

Overview of MISD Fundraising & Partnership Training



Overview

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

Main Responsibilities

- **Principal** - The campus principal oversees all fundraising conducted on behalf of the school or student groups. PTA/Booster Clubs must coordinate with the principal, and all fundraising activities require principal approval before they begin.
- **Sponsor/Liaison** -Under the supervision of the campus principal, the sponsor of a student group serves as the liaison between the PTA/Booster Club and the school district. With the approval of the campus principal, the sponsor determines the activities and trips in which the student group will participate and guides the PTA/Booster Club on how it may support the student group. The sponsor may not serve as an officer or voting member of the PTA/Booster Club.
- **PTA/Booster Club** -A PTA/Booster Club works collaboratively with the sponsor to support student groups, activities, and programs. The club determines the type and amount of financial or organizational assistance it will provide and may offer recommendations regarding activities. Final decisions regarding student activities remain with the sponsor and require approval from the campus principal.

Non-Profit Corporation

Clubs are encouraged to incorporate under the Texas Business Code

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

Federal Reporting

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

State Reporting

- **Become Incorporated in Texas**

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

- **Obtain Texas Sales Tax Permit**

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

- **Franchise Tax**

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



Sales Tax



Taxable Status of Purchases:

- Boosters must provide vendor with a valid signed exempt certificate
- The District's exemption status may not be utilized by parent, Booster, patron, or alumni organizations to secure exemption from sales and excise taxes. Parent/teacher organizations, Exempt Organizations, and Boosters Clubs must apply for their own exemption.
- Meals purchased by the organization for teams, groups, bands on school trips are not taxable

Taxable Status of Sales:

- Items which become the personal property of the student (cheerleader uniforms, band t-shirts, etc.), even though connected with a school or organization, are not exempt from tax
- [Each Booster Club can have two one-day tax free sale days per calendar year](#)

Sales Tax Collection

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

Sales Tax Collection

Sales tax shall be collected on sales of:

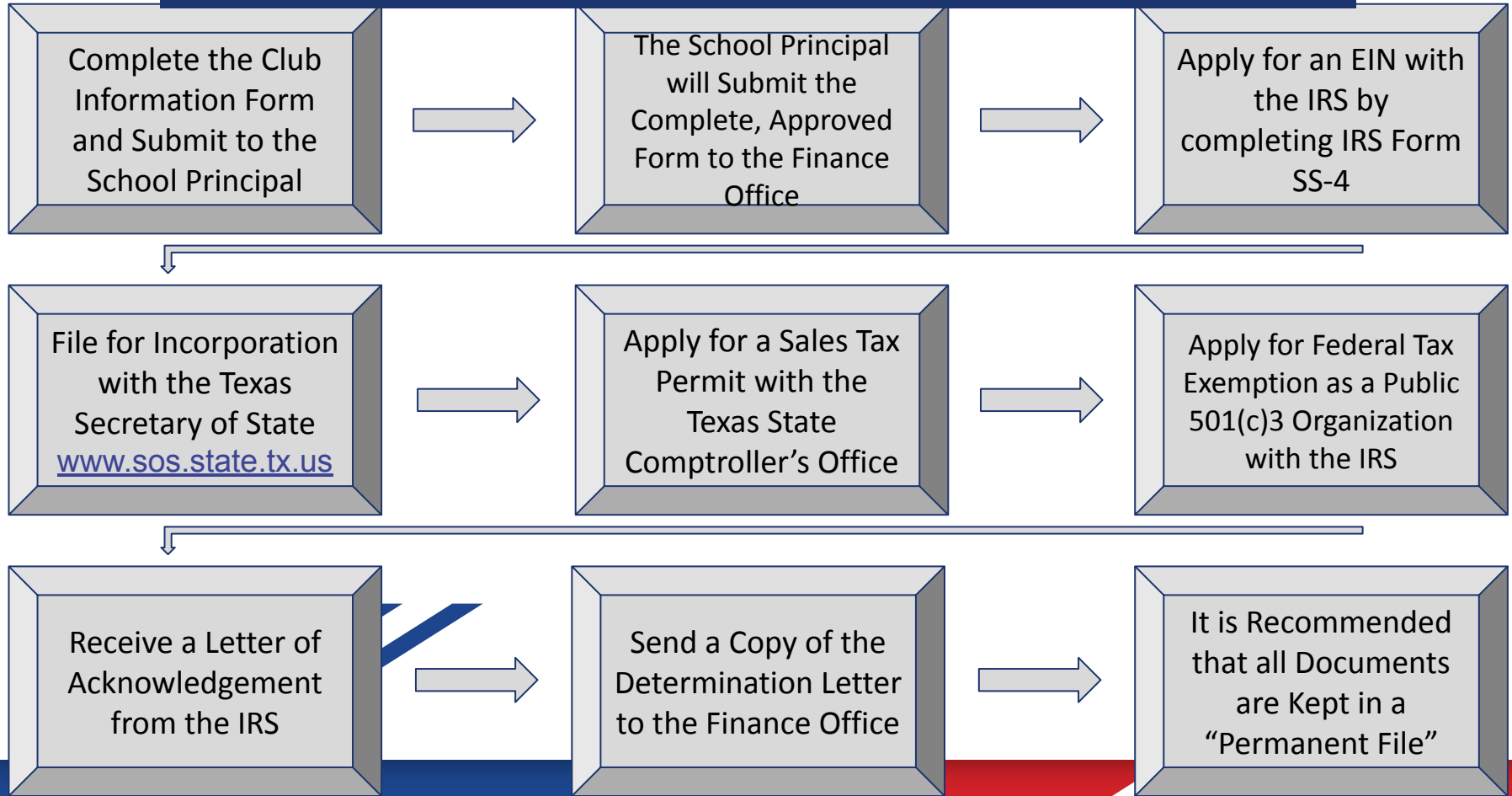
- Items sold by school store (pens, paper, pencils, et)
- Any type of Booster Club materials
- Any other item sold as personal property (pictures, uniforms, sweaters)
- All sales of items such as handicrafts, T-shirts, candles, cups, books
- All other personal property except for those items specifically excluded above

