



ROUND ROCK



Booster Club Guidelines

August 2024

FOREWORD

The Booster Club Guidelines were prepared to assist booster clubs by providing organizational and financial guidance. It also aims to assist booster clubs in meeting District, State, and Federal requirements. It also includes suggestions for improving the organization related to day-to-day activities. Even though a booster club works very closely with the District, it is a separate entity from the District. Therefore, the District greatly appreciates the time, effort, and financial support that the booster clubs provide to students. In addition to these guidelines please refer to the Round Rock ISD Board Policy GE(Local) *Relations With Parent Organizations* for additional information.

Booster clubs are parent organizations established to promote school programs or complement student groups or activities. A booster club's purpose may be to support a student group or program at a particular school, or various student groups or programs at various schools. Support may be as simple as providing refreshments for a particular event or it may be as complex as raising money for an out-of-state competition. The booster club works through the principal to provide assistance for the planned activities of the student group; however, the booster club does not have the authority to decide the activities or trips in which the student group will participate. The parents and the booster club may provide suggestions about particular activities; however, the principal or other appropriate administrator is responsible for the final decision.

ROUND ROCK ISD

Vision Statement

Inspiring students to learn; empowering students for life.

Strategic Plan Goals 2025-2029

1. Communication

- We will explore and utilize differentiated channels and platforms to facilitate effective and consistent communication to keep stakeholders actively included, informed, and involved.

2. Community Engagement

- We will leverage the unique strengths, resources, and voices of our diverse community stakeholders to create a collective sense of ownership to student success.

3. District and School Culture

- We will be bold in how we build, nurture, and sustain a safe, learning environment rooted in belonging and dignity in order for students and staff to reach their full and unique potential.

4. Teaching & Learning

- All students are provided rigorous, innovative, equitable curriculum and instruction to support academic growth and achievement.

5. Staff Retention

- We will foster flexible and equitable systems with an intentional focus on staff engagement, retention, and development.

6. Infrastructure/Facilities/Technology

- We will provide the necessary infrastructure and technology required to empower students and staff to fulfill their unique potential and future aspirations.

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FORMATION OF A BOOSTER ORGANIZATION

In order to start a booster club, the District must approve the formation of the club and the club must comply with all district requirements. Only approved organizations, operating under these Booster Club Guidelines and Round Rock Independent School District policies and procedures shall be allowed to use the school name and/or facilities in support of its programs. The District's designee for overseeing the activities of booster clubs is the principal of the campus where the organization functions. Therefore specific questions regarding booster activity should be addressed to the campus principal. As the responsible District employee, the principal shall: (1) Approve the formation of any such organization; (2) Receive a copy of the organizing documents and bylaws of such organizations; (3) Ensure that an organization's sole function is to support the educational activities of the designated program area; and (4) Have the authority to discontinue the association of any school program with a parent or community organization that has been judged by the principal to be disruptive to the educational activities or goals of the program or group.

Round Rock ISD will only approve booster clubs at the High School level.

Each booster organization must develop and maintain bylaws that are jointly reviewed on an annual basis by the campus principal or designated campus administrator and the booster club officers. Copies of the organization's bylaws must be on file with the campus principal's office. In addition, an exempt organization must report name, address and structural and operational changes to its bylaws to the IRS. If an organization files an annual return (Form 990), it must report the changes on its return. The bylaws should contain the detail of the rules of membership. This document must address the organization's fiscal year, organizational structure and the method used to elect officers. Active members should include those individuals that are parents or guardians of a student active in the sponsored program and that are current in their dues (if assessed). Only active members in good standing shall be permitted to hold office or vote upon any matter of business of the organization. Other individuals may volunteer for the Booster Club, but cannot vote or hold an office. "Members" should be defined in the Booster Club's bylaws.

The bylaws should specify that there is a two one-year consecutive term maximum that members may serve in roles as the President or Treasurer, however, exceptions may be made by the campus principal in extreme cases. In addition, the bylaws should address the restriction that only one member of a family may serve as an officer at the same time, unless parents are serving as co-chairs in the same office which limits the family's vote to one. No officer shall be permitted to hold more than one office position at the same time. Booster organizations that have incorporated should also include document retention, conflict of interest and whistle blower policies in their bylaws.

Employees of the District shall not serve in a financial capacity of a booster or other parent organization. Financial capacity includes holding positions of treasurer, fundraising chairperson, or serving as a check signer. See Appendix B.

FEDERAL AND STATE REGULATORY INFORMATION

Booster club officers are solely responsible for ensuring that their booster club is in compliance with all federal regulations. Therefore, the District, including any District employee, is not responsible for a booster club not being in good standing with all federal agencies. However, the District has provided the following information that includes steps booster clubs should take to comply with federal tax regulations.

NONPROFIT CORPORATIONS

Although not required, booster clubs are encouraged to incorporate under the Texas Business Organizations Code. By becoming incorporated the organization will become formalized by adopting Articles of Incorporation and Bylaws which provide standard operating procedures. In addition, it helps shield the individuals governing and operating the nonprofit organization, from liabilities incurred by the organization, unless the individuals are negligent in their duties. A non-profit organization is created by filing a certificate of formation with the Secretary of State in accordance with the Texas Business Organizations Code. A non-profit corporation is characterized by the fact that no part of the income is distributable to members, directors, or officers. Not all non-profit corporations are entitled to exemption from state or federal taxes.

