, the faculty sponsor shall not be an authorized signer on the account.
8. Obtain proof that all applicable sales taxes were paid.
9. The audited financial report should be signed by all members of the audit committee and submitted to the principal or site designee (upon completion, when applicable) or following the end of the fiscal year.
10. Verify that 1099s were issued, if applicable.

## **Retention of Records**

Since voluntary organizations often suffer from the constant turnover of officers and members, it is important that the activities of the organization be clearly documented and that a procedure for retaining those documents be established. Listed below are documents that should be retained by the organization for a minimum of 4 years.

- Cash receipts
- Cash disbursements and general ledger
- Bank records
- Income tax returns
- Minutes of meetings as defined by the organization bylaws

## **GENERAL DO'S AND DON'TS OF BOOSTER CLUBS**

### **What to do:**

- Obtain tax identification number and tax-exempt status, if applicable.
- Open financial account under the aforementioned criteria. Maintain records for continued status.
- Create a logo and name to be used. School and district logos shall not be used without specific authorization of the Superintendent or District designee; booster clubs have their own identity.
- Raise funds by using adult membership. Special projects may include students who volunteer.
- Maintain relationship with site personnel for input of needs.
- Donate all purchases to the school district in accordance with District policy.
- Consult District maintenance department **prior** to purchasing items that require installation or involve site or building improvements.
- Consult BSO **prior** to purchasing goods or services that require on-going maintenance contracts.

### **What NOT to do:**

- Conduct fundraiser activities that require a student to participate.
- Co-mingle booster clubs funds with ASB funds.
- Represent booster clubs activities as those of the Antelope Valley Union High School District.

## FREQUENTLY ASKED QUESTIONS & ANSWERS

### Purpose of a Booster Club

A1. Please clarify the difference between a booster club and ASB.

*Booster clubs are parent organizations run by adults with all decisions as to activities, money handling, and spending done by the members and executive board of each organization.*

*ASBs are district sponsored organizations located at school sites. The District audits the books of ASBs. Decisions are made by student council with approval by the Principal.*

A2. If we are not a booster club, does everything go through ASB?

*It is recommended that the parent group work in conjunction with the school site ASB for fundraising events. Please be aware, parent groups that opt to not work in conjunction with ASB, are responsible for any tax ramifications on revenues earned.*

A3. Does AVUHSD prefer or recommend a parent group be a separate booster club or be a parent group under the direction and responsibility of the school?

*All booster clubs and parent groups are distinct and separate entities from the district. The district certainly welcomes parent volunteers; contact the ASB Advisor at your school site to assist as a parent volunteer with ASB activities.*

### Formation of a Booster Club

B1. Where does the completed booster application get turned in?

*The Activities Vice Principal. It is then forwarded to the District Business Services Office (BSO).*

B2. Is contact information only required for the Executive Officer positions listed on the Booster Application?

*Yes, contact information is only required for those positions listed on the application.*

B3. Who approves the booster club? Who approves the ASB?

*Booster club applications are approved by the BSO. ASB clubs are approved by ASB Student Council.*

B4. What is the deadline for submitting the booster application to the school?

*Approval must be obtained before any booster club activities occur. If summer activities are planned, then approval needs to be secured before the end of the school year.*

B5. How is the booster club acknowledged by the District?

*Booster clubs are required to submit an application each year to the BSO. The BSO will notify the booster club once their application has been approved or if more information is required prior to approval.*

B6. Where do I get the applications at the end of the school year to re-apply for the new school year?

*Applications can be obtained from the school site or from the District's webpage, under "Find it Fast"; "Booster Organizations". A sample booster club application is located in the back of the Booster Club Manual.*

B7. Is every club on campus required to have a booster club (e.g., chess club, Red Cross)?

*No. ASB clubs can operate effectively without a booster club.*

B8. Can the booster club use the school's logo?

*No. Booster clubs are separate and distinct entities. They need their own identifying logo.*

B9. How is a booster club supposed to stay separate from the school when representing our organization?

*Booster clubs should have their own identifying logo. It is extremely important that booster clubs and ASBs are identified as separate organizations.*

B10. How difficult is it to become a 501(c)(3) organization?

*This question is best answered by the Internal Revenue Service.*

B11. The booster club has received our EIN but are we required to complete IRS form 1023 as well?

*IRS is your best source for this answer. The Booster Club Manual has contact information that may help.*

B12. If the process is up to 12 months to get 501(c)(3) recognition from the IRS; do we begin operating as a booster club now or can we start next year and just be parents raising money for the team?

*501(c)(3) status is only a recommendation to legally allow donations from an individual to be tax-deductible. An official booster club would be eligible to apply for tax-deductible donation collection status. A parent group is not eligible. A parent group may request to fundraise in conjunction with the school site ASB.*

B13. Where does a booster club obtain a seller's permit?

