

**KELLER  
INDEPENDENT SCHOOL DISTRICT**

**BOOSTER CLUB  
Orientation and Procedures**



# **MISSION STATEMENT**

The Keller Independent School District, with an unwavering commitment to excellence and in partnership with our community, will achieve the highest standards of performance by providing exceptional opportunities for all students.

## **District Goals**

- All students will achieve educational excellence.
- All systems in Keller ISD will be effective, efficient, and accountable in support of the district's mission.
- Keller ISD will recruit, develop, and retain a diverse, highly qualified staff.
- Keller ISD will develop and promote positive community relations through effective communication, the involvement of stakeholders, and the establishment of business and community partnerships.
- Keller ISD facilities and services will be operated in a safe manner so that all students and employees may thrive in a secure and nurturing environment.

## **FORWARD**

This manual is designed to assist Booster Club officers, School Support Organizations and members by providing organizational and financial guidance. Only approved organizations, operating under these guidelines and Keller Independent School District policy and procedure, shall be allowed to use the school name and/or facilities in support of its programs. Specific questions regarding the organization's activity should be addressed to the campus principal.

The Keller Independent School District is an equal opportunity employer and provides educational programs and services which do not discriminate on the basis of age, national origin, race, sex, color, religion, disability or against any other legally protected group.

# ORGANIZATION

Each booster organization must maintain bylaws that are jointly reviewed on an annual basis by the booster club officers. The rules of membership shall be clearly stated in the bylaws. Only active members in good standing shall be permitted to hold office or vote upon any matter of business of the organization. The bylaws must address the organization's fiscal year, structure and the method to be used to elect officers. At a minimum, the booster organization shall elect the following officers on an annual basis.

## PRESIDENT

Typically, the president of a booster organization has been active in the organization and is a parent of a student involved in the program. The major duties include, but are not limited to, the following:

- Preside at all meetings of the organization;
- Regularly meet with the designated campus representative regarding booster activities;
- Resolve problems in the membership;
- Regularly meet with the treasurer of the organization to review the organization's financial position;
- Schedule annual audit of records or request an audit if the need should arise during the year;
- Perform any other specific duties as outlined in the bylaws of the organization.

## 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:

- Preside at meetings in the absence or inability of the president to serve;
- Perform administrative functions delegated by the president;
- Perform other specific duties as outlined in the bylaws of the organization.

Note: Larger booster organizations may find it necessary to elect several vice presidents with responsibility over differing areas. Such positions shall be clearly defined in the bylaws of the organization.

## SECRETARY

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

- Report on any recommendations made by the executive board of the booster organization and if such a governing board is defined by the bylaws;
- Maintain the records of the minutes, approved bylaws and any standing committee rules, current membership and committee listing;
- Record all business transacted at each meeting of the association as well as meetings of any executive board meetings in a prescribed format;
- Maintain records of attendance of each member;
- Conduct and report on all correspondence on behalf of the organization;
- Other specific duties as outlined in the bylaws of the organization.

## **TREASURER**

The treasurer is the authorized custodian of the funds of the association. The treasurer receives and disburses all monies indicated in the budget and prescribed in the local bylaws or as authorized by action of the association. All persons authorized to handle funds of the association should be covered by a fidelity bond in an amount based upon the organization's annual income and determined by the executive board. The major duties include, but are not limited to, the following:

- Serve as chairperson of the Budget and Finance Committee if prescribed within the bylaws of the organization;
- Issue a receipt for all monies received and deposit said amounts on a weekly basis (daily if receipts on hand exceed \$ 250.00);
- Present a current financial report to the executive committee and general membership within thirty days of the previous month end;
- File current financial reports with the campus principal, Director of Athletics or Director of Fine Arts after each meeting. (after each club meeting)
- Maintain an accurate and detailed account of all monies received and disbursed;
- Reconcile all bank statements as received and resolve any discrepancies with the bank immediately;
- File sales tax reports as required by the comptroller's office (monthly, quarterly, or annually);
- File annual IRS form 990 in a timely manner;
- Submit records to audit committee appointed by the organization upon request or at the end of the year;
- Other specific duties as outlined in the bylaws of the organization.