The completion of Form 202 – Certificate of Formation Nonprofit Corporation is necessary to incorporate a booster club. This form is available on the Secretary of State's website: www.sos.state.tx.us.

Upon acceptance, the State will return the appropriate evidence of filing to the submitter.

OBTAINING AN EMPLOYER IDENTIFICATION NUMBER (EIN)

Every organization must have an EIN, even if it will not have employees. The EIN is a unique number that identifies the organization to the Internal Revenue Service. Since booster clubs are separate entities from the District, booster clubs cannot use the District's EIN. An organization is not automatically considered tax-exempt by acquiring an EIN. All organizations must first apply for an EIN to be recognized as a unique entity and then apply for tax-exempt status. Likewise, the mere fact that an entity is organized as a non-profit organization does not indicate that it is exempt from federal tax. Information on applying for an EIN can be found on the IRS website: www.irs.gov. No fee is required for obtaining an EIN. After receiving an EIN, booster clubs may use it to then open a bank account and obtain a State Sales Tax Permit. Booster clubs should not use an individual's social security number to conduct the business of the organization. Copies of the completed SS-4 form and the IRS response documenting the assigned EIN number should be kept in the booster club's permanent records from year to year. The booster club may also want to have the Secretary keep a backup copy of these documents on a CD.

BECOMING A PUBLIC 501(c)(3) TAX-EXEMPT ORGANIZATION

Formation of a non-profit corporation does not necessarily entitle an organization to be exempt from federal taxes. In order to be exempt from federal taxes, the parent organization must apply for this status on Form 1023 – Application for Recognition of Exemption Under Section 501(c)(3). General instruction on the rules and procedures can be found in IRS Publication 557 – How to Apply for Recognition of Exemption for an Organization. These documents are available on the Internal Revenue Service website: www.irs.gov.

Upon acceptance of the organization's exempt status by the Internal Revenue Service, a determination letter will be received 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. In addition, a copy of the letter should be shared with the school's bookkeeper and the District's Financial Services Department. Organizations may not represent themselves as tax-exempt until they have obtained notification from the IRS stating they are a tax-exempt entity. The IRS approval process for tax-exempt status usually takes several months.

OBTAINING A TEXAS SALES TAX PERMIT

Some items to be sold are non-taxable however, exempt organizations must get a Sales Tax Permit and collect and remit sales tax for all taxable items it sells. Please refer to the Texas Comptroller's website for a list of taxable and non-taxable items. Booster clubs may apply online at the Texas Comptroller's Office website: www.window.state.tx.us. A Texas Sales Tax Permit will be issued to the booster club along with a Sales Tax Permit Number. The Texas Sales Tax Permit Number has 11 digits and begins with a 1, 2, or 3.

The permit numbers beginning with a "1" are based on an entity's EIN. Those permit numbers beginning with a "2" are based on a person's social security number. The permit numbers beginning with a "3" are assigned by the Comptroller's Office. Booster clubs cannot use the District's Sales Tax Permit Number. The searchable Taxpayer Information Database located at the Texas Comptroller's website can be used to determine if a booster club has a Sales Tax Permit.

QUALIFYING FOR EXEMPTION FROM TEXAS SALES AND USE TAX

The organization must apply for an exemption from sales and franchise tax from the Texas Comptroller's Office. To apply for exemption based on the federal exempt status, complete application AP-204 which can be found on the Texas Comptroller's website. Also included on this webpage is an Exempt Organization Search feature that can be used to verify if a booster club is already exempt. Organizations that have received a letter of sales tax exemption from the Texas comptroller do not have to pay sales and use tax on taxable items they buy, lease or rent if the items are necessary to the organization's exempt function. Exempt organizations should claim an exemption at the time of purchase by providing a properly completed exemption certificate in lieu of paying tax to the retailer. This exemption process is separate and in addition to applying for federal tax-exemption from the IRS.

FRANCHISE TAX

Every profit and nonprofit corporation in Texas must file all franchise tax reports and public information reports with appropriate payment until the Comptroller's office has granted tax exemption. Failure to do so will cause the loss of corporate privileges as well as the forfeiture of charter by the Texas Secretary of State. Booster clubs that have received their Determination Letter from the IRS granting 501(c)(3) tax exemption may also request exemption from the Texas franchise tax through the Texas Comptroller's Office. Although a nonprofit corporation that is exempt from federal income tax under Internal Revenue Code 501(c)(3) is exempt from franchise tax, the exemption is not automatically granted. Booster clubs must apply for exemption with the Texas Comptroller's Office based on the federal exempt status.

If the mailing address for the booster club changes, immediately notify the Texas Comptroller's Office. Failure to do so may result in important correspondence being lost. To avoid frequent mailing address changes, the Texas Comptroller's Office recommends 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. In addition, the post office box address and keys can be given easily to the new officers at the beginning of each year.

