



BOOSTER CLUB START UP

Quick Notes Guide For Setting Up A Booster Club

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DISCLAIMER

THIS PRESENTATION IS NOT MEANT TO REPLACE ANY EXISTING BOOSTER CLUB GUIDELINES AND POLICIES FOR PROSPER ISD, THE UIL, THE STATE, AND FEDERAL GOVERNMENT. THE SINGULAR PURPOSE OF THIS PRESENTATION IS TO HIGHLIGHT THE STEPS NEEDED TO CREATE A BOOSTER CLUB.

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THANK YOU!!!

THANK YOU FOR USING YOUR TIME, TALENTS, AND ENERGY TO FURTHER ENRICH THE EXPERIENCES OF OUR STUDENTS. IT CAN TAKE A LOT EFFORT TO EFFECTIVELY RUN OR ASSIST IN THE RUNNING OF A BOOSTER CLUB. PROSPER ISD WANTS TO THANK YOU AHEAD OF TIME FOR DEVOTING YOURSELF TO OUR STUDENTS

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WHAT IS A BOOSTER CLUB

Be they music, fine arts, academic or athletic, booster clubs should exist to enrich the experience of current students and uphold the program's traditions without endangering their UIL eligibility. ***Even though a Booster Club works very closely with the District, it is a separate entity from the District.*** The Booster Club works through the Coach/Sponsor to provide assistance for the planned activities of the student group; however, the Booster Club does not have the authority to decide the activities or trips in which the student group will participate. The parents and the Booster Club may provide suggestions about particular activities; however, the Coach/Sponsor is responsible for the final decision with the Principal's or Administrator's approval.

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BOOSTER CLUBS SHOULD...

1. Provide voluntary and unified support for our students
2. Encourage all parents to participate
3. Seek district approval before taking any actions
4. Follow financial policies from PISD, UIL, state, and federal entities
5. Follow tax laws
6. Provide contact information for officers
7. Obtain tax exemption status
8. Follow district volunteer guidelines
9. Provide all required paperwork, including by-laws

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BOOSTER CLUBS SHOULD NOT...

1. Attempt to influence matters that are assigned to district personnel
2. Be involved in the decision making for student groups
3. Use Prosper ISD in the name of the booster club
4. Give gifts in excess of UIL limits
5. Give anything to students without prior district approval
6. Give a member a gift without approval from club membership
7. Sign contracts or pay expenses directly from Booster Club accounts for any arrangements for student travel associated with the organization.
8. Use the District tax identification number as the Booster Club identification number.
9. Use the District sales permit numbers as the Booster Club sales permit number.

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OVERVIEW: 9 STEPS FOR SETUP

- 1. REVIEW DISTRICT BOOSTER CLUB MANUAL & POLICIES**
- 2. REVIEW UIL GUIDELINES**
- 3. OBTAIN DISTRICT APPROVAL**
- 4. CREATE BY-LAWS**
- 5. FILE FOR EIN (EMPLOYER IDENTIFICATION NUMBER)**
- 6. OPEN A BANK ACCOUNT**
- 7. OBTAIN 501 (c)(3) TAX EXEMPT STATUS**
- 8. ACQUIRE INSURANCE**
- 9. ENSURE THAT APPROPRIATE LOCAL FORMS AND REPORTS ARE SUBMITTED**

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STEPS ONE & TWO: POLICY REVIEW

- A. Before you take any additional steps in the creation of a new booster club, read through the PISD and UIL guidelines.
 - B. There is a lot that goes into creating and maintaining a booster club within the guidelines of the rules.
 - C. PISD and the UIL have provided great resources that go into detail about how to properly manage every aspect of a booster club, but if you every have a question, please reach out to someone at your campus or in the athletic department.
- **Link to UIL Resource**
 - <https://www.uiltexas.org/policy/guidelines-for-booster-clubs>
 - **Link to District Resource**
 - <https://www.prosper-isd.net/Page/13694>

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STEP THREE: OBTAIN DISTRICT APPROVAL

- A. Step Three is a little misleading due to the fact that the form that must be submitted to be officially approved to operate requires information from Steps four through eight.
- B. This step is primarily about communication at the local campus level.
 - a. Is the campus administration, coach and/or sponsor aware and agrees with the creation of a booster club.
 - b. These district employees are responsible for the actions of their booster clubs so they must give their pre-approval to begin taking the appropriate steps to officially form a booster club
- C. Booster Club Roles
 - a. Coach/Sponsor acts a liaison between booster club and district
 - b. Booster Club supports activities planned by Coach/Sponsor
 - c. Campus Administration **MUST APPROVE ALL ACTIVITIES**