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

## **PARLIAMENTARIAN**

The primary duty of the parliamentarian is to advise the presiding officer on parliamentary law and matters of procedure when requested. The president or presiding officer of the organization alone has the power to make decisions or rule on a point of order. Thus, after the parliamentarian has given his advice, the presiding officer must make the ruling to the organization – he is not obligated to follow the recommendation of the parliamentarian. The parliamentarian should be thoroughly familiar with the bylaws and any standing rules of the group on which he serves. A copy of *Roberts Rules of Order Newly Revised* should be maintained by the organization and referenced as needed.

## **SPECIAL COMMITTEES**

Special committees are created for a specific purpose and voted upon by the membership. The committee is automatically dissolved as soon as that purpose is accomplished and the committee report is made. The special committee may not be able to complete its assignment during a school year and members may function into the ensuing year until the purpose of the committee has been achieved. Individuals who have a conflict of interest shall not be allowed to serve as members of the committee. For example, senior parents would not be included on a scholarship committee since their child is a potential recipient of the monies.

## **NOMINATING COMMITTEE**

The nominating committee is formed from the organization's membership in the spring of each year. The purpose of the committee is to recommend various members of the organization for office in the coming school year. The nominating committee should be charged with soliciting recommendations for officer

positions within the organization. The committee should then contact the potential candidate directly to ascertain their willingness and desire to serve. The nominating committee should report back to the membership on their results in the spring (typically by mid-April) so that elections may be held.

## **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 someone who is 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 primary objectives of the audit are to:

- Verify the accuracy of the Treasurer's financial reports;
- Ensure that the club's cash balances are accurate;
- Determine that established procedures for handling booster and funds have been followed;
- Ensure that expenditures occurred in a manner consistent with the organization's bylaws;
- Ensure that all revenues have been appropriately received and recorded.

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.

## **ELECTION OF OFFICERS**

The election of officers of the organization will occur annually within the timelines and manner prescribed by the booster organization bylaws. Typically the election of officers should occur by May of each year so that the newly elected officers may be in place for the start of the next school year. The transfer of records and audit of the accounts should be complete no later than July 1st of each year.

Officers may be elected in a variety of methods (simple majority, secret ballot) in accordance with the organization's bylaws. The election of officers should be from a slate of officers presented by the nominating committee in the spring of each school year. Recommendations may also be taken from the floor at the time of the vote in accordance with *Roberts Rules of Order*. At no time should officers be appointed without the input and approval of the membership.

## **STANDARDS FOR MEETING**

Notice of all meetings of the booster organization should be published at the campus seventy-two hours prior to the meeting date. The notice should clearly indicate the date and time of the meeting and the items to be discussed. Such booster meetings may not occur without the presence of the campus principal or designee in attendance.

Business determined at meetings without adequate campus representation shall be considered null and void. If a booster organization feels that it is necessary to meet without a campus administrator or sponsor, the appropriate Assistant Superintendent for Instruction should be contacted for an acceptable replacement.

## **RULES FOR DISSOLUTION**

To dissolve a booster organization, 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 30 days prior to the meeting, written or printed notice shall be given to each member entitled to vote stating that the purpose of such

meeting is to consider the advisability of dissolving the organization. The booster organization 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.

## TRAINING REQUIREMENTS

Each booster club executive board is required to attend a yearly orientation and procedures meeting held by KISD Administration to give updates. Training requirements should be implemented into operations of the booster club in a timely manner.