Booster Clubs do not need to collect sales tax on the following; however sales need to be reported:

- Admission Tickets
- Club Memberships
- Food and drinks sold at school functions

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

Steps to Starting a Booster Club



Officers

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

Goal of PTA/Booster Clubs

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

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

Funding Changes for Athletic Booster Clubs

1. High School Varsity Uniform Supplement

Currently, we do not allow Booster Clubs to help with any costs associated with uniforms.

Programs will continue to receive the allotted uniform amount during their uniform rotation years (athletic budget).

- **Uniform Rotation Supplement:** Booster clubs may now supplement varsity uniform costs only during their rotation year. The uniform approval process must still be followed.

2. Travel Expansion Allowance

Currently, we do not allow teams to spend an additional night before a tournament.

- **Travel expansion allowance:** Boosters may now cover the "Night Before" costs (Wednesday night hotels/meals) to ease travel stress, provided the Principal and Athletic Director approve.

3. Tournament Expansion

Currently, we do not allow teams to stay overnight for a 3rd tournament. (Travel is to/from each day.)

- **The "Third Trip" Option:** Programs can now choose to add a third overnight tournament if the booster club fully funds all costs (hotels, bus driver, meals, and fees).
- The district's existing funding for standard (to/from) trips remains unchanged. The district will continue to fund a third tournament in which a team drives to and from on a daily basis and does not stay overnight.

PTA/Booster Clubs Shall

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

PTA/Booster MANDATORY

All individuals who interact with students or support campus activities must have an approved background check prior to their service. This includes, but is not limited to:

- General Campus Volunteers (classroom helpers, field trip chaperones, library assistants)
- **Booster Club officers or members who volunteer or work around kids (Concession Stand workers, selling fan gear, decorating locker rooms)**

Important Policy Reminders

- No Uncleared Volunteers: Under no circumstances should an individual participate in campus volunteer activities, Booster events on district property

Email Proof of Approved Status

- Volunteer emails “Approved” email to Booster Club representative
- This is completed annually

Volunteer Background Check

- To help ensure the safety and security of our students and staff, all individuals who wish to volunteer on a Midland ISD campus must complete an online background check application and review the MISD Volunteer Handbook.
- A background check application must be completed annually and approved before an individual is eligible to volunteer.
- Booster Clubs and PTAs are responsible for maintaining an updated list of approved volunteers. To verify that individuals have completed the required background check and are approved to volunteer, please contact Keitha Butler at Midland ISD at (432) 240-1371,
- The Midland ISD volunteer application is available on the Midland ISD website under Community > Volunteers. For your convenience, a direct link to the volunteer application and handbook is provided below:
- [MISD District Volunteer Application](#)
- [MISD Volunteer Handbook](#)