*The California Franchise Tax Board issues seller's permits. Page 5 of the Booster Club Manual provides information.*

B14. Is there a certain guideline for a seller's permit? Would a seller's permit be required to operate a snack bar or sell t-shirts?

*This question is best answered by the California State Board of Equalization.*

B15. Does the booster club need a seller's permit for a business that already has one?

*Booster clubs are separate entities. If a seller's permit is required they would need to have their own. They cannot use someone else's seller's permit.*

B16. Can the insurance just indicate the school as "additional insured" instead of AVUHSD?

*No. Antelope Valley Union High School District needs to be listed as the additional insured on all Certificates of Insurance.*

B17. Does AVUHSD provide insurance for events held at school facilities?

*Booster clubs are required to hold insurance coverage with the Antelope Valley Union High School District listed as an additional insured. The minimum required limits of coverage are listed on page 6 of the Booster Club Manual.*

B18. I do not have a booster club for my team. I do everything and I am the treasurer. Do I need liability insurance, tax 501(c)(3), and a bank account?

*Yes. Under the conditions you describe you are not a booster club. Moneys you collect could be considered income to you by the IRS. Contact the ASB Advisor at your school site to determine how your activities can be transitioned to the ASB.*

B19. How does a team stay functioning if the parents decide they cannot meet these standards and have a booster club?

*ASB clubs are formed to support student activities. ASBs can conduct fundraising events.*

### Booster Club Organization

C1. Where can the booster club obtain examples of bylaws and constitutions?

*There is a sample Constitution & Bylaws used by ASBs in the FCMAT ASB Manual available at [www.fcma.org](http://www.fcma.org). It might provide a structure for creating one for your booster club. Another booster club at your school site might provide a copy of their Constitution & Bylaws.*

C2. Are Constitution & Bylaws one document or are they separate documents? Can they be combined into one document if all requirements are satisfied?

*Yes. The Constitution & Bylaws can be combined into one document as long as there is a section identified as bylaws.*

C3. Are booster clubs required to provide members (parents) a copy of their Constitution & Bylaws if requested?

*Yes, as a member of a booster club, each individual should be able to obtain what would be considered to be public records. An organization's Constitutions & Bylaws certainly fall into that category. The Constitutions & Bylaws should be discussed at meetings.*

C4. Can the executive board determine how long a parent can attend a meeting? Can executive board members hold a meeting behind closed doors?

*There should be both executive board and general meetings. General meetings are open to all members. Executive meetings would be closed to members. The length of time at meetings would depend on the timeline of the published agenda.*

C5. How long can minutes be enforced?

*Unless a specific timeline is included in the minutes, the decision recorded would be valid for the school year.*

C6. How many board members does a booster club need?

*Your booster club Constitution & Bylaws will outline the number of board members and their duties.*

C7. Can an alumni become a booster member or an officer of a booster club?

*The membership requirements should be outlined in the Constitutions and/or Bylaws.*

C8. Is there an age requirement for booster member or officer?

*Booster clubs are adult organizations. As long as the person is legally an adult and eligible under other criteria set by the Constitution and/or Bylaws, they can be a booster club member or officer.*

*Limitations will exist if the person is not of legal age to participate in a fundraising event such as games of chance or bingos.*

C9. Are teachers involved in booster meetings and fundraising?

*District employees are not allowed to be in a decision-making capacity for a booster club at their own school site. An employee can be a member of the booster club and be an adult volunteer at a fundraising activity.*

C10. What is the role of the coaching staff as it pertains to the booster club?

*Coaches should be working cooperatively with their booster club. Needs of the team or student groups should be communicated. Coaches should have no leadership or decision-making responsibilities for a booster club at their own school site.*

C11. Is an audit committee recommended?

*Yes. It is always a good idea to have independent individuals review the financial transactions and decisions of the Executive Council.*

C12. Can a booster officer be part of the audit committee?

*No one who has decision making abilities within the booster club organization should serve on the audit committee.*

C13. If a booster club dissolves and records are kept for 4 years, who keeps the records if and when it is dissolved? The records will include personal information of a parent.

*You will need to check with the Internal Revenue Service to determine record retention requirements.*

C14. Our booster club is likely to dissolve. Who do we talk to at the school about the ASB taking over so the team continues to function?

*The Activities Vice Principal at your school site should be your first contact. If not available, contact the Principal.*

### Operating Procedures

D1. Can a booster club deposit to ASB be allocated for a particular expense?

*Donations made to ASB can be directed to a specific club or even a specific purpose. It cannot be directed to a specific student. The purpose of the donation needs to be a legal ASB expenditure and approved by the ASB student council.*

D2. Are booster clubs responsible for specific purchases such as the trophy case or CIF banners?

