EAGLE MOUNTAIN
SAGINAW ISD
Fostering a Culture of Excellence

Booster Clubs
and
School Support Organizations
Guidelines

2022-23

BELIEFS

... An expresion of fundamental values; ethical code, overriding convictions, and rock-solid principles.

We believe that...

1. Every student is a unique individual with unique potential.
2. Effective communication is key to success.
3. Engaged and interested students learn more effectively.
4. Respect is a key to success.
5. Education is a team effort.
6. High quality educational facilities optimize student and staff success.
7. Accountability is essential to success.
8. A physically and emotionally safe environment promotes student learning.
9. A high quality education is barrier free.

MISSION

...A declaration of the unique identity to which the organization aspires; its specific purpose; and the means by which it will achieve its purpose.

The Mission of Eagle Mountain-Saginaw Independent School District is to foster a **culture of excellence** that instills a **passion** for a **lifetime of continuous achievement** in **every student.**

OBJECTIVES

An uncompromising commitment to achieve specific, measurable, observable, or demonstrable results that exceed its present capability

1. Each student will have a dynamic-customized education plan from registration to graduation which contains post-secondary goals and inspires individual success.
2. Each student will be equipped with the innovative technological skills to compete in an ever-changing global society.
3. Each student will be challenged to fulfill the District's high expectations and graduate the District prepared and qualified to succeed in their chosen path(s).

STRATEGIES

Strategies are bold resolutions that dedicate the organization's resources and energies toward the continuous creation of systems to achieve the extraordinary as expressed in the mission and objectives.

Strategy #1
We will design and implement a system in which personal education plans are created that promote high expectations and meet the academic, social, emotional, and extra-curricular needs of each student.

Strategy #2
We will create an interconnected community where technology is integrated into the fabric of all we do. The district will provide there sources, training, and skill development to drive our students' future success.

Strategy #3
We will provide each teacher with the resources and opportunities to collaboratively plan the innovative implementation and delivery of the instructional program.

Strategy #4
We will create a culture that promotes each student's inner drive, providing the opportunity to reach full potential.

Strategy #5
We will systematically evaluate and assess learning, processes, and programs against internal and external benchmark standards to hold staff and students accountable for our culture of excellence.

Strategy #6
We will employ and retain high-performing, dynamic educators with character and conviction to improve themselves and their students through effective strategies by innovative, targeted continuing education, freedom and flexibility to teach beyond established assessments, all with District support.

FORWARD

We value our parents and we want to encourage our parents to be an active member of their children's school. It is important to us that we protect our parents from any exposure related to their activity in our schools.

This manual is designed to assist Booster Club officers, School Support Organizations ("club(s) and/or organization(s)") and members by providing organizational and financial guidance. Only approved organizations, operating under these guidelines and Eagle Mountain-Saginaw Independent School District ("District and/or EM-SISD") policies and procedures, shall be allowed to use the school name in support of its programs. Facility use will be determined in accordance with District policies and procedures. Specific questions regarding the organization's activity should be addressed to the campus principal.

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

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ORGANIZATION

ROLE OF THE ORGANIZATION

Booster clubs and school support organizations shall organize and function in a way that is consistent with the District's philosophy, objectives and adopted District Board policies, in accordance with affiliated governing bodies and UIL regulations as applicable.

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

The Employer Identification Number (EIN) for Eagle Mountain-Saginaw ISD is not to be used by any Booster Club for any purpose whatsoever.

District employees may serve as an officer with the exception of treasurer. District employees are not authorized to sign checks or enter into any contract verbal or written.

Individuals authorized to sign on the organization's bank account cannot be related by blood or marriage or reside in the same household.

There is an approval process to establish a support organization (see Appendix).

It is recommended that booster club and school support organizations establish the following offices:

PRESIDENT

Typically, the president of an organization is the parent/guardian who has 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 the organization's activities;
- Resolve problems in the membership;
- Regularly meet with the treasurer of the organization to review the organization's financial position;
- Schedule annual audit of records or request an audit if the need should arise during the year;
- Perform any other specific duties as outlined in the bylaws of the organization.

VICE PRESIDENT

The vice-president acts as the president's representative in his/her absence. They must remain familiar with the organization. The major duties include, but are not limited to, the following:

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

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

SECRETARY

The secretary is responsible for keeping accurate records of the proceedings of the 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 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 organization as well as meetings of any executive board 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 organization. The treasurer receives and disburses all monies indicated in the budget and prescribed in the local bylaws or as authorized by action of the organization. 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 hand exceed $250.00);
- Present a current financial report to the executive committee and general membership within thirty days of the previous month end;
- File current financial reports with the campus principal on a monthly basis;
- Maintain an accurate and detailed account of all monies received and disbursed;
- Reconcile all bank statements monthly as received and resolve any discrepancies with the bank immediately;
- File sales tax reports as required by the comptroller's office (monthly, quarterly, or annually);
- File annual IRS form 990 in a timely manner;
- Submit records to audit committee appointed by the organization upon request or at the end of the year;
- Other specific duties as outlined in the bylaws of the organization.
- Submit GASB 39 information form to the District's Financial Services Department annually by August 1 (see Appendix).

NOTES:

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.

District employees may not serve as the treasurer nor be authorized to sign checks for the organization.

PARLIAMENTARIAN

The primary duty of the parliamentarian is to advise the presiding officer on parliamentary law and matters of procedure when requested. The president or presiding officer of the organization alone has the power to make decisions or rule on a point of order. Thus, after the parliamentarian has given advice, the presiding officer must make the ruling to the organization, but 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 organization. A copy of Robert's Rules of Order Newly Revised should be maintained by the organization and referenced as needed.

ELECTION OF OFFICERS

The election of officers of the organization will occur annually within the timelines and manner prescribed by the booster club and school support organization bylaws. Annual election of officers must take place **prior to June 1** 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 1**, 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. *A District employee may not serve as the treasurer nor be authorized to sign checks for the organization.*

The organization shall provide the name, address, email address and telephone number of the newly elected officers and the authorized signers of bank accounts (annually) to the campus principal or designee. Any changes in positions shall be reported to the campus principal in a timely manner. (See appendix for Booster Clubs & School Support Organizations Officer Information Form)

The Principal shall send the name of officers to The District to conduct background checks on all officers elected or appointed to the Executive Board of the organization.

STANDARDS FOR MEETING

Notice of all meetings of the organization should be published at the campus 72 hours prior to the meeting date. The notice should clearly indicate the date and time of the meeting and the items to be discussed. Such organization meetings may not occur without the campus principal or designee in attendance.

If an organization feels that it is necessary to meet without a campus administrator or sponsor, the Executive Director for Instruction and Campus Support should be contacted for an acceptable replacement.

TRAINING REQUIREMENTS

Two members from each organization's executive board (preferably president and treasurer) are required to attend the District's annual booster clubs and school support organizations training. Training requirements should be implemented into the operations of the organization.

SPECIAL COMMITTEES

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

AUDIT COMMITTEE

At the end of the fiscal year, an audit of the organization's financial records should be conducted. The audit should be performed by someone who is independent from day-to-day financial activities. Ideally, this audit should be performed by a group of three individuals; however, if the membership size does not allow, the audit may be performed by two individuals. The primary objectives of the audit are to:

- Verify the accuracy of the treasurer's financial reports;
- Ensure that the club's cash balances are accurate;
- Determine that established procedures for handling organization funds have been followed;
- Ensure that expenditures have been appropriately received and occurred in a manner consistent with the organization's bylaws;
- Ensure that all revenues have been appropriately received and recorded;
- Submit a copy of the audited financial report to the campus principal or designee no later than August 1 following the end of the fiscal year.

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.

SUSPECTED FRAUD/IRREGULARITIES

Suspected violation of guidelines, fraud, or misappropriation of funds must be reported to the parent organization, campus principal or designee, and District administration.