PTA/Booster Clubs Shall Not

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

Mailing Address

- To avoid frequent mailing address changes, the IRS and the Texas Comptroller's Office recommend that each Booster Club obtain its own post office box (PO Box) or private mailing box (PMB) to be used for official Booster Club mail. This address and box keys can be given easily to the new officers at the beginning of the year.
- If the mailing address for the Booster Club changes, immediately notify the District, the Texas Secretary of State, the Texas Comptroller's Office, and the IRS.
- Booster Clubs should maintain a consistent and current mailing address to ensure important correspondence from the IRS and other agencies is received timely. If a school address is used, mail may be delayed during school closures. Failure to respond to required notices may result in penalties or loss of tax-exempt status.

The District does not recommend using a home address since officers change frequently

UIL Guidelines

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



Fundraising Activities

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

Gambling

- Texas public school districts are defined as governmental entities and are strictly prohibited from gambling type activities
 - ***Not Allowable:*** An ISD cannot hold a raffle where tickets are sold for a chance to win a prize, including squares for sporting events. This is considered illegal gambling for a school district and **the district should not promote such activities.**
 - ***Allowable:*** Schools can hold "auctions" (silent or live) where the highest bidder wins, as there is no element of "chance" involved in the selection of the winner. They can also hold "contests" based on skill or "votes" (e.g., a penny drive where the class with the most money wins a pizza party).
- Unlike the school district, PTAs and Booster Clubs are usually separate 501(c)(3) nonprofit entities. This status allows them to utilize the Charitable Raffle Enabling Act and the Bingo Enabling Act, but only if they meet strict criteria.

Raffles

- Booster/PTA must be in existence as a qualified 501(c) non-profit organization for a minimum of three years prior to being eligible to raffle.
 - If you conduct and are not a qualified non-profit organization
 - Class A misdemeanor for the organizer
 - Class C misdemeanor for participants
- May hold only one raffle at a time.
- All raffles must be pre-approved by the principal designee and be related to the goals of the school district in accordance with UIL guidelines.
- The booster must have ownership of the prize (in possession) prior to conducting the raffle.
- Students and the district are not allowed to sell raffle tickets or promote the raffle.

Raffles (Cont.)

- A maximum of four raffles a calendar year are allowed for qualified nonprofit organizations (501(c)3) if they meet the qualifications of the [Charitable Raffle Enabling Act](#)
 - Every ticket must have the organization's name and address, the ticket price, a description of prizes over \$10.00 and the date the prize will be awarded.
 - The prize must already be owned and in the possession of the booster before tickets are sold.
 - Money, including coins, currency or negotiable instruments is not allowed.
 - A raffle prize may not be money (cash or a negotiable instrument such as a check, money order, certificate of deposit, or gift card).
 - Paying someone to organize the raffle or to sell tickets is not allowed.
- The prize purchased may not exceed \$75,000- under the [Charitable Raffle Enabling Act](#) .

Raffles (Cont.)

- All federal, state and local guidelines must be followed regarding purchased items, so please ensure that what is purchased, and how it's delivered, meet applicable guidelines (i.e., firearms purchase)
 - Winner must undergo a background check before taking possession of the firearm.
 - Transfer must be through a Federal Firearms Licensee (FFL)
 - The winner must meet legal age requirements and be a resident of Texas for the transfer to occur directly.
 - Possession/transfer of the firearm must NOT be on a Midland ISD campus nor promoted by the district.
- If the rules are not followed, the raffle could be considered an illegal gambling under Texas law.

Bingo

- A qualified nonprofit organization must obtain a license from the Texas Lottery Commission in order to host bingo activities
 - Can apply for a temporary license to conduct a single bingo event (up to 12 times per calendar year)
 - Only members of the organization can conduct the bingo activity and cannot hire an outside person/organization to run it for profit

List of Unallowed Activities

Activity	Status	Reason
Casino/Poker Nights	Prohibited	Texas law does not provide a "charity exception" for casino games (Blackjack, Poker, Roulette) where real money or "buy-ins" are involved.
"50/50" Raffles	Prohibited	Since the prize is half of the cash collected, it qualifies as a "cash prize," which is illegal for non-sports-team charities.
Online Raffles	Restricted	Selling tickets online or via the internet is generally prohibited under the Raffle Act.
Slot Machines/8-Liners	Prohibited	These are strictly regulated and generally illegal for fundraising purposes.

