



RISD – Where all students learn, grow, and succeed.

RISD BOOSTER CLUB GUIDELINES

INTRODUCTION

The Richardson Independent School District is fortunate to have strong support from parents and the community for all areas of student activity across the District. Parents have formed Booster Clubs for Fine Arts and Sports to help enrich students' participation in extracurricular activities. While Booster Clubs are separate entities from the District, they exist to support District students and activities. Booster Clubs must operate in cooperation with the activity or organization they are formed to support and all activities must comply with applicable laws, regulations, and District policies and practices. Compliance with all applicable laws, regulations, District policy, and these guidelines is a condition of continued recognition of the Booster Club.

These guidelines apply to all Booster Clubs organized to support any RISD student activity. They are designed to provide information about acceptable operating practices and ensure supporters are aware of District expectations concerning Booster Club activities.

FORMATION

A Booster Club must be an organized entity to be recognized by the school. When supporters desire to form a Booster Club, the prospective members should meet with the campus principal or his/her designee to discuss the organization of a group and to obtain approval. (See Booster Club Registration and Approval form.) Prospective members should obtain and become familiar with all necessary forms, instructions, policies, and guidelines pertaining to the organization of parent groups.

The University Interscholastic League (UIL) has developed guidelines for booster clubs that are organized to support activities that fall under the jurisdiction of the UIL (www.uil-texas.org/policy/booster-club-guidelines.html). Prospective members should review these RISD Booster Club Guidelines and the UIL Booster Club Guidelines before organizing as a group. Prospective members may wish to obtain legal advice to ensure the Booster Club is lawfully organized. RISD cannot provide legal advice to a Booster Club.

Organization. Most Booster Clubs organize as a 501(c)3 tax-exempt entity. The organization must comply with all applicable state and federal laws in its operation.

Bylaws. Each Booster Club must develop bylaws that govern the operation of the organization. The original and all amendments to the bylaws must be provided to the campus principal and kept on file at the campus. The bylaws should be reviewed as needed and on an annual basis by the booster Club officers.

Officers. All Booster Clubs should have elected officers, specified in the bylaws. Suggested officers are President, Vice President, Treasurer, and Secretary. A sponsor (district employee) may not serve as an officer in a Booster Club. Individual clubs may identify other officers or committee positions to meet the needs of the particular club. The UIL Guidelines provide suggestions about Booster Club officers. Officers should be elected annually by the

membership. Typically, Booster Clubs elect officers by March or April of each year to allow the new officers to be in place before the start of the next school year. The Booster Club should establish procedures to ensure that each outgoing officer turns over records and guidelines to the incoming officer in the position before the end of the school year. The Booster Club must provide a list of new officers, along with their contact information, to the principal before the end of the school year.

Volunteers. All volunteers must complete a Volunteer Application form. This form can be found online at RISD.org. When that form is completed, a Computerized Criminal History check will be performed by the district. Volunteers must allow five to seven business days for the background check results to be returned to the school before they can participate in school activities. This background check must be completed each school year.

Training. The Booster Club should ensure that officers receive any training needed to carry out the duties of the office. The District provides periodic training for Booster Clubs and sponsors. A best practice would be for the outgoing officers to schedule a time to meet with the incoming officers each year to review the club bylaws, any club operating procedures, RISD Booster Club Guidelines, and the UIL Booster Club Guidelines.

Mailing Address. Booster Clubs should obtain a post office box or use a member's home or business address for all correspondence. Schools are not equipped to receive, safeguard, or distribute mail for Booster Clubs.

MEETINGS

Booster Clubs should schedule meetings as needed to address their activities. The principal or a designee should be invited to all meetings. All meetings should be open to the public. Minutes should be taken at each meeting to accurately record the business of the club conducted at the meeting and any decisions made.

RELATIONSHIP WITH RISD AND DISTRICT STAFF

The Booster Club is a separate entity from the District. Only an authorized representative of the Booster Club should be allowed to sign any agreement on behalf of the Booster Club. The Booster Club may not enter into any agreement that obligates the resources or imposes any duties on the District. Activity sponsors have no authority to sign contracts on behalf of the District or the Booster Club.

Maintaining open lines of communication between the Booster Club and campus administration is important to ensuring the campus is aware of Booster Club activities and to avoid misunderstanding and conflict.

Activity Sponsors, Directors, Coaches, etc. should maintain a professional working relationship with the Booster Club. The Booster Club cannot direct the activities of District staff. While it is expected that the activity sponsors will develop close ties with the booster club members, it is essential that appropriate professional educational boundaries be maintained at all times. The activity sponsor's first duty is to carry out his or her professional responsibilities to the District. District employees or trustees cannot serve in any decision-making role in a Booster Club. An employee or trustee who is acting solely in his/her capacity as a parent of a student in the organization may serve in a role in a Booster Club provided the role does not result in any conflict with his/her official duties. RISD employees or trustees shall not accept or solicit any

gift, favor, service, or other benefit that could reasonably be construed to influence the employee's or trustee's discharge of assigned duties and responsibilities.