RULES FOR DISSOLUTION

To dissolve an organization, a resolution shall be adopted by the 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 organization must determine the distribution and usage of treasury monies and other assets before dissolution. In order to comply with Internal Revenue Service guidelines, care should be taken to ensure that excess funds are distributed within the framework of the organization's original purpose – i.e. band booster funds would remain with the musical program at that particular campus. Any other distribution of funds could void the organization's tax exempt status and force it into a fully taxable situation.

LIABILITY INSURANCE PROTECTION

The District strongly encourages organizations to obtain adequate insurance protection for liability and financial fraudulence. Organizations should have various safeguards set up to protect the officers, membership, and funds that are raised.

Organizations must provide adequate insurance coverage for activities conducted on school premises. The District cannot provide insurance coverage for organizations.

- A General Liability Policy protects not only the organization, but protects the individual member.
- An Accident Medical Policy provides additional coverage for out-of-pocket medical expenses to help deter lawsuits and to provide coverage where the General Liability Policy does not. This policy does not replace a liability policy but is a complement.
- The Bond or Commercial Crime Policy is set up to protect money, scrip, and securities in the event they are embezzled, stolen, or fraudulently altered.
- The Officer's Liability Policy is set up to protect the way the organization is managed and the decisions that are made by board members. These decisions include what type of fundraiser to have, where to hold the event or any other managerial decisions.
- A Property Policy provides protection for the personal property of the organization from such perils as theft or fire. One thing that most organizations don't realize is that the Property Policy can also protect fundraising merchandise, auction items, and raffle prizes.

Organizations with insurance must supply a copy of the policies to the District's Risk Management office.

BACKGROUND/SECURITY CHECKS

The organization is responsible to ensure that all organization volunteers have obtained a background check prior to any activity at the campus. **All volunteers are required to reapply each August.** Volunteer information can be found on the Districts website (www.emsisd.com) under the Parents Tab.

- Volunteer Application Process Form is available online: http://www.emsisd.com//Domain/96
- Looks at prior 10 years
- Organizations are provided with APPROVED or DENIED status only. No details are given.

All persons entering District facilities are required to check in through the front office for security clearance using the District's software system.

CONTRACTS/SPONSORSHIPS

District employees serving as an officer may not enter into any contract, verbal or written.

Sponsorships and/or donations shall not be solicited or accepted if they:

- are obscene, vulgar, or otherwise inappropriate for the age and maturity of the audience;
- endorse endangering the health or safety of students;
- promote illegal use of drugs, alcohol, or other controlled substances;
- advocate violation of school rules and fall within the standard described at LIMITATIONS ON EXPRESSION at FNAA(LEGAL);
- advocate imminent lawless or disruptive action and are likely to incite or produce such action;
- include hate literature that scurrilously attacks ethnic, religious, or racial groups, and similar publications aimed at creating hostility and violence if they fall within the standard described at LIMITATIONS ON EXPRESSION at FNAA(LEGAL);
- would result in material and substantial interference with any school educational and/or curricular-related activity or blocks or impedes the safe flow of traffic within hallways and entrances and exits of the school.

Organizations may not directly hire or contract with individuals or organizations to work with students, without director approval. Appropriate background clearance must be conducted by the districts human resources department for all individuals and organizations working with students.

FEDERAL AND STATE REPORTING

This section provides general tax information. It is each organization's responsibility to seek competent professional tax advice for its own tax reporting and filing requirements. *Organizations must decide for themselves whether or not to function as a tax exempt organization.* The information provided in this document is not intended to be specific or all inclusive; and may not reflect recent changes in the law or government policies or procedures. The following sections of information are labeled as suggested or required by the district:

APPLICATION FOR FEDERAL TAX EXEMPT STATUS 501(C)(3)

(REQUIRED FOR BOOSTER CLUBS)

- General instructions on the rules and procedures for federal tax exemption may be found in Internal Revenue Service (IRS) Publication 557 - How to Apply for Recognition of Exemption for an Organization.
- Booster clubs and school support organizations may apply for exemption from federal taxes on Form 1023, Application for Recognition of Exemption under Section 501(c)(3).
- The application must be accompanied by Form 8718, User Fee for Exempt Organization Determination Letter Request, which provides a user fee to be paid to the IRS, depending on the anticipated annual gross receipts. Upon acceptance of the organization's exempt status by the IRS, 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.
- Each organization must submit to the District's Financial Services Department a copy of the determination letter issued by the Internal Revenue Service with regard to the organization's exempt status with the GASB 39 information form.

NOTE: Instructions for completing these forms and copies of these forms can be found on the IRS website at www.irs.gov under "Forms and Publications". The IRS main number is 1-800-829-1040, and the Tax-Exempt section is 1-877-829-5500.

APPLICATION FOR EMPLOYER IDENTIFICATION NUMBER (EIN) ***(REQUIRED)***

- The IRS requires all organizations that conduct business to have their own Employer Identification Number. An organization may not use the District's EIN for any purpose.
- The EIN is obtained with the SS-4 Form from the IRS. *(A member's social security number should not be used as the organization's EIN for banking or other business purposes. Organizations are not allowed to use the District's EIN.)* The EIN will be the number used to establish a bank account for the organization.
- The organization must file its Articles of Incorporation and Bylaws with the Secretary of State's office as a non-profit association. Typically, an attorney licensed in the State of Texas completes the articles of incorporation. Further information may be obtained on the Secretary of State's web site at www.sos.state.tx.us.
- When a number is assigned to the organization, ensure that the paperwork is maintained in a permanent file from year to year.
- The recommended fiscal year end for an organization is June 30.

NOTE: An organization can now apply for an EIN number online on the IRS website at www.irs.gov under "Forms and Publications" insert "employer identification number" and continue to complete the application process online.

ANNUAL FILING REQUIREMENTS *(REQUIRED)*

Every organization exempt from federal income tax under section 501(c) is required to determine the necessity of filing an annual Form 990, Return of Organization Exempt from Income Tax. It is the responsibility of the organization to determine whether filing is required and, if so, to complete the requisite filing.

Further, even though organizations are recognized as tax exempt, they may be liable for tax on the portion of income deemed to be unrelated business income (UBI). UBI is income from a trade or business activity, regularly carried on that is not substantially related to the charitable, education or other purposes that are the basis for the organization's exemption. Each organization must determine whether additional forms must be filed in this regard. More information may be obtained from Publication 598, Tax on Unrelated Business Income of Exempt Organizations.

PUBLIC DISCLOSURE *(REQUIRED)*

A nonprofit organization must provide copies, on request, of its original application for tax exemption, including any supporting documents filed by the organization in support of its application, plus any letter document issued by the IRS in connection with the application. In addition, the organization must provide copies of its annual IRS information returns for the past three years, including all schedules and attachments. When a request for information is made in person, the booster organization and school support organization is required to furnish the requested information immediately under IRS guidelines. Further, the organization will be required to comply with the timelines established by the Texas Public Information Act, Texas Government Code Chapter 552.

Organizations are exempt from the above requirements, with the exception of requests under the Texas Public Information Act, if they have made the documents widely available, such as posting them on a web site, or if it can be demonstrated that the requests are part of a harassment campaign. Requests made under the Texas Public Information Act may be subject to limited exceptions and should be immediately forwarded to the campus administrator for review. If the organization elects to post the information on a web site, specific IRS criteria must be followed which produces an exact reproduction of the information; HTML format is not acceptable. It is acceptable to post financial information in a database of other charitable organizations such as GuideStar which can be located at www.guidestar.org.

Organizations and school districts must be vigilant to maintain their separate identities because failure to do so may subject the clubs and organizations to the Texas Public Information Act.

