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# Booster Club Info

An Introduction to Booster Clubs and Parent Groups

# Purpose

- In the Moore Public Schools district we encourage the participation and involvement of parents in the education of their children. One way parents can be involved is through participation in voluntary parent organizations such as Booster Clubs and PTOs and PTAs.
- Benefit of all students involved should be the focus.
- Booster Clubs should be organized to help promote, support, and improve the extra curricular activities of the schools in Moore ISD.

# Purpose

- ▶ Booster Clubs are organizations established to promote, encourage, and support the approved academic, co-curricular, and extra curricular activities of the district.
- ▶ Booster Clubs and Parent Groups represent the school they support. Therefore, it is necessary for them to follow the guidelines set forth by the District. This is done to protect our parents, patrons, and most importantly, our students.
- ▶ Even though a Booster Club works very closely with the District, it is a separate entity from the District.

As a school district we recognize that there is work to be done on our end to make the guidelines, sanctioning, policy and procedures more in line with each other.

# What to Expect Before Forming

The following are some questions to consider when deciding whether or not to form a Booster Club:

- Why do I want a Booster Club?
- What can a Booster Club accomplish that cannot be achieved through the use of a Student Activity Fund?
- Do I have time to commit to a Booster Club?
- Are there enough parents with time to commit to a Booster Club?
- Am I willing to perform the necessary research, training, and paperwork to be in compliance with all District, state, and federal regulations?
- Have I spoken with other similar Booster Clubs to determine what benefits/problems they have experienced?
- Have I spoken with the Sponsor to obtain support for the formation of a Booster Club?
- Have I obtained permission from the site principal?

# You Do Not Have to Form a Booster

- ▶ You do not have to form a booster. Parents may still support a student group as parents through fundraisers and other activities that are controlled through the Student Activity Fund set up with the District. All money would be considered the student group's money and would benefit only those students. You simply run the fundraising efforts through the school site with permission from the site administration.

# Getting Started

- Booster cannot operate until approved
- Submit Sanctioning form for approval
  - Forms available on MPS Website Dep/FIN/Sanc Org
- Approval granted for one fiscal year
- Continuance required each year
- Approval can be revoked
- No individual should personally benefit from Booster activities

# New For This Year

- ▶ Bylaws must be provided with sanctioning paperwork
- ▶ All must be a 501(c)3 to receive approved sanctioning. Reasons:
  - ▶ Audit compliance
  - ▶ Higher level of fiscal visibility
  - ▶ Provides structured framework
  - ▶ Must be in place by July 1<sup>st</sup> to begin fundraising
  - ▶ Easiest way to become a 501(c)3

<https://parentbooster.org/pricing>



# Suggested Formation Structure

- ▶ Establish Constitution & Bylaws in accordance with laws, policies, procedures, etc. of the district.
- ▶ Size and composition of board or council
- ▶ Number, term, eligibility, and duties of officers
- ▶ Procedures for electing, removing, and replacing officers
- ▶ Procedures for regular membership meetings including frequency of general meetings, notification, agenda, and quorum
- ▶ Procedures for approving fundraising activities and expenditures
- ▶ Procedures for internal controls over cash collections and expenditures
- ▶ Provisions for a periodic audit of the organization's expenditures

# Booster Meetings

- Hold a meeting to approve and adopt the prepared constitution and bylaws.
- Elect officers according to the structure and process defined in the bylaws.
- Record information in meeting minutes for files
- At a minimum, the following information should be documented in the meeting minutes:
  - Name of the Booster Club holding the meeting
  - Date, Time and Place of the meeting
  - Names of those in attendance or an attached sign in sheet
  - What was discussed during the meeting
  - What actions were taken during the meeting, e.g., the budget was amended or the expenses were approved
  - The results of any votes taken, including who made a motion and who seconded the motion
  - Notice of the date, time and place of the next meeting
  - Name and title of the person who prepared the minutes.

# Suggested Internal-Controls

- ▶ Treasurer should prepare monthly financial statements that are presented to the organization along with a copy of the most current bank statement and reconciliation. **Open records of all information.**
- ▶ A budget should be developed at the beginning of the year to project expected revenues and expenses and should be revised as needed.
- ▶ An auditor who is independent of the treasurer should be appointed and should report directly to the booster club board. Auditor should review all of the financial records, journals, check registers, receipts, invoices, bank statements, and other financial information at least annually.

# Segregation of Duties

- The person who orders/purchases an item should not be the one who pays for it and/or receive it.
- The person making the purchase should not be the one who approves it.
- The person who collects money should not be the one who deposits it.
- The person who reconciles the bank account should not be the one who takes the collections.
- The person who writes the checks should not be the one who reconciles the bank account.

# Cash Receipts & Bank Reconciliations

- ▶ Pre-numbered receipt books and/or supporting backup documentation electronically
- ▶ Preparation of cash count and fundraising forms
- ▶ Bank deposits should be made intact and in a timely manner
- ▶ Someone other than the individual(s) responsible for depositing funds and writing checks should perform bank reconciliations monthly.
- ▶ Cash may not be used to make purchases, issue change, pay invoices or pay for services. All cash must be counted and submitted to the treasurer for direct deposit into the bank account.
- ▶ If the Booster Club sells tickets for an event, the tickets must be handled as cash. All tickets must be numbered and recorded on a ticket log and sales form.