Booster Clubs are free to use whatever vendors they prefer. However, RISD has an approved vendor list that is used by the district. A copy of that list is available through your school or on the district website. The Booster Club should be sure that all invoices be mailed to the booster club, not to the school. All invoices to be paid by the booster club should list the booster club as the customer, not the school.

If the Booster Club is reimbursing the school for an event or purchase of an item, the reimbursement should be made in a timely manner. The payment must be received by the school before the payment is due to the vendor. If possible, when paying for an event, such as a tournament or competition, the payment to the school should be made before the event takes place.

Compliance with the UIL Guidelines for Booster Clubs is critical to ensure that booster actions do not cause the disqualification of an individual student or entire activity or sport. The UIL Guidelines provide excellent practices and procedures for Booster Clubs to follow even for those activities not governed by the UIL.

FINANCIAL CONTROLS

A significant activity of most Booster Clubs is fundraising to support and supplement the student activity. The fundraising role of Booster Clubs is particularly crucial in today's economic climate. It is essential that each Booster Club develop financial controls and consistently follow sound financial practices to ensure that funds are handled appropriately. Money that a Booster Club raises constitutes private funds that may be spent in any lawful manner that the club specifies. When the Booster Club donates any funds to the District, the money becomes public funds that are subject to the District's financial controls and spending restrictions.

To assist Booster Clubs to develop sound financial practices, the District has established recommended financial procedures:

- Establish a bank account. The club must obtain an Employer Identification Number (EIN) to establish a bank account for the Booster Club. A member's social security number should not be used as an organization's EIN for banking purposes. Booster Clubs are not allowed to use the District's tax identification number. EIN numbers may be obtained through the Internal Revenue Service website. (www.irs.gov)
- Ensure the club's Treasurer has basic bookkeeping skills that are sufficient to handle the club's financial transactions.
- Deposit all Booster Club funds into the authorized bank account. Booster Clubs may wish to either make copies of all checks received or maintain a listing of such checks.
- Deposit all funds in a timely manner. Ideally, funds should be deposited by the next business day after receipt. Expenses should not be paid out of cash received.
- Safeguard all funds. Any funds awaiting deposit must be maintained in a locked, secure place. Booster Club funds may not be comingled with District funds in the campus safe. Funds may not be kept in the sponsor's desk. Each Booster Club should consider purchasing a safe that can be maintained at the campus. A preferred model would be a safe that allows funds to be inserted into the device without opening it.

- No District employee should have the combination or key to the safe. No District employee should collect or have access to Booster Club funds. No District employee should sign on a Booster Club's checking account or have a credit/debit card in the Booster Club's name.
- Develop an annual budget. Members should establish and approve a budget before the beginning of the school year. The budget should be voted on by the club's membership. Prior to the beginning of the year, the Booster Club may request that the sponsor prepare a "wish list" of purchases or other financial support that are needed for the program for the coming year. The sponsor must discuss the "wish list" with the campus principal and receive approval for the items before the list is presented to the Booster Club for consideration. The campus principal's approval should be shown on the list. If it is not, the Booster Club should ensure the principal is in agreement with the "wish list" before funds are committed. It is the Booster Club's sole decision as to the support it wishes to provide to the program each year.
- The booster club's bank statement should be reconciled each month, on a timely basis.
- Provide regular financial reports to the Booster Club membership. At each Booster Club meeting, the Treasurer should provide a written financial report. The report should include, at a minimum, the current bank balance and receipts and disbursements since the last meeting. The report should also include a comparison of budgeted versus actual receipts and expenditures.
- Segregate financial duties. The Treasurer should not collect funds. Another member should collect funds and provide them to the Treasurer for deposit. Two people should count all money received.
- Establish funds collection and disbursement controls.
 - The Treasurer should never sign a blank check.
 - Checks over a certain amount should require two signatures.
 - No district employee should ever have check signing authority on a Booster Club's account.
 - All disbursements should require a Check Request, signed by at least two persons.
 - All Check Requests should provide an address for the payee.
 - No payment should be issued (cash, check, etc.) without proper documentation (invoice, original receipts).
 - If a member is being reimbursed, receipts turned in should be marked "Paid."
 - The sponsor, coach, or director can have no control over any Booster Club funds. A Booster Club should not establish a petty cash or miscellaneous fund for the sponsor, director, or coach to use at his/her discretion.
- Booster Clubs should be very cautious in opening a credit card or debit card in the club's name. Ideally, the club should not obtain credit or debit cards. If the club determines such cards are needed, the club must develop strong control for the use of such cards. No District employee (even when acting in the capacity as a Booster Club parent) may use or maintain a Booster Club credit or debit card. No Booster Club account may be opened in the name of any District employee.
- Copies of financial records should be maintained for five years. Records must be made available to the District upon request.