RECORD KEEPING *(REQUIRED)*

The transfer of records and audit of the accounts should be completed no later than July 1st of each year. Organizations should check with State and Federal guidelines regarding length of time records need to be kept.

SALES TAX

APPLICATION FOR STATE SALES PERMIT NUMBER
TAXABLE STATUS OF PURCHASES

- All organizations **must** apply for their own sales permit number. They **may not** use another organization's or the District's sales permit number.
- Application forms for a sales permit number may be obtained from the Texas Comptroller of Public Accounts.
- Organizations that have applied for and received a letter of exemption from sales tax do not have to pay sales and use tax when they buy, lease or rent taxable items that are necessary to the organization's exempt functions.
- Each organization can have two tax-free sales days per calendar year according to Texas State Sales Tax Law.
- No item purchased tax-free by an exempt organization can be used for the personal benefit of a private party or individual.
- An organization must provide the vendor with a valid signed exemption certificate when claiming state sales tax exempt status. Exemption certificates do not require numbers to be valid nor is the vendor required by law to honor the exemption.
- Items which become the personal property of the student (cheerleader uniforms, band t-shirts, etc.), even though connected with a school or organization, are not exempt from tax. Items which are purchased by the organization through budgeted funds as an award to a student are not taxable.
- Meals purchased by the organization for athletic teams, bands, etc. on authorized school trips are exempt from sales tax if the organization contracts for the meals. The organization must pay for the meals with an organization check and provide an exemption certificate.
- Individual members of the athletic team, band, etc., may not claim exemption from the sales tax on the meals they purchase while on a school authorized trip.

COLLECTION AND REMITTANCE OF SALES TAXES

The organization shall collect sales tax on all taxable sales as appropriate to the location of sale. This information may be obtained from the City Secretary's office where the sale originates.

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

Example Only (use appropriate sales tax amount for area of sale)

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

TAXABLE STATUS OF SALES

Organizations need not collect sales tax on the following:

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

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

- Items sold by the school store (i.e. pencils, erasers, paper, etc.);
- Any type of organization materials;
- Any other item sold as personal property (i.e. school pictures, uniforms, sweaters, etc.);
- All sales of items such as handicrafts, t-shirts, candles, cups, books, and school supplies sold by an organization during a fundraising drive;
- All other personal property except for those items specifically excluded above.
- Sales tax should be filed in accordance with the Comptroller's guidelines (typically on an annual basis).

For questions regarding sales tax, call the Texas Comptroller of Public Accounts at 1-800-252-5555 or refer to www.window.state.tx.us.

*Federal regulations do not allow Foods of Minimal Nutritional Values (FMNVs) to be sold or given away during meal periods where reimbursable meals are served and/or consumed, including during any exempted events. Refer to Texas Public School Nutrition Policy.

ACCOUNTING FOR TRANSACTIONS

METHOD OF ACCOUNTING

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

At a minimum, the membership should be provided with a financial statement and bank reconciliation at each meeting. The financial statement should detail the budget to actual expenditures and receipts. Cash receipts and disbursement reports should be available for review when needed or at the annual audit. Any individuals who actively coach or direct a UIL activity should not have control or signature authority over the organization's funds.

CASH RECEIPT PROCEDURES

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

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

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

1) Separate all currency and coins by denomination and carefully count and record it in the appropriate section of the bank deposit form.
2) A tape may be run of any checks included in the deposit rather than indicating the checks individually on the deposit slip form. A copy of the tape should be retained with your copy of the deposit records.
3) Total the deposit slip.
4) Tally the pre-numbered cash receipts and make certain that this total matches the deposit total.
5) Attach the cash receipt verification with a copy of the deposit slip and file in date order.
6) For large deposits, have another individual independently count the currency and coins, and verify that the amounts have been correctly recorded on the deposit slip.
7) Both individuals should initial the deposit slip next to the currency amount on the deposit slip.
8) Seal the deposit in a deposit bag in the presence of the second individual. This is called dual control and places the organization in a better position to challenge any claim the bank may make that the currency received was not correct.

District employees should not count, collect or secure an organization's funds. District employees may not have access to an organization's lock box.

PETTY CASH

Each organization may maintain a petty cash account, unless prohibited by the organization's governing body. 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 check from the organization's account.

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.

BANK ACCOUNT

To open a bank account, the organization must first obtain an Employer Identification Number (EIN) from the IRS. (See Federal and State Reporting section - Application for EIN.)

- The school's name should not be solely used on the organization's checks or on its literature. The use of the school name only might imply that the school or the District is responsible for any obligations entered into by the organization. The name must include the organization's name on the bank account. Example: John Doe High School Band Booster Club.
- Individuals authorized to sign on the bank account cannot be related by blood or marriage or reside in the same household.
- District employees may not serve as the treasurer nor be authorized to sign checks for the organization.
- All funds received should be receipted and deposited within 24 hours of receipt. Commingling of the organization funds and school activity funds is prohibited.
- District employees may not accept loans of funds from organizations.
- The Treasurer should reconcile the bank statement monthly and prepare a monthly financial report to the Board of Directors or Executive Board or Officers.

MAILING ADDRESS

Establish the organization's mailing address. (An official mailing address is required on several state and federal forms when creating the identity as a support organization; therefore, it is better to get this step done first.) The IRS and the Texas Comptroller's Office recommend that each organization obtain a post office box (PO Box) or private mailing box (PMB) to use as the official mailing address of the support organization. The address and box keys can be given easily to the new officers at the beginning of each new year.

Please understand the importance of maintaining a consistent mailing address for the organization.

- It will save time since the organization will not have to update the address each year to the District, the Texas Secretary of State, the Texas Comptroller's Office, the IRS, and bank.

- Support organizations receive several important documents from these agencies throughout the year, and if the address changes frequently, some of these documents could be lost or misplaced. If the related school's address is used as the support organization's official address, the organization should be aware that it may not receive mail in a timely manner when the school is closed (i.e., summer vacation and some holidays).

- The IRS mails forms and other correspondence to support organizations periodically. If these forms are not completed and returned to the IRS within a specific time period, an organization could lose their tax-exempt status, thereby also losing their tax-exemption with the State of Texas and possibly face fines and penalties.

The District does not recommend using a home address since organization officer's change frequently.

DISBURSEMENT OF FUNDS

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

Organizations may not contribute funds in an effort to increase the personnel allocations and/or stipends of a particular program or campus without the express written approval of the appropriate Leadership team member.

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.

METHODS OF PAYMENT

All methods of payment including written checks, electronic transactions, debit cards and PayPay, etc. must be accurately recorded by the organization. The officers responsible for each transaction must also be noted in the financial records of the organization.

BANK RECONCILIATION

Upon receipt of the monthly bank statement, the balance indicated on the statement shall be reconciled monthly to the bank account balance in the general ledger as of the last day of the month.

Items needed for reconciliation:

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

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

- Indicate the ending balance per the bank statement.
- Check off outstanding checks from prior month's bank reconciliation using the bank statement.
- Determine the outstanding checks by comparing the Check Register to the bank statement, including any remaining checks from the previous month.

- Determine the deposits in transit by comparing the Cash Receipts Journal to the bank statement.
- Identify any bank charges and/or items that need to be corrected by the bank, such as check printing, returned check charges and material encoding errors. These items should be grouped together under Other Adjustments.
- Total all items and enter the amount on the Adjusted Bank Balance line.