ANNUAL FEDERAL FILING REQUIREMENTS

Booster clubs must follow IRS guidelines in filing applicable taxes annually as well as applicable sales tax reports as required by the State Comptroller's office (monthly, quarterly or annually).

If the booster club's address changes, complete Form 8822 and send to the IRS to ensure that any IRS refund or correspondence is addressed correctly.

BYLAWS

A Parent Organization's bylaws provide the rules for how your organization operates, including how often meetings are held, how voting is conducted and the like. The bylaws should contain the details of the rules of membership. Bylaws must address the organization's fiscal year, organizational structure, the methods used to elect officers, and address the dissolution of a booster club.

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 completed 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. Refer to the *Formation of a Booster*

Organization section for specifics on maximum terms and limited family members in officer roles.

PRESIDENT

Typically, the president of a booster organization is an individual who has previously been active in the organization. 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 (regularly is defined as monthly at a minimum);
- ☐ Resolve problems in the membership;
- ☐ Regularly meet with the treasurer of the organization to review the organization's financial position;
- ☐ Select an officer as the designee to receive bank statements either through the mail at their home address or electronically. This individual shall not be a signer on the account. Upon receipt, the designee should review the activity on the bank statement and canceled checks for reasonableness. This provides an independent review by an individual not associated with disbursement activity.
- ☐ Schedule an 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's activities. 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 different 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 organization 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 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 including bank statements, bank reconciliations, and financial statements to the executive committee within thirty days of the previous month end. Copies should be available for review by the general membership within a reasonable timeframe, if requested.
- ☐ 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 Texas Comptroller's Office (monthly, quarterly, or annually). Sales tax reports must be filed even if no sales tax was collected for the period reported. If not, a non-

- ☐ filing fee will be assessed by the Texas Comptroller's Office.
- ☐ File annual IRS form 990, 990-T, 990-N or 990-EZ 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 (optional)

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 the most recent version of *Roberts Rules of Order* should be maintained by the organization and referenced as needed.

AD HOC COMMITTEES (Optional)

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. Ad Hoc committees should complete their assignments within the current school year. If the objectives are not met at the end of the school year, officers will be required to reappoint members of the committee for the following 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

The audit committee is responsible for conducting an annual audit of the organization's financial report and the related financial activity for the school year. The audit committee should include three members consisting of officers and club members; however, the committee should have at least one non-officer member review the information. If the membership size does not allow, the audit committee may be comprised of two individuals with one being a non-officer. Although not required a CPA or other outside party may perform an external audit at the club's expense. The audit committee must prepare a written Audit Report that communicates the results of the audit to the organization. The Treasurer should not be on the audit committee. Since the Treasurer is the person being audited he/she cannot also be the person performing the audit. However, he/she may meet with the committee to explain their records or answer questions.

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 funds have been followed;
- ☐ Ensure that expenditures have two sources of approval and occurred in a manner consistent with the organization's bylaws;
- ☐ Ensure that all revenues have been appropriately received and recorded;
- ☐ All members of the audit committee shall sign a statement indicating their agreement with the findings detailed in the report.

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. Suggested audit procedures are included in Appendix A of this document however the format of the final report will be determined by the audit committee.

STANDARDS FOR MEETING

Notice of all general 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. All booster club general meetings should take place on school premises. In order to provide an optimum level of communication and teamwork, booster club general meetings should be held in the presence of the campus principal or other school sponsor. Business determined at meetings without adequate campus representation shall be considered null and void. Should a booster organization feel that it is necessary to meet without a campus administrator or sponsor, the appropriate Area Superintendent should be contacted for an acceptable replacement.

Meetings for the Executive, Scholarship, Audit and other Ad Hoc committees may meet separately; however, all recommendations and actions must be approved at a general meeting.

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 band or related program(s) 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.

Also, as stated in an earlier section, the District's designee for overseeing the activities of booster clubs is the principal of the campus where the organization functions. As the responsible District employee, the principal shall have the authority to discontinue the association of any school program with a parent or community organization that has been judged by the principal to be disruptive to the educational activities or goals of the program or group.

RECORD KEEPING

The secretary and treasurer of the organization shall turn records over to the incoming officers within 30 days of election. Records should be kept for a period of 10 years for audit purposes.

FINANCIAL INFORMATION

Booster club presidents, treasurers, and teacher sponsors are required to review Booster Club guidelines provided by the District with regard to cash controls, financial controls, financial reporting, and other topics.

The organization's bylaws must stipulate the creation and approval, by its membership, of an annual budget. This is typically done in late spring or early fall for the upcoming school year. The budget should be submitted to the club sponsor to be reviewed by the campus principal for reasonableness. Changes to the budget during the year should be approved by the general membership and forwarded to the campus principal for review.

All booster club business addressed during meeting should be approved and reflected in the meeting minutes to provide documentation of the membership directives.

There are a wide variety of computerized accounting packages available to assist the organization in accurately accounting for financial transactions. Each organization should adopt an accounting package or computerized accounting method which will meet the needs of the organization for several years. Software packages should be evaluated based upon their ease of use, cost, required training, and transferability to

forthcoming treasury officers.

