



Commerce Band Boosters

(Commerce Band Boosters is the “official, legal” organization’s name)



Why did we do this?

- ▶ President Melinda thought it a good idea to audit CBB account
 - ▶ Operating through unidentified EIN
 - ▶ Others had access to account (but didn't use)
 - ▶ Monies disbursed at discretion of band director. Checks written that membership knew nothing about.
 - ▶ Needed federal EIN
 - ▶ Wanted non-profit, tax exempt status



Process



- ▶ Get EIN from IRS (May 22, 2018 – notification date, number issued electronically at time of application; EIN 83-0622577)
- ▶ Seek and gain approval from TX Secretary of State for non-profit status (May 8, 2018; File number 803014530)
- ▶ Seek and gain approval from IRS for federal tax-exempt status (March 1, 2019; 501(C)(3) organization)
 - ▶ \$50,000 threshold
- ▶ Seek and gain approval from TX Secretary of State for tax exempt status (April 17, 2019; TX Taxpayer ID 32067137169)



What this means to CBB

- ▶ Federal tax-exempt status
 - ▶ \$50,000 threshold
- ▶ TX Secretary of State for tax exempt status
 - ▶ Remitting franchise tax
 - ▶ Paying sales tax on purchases
 - ▶ Paying state lodging tax
 - ▶ Not exempt from collecting & remitting sales tax on sales
 - ▶ Permitted 2 fund raising sales per year w/o collecting & remitting sales tax



What this means to CBB supporters

- ▶ As a non-profit, donations to CBB are deductible for donors
 - ▶ CBB should provide receipts for any \$\$ or tangible goods from donors
 - ▶ If CBB sells something, other than a service, it should indicate on receipt value of what is sold. Remainder is considered donation (tax deductible)
 - ▶ Example:
 - ▶ \$15 per plate barbeque dinner
 - ▶ CBB cost is \$8
 - ▶ Receipt should show
 - ▶ Total Collected - \$15
 - ▶ Meal value - \$8
 - ▶ Donors decide how THEY wish to claim deductions – NOT CBB PROBLEM



Maintaining status

- ▶ File annually 990N e-postcard after June 1, but by October 15 with IRS
 - ▶ If revenue exceeds \$50,000 any year, must file different 990
- ▶ Don't change CBB mission
- ▶ Don't break UIL booster club rules



Next steps

- ▶ Procedural manual
 - ▶ Communications with school & district administration
 - ▶ Maintaining records
 - ▶ Considered public records
 - ▶ Minutes and financial reports should be maintained on school premises (copies)
 - ▶ Financial procedures
 - ▶ Who maintains/files
 - ▶ Requesting and disbursing funds
 - ▶ Recommend requiring written request for specific purpose
 - ▶ Insures appropriate (non-profit/tax exempt/UIL) fund use
 - ▶ Aids in record keeping
 - ▶ How/who approved
 - ▶ Set signatory threshold – > amount that requires 2 signatures on checks
- ▶ “About Commerce Band Boosters” pamphlet/fact sheet
- ▶ Press release