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

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

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

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

1099 REQUIREMENTS

Internal Revenue Service guidelines require that all payments for services in excess of $600.00 made to an individual by an organization be reported on a form 1099 on an annual basis. The 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 for services performed in the calendar year by January 31st. The following guidelines can be used to determine if reporting is required:

- **Risk of profit or loss** - Independent contractors realize a profit or sustain a loss based on their success in performing the work or service.
- **Continuing relationship** - The relationship between an independent contractor and employer ends when the job is done.
- **Compliance with instructions** - Independent contractors cannot be told when, where, or how to do the job.
- **Training** - Independent contractors do not go through any type of instructional training period with a more experienced employee to learn how to do the job. Independent contractors specialize in the field in which they have been employed and do not require training.
- **Personal service required** - The right of an independent contractor to substitute another's services without the employer's knowledge shows that one particular individual's personal services are not being required by the employer.
- **Integration into the business** - The success or continuation of the business is not dependent on the independent contractor's performance of the service.
- **Control over the hiring, supervising, and paying of assistants** - Independent contractors maintain control of their assistants. The employer contacts the independent contractor if there is a

problem, and the employer pays the independent contractor for the work done. The independent contractor then pays the assistants directly.

- **Set hours of work** - An independent contractor sets working hours.
- **A full-time work requirement** - An independent contractor has the availability to work for more than one client.
- **Working for more than one firm** - An independent contractor has an established business in which they work for more than one firm.
- **Worker's availability to the general public** - An independent contractor makes services available to the public on a regular and consistent basis.
- **Working on the employer's premises** - An independent contractor works off-premises unless the nature of the service to be performed requires attendance at the employer's work site.
- **Required work order or sequence** - An independent contractor does not need to be told in what order or how to do a job as he/she is considered an expert in the field.
- **Required reports** - An independent contractor is not required to submit oral or written reports.
- **Payment by the hour, week, or month** - An independent contractor is paid in a lump sum fee basis when the job is done. An invoice must be generated to substantiate the payment.
- **Payment of business or travel expense** - An independent contractor is responsible for his/her own business or travel expense. If paid by an employer, the employer must include the expense amount in the independent contractor's 1099 (unless you can verify an accountable plan).
- **Furnishing of tools and materials** - An independent contractor has the necessary tools and materials to do the job.
- **Investment in facilities** - If the independent contractor maintains an office on the employer's premises, he/she must pay a rent or lease payment for the office space as well as the overhead.
- **Employers discharge rights** - An independent contractor cannot be terminated as long as he/she is fulfilling the contract.
- **Worker's termination rights** - An independent contractor may be held financially responsible for any loss the employer may suffer due to an incomplete, inaccurate or unsatisfactorily completed contract.

The Internal Revenue Service web site, www.irs.ustreas.gov, may be accessed for forms and appropriate 1099 reporting requirements.

GASB 39 REQUIREMENTS

The Governmental Accounting Standards Board (GASB) Statement #39 requires school districts to consider financial activities of all parent teacher organizations, booster clubs, foundations and other fundraising entities for inclusion in the district's financial statements.

In order to determine whether financial information for these groups must be included, it is necessary to gather data regarding the financial activities of these organizations.

This information is needed no later than **August 1**, annually. The information provided should include financial records year ending June 30. Keep in mind that external auditors who prepare the District's audit may require additional information.

See Appendix for form.

FUNDRAISING

All organizations shall complete a fundraising application for each type of planned, scheduled or anticipated event, activity, or product sale and receive the approval of the campus principal or designee. This application details the vendor (if any), product to be sold or service to be rendered (see Appendix). For safety reasons, the District discourages door-to-door solicitation.

INDIVIDUAL ACCOUNTS

In general, tax exempt organizations, according to the IRS, must benefit a group as a whole instead of benefiting individual members of a group. Therefore, individual accounts that credit individuals for their fundraising efforts may not be used, unless the organization has received a favorable opinion from a competent tax advisor. All members of the organization must be treated equally and receive the same opportunity to benefit from the fundraising activities.

FUNDRAISING PARTICIPATION AND QUOTAS

In general, according to the IRS, tax exempt organizations may not require participation in fundraisers. Benefits given by an organization cannot be distributed based on participation in a fundraiser or based on revenues individually generated in a fundraiser. Therefore, a person cannot be denied the opportunity to receive a benefit due to lack of participation in a fundraiser or because a specified amount of revenue was not raised. Any exceptions to this practice should be based on the favorable opinion of a competent tax advisor.

An organization may establish written criteria for giving certain benefits to an individual with a financial hardship. If a student meets the written criteria established prior to a financial hardship situation arising, the student may then receive a benefit that others do not receive. Such a benefit is an approved exception, by the IRS, to having all members receive an equal opportunity to benefit from fundraising activities.

All organization fundraising efforts must be within federal, state and District guidelines and must be for the purpose of supporting the school program or group activity for which the organization was formed.

RAFFLES

Only organizations that are 501(c)(3) <u>are</u> permitted to hold raffles. The State of Texas Attorney General's ruling on raffles specifies that <u>an organization must be in existence for at least three (3) years before they can conduct a raffle</u>. When a sponsoring organization awards a prize to persons selected by a game of chance from a pool of individuals who purchase a ticket representing a chance to win, it is considered a raffle. Raffles are a legal activity for a charitable organization provided each of the regulations listed below are followed:

- Each ticket must indicate the name and address of the organization, name of an officer, price of the ticket and a description of each prize valued at $10 or more. No prize may be valued in excess of $50,000.
- Each organization may hold no more than two raffles per year and only one at a time.
- Tickets may not be advertised through paid advertising.
- A raffle prize may not be cash. (50/50 drawings)
- The booster club and school support organization must have the prizes in its possession before beginning the raffle or post a bond for the full value with the county clerk.
- Only members of the sponsoring organization may sell the tickets.

- The organization must fill out a W2-G form to submit to the IRS if the prize exceeds $600. A W-9 must be completed by the winner or backup withholding at the rate of 31% must be collected by the organization. Provided the prize value is less than $5,000 and a W-9 is completed by the recipient, the organization is under no obligation to collect tax.
- Phone solicitation may not be used to promote the event.
- No one may be compensated directly or indirectly for organizing or conducting a raffle or selling raffle tickets.

NOTES:

Texas Occupations Code §2002.002(1-a) defines "money" as, "coins, paper currency or a negotiable instrument that represents and is readily convertible to coins or paper currency."

Sponsorships and/or donations shall not be solicited or accepted if they:

- are obscene, vulgar, or otherwise inappropriate for the age and maturity of the audience;
- endorse endangering the health or safety of students;
- promote illegal use of drugs, alcohol, or other controlled substances;
- advocate violation of school rules and fall within the standard described at LIMITATIONS ON EXPRESSION at FNAA(LEGAL);
- advocate imminent lawless or disruptive action and are likely to incite or produce such action;
- include hate literature that scurrilously attacks ethnic, religious, or racial groups, and similar publications aimed at creating hostility and violence if they fall within the standard described at LIMITATIONS ON EXPRESSION at FNAA(LEGAL);
- Would result in material and substantial interference with any school educational and/or curricular-related activity or blocks or impedes the safe flow of traffic within hallways and entrances and exits of the school.

Any fundraising activity involving an award/prize of utilizing District property or facilities is prohibited.

BINGO

Organizations 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 calling 1-800-BINGO77. A Charitable Bingo may not be advertised prior to actually receiving a license.

Bingo may be conducted only in areas that have held an election to legalize the game. Check with the city or county to see if it is legal in the area where the game would be conducted.

Organizations will need to obtain the literature to learn all of the requirements. This is only a summation intended to give you a general idea of the level of involvement.

- The game must be open to the public.
- A prize may not exceed $500 in any single game or a series of prizes may not exceed $2,500.00 per occasion. In the event merchandise is donated, the actual retail value may not exceed these limits.
- The dollar amount to be awarded at the games may not be advertised.
- Door prizes or other free promotions are not allowed at a bingo event.
- All bingo supplies and equipment must be purchased from a licensed distributor.
- A 5% fee from the winners must be remitted to the state.
- A maximum of six events are allowable per year.
- Alcohol may not be served.

