



Booster Club Reports and Communication

Melynda Buck, Local School Financial Management 11-8-2023

Topics for Discussion



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- What is a Booster Club
- What is the Formation
- Lines of Authority and Their Roles
- Governing Laws
- Requirements for Recordkeeping
- Reporting Requirements



These Organizations

Are created for our students. Communication is key between the school district and the volunteers who serve in these clubs.

A booster club is an all-volunteer organization formed to support a wide variety of groups, from sports teams, to marching bands, to student Show Choirs, to drama departments, to arts programs and so on.

Booster clubs are widely used to efficiently and directly raise funds to fill budget gaps, for any number of different activities.

That being said, their ease of set up does not take away from the hard work it takes to set up your booster club and manage it.

A close-up photograph of a person's hand holding a smartphone. The person is wearing a white button-down shirt. The background is blurred, focusing on the hand and the phone.

What is a Booster Club

We will discuss some key points to consider when your school is ready to set up your booster club so that it runs smoothly and successfully!



Formation of the Organization

The Board should approve a Request to Operate , once approved the following should be presented for review.

- Organizations Bylaws and Operating Procedures
- Officer Information to include name, address, telephone number and email address
- Mailing Address of Organization (must be a P.O. Box)
- Employer Identification Number (EIN) if applicable
- Proposed budget
- Articles if Incorporation filed with Alabama Secretary of State (recommended)



Line of Authority

Board of Education
Superintendent
Principal
Sponsors
Organization Officers

Recommended Bylaws

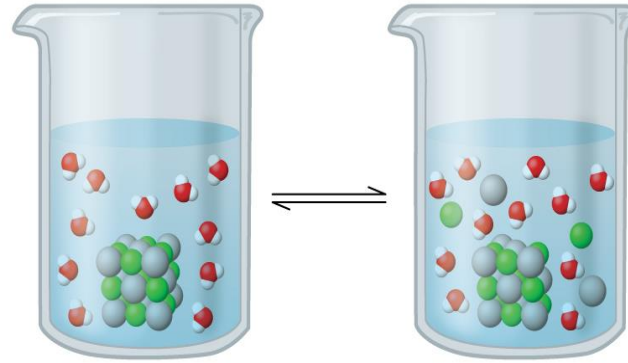
An organization of parents or community leaders affiliated with a school should develop bylaws for the organization

- The name of the organization
- The objective of the organization including the statement “This organization will abide by all school board administrative policies and procedures.”
- Eligibility of membership and membership enrollment procedures.
- Officer selections, election procedures and duties of each officer.

- Bonding documents for signatures from licensed insurance company.
- The principal or designee who will serve as an ex-officio officer of the organization
- Specific fiscal auditing and account procedures established by each organization
- In the event the organization dissolves or is dissolved by the principal, language indicating how the group will handle remaining funds must be included.
- How to amend the bylaws

- Rules of Dissolution

- Recordkeeping



- Liability Insurance



Officers and Directors

Only active members in good standing should be permitted to hold office or vote upon any matter of business of the organization.



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 regard the organizations activities.
 - Resolve problems in the membership
 - Regularly meet with the treasurer of the organizations 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.

Major Duties of the Vice-President

- 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.

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:

- 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 listings
- Record all business transactions 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

Duties of treasurer will depend on whether the financial records are inside or outside the local school books.

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

Treasurer continued

The major duties include, but are not limited to:

- Serve as chairperson of the Budget and Finance Committee if Prescribed within the bylaws of the organization
- Issue a receipt for all monies received and deposit said amounts on a weekly basis(daily if receipts on hand exceed \$250.00)
- Present a current financial report to the executive committee and general membership within 30 days of the previous month end
- File current financial reports with the school principal on a monthly basis
- Maintain an accurate and detailed account of all monies received and disbursed