*No. While many booster clubs show their support in this manner, there is no "requirement" to make this purchase. This would be a local decision made by the booster club. That is certainly one example of how a booster club can provide their support and meet their 501(c)(3) goals.*

D3. Can a booster club provide a "scholarship" to a student to help pay costs for entering a tournament? The student would otherwise be unable to play.

*No. No individual student should benefit from decisions made by the booster club. The original charter of the booster club and State of California non-profit and incorporation documents should be reviewed as to requirements.*

D4. Can the booster club donate to the ASB fund to upgrade what the school intends to purchase (e.g., upgrading the wrestling mats)?

*Yes, as long as the district's Purchasing Department and the school site agrees to the upgraded item.*

D5. If I buy team supplies and equipment and notify ASB so they can approve it and "recognize" my donation, does ASB have to approve the purchase and accept the donation?

*If the booster club makes a purchase AND the ASB does not accept the donation, the items are returned to the booster club.*

D6. Can you please explain the difference between “co-mingling” funds with ASB and making donations to the ASB account for club/team purchases?

*The “co-mingling” restriction has to do with money. ASB money cannot be deposited into booster club accounts. Booster club money cannot be deposited into ASB accounts. Booster clubs can fundraise and then make a donation of cash and/or supplies if they wish.*

D7. Must all purchases be reported as donations for the District’s Board of Education approval (supplies/equipment, transportation)? Must all cash be reported as donations?

*Yes and yes. The District would like to acknowledge all donations made in support of their students. When donations include supplies & equipment, it is best to make sure all parties agree and can use those items to be donated. Equipment donations should be approved by the school district to make sure ongoing maintenance concerns have been addressed before the purchase.*

D8. Who determines what a booster club pays for on the campus (e.g., equipment or track)?

*For use of school/district facilities, the District Office makes this determination.*

*For items being purchased by the booster club and donated to the school site, it is the booster club’s decision; although, equipment donations should be approved by the school district to make sure on-going maintenance concerns have been addressed before the purchase.*

D9. Can the booster club withdraw cash to make purchases (e.g., to make purchases in L.A.)?

*The better option would be for items to be purchased and reimbursement be requested. Written procedures may exist that would allow for cash to be extended in advance for purchases with receipts and change being submitted to the booster club immediately after the event.*

D10. Can a member or officer that has a business not benefiting from boosters, but boosters can benefit from them, be a conflict?

*Individuals who have decision-making responsibilities for the booster club should not benefit from their decisions. For example, if an executive council member voted to use their own company to purchase items, this would be a conflict of interest.*

D11. The booster club purchases all the equipment; do the purchases have to be donated to ASB?

*No. Booster clubs have the right to retain ownership of equipment purchased.*

D12. If the booster club purchase uniforms and donate them to the school, does the school maintain them? Can uniforms be purchased and not donated?

*Yes. Donated items become the responsibility of the school site.*

*Yes. Booster clubs are under no obligation to donate to ASBs. Uniforms can be purchased and maintained themselves.*

D13. How do donations get acknowledged?

*The Donation Form should be completed when making the donation and can be obtained from the school site office. The School Board will acknowledge donations at each board meeting.*

D14. If a district employee is working after their scheduled district hours why would the booster club have to pay benefits for that person? Are employees allowed to volunteer time?

*IRS regulations are strict as to payment of employees and their appropriate benefits. Certainly employees have the option of volunteering their time; however, if they are paid in any way, payment must be made via district payroll.*

D15. What are fixed costs that get added to salary payments?

*Fixed costs for salary payments could include any of the following as applicable: FICA, Medicare, State Unemployment Insurance (SUI), Workers Comp, OPEB, STRS, PERS.*

D16. How does the janitor work at a school event (e.g., award ceremony in the evening at a district facility)?

*The district will hire appropriate staff for events approved by submission of the Use of Facilities request form. The BSO will determine if the booster club is required to pay for the services.*

D17. Are coaches district employees?

*Yes, most coaches are employees of the district. They can, however, be volunteers who have gone through the Human Resources approval process to work with students.*

### Fundraising

E1. ASB fundraising vs. Booster Club, who gets priority?

*ASB fundraisers have first priority. Submission of the booster's annual fundraiser calendar to the school site Activities Vice Principal is very important for coordination.*

E2. Can fundraising be done for future projects?

*Yes. Fundraising activities and their purpose are decisions made by the booster club.*

E3. Can booster club fundraisers be on school campus if after school hours?

*All fundraisers must have approval by the school site. Fundraising activities by outside organizations are restricted until one hour after school ends.*

E4. If the fundraiser will not take place on school property, does the booster club still have to get district approval?

*While approval is not required, coordination of fundraising activities is strongly encouraged. Your fundraising list should be on file with the school site.*

E5. Does the fundraising list need to be resubmitted if there is a change of site administration?

*No, your fundraising list should be on file with the BSO. It is only necessary to re-submit if there is a change of fundraisers.*

E6. Can students participate in booster fundraisers?