There are a number of forms available for downloading on the District's Financial Services website. Many of these may be adapted for use by the booster organization and prove helpful in providing adequate recordkeeping of financial transactions. The website address is www.roundrockisd.org.

LIABILITY INSURANCE

Booster clubs should seriously consider the purchase of liability insurance to protect the organization and its members. Coverage to be considered should include general liability, officer's liability, business personal property (if booster owned property exists), and fidelity (otherwise known as bond) coverage. The cost of the insurance varies depending on the amount of coverage, but is generally reasonable. Insurance underwriters for booster clubs, in most cases, require an annual audit/review to be performed by the organization and must have a procedure in place to have bank statements and reconciliations reviewed monthly by a member without check signature authority.

INTERNAL CONTROLS

In order to protect the booster club, its members, and its financial well-being, standard internal controls must be in place. The following is a summary of basic internal controls necessary to prevent the loss of funds through carelessness, mistakes, or misappropriation.

Controls over Bank Accounts

Booster organizations are required to establish a checking account with the booster club's EIN number at a bank or credit union. A person's social security number or the District's EIN number cannot be used to set up a bank account. Accounts should be established with at least three individuals on the signature card. Checks and EFTs must require the signature or authorization of two club officers or designated representative. Each check must be supported by all supporting receipts and or documentation which will be part of the monthly reconciliation and annual review of financial records.

A designated booster club member without signature authority should review the bank statement and its contents for reasonableness and compliance with Treasurer reports, the budget, and the ongoing business of the organization. Special attention should be made to outstanding or reconciling items. This member should sign off on the completed bank reconciliation.

Bank statements should be reconciled within 30 days of the date of the statement to ensure that possible inaccurate transactions are identified and communicated to the financial institution for correction. After 30 days, the financial institution is no longer liable for errors.

Controls over Cash and Receipts

All cash collections received by the booster organization for program costs, dues, fundraising, etc. must be deposited upon receipt. 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. The use of night deposit boxes is highly recommended.

Deposits 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.). Documentation shall be readily available for audit purposes.

Cash should be adequately safeguarded at all times. Cash transfers should be handled the same as a check or EFT with authorization of two club officers or designated representative required.

At no time should booster club funds that are collected be maintained at a member's home. Every effort should be made to balance funds collected the day of the event, prepare appropriate deposit documentation and submit to a bank night drop for deposit and safekeeping. Money from concession sales should be handled in the same manner.

Controls over Disbursements

Prior to beginning a fundraising campaign, the booster club must complete a fundraiser application and

submit it to the club sponsor for review by the campus principal. This provides the campus with knowledge of the activities on the campus and helps to avoid the duplication of similar fundraising campaigns during the same period.

Checks and EFTs should not be generated without proper documentation (i.e. invoice, original receipts, etc.). Documentation should also include the signature of the President, Vice President or a designated representative.

Checks should require the signature of a second officer or designated representative.

Blank checks should not be issued. Actual receipts should be requested and a reimbursement be processed.

Budgetary & Oversight Controls

Members should establish and approve a budget at the beginning of the school year. Actual receipts and disbursements should periodically be compared to the budget.

The Treasurer should provide a monthly written financial report which should include the bank account balance and the receipt & disbursement activity since the last meeting. The financial report should also include a comparison of budgeted versus actual receipts and expenditures.

At the completion of fundraisers, a financial recap should be prepared to determine the profitability of the fundraiser.

At the end of the fiscal year, an audit of the booster club's financial records should be conducted. The audit committee shall make a report to the general membership upon completion of the audit

Cash Receipt Procedures

Bank deposits should be prepared as follows to ensure the integrity of 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 calculator tape may be run for 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 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 incorrect.

Petty Cash

Each booster organization may maintain a small petty cash account. Strict controls must be maintained by keeping petty cash in a locked box accessible by only the treasurer and one other officer. Control of the petty cash account by a district employee is not allowed. The petty cash funds should be used for emergency purchases only. All other purchases should be made with a booster club check.

Upon disbursement through the petty cash account, a receipt for the purchase should be retained. At any given time, the amount of petty cash remaining and the aggregate total of receipts on hand should equal the amount of the established petty cash account.

Booster organizations may also establish a change fund to support fundraising events. Funds should be signed out from the Treasurer to the member in charge of the event. The change fund should be noted in the final tabulation of monies collected for the event.

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. The reconciliation should be completed within 30 days of the date of the bank statement.

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 or EFT's 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.

In addition to the reconciliation, the cancelled checks or imaged copies of checks should be reviewed to ensure that the payee is consistent with that identified in the check register and endorsements on the check are reasonable.

Disbursement of Funds

At the outset of the school year, a budget of anticipated expenditures should be developed. Prior to a disbursement, the request to expend funds should be compared with the budgeted expenditures. Disbursements outside the scope of the budget or line items that exceed the approved budget should require a vote by the general membership. Direct payments to District employees are not permitted uses of booster funds, nor are the purchase of alcoholic beverages.

Booster clubs may hold one mid-year and one end-of-year banquet to celebrate parent and student achievements for the year. Any other events must be preapproved by the campus principal prior to establishing any related reservations for the proposed event. Under certain conditions, tickets sold for these events may be subject to state sales tax. Please review the Texas Comptroller's Office website to make

that determination.