Collection/Payment of Funds

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

Gift to District

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

Scholarships

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

Scholarships (cont.)

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

Capital Expenditures

- PTA/Booster Clubs must complete the designated Google Form to request approval before purchasing a capital expenditure on behalf of or for the benefit of the district. The request must be submitted and approved prior to making any purchase or financial commitment.
 - Purchase of an individual item or project that cost \$10,000 or more
 - Request form will include the following items
 - [Google form](#)

Capital Expenditures

- The Google Form requires the following information to be provided as part of the capital expenditure request:

- Reason for the Request – Provide a clear explanation of why the purchase is being requested and how it will support the campus, program, or student group.	- Project/Purchase Timeline – Provide the anticipated timeline for the purchase or project, including the expected purchase date, implementation/start date, and completion date, if applicable.
- Request Details – Provide a detailed description of the proposed purchase, including what will be purchased, how it will be used, and any other relevant information regarding the request.	- Expected Lifespan – Provide the estimated useful life of the capital expenditure and how long the district is expected to use the item or improvement.
- Strategic Plan Alignment – Describe how the request supports and helps achieve the district's strategic plan, goals, and priorities.	Recurring Costs – Indicate whether the purchase will result in ongoing or recurring costs to the district. • If yes, describe the purpose of the recurring costs. • Identify the estimated amount and frequency of the recurring costs.
- Cost of Project/Purchase – Provide the total estimated cost of the project or purchase, including any applicable installation, delivery, equipment, or other associated expenses.	○ Google form

Process for Capital Expense Request

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

Payment of Funds

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

Financial Reporting

- Members should develop and approve an annual budget at the beginning of each school year. Throughout the year, actual revenue and expenses should be regularly reviewed and compared to the approved budget.
- At a minimum, the organizations membership should be provided with a financial statement and bank reconciliation at each meeting:
 - Should provide a comparison of budgeted vs. actual expenditures and receipts
- Prepare a financial recap at the completion of each fundraising event to determine profitability of the fundraiser.
- GASB Statement No. 39 of the Governmental Accounting Standards Board requires the District to obtain and review financial performance information of supporting organizations to determine whether these organizations should be considered a component unit:
 - Booster Clubs are required to submit to the Executive Director of Finance or designee mid-year and end-of-year financial statements (including balance sheet and income statement). Documentation must be submitted to the Finance department by August 30th. Please send the completed review to Mario Vargas at mario.vargas@midlandisd.net.

Checklist of Activities

Ongoing & Monthly

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

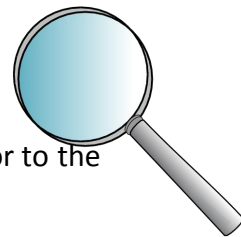
Year End

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



Annual Financial Review

- An annual financial review is necessary to ensure all income and expenditures are accounted for and consistent with the budget and goals for the year
- The financial review is to protect officers and the organization
- An annual financial review should occur at the end of the fiscal year or when a change occurs in the treasurer or check signer
- An annual financial review can be conducted by an outside party such as a CPA or an audit committee comprised of at least two members of the Booster Club (other than the President or Treasurer)
- To ensure compliance and ease with a financial review, please ensure the everything has supporting documentation for all revenue and expenses
- The Annual Financial Review should be submitted to the Finance Department. An email will be sent prior to the due date notifying you of when the review must be submitted to the Fin department. Please send the completed review to Mario Vargas at mario.vargas@midlandisd.net.