*Students can voluntarily participate in a booster club fundraiser as long as they clearly identify that they are raising funds for the booster club and they are legally able to participate in the fundraiser (bingo, raffle, casino night, etc.).*

*Fundraisers cannot be held during the school day. The school day is considered to be one hour before the start of school and one hour after the end of the school day.*

E7. If students want to help parents fundraise can they wear their uniforms?

*No. Students who voluntarily participate in a booster club fundraiser cannot identify themselves with the school; they need to be identified with the booster club*

E8. Can the booster club fundraise a tangible, non-food, item during school hours?

*Typically booster clubs are not allowed to conduct fundraisers on school campuses during school hours. Booster clubs can only fundraise on campus with advance permission from the Principal.*

E9. In the past booster clubs have been told that if students sell it, the money has to go to ASB. Please clarify what activities, where students are involved, can have the profits go to the booster club.

*Students can voluntarily fundraise for a booster club as long as they are legally able to participate in the fundraising event (bingo, raffle, casino night, etc.), as long as they clearly identify themselves as fundraising on behalf of the booster club and are not in competition with ASB.*

*Remember booster clubs are parent/adult organizations. Most fundraising activities should be conducted by their members.*

E10. Is it possible for two booster clubs, from two different sites within AVUHSD, to conduct a joint fundraiser?

*Yes. Fundraisers are approved at the school site level.*

E11. Do all fundraisers need to be deposited into booster club funds first? Example, the booster club hosts a competition with attendance from other high schools, should the checks for the competition be written to the booster club and not the high school?

*Yes. If the fundraising event is conducted by the booster club all monies would be handled by booster club members.*

E12. Is the fundraising events list booster clubs provide to the school only for fundraisers held on school campus?

*Communication is very important. All fundraising events, regardless of location, should be included on the list of booster club fundraising events submitted to the school site.*

E13. Does an event like a car wash need to have fundraiser approval as well as a facilities use permit?

*All fundraisers should be on the list of fundraising activities submitted to the school site. Facilities use is handled at the District Office. The District webpage under "Quick Links"; "Use of Facilities" provides information.*

E14. Can the booster club track parent donations, specifically to provide a tax-deduction receipt?

*Tracking of donations is allowed for the sole purpose of providing tax-deduction receipts and for sending thank you letters. What is not allowed is the tracking of donations by students.*

E15. Can a parent ask how much has been pledged per student? Can a parent ask how many donations have come in for a student?

*Student tracking is not allowed. Once donations are received they should be tracked only by donator for tax purposes and for sending thank you letters.*

E16. What are your recommendations for snack bar cash?

*First choice: cash registers. Second choice: cash drawers or cash boxes. To insure sales match cash collected, inventory needs to be taken before and after each sale.*

E17. For snack bar sales, can booster clubs sell food when school is out?

*The restrictions on food sales end one hour after the school day ends.*

E18. Is a food handling class needed for snack bar?

*You will need to check with your local city or county health department to determine all food handling and preparation requirements.*

E19. Since booster clubs cannot track student accounts, can an Excel spreadsheet be done with ticket numbers per student to track money collected from each student?

*Yes. It is recommended that booster clubs use a Ticket Inventory Log for tickets issued and returned. Remember fundraising is not required – IT IS VOLUNTARY.*

E20. Can the booster club track tickets provided to students for a car wash? What if a student does not return the tickets or the equivalent cash, can the student be charged?

*Yes. It is recommended that booster clubs use a Ticket Inventory Log for tickets issued when a student voluntarily fundraises for a booster club.*

*No. Students cannot be charged should a situation occur where tickets and/or money is not returned.*

E21. Can students sell bingo and/or raffle tickets?

*No. It is illegal for students to sell tickets for gambling or games of chance unless they are of legal age. Booster clubs are parent organizations and fundraising should be conducted by adults whenever possible BUT certainly when the fundraiser is a bingo or raffle.*

E22. If the student is not of legal age to sell bingo or raffle tickets, is advertising permissible?

*A student may volunteer to distribute advertising material for a booster event.*

E23. Does a 50/50 raffle violate the 90/10 law of fundraising?

*Yes, unless Penal code 320.5 is followed “at least 90 percent of the gross receipts generated from the sale of raffle tickets for any given draw are used by the eligible organization conducting the raffle to benefit or provide support for beneficial or charitable purposes”.*

*In addition, good cash handling procedures do not permit the spending of monies from amounts collected.*

E24. Can booster clubs conduct a raffle of donated items, not 50/50 drawing?

*Booster clubs are allowed to hold raffles. It is recommended that booster clubs review Penal Code section 320.5 for regulations.*

E25. Can the booster club charge an annual fee to opt-out of fundraising and volunteer activities?