SALES TAXES

Purchases: Purchases by a 501(c)3 entity are tax-exempt. The Booster Club's EIN should be provided to the member when making authorized purchases. If a member pays tax for a Booster Club purchase and wishes to be reimbursed, the tax amount normally should not be reimbursed. The booster club may not use the school's tax identification number.

Sales: Booster Clubs should collect sales tax on all taxable sales. However, each 501(c)3 entity receives two tax-free days per year. During those 24-hour periods, sales tax does not have to be charged. When imposing sales tax, the organization may 1) add the tax to the item's selling price or 2) absorb the tax into the item's selling price.

Two tax-free days, per calendar year, are allowed for each tax identification number. Either the date on which the items are delivered by the vendor to the club or the day on which the club delivers the items to its customers may be designated as the tax-free day. Below is a **partial** list of taxable and non-taxable items.

Non-taxable items:

- Admission to dances, athletics, performances, banquets, clinics
- Admission to summer campus, clinics, workshops, tournaments
- Cosmetology services
- Deposits for lockers, etc.
- Discount/Entertainment cards and books
- Facility rentals
- Food items sold during fundraisers
- Labor – automotive, upholstery classes, etc.
- Magazine subscriptions greater than six months
- Parking permits
- Car wash
- Student Club Memberships
- Ads in yearbooks, programs, newspapers, posters

Taxable items:

- Art supplies
- Athletic equipment and uniforms
- Band equipment, supplies, uniforms
- Musical supplies
- Clothing – school, club, class
- Books
- Parts – automotive, upholstery, & other career & technology classes
- Pictures
- Plants, flowers
- Rentals of equipment, uniforms, towels
- Greeting cards, candles, calendars, paper products
- Handicrafts
- Identification cards
- Magazine subscriptions for less than six months or magazines sold individually
- School publications
- School supplies
- Rummage & Garage sales
- Jewelry

Approval and Documentation: Fundraising activities should be approved by the membership. Funds raised in a Booster Club event are deposited directly into the Booster Club's bank account and work is performed by the booster members. The school also may conduct fundraising events with proper approval. Funds raised from school fundraising events are deposited directly into the District's student activity fund account for that student group and work is performed by students or other volunteers.

Individual Accounts: Booster Club fundraising activities often are aimed at raising money to reduce or pay costs for student trips or other large expenses. In the past, some Booster Clubs established individual accounts to document or credit an individual with the revenue he or she raised and that amount is applied to offset his or her trip expenses.

Tax professionals have warned that this practice jeopardizes an organization's tax-exempt status because tax-exempt organizations must benefit a group as a whole instead of benefiting individual members of a group. The IRS Publication 557 states: "No part of the net earnings of a section 501(c)3 organization may inure to the benefit of any person having a personal and private interest in the activities of the organization."

In RISD school clubs, RISD does not allow benefits given by a group to be based on participation in a fundraiser or based on revenues raised individually. More information about this topic is available on the IRS website at: www.irs.gov/charities/charitable.

Raffles: Texas law prohibits a school district from conducting a raffle. However, the state Charitable Raffle Enabling Act permits "qualified organizations" to conduct up to two raffles per calendar year. A raffle is any activity that involves awarding a prize to one or more people who have purchased a ticket. To conduct a raffle, the club must be "a nonprofit organization that has existed for at least three preceding years, during which it has had a governing body duly elected by its members and is exempt from federal income tax under Section 501(c)3, Internal Revenue Code; does not distribute any of its income to its members, officers, or governing body; does not devote a substantial part of its activities to attempting to influence legislation; and does not participate in any political campaign."

A Booster Club that is considering holding a raffle to benefit its organization should read carefully the statute to ensure the activity qualifies. The website regarding raffles is www.oag.state.tx.us/consumer/raffle.shtml.

Food Fundraisers. The USDA has strict rules regarding the sale of food. All food sold on campuses during school hours or immediately after must meet the federal Competitive Rule requirements. However, Texas does allow six days per school year on each school campus when food can be sold that does not meet the Competitive Foods Nutritional Standards. These foods may not be sold in an area where school program meals are sold or consumed. These fundraisers must be documented with Child Nutrition and scheduled through the principal's office. More information about these rules for sale of food items can be found on the Child Nutrition page of the RISD website.

USE OF RISD FACILITIES

Booster Clubs should contact the principal or designee who schedules school activities to make arrangements to use school facilities. Approved use by the Booster Club during times when the building is open and in use for District purposes normally will be at no charge. When Booster Clubs request use of the campus at other times, a charge for utility and janitorial costs may be imposed. Guidelines for use of District facilities may be obtained from Facilities Services.