While it may have been customary in years past for booster organizations to provide gifts to students including departing seniors, University Interscholastic League (UIL) rules limit the ability of students to accept gifts. Awards that students may receive are specifically outlined in Subchapter O, Section 480(a)(2) of the UIL Constitution and Contest Rules. Although all types of student activities are not regulated by UIL, for student consistency and fairness, UIL guidelines must be followed for all. No gifts or purchases that individually benefit students shall be made outside of UIL guidelines.

When establishing program costs and setting fundraisers, booster clubs should be cognizant of the effects on large families and families of low socio-economic status. Reasonable efforts should be made to ensure that all individuals are able to participate in activities. Tax-exempt organizations must benefit a group as a whole instead of benefiting individual members of a group. As such, booster clubs shall not be a collection agent for the campus teacher/sponsor in the form of fees. Since booster clubs usually assist student groups, all members of the student group sponsored are to be treated equally and receive the same opportunity to benefit from the booster club's assistance. Therefore, one student cannot receive a greater benefit than another. The IRS has indicated however that a group or club may establish criteria that could be used to determine if a student is in financial need. If the criteria are met, the group or club could provide a greater benefit to a particular student. The criteria should be established in writing prior to a particular situation arising. In addition, the criteria should be used consistently for all people, and the criteria should not change every year.

Booster clubs may charge dues to their members (the parents); however, parents do not have to be members of the booster club for their child(ren) to participate in the student group that receives benefits from booster club activities. Membership dues are separate from the expenses incurred by sponsoring a student group (i.e., trip expense, costume expense). Membership dues are associated with the parents being part of the booster club and are in no way associated with the expenses related to that parent's child.

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 and the approval of at least two designated organization members.

To ensure compliance with UIL guidelines governing athletic activities, all disbursements relating to athletic booster club activity shall require the approval of the campus athletic coordinator.

Booster organizations may not contribute funds in an effort to increase the personnel allocations and/or stipends of a particular program or campus without approval of the campus principal followed by the express written approval of the appropriate Area Superintendent in conjunction with the Chief of Schools and Innovation.

Booster/Parent Organization Payments for Services

The following guidelines are to be used by RRISD personnel to determine how an employee or temporary worker will be paid when a Booster/Parent Organization is covering the cost of services.

- Booster/Parent Organizations shall not directly employ, contract, supplement or in any way compensate individuals for work performed, with the exception of one-time temporary workers who are not current employees.
- Booster/Parent Organizations must make a donation to the District's Activity Fund to cover the full cost of services provided by District employees. The full cost of services includes the compensation according to the District's pay rate schedule, plus an additional 18% for current District employees and 8% for substitutes and temporary employees to cover FICA, Medicare, work compensation, and TRS costs associated with the services.
- The compensation rate is defined as the rate each employee or substitute is paid out of the District's Activity Fund according to the District's pay rate schedule. Booster/Parent Organizations are prohibited from quoting or promising compensation and should consult with their campus contact for any questions about pay rates. These employees must report extra time worked for a Booster/Parent Organization and be paid through the District's Payroll Department. This includes temporary workers providing recurring services.

- Please note the extra duty expense code may be different for the services provided to the Booster/Parent Organization if different from the employee's regular job.

1099 REQUIREMENTS

Internal Revenue Service guidelines require that all payments for services in excess of \$600 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 Internal Revenue Service website should be accessed for appropriate 1099 reporting requirements and forms.

FUNDRAISING

Prior to the start of the school year, all booster organizations shall complete a fund raising application for each type of planned, scheduled or anticipated event and receive the approval of the club sponsor and campus principal. This application details the vendor (if any), product to be sold or service to be rendered, and the estimated sales proceeds. In accordance with RRISD Regulation FJ and Southern Association Guidelines, door-to-door solicitation will not be allowed. District practice does not allow the organization to enter into a contract with a solicitation firm. Booster clubs are created by parents to provide support for school programs. As such, fundraising efforts should be planned and carried out by the parents, not students.

In order to obtain the best pricing available, booster organizations are encouraged to obtain three written quotes prior to making large purchases. For substantial purchases, obtaining formalized bids is strongly recommended.

BEVERAGE SALES

Per the District/Vendor contract, all (100%) beverages sold on District property, must be purchase from the District's current beverage vendor.

IRS REGULATIONS

The IRS prohibits tax-exempt organizations from requiring people to participate in fundraisers. Likewise, booster clubs may not require an amount be "donated" in lieu of participating in a fundraiser. People may choose whether or not to participate in a fundraiser and may choose whether or not to donate to the booster club. Furthermore, if a person decides not to participate, that person cannot be excluded from having the opportunity to benefit from the fundraiser. In addition, benefits given by a tax-exempt organization cannot be based on participation in a fundraiser or based on revenues raised individually. Therefore, regardless if a person participates in a fundraiser and regardless of the amount of revenue raised, that person cannot be denied the opportunity to receive an equal benefit. **The IRS prohibits the use of individual accounts by booster clubs. Booster clubs must benefit the group as a whole, not its individual members.**

RAFFLES & BINGO

The school district is prohibited by Texas law from sponsoring or conducting any raffle or bingo game for the purpose of raising money. A raffle is any activity that involves awarding a prize (anything of value) to one or more people who have purchased a ticket. The Charitable Raffle Enabling Act allows organizations that support schools to conduct raffles under certain conditions. If holding a raffle is being considered, check the statutes to be sure that you qualify: www.texasattorneygeneral.gov.