*Fundraising is not required, it is voluntary. No students shall be required to pay a fee for not fundraising nor shall a student be required to raise or sell a minimum level. Booster clubs shall adhere to the same rules that apply to the school and students.*

E26. Please clarify co-mingle with ASB; the booster club does fundraisers with ASB at times.

*The “co-mingling” restriction has to do with money. ASB money cannot be deposited into booster club accounts. Booster club money cannot be deposited into ASB accounts. Booster clubs can fundraise and then make a donation of cash and supplies if they wish.*

E27. If the booster club purchases candy that will be sold under the representation of ASB, is this co-mingling? Then the booster club wants reimbursement for candy expense from ASB, all income will be deposited in ASB.

*It is illegal for ASBs to pay for booster club supplies, which the candy would be in this case, so reimbursement to the booster club would not be allowed. In this situation, the booster club should purchase the candy and then donate it to the ASB.*

E28. What type of fees are booster clubs allowed to request from students? For example, spring sports fees, transportation fees, etc.

*Fees are not allowed to be required or requested from students. Booster clubs are parent organizations. They are formed to benefit students.*

### Financial Procedures

F1. If an annual booster club budget is approved by general membership, does each individual expenditure need ASB approval?

*ASB does not approve booster club expenditures. If the booster club budget is detailed to the point of individual expenditures, then each expenditure would not need to be approved by the booster club.*

F2. How much money is allowed to be carried over each year?

*IRS guidelines can best provide the answer to this question. The Booster Club Manual has IRS contact information.*

F3. Can a prior year booster club board approved expenditure be enforced this year or does a specific annual expenditure have to be approved each year?

*If approved expenditures cross-over fiscal years they must be noted in the Board minutes.*

*Expenditure approvals are good for the term of your booster club approval, typically until the end of the school year.*

F4. Each disbursement should be approved, is the original budget enough?

*Yes, if the disbursement does not exceed the current budget and it was included in the original budget.*

F5. Who do the year end reports go to at the district?

*All reports should be submitted to the BSO.*

F6. When should the annual financial reports be provided?

*Booster club approval is based upon a fiscal/school year, July 1 - June 30. Annual financial reports (July – June) should be submitted at the end of the fiscal year.*

F7. When money is collected for our booster club, who do we check the money in to?

*This is a booster club decision. Booster clubs are responsible for handling their own monetary transactions.*

F8. Is there a form to be used by the audit committee when conducting an audit?

*There is no specific form to use in an audit. The audit committee may develop a form of their own to use.*

F9. Where does the completed audit get submitted?

*The completed audit will remain with booster documents and should be made available upon request.*

F10. Can the treasurer be available to answer questions during an audit?

*The audit committee should have the ability to contact the treasurer during an audit.*

F11. Can booster records be kept in a digital format?

*Yes, digital records will have the same retention requirements as hard copies.*

F12. Other than 501(c)(3) documents, what are some other examples of permanent records?

*The Constitution & Bylaws are permanent documents. Inventory of assets and equipment is another.* P.34

## SCHOOL-CONNECTED ORGANIZATIONS

The Governing Board recognizes that parents/guardians and community members may wish to organize parent organizations and/or booster clubs for the purpose of supporting the districts educational and extracurricular programs. The Board appreciates the contributions made by such organizations toward the Board's vision for student learning and for providing all district students with high-quality educational opportunities.

*(cf. 0200 - Goals for the School District)*

*(cf. 6020 - Parent Involvement)*

Persons proposing to establish a school-connected organization shall submit a request to the Board for authorization to operate within the district or at a district school.

A school-connected organization, including a booster club, parent-teacher association or organization, or other organization that does not include an associated student body or other student organization, shall be established and maintained as a separate entity from the school or district. Each school-connected organization shall be subject to its own bylaws and operational procedures or to the rules or bylaws of its affiliated state or national organization, as applicable.

In addition, activities by school-connected organizations shall be conducted in accordance with law, Board policies, administrative regulations, and any rules of the sponsoring school.

*(cf. 0410 - Nondiscrimination in District Programs and Activities)*

*(cf. 3290 - Gifts, Grants and Bequests)*

*(cf. 3554 - Other Food Sales)*

*(cf. 5030 - Student Wellness)*

*(cf. 6145 - Extracurricular and Cocurricular Activities)*

*(cf. 6145.2 - Athletic Competition)*

The Superintendent or designee shall establish appropriate rules for the relationship between school-connected organizations and the district.

A school-connected organization shall obtain the written approval of the Superintendent or designee prior to soliciting funds upon the representation that the funds will be used wholly or in part for the benefit of a district school or the students at that school. (Education Code 51521)

*(cf. 1321 - Solicitation of Funds from and by Students)*

*(cf. 1330 - Use of School Facilities)*

*(cf. 3452 - Student Activity Funds)*

A school-connected organization may consult with the principal to determine school needs and priorities.