SOLICITATION PERMITS

Cities have rules, regulations, and ordinances that may apply to your fundraising activity. Some cities may require a solicitation permit that is temporary or renewable on an annual basis.

It is recommended that organizations contact the city where an activity is planned or advertisement of a fundraiser is to be distributed.

Information may be found on a city's web site under the Code of Ordinance section.

VENDOR SALES

Organizations may choose a vendor sale for fundraising. A vendor sale is when the booster club and school support organization act as representatives for the fundraising firm by taking orders and earning a commission.

The organization is not responsible for the payment of sales taxes on vendor sales. Collections are forwarded to the vendor for remittance to the Texas Comptroller. Additionally, vendor sale activities are not eligible as a tax-free sales day.

The Texas Comptroller of Public Accounts regards the booster clubs and school support organizations or other nonprofit entities as the sales agent for the fundraising firm and applies Section 151.024 of the Texas Tax Code.

DONATIONS

School district staff and students are discouraged from accepting gifts of value. Students engaged in UIL activities shall not accept gifts except as provided by UIL Constitution and Contest Rules.

Donations to the District shall become the sole property of the District and not of the accepting organization. In accordance with Policy CDC (LOCAL) and Administrative Regulation GE, gifts to the District must meet the following criteria:

- Must have a purpose consistent with District purposes.
- Place no restrictions on the school program.
- Do not require the endorsement of a business product.
- Do not conflict with policies or actions of the Board or public law.
- Do not require extensive District maintenance.

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

A gift or grant to the school or District that may impact a campus (i.e. facility, grounds, infrastructure, technology, or curriculum), must have prior approval by the appropriate Assistant Superintendent prior to the purchase of such gift.

All donations must be reported to and accepted by the Eagle Mountain-Saginaw Board of Trustees [Policy CDC (LOCAL)]. Reports should be made as the donation occurs. All documentation must be forwarded with the donation. (See Appendix for Donation Acknowledgement form.)

EQUIPMENT OR MONEY DONATIONS

Cash should never be given for discretionary spending. There are times when the best decision is to give funds to the school for a designated purpose. Oftentimes, schools can purchase items at a significant discount where, if the organization writes the check, they will have to pay full retail price. Other times, the organization may decide to fund a portion of a purchase the school is making.

When the best fiscal decision is to have the school make the purchase, there are certain guidelines that must be followed:

- The membership approves the gift to be made and its purpose.
- Funds are only given for a specific, designated purpose agreed to, in writing, between the organization's president and the appropriate school official.
- The written agreement specifically states the nature of the item to be purchased, the manner in which it is to be used, the timeframe within which it is to be procured, and the agreements as to who is responsible for installation (if applicable), maintenance, and insurance, and to provide the organization with a copy of the invoice.

GIFT CARDS/GIFT CERTIFICATES

Organizations may not purchase or give gift cards/gift certificates. The IRS considers gift cards and gift certificates as cash equivalents.

By recognizing the mere definition of a gift card/gift certificate as a cash equivalent these two items are not allowed to be used by organizations as giveaways or incentives.

Additionally, distributing gift cards or gift certificates to individuals is considered an individual benefit. Using gift cards or gift certificates as incentives to volunteers, teachers or students (this applies to door prizes, thank you gifts, etc.) also presents the problem of the IRS considering this as compensation. Once compensation has been given, the recipient is an employee, and the organization would be required to issue a W-2. The IRS does not distinguish whether an organization purchases gift cards/gift certificates or they were donated by an individual or company; to the IRS, it is the same.

A donated gift card or gift certificate can only be used (1) in a silent auction (not a raffle) or (2) if the organization uses the donated gift card or gift certificate to purchase items that benefit the organization, not individuals.

CHARITABLE FUNDRAISING

Charitable fundraising may not be conducted by any organization for an individual, no matter how worthy the cause.

Alternatives:

- Texas PTA Emergency Needs Relief Fund

  The Texas PTA established the Texas PTA Emergency Needs Relief Fund in 1995 to provide emergency assistance grants for victims of hurricanes, floods, tornadoes, catastrophic illness and accidents. Financial aid is provided only to the truly needy and is consistent with that need. Funding comes from tax-deductible donations from individuals and PTAs. Contributions may not be earmarked for a specific recipient.

- Establish a donation account at a local bank where donors make contributions directly to bank.

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 support organizations and activities are included in the analysis of the District's compliance with Title IX, support organizations should have an awareness of the law and the District's requirement for compliance. Inquires/complaints concerning the application of Title IX and its implementing regulations may be referred to the District's Title IX coordinator, Gerard Gindt, Ed. D., Assistant Superintendent for Administrative Services, at PO Box 77070, Ft. Worth, TX 76177, 817-215-0074, or the Office of Civil Rights.

SCHOLARSHIP PROGRAMS

The District encourages scholarship programs that benefit students.

SCHOLARSHIPS FOR A GRADUATING SENIOR

- All qualifying seniors must have the opportunity to apply for the scholarship(s).
- The application process must be clearly communicated, and the application forms must be readily available to all potential applicants and their parent and/or guardian before the end of the first grading period of the academic year.
- The Scholarship Review Committee must consider all qualifying applicants.
- The Scholarship Review Committee must to be appointed by the President of the booster club and school support organization 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 from the organization who do not have children eligible for consideration for the scholarship, interested teachers, campus administrators, and/or the sponsor). Many times the sponsor is an ex-officio member of the Scholarship Review Committee and not an actual voting member so that the sponsor is a source for additional information/input to the Scholarship Review Committee and a final review resource for the Scholarship Review Committee decisions.
- The qualification criteria for selection of scholarship winners (if any) must be communicated in writing to all potential applicants before the end of the first grading period of the academic year in which it is awarded 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 and school support organization membership no later than the May booster club and school support organization meeting for changes effective in the upcoming academic year.
- The application scoring, decision materials, tabulations, 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 the period designated by the State Record Retention Schedule.
- Scholarship applicants shall be full-time EM-SISD senior students enrolled in the EM-SISD for a minimum of one full semester prior to the application deadline.
- All completed applications must be turned in to the EM-SISD Senior Counselor no later than the deadline set for local scholarship applications or April 1st (whichever comes first).
- All scholarship applications, which do not have the required information, will be considered incomplete and returned to the applicant. Applications returned will not be reconsidered at a later date if they are not submitted by the established deadline.
- 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.

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

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

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

The organization may or may not require interviews of applicants in the decision process. If an interview is part of the process, it must be communicated no later than the end of the first grading period of the academic year. The applicant's parent or guardian must be permitted to be present at any interview. Interview topics must be communicated to the applicant not less than 72 hours prior to the interview.

STUDENT SCHOLARSHIPS FOR CAMPUS-RELATED ACTIVITIES

Organizations may make a donation for funding scholarships for campus-related activities.

- Scholarships will be made available to students based on a criteria established by the organization and district, campus or program department.
- Applications will be made available through the campus counseling department or appropriate program department.
- The school counselor, program department head, principal and/or designee will verify qualification and determine approval of such scholarship to preserve the confidentiality of the student and his/her family.

DISTRICT SERVICES

CATERING

The Child Nutrition department provides catering for meetings within the District. Charges for the catering will be billed the following month at the campus. A sample menu is available online or by contacting the Child Nutrition department directly.

SAFEKEEPING

District employees should not count, collect or secure support organization funds. District employees may not have access to an organization's lock box.

EM-SISD STUDENT PROVIDED SERVICES

FILM/MEDIA SERVICES – HOLLENSTEIN CAREER & TECHNOLOGY CENTER

Services are currently in development. For further information contact Dana Eldridge at deldridge@ems-isd.net.