A booster organization should consider all applicable regulations for bingo. Detailed rules may be obtained from the Texas Lottery Commission by requesting a copy of the Bingo Enabling Act, the Charitable Bingo Administrative Rules and Bingo Operations Manual by visiting the website: www.txbingo.org.

SOLICITATION PERMITS

The City of Austin requires a solicitation permit, which is renewable on an annual basis. Information in how

to obtain a permit can be obtained from the Code of Ordinances section of the City of Austin website. The City of Round Rock has also adopted solicitation ordinances. Refer to Section 4.2 of the City Charter. Website addresses are included in the References section of this document.

SALES TAX

Booster organizations, who have applied for exemption, are exempt from sales tax when making purchases; however, when making sales, sales tax must be collected. Please refer to the State Comptroller's Office for further information regarding taxable status of purchases or sales as well as taxable and non-taxable sales.

COLLECTION AND REMITTANCE OF SALES TAXES

The booster organization shall collect sales tax on all taxable sales. The Texas Comptroller's Office requires that booster clubs file at least one sales tax report per calendar year. The frequency of filing the sales tax report is determined by the Texas Comptroller's Office. The amount of anticipated sales tax payments affects the frequency of reporting. The sales tax reports may be due monthly, quarterly, or annually. Since sales tax payments may vary from year to year, the frequency of reporting can also change. The Texas Comptroller's Office will generally communicate changes in filing requirements to the booster clubs in writing. In addition, the Texas Comptroller's Office will generally mail the required reporting form and information to organizations that have obtained a Sales Tax Permit.

Sales tax should be filed in accordance with the Texas Comptroller's Office guidelines.

GIFTS & SOLICITATIONS

In accordance with District Policy DBD(Local), school district staff "shall not accept or solicit any gift, favor, service, or other benefit that could reasonably be construed to influence the employee's discharge of assigned duties and responsibilities." Students are also discouraged from accepting gifts of value. Students engaged in UIL activities shall not accept gifts except as provided by *UIL Constitution and Contest Rules* found on the UIL website: www.uilTEXAS.org/policy/constitution..

In accordance with CDC(Local), once accepted, gifts to the District become the sole property of the District and the following will be considered before accepting any gifts:

- Has a purpose consistent with the District's educational philosophy, goals, and objectives;
- Places any restrictions on a campus or District program;
- Would support a program that the Board may be unable or unwilling to continue when the donation of funds is exhausted;
- Would result in ancillary or ongoing costs for the District;
- Requires employment of additional personnel;
- Requires or implies the endorsement of a specific business or product [see GKB for advertising opportunities];
- Would result in inequitable funding, equipment, or resources among District schools or programs;
- Obligates the District or a campus to engage in specific actions; or
- Affects the physical structure of a building or would require extensive maintenance on the part of the District.

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 IRS purposes.

TITLE IX

Title IX is a federal law enacted in 1972 which protects individuals in education programs or activities from discrimination based on sex. It states that “No person in the United States shall on the basis of sex, be excluded from participation in, be denied the benefits of, or be subject to discrimination under any educational program or activity receiving federal financial assistance.”

Title IX, which is promulgated by the U.S. Department of Education, applies to all aspects of education and related programs, not just athletics. It requires that equal opportunities be provided for members of both sexes. It does not require that each team receive exactly the same services and supplies, but rather that the male and female programs, collectively, receive comparable levels of service, facilities, supplies, etc.

Since booster club funding and activities are included in the analysis of the District’s compliance with Title IX, booster clubs should have an awareness of the law and the District’s requirement for compliance.

SCHOLARSHIP PROGRAMS

The District requires booster clubs to implement scholarship programs that are consistent with all other scholarship programs. Since the purpose of the booster organization is to operate in support of their selected program, scholarships not relating to program activities should be limited in accordance with IRS guidelines. All continuing education scholarships should only represent 10% - 15% of the booster organizations operating budget. The main principle of funding by a IRS 501(c)(3) nonprofit booster club is that the booster club may not discriminate in making grants to youth or college students on the basis of their family’s membership in, or funding to, the booster club, or the family’s fundraising or time put into booster club activities.