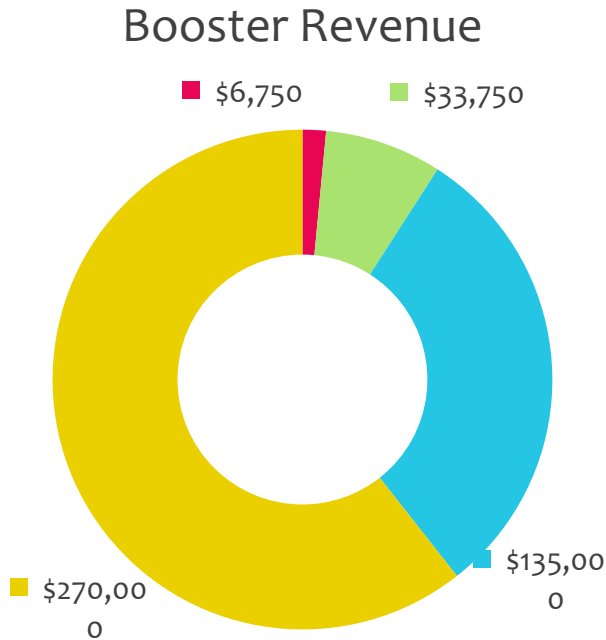
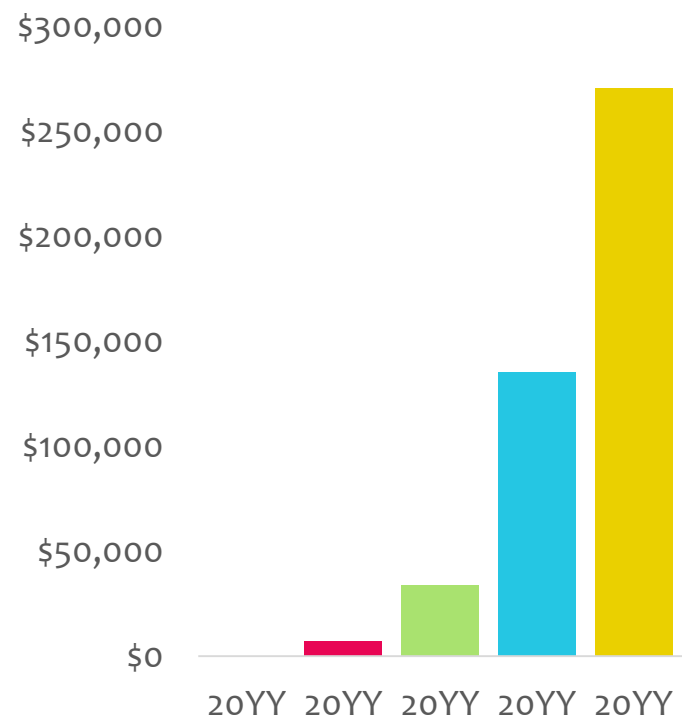
Treasurer continued

- Reconcile all bank statements monthly as received and resolve any discrepancies with the bank immediately
- File annual IRS form 990 in a timely manner and any other required reports
- Submit records to audit committee appointed by the organization upon request or at the end of the year
- Submit required documentation to the Central Office as requested by State Examiners
- Other Specific duties as outline in the bylaws of the organization

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.

Key Points to remember

- Bank Statement must be mailed to a P.O. Box that is not assigned to the treasurer
- Bank Statements must be opened and examined by someone other than the Treasurer



IRS form 990

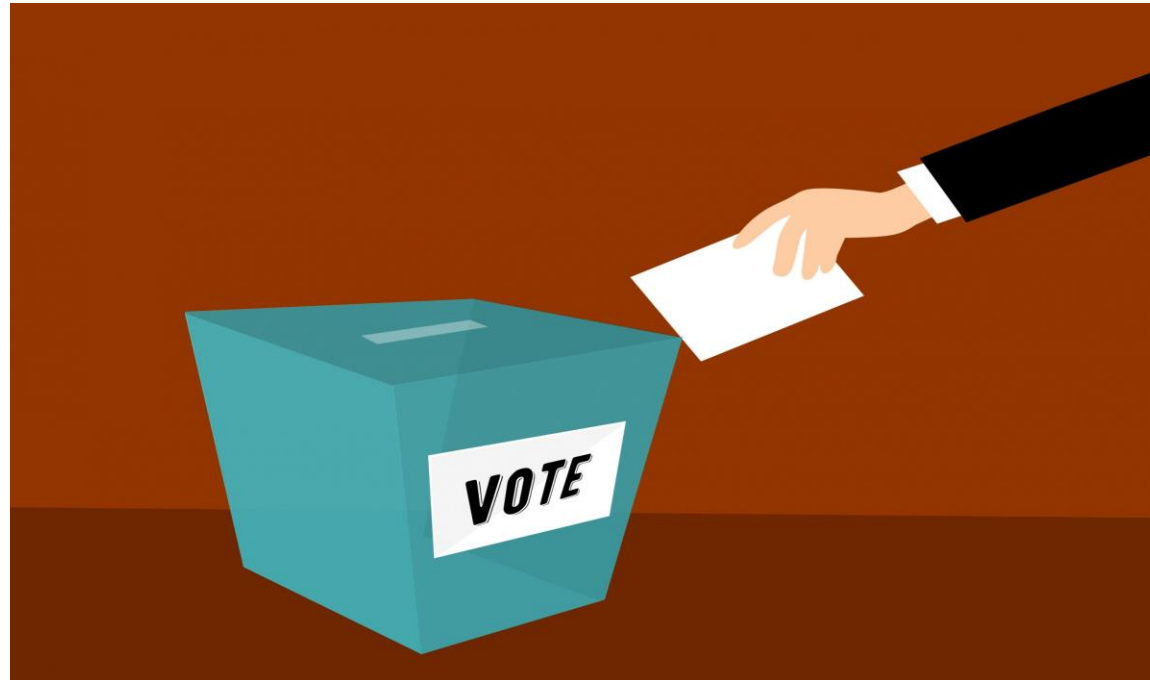
Tax-exempt organizations, nonexempt charitable trusts and section 527 political organizations file Form 990 to provide the IRS with the information required by section 6033.