TOOLS FOR SUCCESS

The following guidelines apply to all organizations. If a question should arise which cannot be resolved at the campus level, the appropriate Elementary or Secondary Executive Director for Instruction and Campus Support should be contacted for clarification.

ORGANIZATIONS SHOULD:

- Hold all meetings publicly and publish notice in advance of meeting, according to the organization's bylaws.
- Be voluntary and provide unified support for student success at the school.
- Encourage involvement by all parents of students participating in the support activity.
- Use school facilities only with prior approval of the principal or designee.
- Obtain approval of the principal or sponsor for all fundraising activities.
- Have a campus administrator or designee present at all organization meetings.
- Submit a copy of current bylaws and operating procedures to the principal or administrator.
- Submit the name, address, email address, and phone number of all current officers and the authorized signers of bank account to the principal or designee.
- Provide adequate insurance coverage for its organization.
- Pay all taxes and other debts incurred by the organization.
- Comply with Board policies when donating money or gifts to the District.
- Comply with UIL guidelines, District policies, and Federal and State tax laws.
- Obtain Federal tax-exempt status.
- Obtain an Employer Identification Number.
- Obtain a State Sales Permit.
- Submit IRS Determination Letter and GASB 39 information form annually to the District's Financial Services Department no later than August 1.
- Follow the same standards of conduct as district employees when chaperoning, sponsoring or attending student activities, including rules in the campus handbook.

ORGANIZATIONS SHOULD NOT:

- Have authority in directing or influencing District employees in the administration of duties.
- Be involved in decision or policy making activities for a student group.
- Give a sponsor or coach a gift of cash in excess of the limits imposed by the UIL guidelines from any source in recognition of, or appreciation for coaching, directing or sponsoring student activities.
- Give anything (including awards) to students without prior approval from the school administration. (Faculty sponsors wish-lists should have received prior approval from school administration before submission to an organization.)
- Give a member any gift without the approval of the club membership.
- Employ or pay any member with the organization's funds for services rendered.

- Sign contracts or pay expenses directly from the organization's account for any arrangements for student travel associated with the organization without the prior approval of the principal. (Organizations may donate money or merchandise to the school with prior approval of the administration.)
- Use the District's tax identification number as the organization's identification number.
- Use the District's sales permit number as the organization's sales permit number.

OTHER CONSIDERATIONS:

- Any action taken at the meeting will be subject to review and revocation by the sponsor, principal or designee.
- Each individual student's or group of students' participation will be determined by the sponsor and the principal/designee, and not by the organization or any of its members. 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 an 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 an organization will occur outside of the school day or as approved by the principal/designee.
- Activities and travel sponsored by an organization must be outside the school day or as approved by the appropriate Assistant Superintendent.
- The educational purposes of all activities should be a major consideration - there will be no travel for purely leisure or recreational purposes.
- Participation in any activity or travel associated with an organization's 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, at school-related or school-sponsored activities, 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.
- Organizations may not contribute funds in an effort to increase the personnel allocations and/or stipends of a particular program or campus without the express written approval of the appropriate Assistant Superintendent.
- Organizations may not contribute funds for contracted services or campus travel to enhance professional development without the express written approval of the appropriate Assistant Superintendent.

TOP TEN WAYS TO PROTECT YOUR ORGANIZATION AGAINST EMBEZZLEMENT

1. Money should never be kept at a treasurer's home.

2. Two people should always count the money, and both should sign the receipt verifying the amount.

3. Two signatures should be required on all checks.

4. Have a member who does not have check signing authority review the bank statement monthly before giving it to the treasurer. This person is looking for red flags including: checks showing up in non-sequential order, checks made out to cash, cash withdrawals, checks written out to non-approved vendors, checks written for non-approved expenses, and checks written out to individuals.

5. Never sign a blank check or a check made out to "cash."

6. The treasurer should arrange to deposit the money in the bank as soon after the conclusion of the project as possible.

7. Money should be deposited into the organization's bank account daily, even if a project is ongoing.

8. All bills must be paid by check, never cash.

9. Conduct an annual audit of the books.

10. Make sure that you have a Bond Policy and make sure to follow the requirements to guarantee coverage.

This information has been provided by AIM - Association Insurance Management.

TOP TEN THINGS TO REMEMBER WHEN FUNDRAISING

1. Have a specific goal for each fundraiser, regularly remind yourself and your volunteers of that goal, and promote it to the community.

2. Assign an organized person to serve as fundraising chairman.

3. If you are using a fundraising company, know the company or check out references and have a written contract.

4. Select a program with a good service package that fits your needs.

5. Make sure the product you're selling represents a good value at a fair price.

6. Look for fundraising activities that have educational value and promote community involvement.

7. Delegate and involve as many volunteers as possible.

8. Keep it short. People lose interest in long projects.

9. Don't overdo it. Remember, kids are in school to learn and parents can only afford so much. Also, remember the children must never be placed in a position of risk.

10. Have fun. It's got to be fun!

This information has been provided by "Texas PTA Treasurer Chairman's Guide".

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APPENDIX

CREATING A SUPPORT ORGANIZATION

REGISTRATION AND APPROVAL FORM

BOOSTER CLUBS & SUPPORT ORGANIZATIONS OFFICER INFORMATION FORM

BOOSTER CLUBS & SUPPORT ORGANIZATIONS FUNDRAISING APPLICATION

COMPLIANCE CHECKLIST

DONATION ACKNOWLEDGEMENT FORM

GASB 39 FORM

REFERENCES

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Questions to Answer Before You Commit to Creating a Support Organization

Support organizations provide an important support function to student groups; however, they also require a strong commitment from members to work properly. Therefore, deciding whether or not to form a support organization is a difficult decision that requires careful consideration of the pros and cons of formation. Interested parents should discuss these issues with each other as well as the sponsor and the school principal or administrator. **The appropriate school principal and administrator must approve, in writing, the formation of an organization before any further action is taken to create a unique identity.**

Please remember that parents are not required to form an organization in order to support a student group. Parents may still support a student group as parents through fundraisers and other activities in which the students are involved if the student group has a student (agency) activity fund set up through the District. All money generated would be considered the student group's money and would benefit only that group of students. Additionally, the District would be responsible for all of the accounting and legal responsibilities of the student activity fund.

The following are some questions to consider when deciding whether or not to form a support organization:

1. Why do I want a support organization?

2. What can a support organization accomplish that cannot be achieved through the use of a student activity fund?

3. Do I have time to commit?

4. Are there enough parents with time to commit?

5. Am I willing to perform the necessary research, training, and paperwork to be in compliance with all District Board policies, affiliated governing bodies, UIL, state, and federal regulations? (This includes submitting required information to the Texas Comptroller's Office and the IRS.)

6. Have I read or will I read the rest of this handbook to discover my responsibilities once a support organization is formed?

7. Have I spoken with other similar support organizations to determine what benefits/problems they have experienced?

8. Have I spoken with the sponsor to obtain support for the formation of a support organization?

Once you have decided to form a support organization:

1. Obtain written approval of the school principal and administrator before proceeding with any other steps to create the identity as a support organization. *(See Registration & Approval Form in Appendix.)*

   Final approval by the Elementary or Secondary Assistant Superintendent for Curriculum and Instruction, as appropriate, is required.

2. Send a copy of the written approval to the Financial Services Department.

3. Establish the organization's mailing address. (An official mailing address is required on several state and federal forms when creating your identity as a support organization; therefore, it is better to get this step done first.) The IRS and the Texas Comptroller's Office recommend that each organization obtain a post office box (PO Box) or private mailing box (PMB) to use as the official mailing address of the support organization. The address and box keys can be given easily to the new officers at the beginning of each new year.

Please understand the importance of maintaining a consistent mailing address for the organization.

- It will save time since the organization will not have to update the address each year to the District, the Texas Secretary of State, the Texas Comptroller's Office, the IRS, and bank.