Any participation in fundraising activities by students and their parents/guardians and/or any donation of funds or property shall be voluntary. (Education Code 49011)

## SCHOOL-CONNECTED ORGANIZATIONS

(cf. 3260 - Fees and Charges)

### Legal Reference:

#### EDUCATION CODE

200-262.4 Prohibition of discrimination on the basis of sex

35160 Authority of governing boards

38130-38138 Civic Center Act, use of school property for public purposes

48931 Authorization for sale of food by student organization

48932 Authorization for fund-raising activities by student organization

49011 Student fees

49431-49431.7 Nutritional standards

51520 Prohibited solicitation on school premises

51521 Fund-raising project

#### BUSINESS AND PROFESSIONS CODE

17510-17510.95 Solicitations for charitable purposes

25608 Alcohol on school property; use in connection with instruction

#### GOVERNMENT CODE

12580-12599.7 Fundraisers for Charitable Purposes Act

#### PENAL CODE

319-329 Lottery, raffle

#### CODE OF REGULATIONS, TITLE 5

4900-4965 Nondiscrimination in elementary and secondary education programs

15500 Food sales in elementary schools

15501 Food sales in high schools and junior high schools

15575-15578 Requirements for foods and beverages outside the federal meals program

#### CODE OF REGULATIONS, TITLE 11

300-312.1 Fundraising for charitable purposes

#### UNITED STATES CODE, TITLE 20

1681-1688 Discrimination based on sex or blindness, Title IX

#### CODE OF FEDERAL REGULATIONS, TITLE 7

210.11 Competitive food services

220.12 Competitive food services

#### COURT DECISIONS

*Serrano v. Priest*, (1976) 18 Cal. 3d 728

### Management Resources:

#### FISCAL CRISIS AND MANAGEMENT ASSISTANCE TEAM PUBLICATIONS

2015 ASB Accounting Manual, Fraud Prevention Guide and Desk Reference

#### WEB SITES

CSBA: <http://www.csba.org>

California Office of the Attorney General, charitable trust registry: <http://caag.state.ca.us/charities>

California State PTA: <http://www.capta.org>

Fiscal Crisis and Management Assistance Team (FCMAT); <http://www.fcmat.org>

### ANTELOPE VALLEY UNION HIGH SCHOOL DISTRICT

Policy approved: November 13, 1990, Lancaster, California

Policy revised: October 3, 2006; November 15, 2017

## SCHOOL-CONNECTED ORGANIZATIONS

A school-connected organization's request for authorization to operate within the district or at a district school shall contain, as appropriate:

1. The name and purpose of the organization.
2. The date of application.
3. Bylaws, rules, and procedures under which the organization will operate, including procedures for maintaining the organization's finances, membership qualifications, if any, and an agreement that the group will not engage in unlawful discrimination.

*(cf. 0410 - Nondiscrimination in District Programs and Activities)*

4. The names, addresses and phone numbers of all officers.
5. A list of specific objectives.
6. An agreement to grant the district the right to audit the group's financial records, either by district personnel or a certified public accountant, whenever any concern is raised regarding the use of the funds.
7. The name of the bank where the organization's account will be located and the names of those authorized to withdraw funds.
8. The signature of the principal of the supporting school.
9. Planned use for any money remaining at the end of the year if the organization is not continued or authorized to continue in the future.
10. An agreement to provide evidence of liability and/or directors and officers insurance when and in the manner required by law.

*(cf. 1330 - Use of School Facilities)*

Requests for subsequent authorization shall be annually submitted to the Superintendent or designee, along with a financial statement showing all income and expenditures from fundraisers. If the Superintendent or designee proposes to deny the request for reauthorization, he/she shall present his/her recommendation to the Governing Board for approval.

When deemed necessary by the Board or the Superintendent or designee, the authorization for a school-connected organization to conduct activities in the district may be revoked at any time.

## SCHOOL-CONNECTED ORGANIZATIONS

Each school-connected organization shall abide by the following rules:

1. The organization shall not act as an agent of the district or school.
2. The organization shall not use the district's tax-exempt status and identification number. It shall be responsible for its own tax status, accounting, internal controls, financial reporting, retention of records, and other operations.
3. The organization shall use a separate name and logo. Any use of a name or logo affiliated with the district, a district school, or a school team shall require the prior consent of the Superintendent or designee.
4. Funds of the school-connected organization shall not be co-mingled with district funds, including associated student body funds.
5. The organization shall not hire or directly pay any district employee. If a school-connected organization wishes to pay for additional and/or extracurricular services, the person to provide the services shall be hired through the district's personnel department, provided the Board approves the position. At their discretion, employees may volunteer to perform activities for school-connected organizations during nonworking hours.