# STATE AND FEDERAL GUIDELINES

## APPLICATION FOR FEDERAL TAX EXEMPT STATUS

- General instructions for federal tax exemption may be found in IRS Publication 557, *Tax-Exempt Status for Your Organization*.
- The booster organization must apply for exempt status on Form 1023, *Application for Recognition of Exemption Under Section 501(c)(3)*. Fees are either \$400 or \$850 depending on the size of the organization
- Each organization must file for an employer identification number, *Application for Employer Identification Number*. Most EIN's are obtained in an online process rather than submission of Form SS-4. However the organization is still required to file a form SS-4 with the IRS
- Each application must include a signed copy of the organization's Articles of Incorporation filed with the state and an approved copy of the bylaws. If incorporated the state of Texas requires a Certificate of Formation rather than Articles of Incorporation. Both should be included in the IRS application.
- Upon acceptance by the Internal Revenue Service of the organization's exempt status, a determination letter will be sent as evidence of approval. The letter should be kept in a safe, permanent place as it will be used time and again to prove the organization's exempt status.
- Further information may be found on the IRS web site, at <http://www.irs.ustreas.gov>. **Application for State Tax Exempt Status**
- The organization must file its Certificate of Formation with the Secretary of State's office as a non-profit, if incorporated. If an association, Articles of Incorporation may be filed. Typically, an attorney licensed in the State of Texas completes the articles of incorporation. Further information may be obtained on the Secretary of State's web site at <http://www.sos.state.tx.us>.
- The organization must apply for an exemption from sales and franchise tax from the Comptroller's office. This is done by written request, which includes a description of activities, copies of articles and bylaws, and a copy of the IRS letter granting tax exemption. Further information may be obtained on the Comptroller's web site at <http://www.window.state.tx.us>

## ANNUAL FILING REQUIREMENTS

Every booster organization exempt from federal income tax under section 501(a) is required to determine the necessity of filing an annual Form 990, *Return of Organization Exempt from Income Tax*. A shorter on-line version of the form, Form 990-EZ, is available for entities whose gross receipts during the year were less than \$50,000 and total assets at year-end were less than \$200,000. Organizations with over \$200,000 in Revenue or \$500,000 in total assets must file a full 990.

Even though booster organizations are recognized as tax exempt, they may be liable for tax on the portion of income deemed to be unrelated business income ("UBI"). UBI is income from a trade or business activity, regularly carried on that is not substantially related to the charitable, education or other purposes that are the basis for the organization's exemption. An organization that has \$1,000 or more gross income from UBI must file Form 990-T, *Exempt Organization Business Income Tax Return*. This form is filed in addition to Form 990 or 990-EZ and is required regardless of the level of the income received. More information can be obtained from Publication 598, *Tax on Unrelated Business Income of Exempt Organizations*.

## **PUBLIC DISCLOSURE**

A nonprofit organization must provide copies on request of its original application for tax exemption, including any supporting documents filed by the organization in support of its application, plus any letter document issued by the IRS in connection with the application. In addition, the organization must provide copies of its annual IRS information returns for the past three years, including all schedules and attachments. When a request for information is made in person, the booster organization is required to furnish the requested information immediately under IRS guidelines. If the request is in writing, the documents must be furnished within 30 days from the date of the request.

Organizations are exempt from the above requirements if they have made the documents widely available, such as posting them on a web site, or if it can be demonstrated that the requests are part of a harassment campaign. If the organization elects to post the information on a web site, specific IRS criteria must be followed which produces an exact reproduction of the information – HTML format is not acceptable. It is acceptable to post financial information in a database of other charitable organizations such as GuideStar which can be located at [www.guidestar.org](http://www.guidestar.org).

## **FUND RAISING**

All booster organizations shall create a yearly fund raising plan of action. A copy of this plan must be forwarded to the Athletic Department / Fine Arts Department for tracking purposes. This plan details the vendor (if any), product to be sold or service to be rendered, and the estimated sales proceeds. In accordance with Southern Association Guidelines, door-to-door solicitation by students will not be allowed.

## **DONATIONS**

School district staff and students are discouraged from accepting gifts of value. Students engaged in UIL activities shall not accept gifts except as provided by *UIL Constitution and Contest Rules*. Donations to the District shall become the sole property of the District and not of the accepting organization. In accordance with Policy CDC (LOCAL), gifts to the District must meet the following criteria:

- Must have a purpose consistent with District purposes.
- Place no restrictions on the school program.
- Do not require the endorsement of a business product.