- Support organizations receive several important documents from these agencies throughout the year, and if the address changes frequently, some of these documents could be lost or misplaced. If the related school's address is used as the support organization's official address, the organization should be aware that it may not receive mail in a timely manner when the school is closed (i.e., summer vacation and some holidays).

- The IRS mails forms and other correspondence to support organizations periodically. If these forms are not completed and returned to the IRS within a specific time period, an organization could lose their tax-exempt status, thereby also losing their tax-exemption with the State of Texas and possibly face fines and penalties.

The District does not recommend using a home address since organization officer's change frequently.

4. Begin the process of creating the organization's identity with the State of Texas and the IRS.

Eagle Mountain-Saginaw Independent School District
Booster Clubs & School Support Organizations
Registration & Approval Form

To: _____ **Location:** _____
(Principal or Administrator Name) (School or Department Name)

Name of Organization: _____

Purpose of Organization: _____

Student Group to be Supported: _____

Faculty Sponsor for Club: _____

Current Number of Parent Supporters: _____

I agree with the following statements:

- I have spoken with the faculty member who will serve as the sponsor of the support organization and have received their permission to submit this registration form.
- I have read the *Booster Clubs and School Support Organizations Guidelines* thoroughly and agree to abide by the rules and guidelines it contains.
- I understand that noncompliance with any District policy or criteria may result in the disbanding of the support organization by the principal or the administrator.

Submitted by:

_____ / / _____ / /
(Representative) Date (Sponsor) Date

_____
Address

_____
Phone Number

For District Use Only
Received by: **Date: / /**

☐ **APPROVAL of Support Organization:**

I, _____,
(Principal or Administrator Name)

_____at _____
(Position) (School or Department Name)

authorize _____ to conduct student and
(Support Organization Name)

organizational related activities for the benefit of _____.
(Student Group/Campus)

This registration approval is effective for the school year beginning _____ and
(School Year)

will continue until such time as the Organization no longer exists.

_____/ /_____/ /

Principal or Administrator Signature Date Asst. Supt. for Curriculum & Instruction Date

☐ **DISAPPROVAL of Support Organization:**

I, _____,
(Principal or Administrator Name)

_____ at _____
(Position) (School or Department Name)

do not authorize _____ to become a support organization.
(Organization Name)

_____/ /_____/ /

Principal or Administrator Signature Date Asst. Supt. for Curriculum & Instruction Date

- The original form should be sent to the representative of the support organization shown on the front of this form.
- Please make copies of BOTH SIDES of this form for:
  - The Sponsor
  - The Principal or Administrator
  - Financial Services Department

Booster Clubs & School Support Organizations
Officer Information

Submit officer information to your supporting campus/department immediately following your organization's election. Annual elections must take place prior to June 1. Information should be submitted even if officers have not changed from the previous year. Any changes that occur during the year prior to the next election should be reported utilizing this form. A copy of this form should also be maintained by the organization.

School year:_____ Campus/Department supported: _____

Name of Organization:_____

President

_____
Name (First **AND** Last name)

_____
Street address **OR** PO Box, City, State **AND** Zip Code

_____
Phone number(s) Email address

Vice President

_____
Name (First **AND** Last name)

_____
Street address **OR** PO Box, City, State **AND** Zip Code

_____
Phone number(s) Email address

Treasurer

_____
Name (First **AND** Last name)

_____
Street address **OR** PO Box, City, State **AND** Zip Code

_____
Phone number(s) Email address

Secretary

_____
Name (First **AND** Last name)

_____
Street address **OR** PO Box, City, State **AND** Zip Code

_____
Phone number(s) Email address

Booster Clubs & School Support Organizations Fundraising Application

Name of organization:_____

Campus supported:_____

Type of event, activity, product sale or service:

_____

_____

Date beginning:_____ Date ending:_____

Location of event, activity, product sale or service:_____

Specific purpose(s) for which the net proceeds are to be used:

_____

_____

Vendor (if applicable):_____

Vendor contact name:_____ Phone:_____

Event coordinator:_____ Phone:_____

District contact name:_____ Phone:_____

I request permission to conduct a fundraising activity. I will be responsible for the accountability of all monies collected and I will follow the organization's bylaws and EM-SISD guidelines.

_____ _____

Coordinator's signature Date

_____ _____

Principal/Designee's signature Date

Original: Campus or Department Copy: Maintained by organization

COMPLIANCE CHECKLIST

The following checklist serves as a guide to help ensure that organizations have complied with the District's Board policies and guidelines, and federal and state regulations governing Booster Clubs and School Support Organizations. Additionally, information documented here will help future officers continue with compliance efforts.

This checklist is not all inclusive. For questions concerning the items listed below, please refer to the applicable sections of this guideline.

General

1. Provide the campus principal or designee with a list of officers at the beginning of each school year and as officer's change. Form provided in *Booster Clubs and School Support Organizations Guidelines* Appendix.
2. Provide the campus principal or designee with organization's constitution, by-laws, and operating procedures when they are originated. In addition, provide updated copies as changes or amendments occur.
3. Provide the support organization's official mailing address. The address should include the organization's official name.

Fundraising

1. Provide the campus principal or designee with a list of fundraisers planned for the current year.
2. Complete the Fundraising Application for each type of planned, scheduled or anticipated event, activity, or product sale or service and receive the approval of the campus principal or designee. Form provided in *Booster Clubs and School Support Organizations Guidelines* Appendix.
3. If the organization has received a limited tax-exemption from the Texas State Comptroller's Office, the organization is entitled to two (2) "one-day, tax-free" sales days per calendar year. If the organization is entitled to the two "one-day, tax-free" sales days, indicate the "one-day, tax free" sales that have been used or that are planned:

   Calendar Year: _____

   Date / Fundraiser: _____

   Date / Fundraiser: _____

   Calendar Year: _____

   Date / Fundraiser: _____

   Date / Fundraiser: _____
4. An organization cannot require members or students to fundraise or raise a certain amount. For example, a student's ability to attend a trip cannot be based on raising a certain amount of money. **If an organization is currently requiring fundraising, this requirement must be discontinued.**
5. An organization cannot use individual accounts to credit an individual for funds raised. Fundraising is an opportunity to generate revenue for the organization as a group, not individuals. Therefore, revenues should be recorded in a group account where all members or students have the same opportunity to **benefit equally** from the revenues.

Financial Matters

General

1. Bank accounts used by the organization include:

Bank Name	Account Number

2. Determine the identification number used for the bank accounts. The organization's Employee Identification Number (EIN) should be used. Do not use an individual's Social Security Number, and **do not use the District's EIN.** The identification number used for the bank accounts is: _____

3. Update the authorized signers on bank accounts as officers' change. The current authorized signers include the following organization officers:

Name of Person	Officer Position Held	District Employee? (Yes/No)
Example: Jane Doe	***President***	***No***

4. Provide a copy of the written Financial Report for the applicable school year to the campus principal or designee.
5. Provide a copy of the report that indicates the results of the review of the organization's financial information, including the Financial Report, to the campus principal or designee.
6. Provide GASB 39 information to the District's Finance Department annually by August 1 (form provided in *Booster Clubs and School Support Organizations Guidelines* Appendix). Additionally, provide a copy to the campus principal or designee.

IMPORTANT

- The Sponsor cannot be an authorized signer on any organization's bank account.
- No employee of the District may be an authorized signer on the organization's bank account or enter into contracts, verbal or written.
- See Accounting for Transactions (Bank Account) in *the Booster Clubs and School Support Organizations Guidelines*.