*(cf. 4127/4227/4327 - Temporary Athletic Team Coaches)*

### **ANTELOPE VALLEY UNION HIGH SCHOOL DISTRICT**

Regulation approved: November 13, 1990, Lancaster, California

Regulation revised: October 3, 2006; November 15, 2017

## EXHIBITS / FORMS

EXHIBIT A Parent Organization/Booster Club Application

EXHIBIT B Parent Organization/Booster Club Bank Information

EXHIBIT C Parent Organization/Booster Club Operating Manual Acknowledgement Form

EXHIBIT D Parent Organization/Booster Club Hold Harmless Agreement

EXHIBIT E Parent Organization/Booster Club Application for Fundraising Activity

# Antelope Valley Union High School District

## 20\_\_ - \_\_ *Application for Booster Club*

- |   |   |
|---|---|
| <input type="checkbox"/> <b>New Application (pre-approval)</b><br>Complete Sections I thru IV   | <input type="checkbox"/> <b>Renewal Application - <i>Required each school year</i></b><br>Complete all Sections |
| <input type="checkbox"/> <b>New Application (final approval)</b><br>Complete Sections V thru VI | <input type="checkbox"/> <b>Change to Executive Board Officers</b><br>Complete Section II                       |

### I GENERAL INFORMATION

Name of Organization	School Site
Mailing Address	Date Requested
	Booster Web Address

### II EXECUTIVE BOARD OFFICERS

	Name	Address	Phone	Email	Term End Date
President					
Vice President					
Secretary					
Treasurer					

### III PURPOSE (Describe the purpose of the organization)


### IV ANNUAL OBJECTIVES (List specific goals for the school year)


### PRELIMINARY APPROVAL

This certifies you have satisfied sections I thru IV. Please complete remaining sections and resubmit for Final Approval. You are not authorized to operate as a booster organization until all sections have been satisfied and signature for final approval is received from the school site administrator.

Initials School Site Administrator: \_\_\_\_\_ Date: \_\_\_\_\_

**V FINANCIAL INFORMATION**

Name of Bank: \_\_\_\_\_ Account No. \_\_\_\_\_  
Address of Bank: \_\_\_\_\_  
Tax ID No. (EIN): \_\_\_\_\_ Authorized Signers:  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

**VI REQUIRED DOCUMENTS (Attach Copies)**

<input type="checkbox"/> Booster Club Constitution	<input type="checkbox"/> Proof of State Tax Exempt Status
<input type="checkbox"/> Booster Club Bylaws	<input type="checkbox"/> Hold Harmless Agreement
<input type="checkbox"/> Booster Club Banking Information	<input type="checkbox"/> Certificate of Insurance Listing AVUHSD as Additional Insured
<input type="checkbox"/> 501(c)(3) Federal Determination Letter	<input type="checkbox"/> Booster Club Manual Acknowledgement form Signed by each Officer
<input type="checkbox"/> Proof of Tax ID Number	<input type="checkbox"/> Booster Club Officers Contact Information
<input type="checkbox"/> California Seller's Permit	<input type="checkbox"/> List of Proposed Fundraisers

**FINAL APPROVAL**

This certifies you have satisfied all sections of the Antelope Valley Union High School District Application for Booster Club. Authorizations are granted per school year. You must resubmit your application annually to continue to operate as a booster organization.

School Site Verification Booster Club Workshop Attendance:

Name of Attendee: \_\_\_\_\_ Date of Attendance: \_\_\_\_\_

Business Services Office Signature of Approval: \_\_\_\_\_ Date: \_\_\_\_\_

Authorized Date: From \_\_\_\_\_ To \_\_\_\_\_

**DENIED APPLICATION**

Based upon the information submitted on this application the Antelope Valley Union High School District hereby denies the Application for Booster Club.

Signature of Business Services Officer: \_\_\_\_\_ Date: \_\_\_\_\_

Rationale: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

A booster organization reserves the right to re-apply once the basis for denial has been remedied.

**ANTELOPE VALLEY UNION HIGH SCHOOL DISTRICT  
Parent Organization/Booster Club Bank Information**

<b>Parent Organization/Booster Club Name:</b> _____	<b>School Year:</b> _____ <b>School Site:</b> _____ <b>California Entity No.</b> _____ <b>Federal EIN:</b> _____
Account Number: _____	Authorized Signer: _____
Bank Name/Address: _____	Authorized Signer: _____
_____	Authorized Signer: _____
_____	<b>NOTE: AVUHSD EMPLOYEES CANNOT BE SIGNERS</b>
Bank Telephone No. _____	

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Disposition of any fund balance should the parent organization/booster club disband or be denied authorization to operate in the AVUHSD is included in the parent organization/booster club bylaws.

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I understand that our parent organization/booster club's financial statements must be submitted to the school principal or his/her designee and to the District's Business Services Office within 15 days of December 31<sup>st</sup> and June 30<sup>th</sup> of each school year.