- Do not conflict with policies or actions of the Board or public law.
- Do not require extensive District maintenance.

To be deductible as a charitable contribution, a payment to charity must be a gift. A gift to charity is a payment of money or transfer of property without receipt of adequate consideration and with donative intent. Generally Accepted Accounting Principles require that the asset be recorded at its fair market value at the time of the donation. The District will make no determination of value for Internal Revenue Service purposes.

## **SCHOLARSHIP PROGRAMS**

The District encourages scholarship programs, which meet the following criteria:

- All qualifying seniors must have the opportunity to apply for the scholarship(s).
- The application process must be clearly communicated, and the application forms must be readily available to all potential applicants and their parent and/or guardian before the end of the fall term of the academic year.
- The Scholarship Review Committee must consider all qualifying applicants.
- The Scholarship Review Committee should be appointed by the President of the booster club before the end of the fall term.
- The Scholarship Review Committee must be made up of an odd number (5-7) of members (parents from the Booster Club and School Support Organization who do not have children eligible for consideration for the scholarship, interested teachers, campus administrators, and/or the sponsor). Many times the sponsor is an ex-officio member of the Scholarship Review Committee and not an actual voting member so that the sponsor is a source for additional information/input to the Scholarship Review Committee and a final review resource for the Scholarship Review Committee decisions.
- The qualification criteria for selection of scholarship winners (if any) must be communicated in writing to all potential applicants before the end of the first grading period of the academic year and may not be changed during the scholarship award period. Any changes to the scholarship qualification criteria must be recommended by the sponsor and voted on by the booster club membership no later than the May booster club meeting for changes effective in the upcoming academic year.
- The application scoring, decision materials, tabulation, notes, certified recordings, and/or any other documentation used by the Scholarship Review Committee in connection with a given applicant shall be made available upon written request to that applicant. An open records request fee may be charged for this service. Scholarship Review Committee must retain the original materials for a minimum of seven years.
- Scholarship applicants shall be full-time KISD senior students for a minimum of one full semester prior to the application deadline.
- All completed applications must be turned in to the KISD Senior Counselor no later than the deadline set for local scholarship applications or April 1<sup>st</sup> (whichever comes first).
- All scholarship applications, which do not have the required information, will be considered incomplete and returned to the applicant.

- Scholarship awards may not be “need” based, but applicants who have received full scholarships from other sources may not be eligible for local scholarships.
- The applicant’s enrollment in an accredited institution (college, university, trade school, military academy, etc.) is a requirement for receiving scholarship funds.
- All scholarship payments must be made directly to the institution the student is attending

The scholarship committee may require an essay for judging purposes. Essay topics may be selected each year and given to all applicants, or the Scholarship Review Committee may allow each applicant to select their own topic upon the sponsor’s approval.

If desired, essays should be original works of the applicant and be a minimum of 250 words and a maximum of 500 words. The applicant must be willing to relinquish all rights to his/her work. If an applicant is applying for multiple scholarships, the applicant must write multiple essays – the same essay cannot be used. Essays must be submitted with the application in order for the applicant to be considered for a scholarship. The essay should account for no less than 10% and no more than 20% of the total points or weighting for the decision process.

Other areas where scholarship points may be earned should include responsibility, character, outside activities, leadership, academics, attitude, behavior, attendance, participation, service, involvement, attitude, and others at the sponsor’s discretion.

The Booster Club and School Support Organization may or may not require interviews of applicants in the decision process. If an interview is part of the process, it must be communicated no later than the end of the first grading period of the academic year. The applicant's parent or guardian must be permitted to be present at any interview. Interview topics must be communicated to the applicant not less than seventy-two hours prior to the interview.

## **ACCOUNTING FOR TRANSACTIONS**

### **METHOD OF ACCOUNTING**

There are a wide variety of computerized accounting packages available to assist the organization in accurate financial reporting – manual record keeping is not the recommended method of reporting. Rather, each organization should adopt an accounting package or computerized accounting method to be used for several fiscal years. Establishing records in a spreadsheet format is perfectly acceptable, although somewhat cumbersome. It is preferable to adopt an accounting package for long-term use. The packages chosen should be reviewed on a biannual basis for effectiveness and accuracy of financial reporting. Packages should also be evaluated based upon their ease of use and overall cost, both financial and training, to the organization.