State Regulatory Information

The following items need to be done only once at the origination of the organization:

7. Determine whether the organization has obtained a Texas Sales Tax Permit. The organization's Sales Tax Permit Number is: _____

8. Determine whether the organization has obtained a limited tax-exemption from the Texas State Comptroller's Office. The organization has received a limited tax-exemption from Texas State Comptroller's Office:

   YES ○

   NO ○

Reminder: Only those organizations with a limited tax-exemption from the Texas State Comptroller's Office are entitled to the two (2) "one-day, tax-free" sales days.

9. If the organization is incorporated, determine whether the organization has obtained an exemption from Texas franchise tax from Texas State Comptroller's Office. Organization is incorporated:

   YES ○

   NO ○

   If the organization is incorporated, an exemption from Texas franchise tax was obtained from the Texas State Comptroller's Office:

   YES ○

   NO ○

The following item is applicable each school year or calendar year:

10. File the organization's Texas State Tax Report as required. The Texas State Comptroller's Office determines whether the report needs to be filed quarterly or annually and is subject to change. The organization files its Texas State Tax Report:

    QUARTERLY ○

    ANNUALLY ○

Federal Regulatory Information

The following items need to be done only once at the origination of the organization:

11. Obtain an Employer Identification Number (EIN) from the Internal Revenue Service (IRS). The EIN for the organization is: _____

12. Determine whether the organization has received tax-exempt status as a public 501(c)(3) organization from the IRS. If the IRS has approved the organization's tax-exempt status, a Determination Letter would have been received from the IRS. The organization received its tax-exempt status as a public 501(c)(3) organization from the IRS:

    YES ○

    NO ○

13. If a Determination Letter was received from the IRS approving your Organization as a public 501(c)(3) organization, determine whether the status as a public tax-exempt organization is temporary.

    If the tax-exempt status is temporary, the "Advance Ruling Period" ends on:

    ____/____/_____

The following items may be applicable during each school year or calendar year:

14. Determine whether the organization is in good standing with IRS by calling the Exempt Organization Section of the IRS.
15. Determine the necessity of filing an annual IRS Form 990.

    Official Year-end: ____/____/_____

    Due Date for Return: ____/____/_____

16. Issue 1099 forms to qualifying vendors by January 31, of each year. If 1099 forms are issued, send information to the IRS by February 28, of each year.

Booster Clubs and School Support Organizations Guidelines

17. As the organization's President or Treasurer change, give *Booster Clubs and School Support Organizations Guidelines* to the new officers.
18. Annually attend required update and information training for Booster Clubs/School Support Organization's President and Treasurer.
19. Guidelines are available on District's website.

Eagle Mountain-Saginaw Independent School District

TAX-EXEMPT STATUS/ DONATION ACKNOWLEDGMENT FORM

Eagle Mountain-Saginaw Independent School District is a public school district and is a political subdivision of the State of Texas. The District is not a tax-exempt entity under the Internal Revenue Service (IRS) Code Section 501(c)(3). However, the District is considered a tax-exempt organization that may receive charitable contributions according to the IRS Code Section 170(c)(1). This section states that a charitable contribution means a contribution or gift to or for the use of:

> "A State, a possession of the United States, or any political subdivision of any of the foregoing, or the United States or the District of Columbia, but only if the contribution or gift is made for exclusively public purposes."

The District may receive charitable contributions if they are for public purposes, such as benefiting a group and not an individual. These charitable contributions are deductible by the donor on their tax return. The federal identification number of Eagle Mountain-Saginaw ISD is 75-6004855.

Contributions may be made to the District, District schools, or various District groups and clubs. However, the District's tax-exempt status does not apply to various parent or community organizations, such as Booster Clubs and School Support Organizations, who work with the District. These organizations are separate entities from the District and must apply for their tax-exempt status under Code Section 501(c)(3). Evidence of their tax-exempt status would be a Letter of Determination from the IRS.

~~**Eagle Mountain-Saginaw Independent School District greatly appreciates the support of:**~~

_____
Name of Donor (Company or Person)

_____
Street address **OR** PO Box, City, State **AND** Zip Code

_____
Contact Name/ Phone Number

through the donation of (description of items(s) donated and/or monetary contribution received):

_____

_____

This support will assist the District in continuing to improve the educational environment.

_____ _____
Print Name of District Employee Receiving Donation | Signature of District Employee

_____ _____
Title of District Employee | School or Location/Department

FORM DISTRIBUTION – copy to:

- ☐ DONOR
- ☐ SUPPORTED CAMPUS/DEPARTMENT
- ☐ EDUCATION FOUNDATION

EAGLE MOUNTAIN SAGINAW ISD

Fostering a Culture of Excellence

The Governmental Accounting Standards Board (GASB) Statement #39 requires school districts to consider financial activities of all parent teacher organizations, booster clubs, foundations and other fundraising entities for inclusion in the district's financial statements.

In order to determine whether financial information for these groups must be included, it is necessary to gather data regarding the financial activities of these organizations. The following information will enable school district officials and auditors to determine if financial activities of the organization must be included in the annual financial report.

This information is required no later than **August 1**, annually. The information provided should include financial records year ending June 30. Keep in mind that external auditors who prepare the District's audit may require additional information.

Name of organization _____

Campus/Activity supported _____

What is the activity of your organization? _____

_____

What is your organization's Tax ID number? _____

What is the date of your IRS Letter of Determination? (Attach a copy) _____

What is the balance of your organization's bank account, as of June 30? _____

What is your organization's fiscal year end? _____

Does your organization's gross receipt normally exceed $50,000 per year? ☐ Yes ☐ No
(IRS defines 'gross receipts' as all revenues generated before subtracting any expenses.)

If yes, did you file a Form 990 and Schedule-A last year? ☐ Yes ☐ No

Date filed _____

If no, were you exempt from filing Form 990 and Schedule-A? ☐ Yes ☐ No

What are the total annual contributions to the school district and/or students? _____

I confirm that the information provided on this form is accurate to the best of my knowledge.

_____ _____

Printed Name and Title Phone Number

_____ _____

Signature Date

Return form to:
Eagle Mountain-Saginaw ISD – Business Office
1200 Old Decatur Road, Bldg #6,
Fort Worth, TX 76179

REFERENCES

Web Sites

EM-SISD Web Site ..... www.emsisd.com
EM-SISD Policy On-Line ..... www.emsisd.com
Internal Revenue Service ..... www.irs.gov
UIL ..... www.uil.utexas.edu
State Comptroller ..... www.window.state.tx.us
Secretary of State ..... www.sos.state.tx.us

District Phone Numbers

Chief Financial Officer ..... 817-232-0880, ext. 2955
Exec Director of Finance and Accounts Payable ..... 817-232-0880, ext. 2973
Director of Budget, Taxes, and Investments ..... 817-232-0880, ext. 2974
Supervisor of Business Services ..... 817-232-0880, ext. 2971
Director of Communications ..... 817-232-0880, ext. 2704
Education Foundation ..... 817-232-0880, ext. 7606
Director of Athletics ..... 817-232-0880, ext. 2775
Assistant Director of Athletics ..... 817-232-0880, ext. 2765
Director of Fine Arts ..... 817-232-0880, ext. 2768
Director of Plant Operations ..... 817-306-0864, ext. 6202
Energy Manager (Facility Rental) ..... 817-306-0864, ext. 6210
Director of Child Nutrition ..... 817-232-0880, ext. 2966
Food Service/Catering ..... 817-232-0880, ext. 2966

Other Resources

Internal Revenue Service (main number) 800-829-1040
Internal Revenue Service (tax-exempt and government entities) 877-829-5500
Eagle Mountain-Saginaw ISD Education Foundation ..... 817-232-0880, ext. 2738
State Comptroller 800-252-5555
Secretary of State 512-463-5555
UIL 512-471-5883
State PTA ..... 800-TALK PTA
Association Insurance Management (AIM) 800-876-4044
Hankins, Eastup, Deaton, Tonn & Seay, PC 940-387-8563