# Cash Disbursement

- Checks should require a minimum of two signatures
- All expenditures should be approved by the booster board and the approval noted in the board meeting minutes
- The banks accounts must be held in the name of the Booster Club and not in the name of any individual or school site.
- Funds must never be commingled with District or personal funds
- Cannot use District's tax identification number
- Document, document, document.....

# Authoritative Guidelines

- Booster Clubs are governed by various entities. The School District has Board Policies and guidelines that **must be followed** by Booster Clubs (Local), as well as guidelines that the School Principal or Administrator (*if the Booster Club is not located at a school*) may implement. Also, the Booster Clubs must follow the guidelines of the OSSAA, State and the Federal Government, through the Internal Revenue Service (IRS)..
- The MPS Booster Club Guidelines do not necessarily include all rules that may apply to your organization.

# Authoritative Guidelines Disclaimer

The required federal regulatory information discussed does not include all laws or rules that may apply to your particular situation. This information is provided by the District's Finance Department; however, MPS is not an authority on specific accounting situations or tax-related issues concerning individual Booster Clubs. Therefore, Booster Clubs should obtain competent independent counsel, such as a Certified Public Accountant (CPA) or an attorney, to address accounting and tax matters related to their specific circumstances. The cost of these services would be the Booster Club's responsibility. In addition, the IRS and the State Comptroller's Office may be contacted for questions related to your organization's specific situation.



# Authoritative Guidelines

Booster Club officers are solely responsible for ensuring that their Booster Club is in compliance with all federal regulations. The most important regulation is the duty to comply, and the duty to report. Therefore, the District is not responsible for a Booster Club not being in good standing with all federal agencies.

# Suggested Basic Requirements of Formation

- ▶ Must obtain approval from the School Principal, Director, and/or coach/sponsor. Work as a team for the team
- ▶ Must be formed as a non profit charity with the purpose as defined in the Internal Revenue Code section 501 (c)3. **This is the only way to be recognized as an exempt charity.**
- ▶ Get your sales and use tax permit.
- ▶ Obtain a post office box/permanent mailing address.
- ▶ Proof of liability insurance in place.
- ▶ Begin submitting timely audited financials yearly.

# IRS and State Processes

- ▶ Work with your CPA or Oversight organization to:
- ▶ Obtain an EIN: Complete form SS-4 or complete form SS-4 online. [www.irs.gov](http://www.irs.gov) With an EIN and bylaws, you may open a bank account.
- ▶ If you desire, complete Form 1023 in order to be recognized as an exempt organization. (<http://www.irs.gov/pub/irs-pdf/f1023.pdf>) Or you may form a Group Booster Exemption.
- ▶ The State Comptrollers Office determines being recognized as exempt with the State.

# IRS and State Process

- Once you are properly set up, you must maintain good standing with the State of Oklahoma and the Federal Government. File all the necessary paperwork to stay in good standing.
- Recommended to have a yearly audit. The audited financials must be turned in to the Finance Department each year.
- You may also want to refer to the Booster Club Sanctioning Form for dates.

# State Sales Tax Issues

- ▶ Work with your CPA or Oversight Organization
  - ▶ To stay compliant with State sales tax issues
    - ▶ Under Oklahoma statute Title 68 Section 1356 (13), there are 7 types of entities that qualify for sales tax permits, including parent/teacher organizations/associations and 501(c)(3) organizations.

# Possible Future Requirements

- Boosters & Vendors may be required to have Liability Insurance. (Good idea for events now) Especially if renting venues
- Travel Insurance
- Proof of state sales tax exemption
- Fidelity Bonding dependent upon level of fundraising
- Bonding of officers

- Boosters should send up-to-date contact (e-mail) information for officers to the Finance Department. Any time there is a switch during the year.
- This allows the District to communicate with you, and keep you current on changes and announcements.

# Caution: Title IX Considerations for Booster Clubs

- All athletes must be given equivalent opportunities
- There must be no discrimination in the provision of athletic opportunities
- One of the many factors considered in determining overall compliance with Title IX is the funding level of related programs.
- Booster club funds are considered in this analysis



# Ways to Protect Against Liability

- Insurance and bonds
- Good procedures
- Written documents to provide club “memory”
- Well thought-out activities and services
- Consider national affiliation (PTA vs. PTO)
- Consider not being sanctioned – participate in activity fund activities

# Problem Areas

- Payments to MPS employees
- Payments to Students (Gift Cards, etc.)
- Improper Fundraisers/Sponsors
- Use of Intellectual Property (Logos, Name, etc.) Must obtain exemption or pay royalty fee.
- Clearly defined financial reporting
- Individual Accounts/Separation of Fundraising
  - Refunds and Transfers
- School employees serving as treasury officers
- All individuals who will have contact with our students must have a current, clear background check on file with the district.
- No classification of Miscellaneous Expense (Red Flag)

# Reference List

- Internal Revenue Service-Non Profit Section 1-877-829-5500 IRS.gov
- State Comptrollers Office-Exempt Organizations 1-800-252-5555
- ParentBooster.Org
- MPS Finance office 735-4224/4229

# There is Help....

- ▶ Reach out to other organizations.
- ▶ Consult professionals.
- ▶ Never be afraid to ask questions.
- ▶ You may be contacted for routine account maintenance.

Questions and Hopefully Answers???