At a minimum, the membership should be provided with a financial statement and bank reconciliation at each meeting. The financial statement should detail the budget to actual expenditures and receipts. Cash receipts and disbursement reports should be available for review when needed or at the annual audit.

### **CASH RECEIPT PROCEDURES**

All cash collections received by the booster organizations for fees, dues, fund raising, etc. must be deposited upon receipt. All funds must be supported by some type of record documenting the source and amount of funds (tabulation of monies collected form; cash receipt form, ticket sales record, etc.). Such documentation shall be readily available for audit purposes.

Deposits shall be made daily if the total receipts on hand exceed \$250. If daily receipts are less than \$250, deposits shall be made within one week even if the receipts for all days combined are less than \$250. All money must be deposited prior to holidays and weekends.

Bank deposits should be prepared as follows to ensure the integrity of the financial reporting:

- 1) Separate all currency and coins by denomination and carefully count and record it in the appropriate section of the bank deposit form.
- 2) A tape may be run of any checks included in the deposit rather than indicating the checks individually on the deposit slip form. A copy of the tape should be retained with your copy of the deposit records.
- 3) Total the deposit slip.
- 4) Tally the pre-numbered cash receipts and make certain that this total matches the deposit total.
- 5) Attach the cash receipt verification with a copy of the deposit slip and file in date order.
- 6) For large deposits, have another individual independently count the currency only (not the coins or checks) and verify that the currency has been correctly recorded on the deposit slip.
- 7) Both individuals should initial the deposit slip next to the currency amount on the deposit slip.
- 8) 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 currency received was not correct.
- 9) Note the purpose or intended use of each deposit on the deposit slip

## **PETTY CASH**

Each booster organization and will not maintain a petty cash account. All purchases should be made with a booster club check.

## **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.

Items needed for reconciliation:

- Bank reconciliation form
- Prior month's bank reconciliation
- Bank statement
- Check Register and/or Cash Disbursements Journal
- Cash Receipts Journal
- General Ledger

To complete the bank side of the reconciliation form, perform the following steps:

- Indicate the ending balance per the bank statement.
- Check off outstanding checks from prior month's bank reconciliation using the bank statement.
- Determine the outstanding checks by comparing the Check Register to the bank statement, including any remaining checks from the previous month.
- Determine the deposits in transit by comparing the Cash Receipts Journal to the bank statement.
- Identify any items that need to be corrected by the bank, such as check printing, returned check charges and material encoding errors. These items should be grouped together under Other Adjustments.
- Total all items and enter the amount on the Adjusted Bank Balance line.

To complete the General Ledger side of the reconciliation form, perform the following:

- Indicate cash account ending balance from the general ledger.
- Compare the bank statement to the Check Register and list any cleared checks that were not posted.
- Indicate any outstanding returned checks.
- Indicate the interest earned per the bank statement. This amount should be immediately posted.
- Identify any items that need to be corrected on the General Ledger (such as immaterial encoding errors) under Other Adjustments.
- Total all items and enter the amount on the Adjusted Cash Balance line.

Compare the adjusted bank balance to the adjusted cash balance to make sure that they are in agreement. If they are not, the reconciliation is NOT complete. Examine the prior month's reconciliation to ascertain that all items have been posted and/or corrected.

If at all possible, a computerized reconciliation program should be used in conjunction with the organization's financial package.

## **DISBURSEMENT OF FUNDS**

All requests for disbursement must be made from established budget line items. If a request exceeds the budget or is for an item not previously included in the budget process, a vote of the membership must be taken prior to expenditure. Direct payments and gifts to employees and alcoholic purchases are not permitted uses of booster funds.

Booster organizations may not contribute funds in an effort to increase the personnel allocations and/or stipends of a particular program.

A disbursement voucher should be completed for all expenditures regardless of the amount. 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.