Liability Information Guide

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



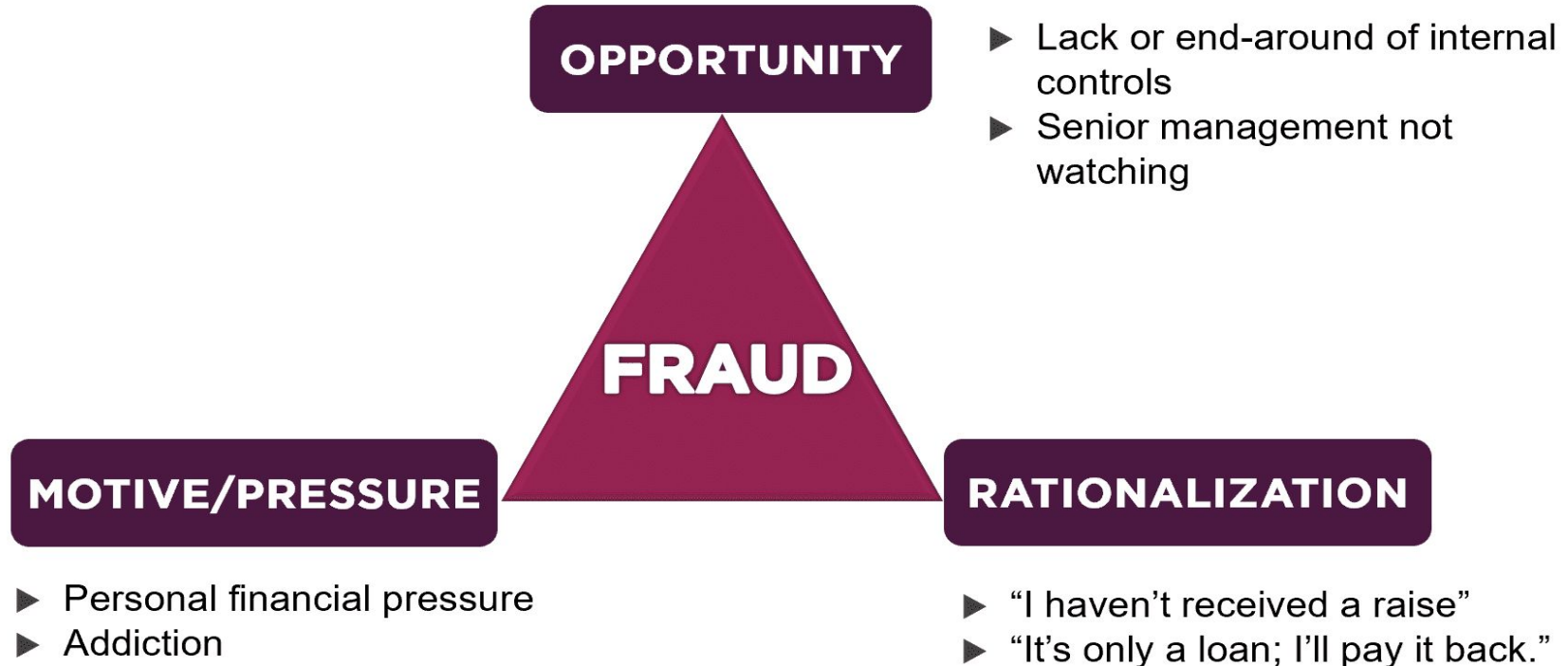
Fraud Prevention

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



Fraud Triangle

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



Resources & Forms

- Guidelines Acknowledgement form
 - Completed by each officer annually
- External Group Fundraiser or Activity Form
- Donations Form
 - [Donations](#)
- Secretary of State
 - www.sos.state.tx.us
- [Sample Bank Reconciliation](#)
- [2026-2027 UIL Constitution & Contest Rules](#)
- [UIL Booster Club Guidelines](#)
- State Comptroller
 - <http://comptroller.texas.gov/>
- Internal Revenue Service
 - www.irs.gov
- Board Policy
 - [GE - Relations with Parent Organizations](#)
 - [CDC - Other Revenues: Gifts & Solicitations](#)
 - [CFC - Accounting: Audits](#)
 - [GKD - Community Relations: Non School Use of Facilities](#)

Resources & Forms

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

Conclusion

- Support one another so we can better serve the reason we are all in our positions—**our STUDENTS.**
- A comprehensive manual has been created as a roadmap to ensure everyone knows the expectations and the process of completing activities
- Policies and procedures will be reviewed throughout the process and modified accordingly, if changes are necessary to create transparency, efficiency, accountability, and effectiveness

Contacts

- PTA Questions - Amber Davidson with Midland Council PTA (President)
- UIL Athletics - Wes Torres, Amanda Lopez and Alfred Acosta with MISD
- UIL Fine Arts - Beau Garza with MISD
- UIL Academics - Araelia Betler with MISD
- Donations - Anita Gamertsfelder with Education Foundation
- Financials - Mario Vargas, Crystal Trevino and Tucker Durham with MISD
- Liability Insurance - Derek Dominguez with MISD

*** **Please note, All MISD employees can be emailed by using the following format:
firstname.lastname@midlandisd.net**

MADE IN