Requirements for scholarships include:

- All qualifying seniors must have the opportunity to apply for the scholarship(s).
- The campus principal and lead counselor should be consulted regarding the establishment of an application process to ensure that implemented processes are consistent with other scholarship programs on the campus.
- 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.
- The Scholarship Review Committee must consider all qualifying applicants, but applicants identifying information must be redacted on all information shared with the committee to ensure confidentiality and impartiality throughout the review process.
- The Scholarship Review Committee must be appointed by the President of the booster club before the first day of the academic year.
- The Scholarship Review Committee must be made up of an odd number (5-7) of members. Parents of students eligible for consideration for scholarships shall not be permitted to serve on the committee. To preserve the integrity of the selection process, the sponsor shall not be involved in the work of the Scholarship Review Committee.
- The qualification criteria for selection of scholarship winners (if any) must be communicated in writing to all potential applicants before the evaluation of applications commences 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. The Scholarship Review Committee must retain the original materials for a minimum of seven years.
- Scholarship applicants shall be full-time RRISD senior students for a minimum of one full semester prior to the application deadline.
- 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 intended major may or may not be a factor in scholarship consideration.
- The applicant’s enrollment in an accredited institution (college, university, trade school, military academy, etc.) is a requirement for receiving scholarship funds. Disbursement checks including scholarship funds shall be made payable to the college/university in the student’s name. Support for disbursement of funds shall include an invoice from the college/university.
- The work of the Scholarship Review Committee shall be subject to review and evaluation by the campus lead counselor. If unacceptable practices have transpired during the Review Committee’s work which jeopardize the impartiality of the process, the scholarship award decision may be overturned and a new review process undertaken. District administrators will work to establish an impartial committee for reevaluation.

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.

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 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.

DISTRICT SERVICES

PRINTING SERVICES

Print Services operates as a full-line print shop by printing directories, anthologies, certificates, booklets, business cards, note pads, carbonless forms, programs, newsletters, etc. Additional services include spiral and tape binding and printing with colored inks. Paper not stocked in the Distribution Center, such as card stock, special colors, gummed paper, labels, note cards/invitations, or envelopes, can be special ordered through Print Services. For all services offered by Print Services, visit the Round Rock ISD website.

The District allows booster club organizations to utilize the services provided by the Print Services Department, provided that payment is received timely. Current pricing schedules may be obtained by contacting the Print Services Department at 512/464-6980.

MAIL

Booster clubs may utilize the District mail system for **first class mail only** by contacting the department at 512/464-6990. The organization will be billed on a monthly basis for usage. PTA and booster organizations should apply for a bulk mail permit if needed by contacting your local USPS Postmaster.

ARMORED CAR SERVICE

Armored car service is not available to PTA or booster organizations.

EMPLOYER IDENTIFICATION NUMBER

The RRISD Employer Identification Number may not be used for any purpose by organizations outside the District, including booster clubs.

CATERING

The food service department provides catering for meetings within the District. Charges for the catering will be billed around the 15th of the following month. A sample menu can be obtained at the front office of each campus.

SAFEKEEPING

PTA or booster clubs may not store funds on campus for safekeeping.

MISCELLANEOUS

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

- Failure to follow policies and procedures of the District may result in refusal by the campus principal to allow related activities on the campus.
- All meetings shall be public and announced in advance in accordance with the bylaws.
- 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 of the sponsor or principal.
- 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 activities.
- Parents and booster club 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 and the principal 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.
- School employee and student planning and preparation for activities supported by the booster organization will occur outside the school day or as approved by the principal.
- 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. If a candidate running for office is invited to join a meeting, all candidates running for the office must be extended an invitation to the event.
- Booster organizations may not contribute funds in an effort to increase the personnel allocations and/or stipends of a particular program or campus without approval by the campus principal followed by the express written approval of the appropriate Area Superintendent in conjunction with the Chief Financial Officer.
- Organizations may not directly employ, contract, supplement or in any way compensate workers for work performed. Compensation rates are subject to the District's pay rate schedules.
- Organizations may not sign contract or pay expenses directly for student travel.
- Upon dissolution of a booster organization, a private termination letter ruling should be requested from the Internal Revenue Service.

15 PASSENGER VANS

Federal law prohibits dealers from selling or leasing 15 passenger vans for use in transporting students for school related activities. This is due to a number of factors including:

- the high rollover tendencies that have been linked to their high center of gravity
- the fact that users tend to overload vans with individuals and equipment

- vans, in many cases, are driven by teachers, coaches, and parents that are not qualified or do not have sufficient training to effectively drive vehicles of this size and weight
- maintenance and inspection requirements are much lower than school buses

Because of the risks associated with 15 passenger vans, booster clubs and other organizations may not purchase, lease, or otherwise utilize 15 passenger vans to transport District employees, students, or equipment.

REFERENCES

Web Sites

Round Rock ISD	www.roundrockisd.org
Print	
Internal Revenue Service	www.irs.gov
UIL	www.uil.utexas.edu
UIL Booster Club Guidelines	www.uilutexas.org/policy/guidelines-for-booster-clubs
UIL Contest Rules	www.uilutexas.org/policy/constitution
State Comptroller	www.window.state.tx.us
Secretary of State	www.sos.state.tx.us
City of Austin	www.ci.austin.tx.us
City of Round Rock	www.roundrocktexas.gov
GuideStar	www.guidestar.org
Texas Attorney General	www.texasattorneygeneral.gov
Texas Lottery Commission	www.txbingo.org

Phone Numbers

512/463-4000	State Comptroller
512/463-4600	Secretary of State
512/471-5883	University Interscholastic League

Policy

CDC	Grants from Private Sources
CFD	Activity Funds Management
FM	Student Activities
FMD	Social Events
FMF	Contests and Competitions
DHA & FJ	Gifts and Solicitations
GE	Relations with Parents or Parents' Organizations
GKB	Advertising and Fund Raising in the Schools

Current policy and procedural information may be found at www.roundrockisd.org

APPENDIX A

Booster Club Suggested Audit Program

Audit Procedures:

Bank Reconciliations

1. Trace ending balances on the reconciliations to bank statements, outstanding check lists, and other reconciling items.
2. Verify that bank reconciliations were completed within 30 days of bank statement ending date.
3. Ensure that any outstanding or reconciling items on the reconciliations were cleared the following month.
4. Verify that the balance in the bank account (at beginning of school year), plus total deposits per check register, minus total disbursements per check register, balances to ending bank account balance (at end of school year).