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STEP FOUR: CREATE BY-LAWS

- By-laws provide the rules for how your organization operates, including how often meetings are held, how voting is conducted and the like. The bylaws should contain the detail of the rules of membership. **By-laws must address the organization's fiscal year, organizational structure, and the methods used to elect officers.**
- A. Be approved by the assigned Administrator (Athletics – Coach Little/ All others – Coach Brantley)
 - B. Address the organizational structure
 - C. Address the methods used to elect officers
 - D. Contain the rules of membership
 - E. Include how meetings will be publicized and conducted
 - F. Address the organization's fiscal year
 - G. Not allow one person to hold multiple offices
 - H. Address the dissolution of a booster club
 - I. If needed, please don't hesitate to ask for examples of by-laws

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STEP FIVE: FILE FOR EIN

- The IRS requires all organizations (entities) that conduct business to have their own Employer Identification Number. A member's social security number should not be used as the organization's Employer Identification Number for banking or other business purposes. **Booster Clubs are not allowed to use the District's EIN.**

THE PROCESS:

- A. Complete IRS Form SS-4.
 - B. Make a copy for the club's permanent records.
 - C. When a number is assigned to the Booster Club by the IRS, ensure that the paperwork is maintained in a permanent file from year to year.
 - D. The recommended fiscal year end for the Booster Club is June 30.
 - E. There is no application fee required when filing Form SS-4.
- **Link to IRS**
 - <https://www.irs.gov/businesses/small-businesses-self-employed/employer-id-numbers>

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STEP SIX: OPEN A BANK ACCOUNT

- A. To open a bank account, The Booster Club will need to use their EIN from the IRS.
- B. The Booster club shall not use just the school's name on its checks or on its literature. It must include the Booster Club's name on the bank account.
- C. Two officers must sign each disbursement. School district employees may not be the signer on Booster Club bank accounts for their own campus or programs they are the sponsor for. Spouses should avoid being the dual signatures for booster clubs.
- D. All funds received should be receipted and deposited on a weekly basis.
- E. Commingling of Booster Club funds and school activity funds is prohibited.
- F. School employees may not accept loans of funds from parents and student organizations.
- G. Follow policy rules on depositing funds and reconciling accounts

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STEP SEVEN: OBTAIN TAX EXEMPT STATUS

- A. Steps necessary to become a nonprofit education organization recognized by the Internal Revenue Service as exempt from taxation. This is known as a 501(c)(3) entity.
 - B. Formation of a non-profit corporation does not necessarily entitle the organization to exemption from federal taxes. **In order to be exempt from federal taxes, The Booster Club must apply for this status on Form 1023- Application** for Recognition of Exemption under Section 501(c)(3).
 - C. The application must be accompanied by Form 8718, User Fee for Exempt Organization Determination Letter Request.
 - D. Depending on the anticipated annual gross receipts, the fee is either \$150.00 or \$500.00.
 - E. A determination letter will be received as evidence of approval. The letter should be kept -
 - a. A safe, permanent place as it will be used time and again to prove the organization's exempt status.
 - b. Provide a copy of your determination letter to the district office.
- **Link to IRS**
 - <https://www.irs.gov/pub/irs-pdf/f1023ez.pdf>

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STEP EIGHT: ACQUIRE INSURANCE

- A. The Booster Club should insure its operations, particularly cash handling.
- B. Officers could have personal liability for board actions or omissions. An insurance policy protects the officers from any litigation that might result from perceived poor decisions by the board.
- C. To operate on the district property or away using district resources, a Certificate of Insurance (COI) naming Prosper ISD as a name additional insured on its Comprehensive General Liability (CGL) policy should be provided.
- D. Fiduciary coverage protects the misappropriation of funds by a volunteer. These policies are generally sold in multiples of \$10,000.

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STEP NINE: PAPERWORK

- A. There are a number of forms that need to be completed at different times and submitted to appropriate district personnel.
- B. The following forms should be kept on file for each booster club and updated when changes are made:
 - a. PISD Booster Club Registration and Approval Form
 - b. PISD Booster Club Information Form
 - c. PISD Booster Club Guidelines Acknowledgement Form
 - d. Booster Club By-Laws
 - e. 501 (C)(3) Letter
 - f. End of Year EOY Financial Statements
- C. See local contact list for appropriate district personnel

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STATE & FEDERAL CONTACTS

Competition and Rules

University Interscholastic League

512-471-5883

www.uiltexas.org

Incorporations

Texas Secretary of State

512-463-5555

www.sos.state.tx.us

Raffles

Texas Attorney General

512-463-2100

www.oag.state.tx.us

Sales Tax (Sales Tax Permit, Exemption, Reports and Franchise Tax)

Texas Comptroller's Office

General Information

1-800-252-5555

Exempt Organizations Department

1-800-531-5441 ext. 34142

IRS Exempt Status as a 501(c)(3) Organization and Tax Returns

Internal Revenue Service (IRS)

General Information

1-800-829-1040

www.irs.gov

Tax-exempt Organizations

1-877-829-5500

www.irs.gov

(Select Charities & Non-Profits)

Tax Forms & Publications

1-800-829-3676

www.irs.gov

(Select Forms & Publications)

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