## 1099 REQUIREMENTS

Internal Revenue Service guidelines require that all payments for services in excess of \$600.00 made to an individual by a booster organization be reported on a form 1099 on an annual basis. The booster organization should secure an IRS form W-9 from the provider at the time of service to ensure that the organization has an accurate record of the tax payer identification number. The organization must then issue a form 1099 to all qualifying vendors performed in the calendar year by January 31st. The following guidelines can be used to determine if reporting is required:

- **Risk of profit or loss** - Independent contractors realize a profit or sustain a loss based on their success in performing the work or service.
- **Continuing relationship** - The relationship between an independent contractor and employer ends when the job is done.
- **Compliance with instructions** - Independent contractors cannot be told when, where, or how to do the job.
- **Training** - Independent contractors do not go through any type of instructional training period with a more experienced employee to learn how to do the job. Independent contractors specialize in the field in which they have been employed and do not require training.
- **Personal Service required** - The right of an independent contractor to substitute another's services without the employer's knowledge shows that one particular individual's personal services are not being required by the employer.
- **Integration into the business** - The success or continuation of the business is not dependent on the independent contractor's performance of the service.
- **Control over the hiring, supervising, and paying of assistants** - Independent contractors maintain control of their assistants. The employer contacts the independent contractor if there is a problem, and the employer pays the independent contractor for the work done. The independent contractor then pays the assistants directly.
- **Set hours of work** - An independent contractor sets working hours.
- **A full-time work requirement** - An independent contractor has the availability to work for more than one client.
- **Working for more than one firm** - An independent contractor has an established business in which they work for more than one firm.
- **Worker's availability to the general public** - An independent contractor makes services available to the public on a regular and consistent basis.
- **Working on the employer's premises** - An independent contractor works off-premises unless the nature of the service to be performed requires attendance at the employer's work site.
- **Required work order or sequence** - An independent contractor does not need to be told in what order or how to do a job as he/she is considered an expert in the field.
- **Required reports** - An independent contractor is not required to submit oral or written reports.

- **Payment by the hour, week, or month** - An independent contractor is paid in a lump sum fee basis when the job is done. An invoice must be generated to substantiate the payment.
- **Payment of business or travel expense** - An independent contractor is responsible for his/her own business or travel expense. If paid by an employer, the employer must include the expense amount in the independent contractor's 1099 (unless you can verify an accountable plan).
- **Furnishing of tools and materials** - An independent contractor has the necessary tools and materials to do the job.
- **Investment in facilities** - If the independent contractor maintains an office on the employer's premises, he/she must pay a rent or lease payment for the office space as well as the overhead.
- **Employers discharge rights** - An independent contractor cannot be terminated as long as he/she is fulfilling the contract.
- **Worker's termination rights** - An independent contractor may be held financially responsible for any loss the employer may suffer due to an incomplete, inaccurate or unsatisfactorily completed contract.

The Internal Revenue Service web site should be accessed for appropriate 1099 reporting requirements and forms at <http://www.irs.ustreas.gov>.

## SALES TAX

### TAXABLE STATUS OF PURCHASES

- A booster organization must provide the vendor with a valid signed exemption certificate when claiming state sales tax exempt status. Exemption certificates do not require numbers to be valid nor is the vendor required by law to honor the exemption.
- The District exemption status may not be utilized by parent, patron, or alumni organizations to secure exemption from sales and excise taxes. Parent/teacher organizations and booster clubs must apply for their own exemption.
- 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. Items which are purchased by the organization through budgeted funds as an award to a student are not taxable.
- Meals purchased by the organization for athletic teams, bands, etc. on authorized school trips are exempt from sales tax if the organization contracts for the meals. The booster organization must pay for the meals with a booster check and provide an exemption certificate.
- Individual members of the athletic team, band, etc., may not claim exemption from the sales tax on the meals they purchase while on a school authorized trip.

### COLLECTION AND REMITTANCE OF SALES TAXES

The booster organization shall collect sales tax on all taxable sales according to the tax schedule listed in the appendix.