Bank Statements

5. Determine whether a procedure is in place for a club member, other than those that have check signing ability, to receive bank statements by mail and review for reasonableness.
6. Determine whether any cash corrections were identified on bank statements. Ensure that reasonable explanations are available.
7. Compare the number of cleared checks included in the bank statement with the number that is noted on the bank statement to ensure agreement.
8. Ensure that cleared checks contain signatures of individuals authorized to sign checks. Ideally, bank accounts should be established to require two signatures.

Receipts

9. From the check register or other accounting records, schedule each deposit (use of spreadsheets is helpful). If volume is significant, consider selecting only a representative sample.
10. Trace deposits to collection documentation and prepared cash receipts for agreement.
11. Trace deposits to bank statements to ensure agreement.
12. Ensure that receipts are presented for deposit in a timely manner by reviewing the dates of prepared cash receipts with the date of deposit on the bank statement.

Disbursements

13. From the check register or other accounting records, schedule each check, withdrawal, or other debit (use of spreadsheets is helpful). If volume is significant, consider selecting only a representative sample.
14. Trace checks to supporting documentation such as invoices, receipts, approved expenses related to fundraisers, or other reasonable explanations.
15. Review the canceled check to ensure agreement of payee name, endorsement, and check amount.
16. Trace disbursements to budget approved by the membership or meeting minutes.
17. For bank withdrawals for the purpose of establishing a change fund for an event, confirm that the change fund was later re-deposited.

Fundraisers

18. Evaluate each fundraiser individually by calculating the value of items available for sale or number of tickets sold, and comparing to deposits and remaining inventory, if any, to ensure agreement.
19. Determine whether fundraiser applications were prepared and submitted to the campus principal for each fundraiser.

Miscellaneous

20. Inventory remaining check stock to confirm that all checks are present and sequential. Ensure that the check number for the last check issued and first check available in check stock are sequential.
21. Confirm that check stock is retained in a secure place when not in use.

22. Determine whether any checks were voided during the course of the year. Ensure that any voided checks are retained in the records, but have been sufficiently modified to eliminate the possibility of clearing the bank (i.e. signature portion has been cut out of the check and VOID has been written across the check).
23. Ensure that sales tax reports were prepared and filed timely.
24. If IRS 990 form was filed, review for reasonableness.

APPENDIX B

Board Policy DBD Regulation Interpretations for Implementation

As stated in policy:

Volunteer Organizations

“Employees are not permitted to serve in a financial capacity for a District parent or booster organization. Financial capacity is defined as treasurer, fund raising chair, check signer or any other function that involves the receipt and distribution of money.”

Frequently Asked Questions and Responses for Implementation

Question 1: As a RRISD employee, can I handle PTA/booster or school club funds?

Answer: For the purposes of this policy, District employees are restricted in their handling of PTA/booster funds. They may not serve as a treasurer, fund raising chair, or check signer. They may, however, sell products or services individually so long as they are not in charge of a fundraiser or other collection of money from other members. Employees may individually sell and collect funds for such things as t-shirts, concessions, dance tickets, etc.

Individuals that serve as substitutes or temporary employees are not restricted by this policy as they do not hold permanent employment positions.

Question 2: As a RRISD employee, can I serve as an Officer on the executive board for a PTA/booster or school club?

Answer: A District employee may not serve as a treasurer for the organization. However, they may serve in any other officer position so long as the bylaws do not designate that position to include check signing abilities, the individual is not established on bank and/or investment accounts as a check signer, or the individual does not serve in a role that involves receipt and/or distribution of money as further outlined below.

Question 3: What is the definition of "receipt of money"?

Answer: The receipt of money includes the collection of cash, check, credit card transactions or other funds. See also the response to Question 1.

Question 4: What is the definition of "distribution of money"?

Answer: The distribution of money includes the payment by cash, check, credit card or other means for goods or services. See also the response to Question 1.

Question 5: As a RRISD employee, after hours, can I volunteer in a capacity where I'm selling product (for example: t-shirts, concessions, dance tickets, etc.) for the PTA/booster or school club?

Answer: Please see the response to Question 1.

Question 6: Why is a RRISD employee not permitted to serve in a financial capacity for a PTA, booster or school club?

Answer: The Board established this policy many years ago to protect the employment relationship of employees. As employment represents an income stream for an employee's family, it is the intent of the District to ensure that there is no conflict of duties between their employment and their volunteerism.