<b>Signature:</b> _____	<b>Date:</b> _____
<b>Printed Name:</b> _____	<b>Office Held:</b> _____

# Antelope Valley Union High School District

## 20\_\_ - \_\_ Booster Club Manual Acknowledgement Form

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As an elected officer to a booster club operating within the Antelope Valley Union High School District, I certify that I have read the 20\_\_ Antelope Valley Union High School District Booster Club Manual. I understand the procedures outlined in this manual and will adhere to its instruction. At any time should I have questions regarding policies or procedures, or the information outlined in this manual, I will contact the school site administration for clarification or further instruction. I further understand that the information provided in this manual is not intended to be specific or all-inclusive. It is the responsibility of the booster club to fully understand all laws that govern the operation of booster clubs.

Where necessary, the booster club will seek competent professional financial and tax advice for accounting and filing requirements. The District assumes no accountability or liability for the operation and management of booster clubs. I understand that as an officer of the booster club, and member of the executive board, I am required to ensure the booster club procedures and operating practices are financially and legally sound, and in conformance with all rules, regulations, laws, ordinances and statutes applicable to the organization. I further understand and accept that I am legally obligated to be prudent and reasonable in conducting myself to help preserve and protect the organization.

Signature: \_\_\_\_\_ Date: \_\_\_\_\_

Printed Name: \_\_\_\_\_

Booster Club Name: \_\_\_\_\_

Office Held: \_\_\_\_\_

***Maintain a copy of this manual for your reference.***

***Please return this signed receipt form to the school site administrator.***

# Antelope Valley Union High School District

## 20\_\_ - \_\_ Booster Club Hold Harmless Agreement

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Booster clubs and its officers or operators will agree to indemnify, defend, and hold harmless the Antelope Valley Union High School District, its Board Members, officers, agents, teachers, staff or any other employees from any damage injury or harm involving any student, parent or third party arising from or which occurs in any way as a result of or related to Booster Club activity regardless of location, including every claim or demand made, every liability, loss, damage, or expense, of any nature whatsoever by any student, parent or third party which may be incurred by reason of:

Death or bodily injury to persons, loss of or injury to property, or any loss, damage or expense which may have been sustained by the Booster Club or its representatives or participants, including any corporations, district employees, firm or corporation employed by the Booster Club which arises from negligence or misconduct on the part of the Booster Club, its representatives, students or participants, or which in any way is related to Booster Club activity, regardless of date, time or location.

Any injury to or death of persons or damage to property, any loss or theft sustained by persons, firms or corporations, including the applicant participating in Booster Club activity or conduct related to Booster Club activity, or otherwise arising from any act of neglect, default, omission, negligence or willful misconduct of the Applicant, its members, or any person, firm or corporation employed by the Applicant, either directly or by independent contract, and attributable in connection with the activity covered by this agreement, on or off District property and during or outside of school hours.

Booster clubs, at their own expense, cost and risk, shall defend any and all actions, suits or other proceedings that may be brought or instituted against the District, its Board, officers, agents, or employees and shall pay or satisfy any such claim, demand, liability or judgment rendered against the District, its Board, officers, agents, or employees in any action, suit or other proceedings arising out of the booster activities.

### **ACKNOWLEDGED BY BOOSTER CLUB PRESIDENT:**

Signature: \_\_\_\_\_

Printed Name: \_\_\_\_\_

Date: \_\_\_\_\_

# Antelope Valley Union High School District

## Parent Organization/Booster Club Application for Fundraising Activity

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Parent Organization/Booster Club Name: \_\_\_\_\_ Date: \_\_\_\_\_

School Site: \_\_\_\_\_

Name of Fundraiser: \_\_\_\_\_

Date(s) of Fundraiser:        /        /        to        /        /        Time of Day: \_\_\_\_\_

On Campus Sales         Off Campus Sales        Location: \_\_\_\_\_

Items to be sold: \_\_\_\_\_ Price: \_\_\_\_\_

Estimated Gross Income: \_\_\_\_\_ Estimated Expense: \_\_\_\_\_

**Intended Use for Funds Raised:**

- |   |   |  |
|---|---|--|
| <input type="checkbox"/> Sponsorships/Pledges     | <input type="checkbox"/> Internet         | <input type="checkbox"/> Sale of Merchandise |
| <input type="checkbox"/> Tournaments/Meets        | <input type="checkbox"/> Family & Friends | <input type="checkbox"/> Ticket Sales        |
| <input type="checkbox"/> Restaurant Family Nights | <input type="checkbox"/> Membership       | <input type="checkbox"/> Coin Containers     |
| <input type="checkbox"/> Other (Specify) _____    |   |  |

**Parent Organization/Booster Club**

President Signature: \_\_\_\_\_ Date: \_\_\_\_\_

Site Administrators Signature \_\_\_\_\_ Date: \_\_\_\_\_

Assistant Superintendent, Business Services

Signature: \_\_\_\_\_ Date: \_\_\_\_\_