When imposing sales tax, the organization has the option of:

- Adding the tax to the item's selling price - thus, if the selling price of an item were \$2.00 and the tax rate were 8.25%, the school would collect \$2.17 ( $\$2.00 \times 1.0825$ ) from the buyer for each item sold.
- Absorbing the tax in the item's selling price - thus if the item sold for \$2.00 including tax, the school would retain \$1.85 and remit \$0.15 for sales tax. If this method is used, divide the total sales by 1.0825 (assuming a tax rate of 8.25%) to find the taxable sales. To determine the sales tax amount, subtract the taxable sales from the gross sales.

## **TAXABLE STATUS OF SALES**

School and school-related organizations need not collect sales tax on the following:

- Admission tickets;
- Club memberships;
- Sale of food and soft drinks sold during a regular school day, subject to an agreement with the proper school authorities;
- Food and drinks sold at PTA/PTO carnivals;
- Vending machine sales;
- Meals and food products, including candy and soft drinks, served in an elementary or secondary school during the regular school day;
- Candy and food items sold through fundraising drives by PTA/PTO or students of the school who are under eighteen years of age;
- Two tax-free sales of otherwise taxable merchandise per calendar year, per school, per organization are allowed. A record of the sale must be maintained in the minutes of the organization.

Therefore, state and local sales taxes shall be imposed and collected on all sales for:

- Items sold by the school store (i.e. pencils, erasers, paper, etc.);
- Any type of booster club and materials;
- Any other item sold as personal property (i.e. school pictures, uniforms, sweaters, etc.);
- All sales of items such as handicrafts, T-shirts, candles, cups, books, and school supplies sold by a school associated organization during a fundraising drive;
- All other personal property except for those items specifically excluded above.

Sales tax should be filed in accordance with the Comptroller's guidelines (typically on an annual basis). Further information can be found on the comptroller's web site at [www.cpa.state.tx.us/taxinfo/salestax](http://www.cpa.state.tx.us/taxinfo/salestax)

## OTHER

The following guidelines apply to all parent/booster/s. If a question should arise which cannot be resolved at the campus level, the appropriate Assistant Superintendent should be contacted for clarification.

- All meetings shall be public and announced in advance (minimum of 72 hours);
- The campus administrator or designee must be present at all booster meetings;
- Any action taken at the meeting will be subject to review and revocation by the sponsor, principal or his designee.
- The regular school program and extra and co-curricular activities of the school and programs sanctioned by TEA, UIL and district affiliated organizations will take precedence over booster and activities;
- Parents, booster club and members are expected to follow the same standards of conduct as district employees when chaperoning, sponsoring or attending student activities, including rules in the campus handbook;
- Each individual student's or group of students' participation will be determined by the sponsor, the principal/designee and not by the organization or any member(s). Participation is considered to be a privilege and not a right, and will be based on a proven record of good conduct and dependability. Lack of such demonstrated behavior on the part of anyone will be grounds for disapproval for participation and travel.
- There will be no student activities, parties, meetings, travel, or other gathering in the name of the school organization or booster organization unless prior permission has been received from the sponsor and the principal or the sponsor is present. All activities will be under the auspices of the school and the district. All overnight and/or out of state trips must be approved by the school board.
- School employee and student planning and preparation for activities supported by the booster organization will occur outside of the school day or as approved by the principal/designee.
- Participation in any activity or travel associated with booster activities is a privilege and not a right for all involved. All student and employee travel will be under the auspices of the school and all participants will be approved by the sponsor and principal.
- No cash will be given to any school employee to use at his or her discretion;
- The purchase or consumption of alcoholic beverages while on school property or in the presence of students, is specifically prohibited;
- Organizations 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;
- Booster organizations may not contribute funds in an effort to increase the personnel allocations and/or stipends of a particular program or campus without the express written approval of the appropriate Assistant Superintendent;
- Booster organizations may not contribute funds for contracted services or campus travel to enhance professional development without the express written approval of the Director of Fine Arts or Director of Athletics or campus principal.