Google: IRS form 990 2023

Form 990		Return of Organization Exempt From Income Tax		OMB No. 1545-0047	
Department of the Treasury Internal Revenue Service		Under section 501(c), 527, or 4947(a)(1) of the Internal Revenue Code (except private foundations) Do not enter social security numbers on this form as it may be made public. Go to www.irs.gov/Form990 for instructions and the latest information.		2022 Open to Public Inspection	
A For the 2022 calendar year, or tax year beginning , 2022, and ending , 20					
B Check if applicable: <input type="checkbox"/> Address change <input type="checkbox"/> Name change <input type="checkbox"/> Initial return <input type="checkbox"/> Final return/terminated <input type="checkbox"/> Amended return <input type="checkbox"/> Application pending		C Name of organization Doing business as Number and street (or P.O. box if mail is not delivered to street address) Room/suite City or town, state or province, country, and ZIP or foreign postal code		D Employer identification number E Telephone number F Gross receipts \$	
I Tax-exempt status: <input type="checkbox"/> 501(c)(3) <input type="checkbox"/> 501(c) () (insert no.) <input type="checkbox"/> 4947(a)(1) or <input type="checkbox"/> 527		F Name and address of principal officer:		H(a) Is this a group return for subsidiaries? <input type="checkbox"/> Yes <input type="checkbox"/> No H(b) Are all subsidiaries included? <input type="checkbox"/> Yes <input type="checkbox"/> No If "No," attach a list. See instructions. H(c) Group exemption number	
J Website:		K Form of organization: <input type="checkbox"/> Corporation <input type="checkbox"/> Trust <input type="checkbox"/> Association <input type="checkbox"/> Other		L Year of formation M State of legal domicile	
Part I Summary					
1 Briefly describe the organization's mission or most significant activities:					
2 Check this box <input type="checkbox"/> if the organization discontinued its operations or disposed of more than 25% of its net assets.					
3 Number of voting members of the governing body (Part VI, line 1a) 3					
4 Number of independent voting members of the governing body (Part VI, line 1b) 4					
5 Total number of individuals employed in calendar year 2022 (Part V, line 2a) 5					
6 Total number of volunteers (estimate if necessary) 6					
7a Total unrelated business revenue from Part VIII, column (C), line 12 7a					
7b Net unrelated business taxable income from Form 990-T, Part I, line 11 7b					
Revenue		8 Contributions and grants (Part VIII, line 1h)		Prior Year	Current Year
		9 Program service revenue (Part VIII, line 2g)			
		10 Investment income (Part VIII, column (A), lines 3, 4, and 7d)			
		11 Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e)			
		12 Total revenue—add lines 8 through 11 (must equal Part VIII, column (A), line 12)			
Expenses		13 Grants and similar amounts paid (Part IX, column (A), lines 1–3)			
		14 Benefits paid to or for members (Part IX, column (A), line 4)			
		15 Salaries, other compensation, employee benefits (Part IX, column (A), lines 5–10)			
		16a Professional fundraising fees (Part IX, column (A), line 11a)			
		b Total fundraising expenses (Part IX, column (D), line 25)			
		17 Other expenses (Part IX, column (A), lines 11a–11d, 11f–24e)			
		18 Total expenses. Add lines 13–17 (must equal Part IX, column (A), line 25)			
		19 Revenue less expenses. Subtract line 18 from line 12			
Net Assets or Fund Balances		20 Total assets (Part X, line 16)		Beginning of Current Year	End of Year
		21 Total liabilities (Part X, line 26)			
		22 Net assets or fund balances. Subtract line 21 from line 20			
Part II Signature Block					
Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than officer) is based on all information of which preparer has any knowledge.					
Sign Here		Signature of officer		Date	
		Type or print name and title			
Paid Preparer Use Only		Print/type preparer's name		Preparer's signature	
		Firm's name		Firm's EIN	
		Firm's address		Phone no.	
May the IRS discuss this return with the preparer shown above? See instructions. <input type="checkbox"/> Yes <input type="checkbox"/> No					
For Paperwork Reduction Act Notice, see the separate instructions. Cat. No. 11282Y Form 990 (2022)					

Election of Officers

The election of officers of the organization will occur annually within the timelines and manner prescribed by the organization's bylaw. Annual election of officers should take place 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 thirty days after election of officers.



Meetings/Record Keeping/Rules of Dissolution

Standards for meetings

Business will be conducted in open meetings, with adequate notification of all meetings to all members and summary of proceedings kept. Notice of all general meetings of the booster club organization should be published at the campus prior to the meeting date.



Administrative Guidelines

Relationship with School Board

- Parent Support Organizations must adhere to various district policies and guidelines, as well as federal and state laws and regulatory guidelines.
- Fundraising at any school site is directly under the control of the school authorities, such as the site administrator, and must be approved by the Principal prior to any activity.
- If the Superintendent/Board considers it necessary, he or she may exercise the right to revoke the booster club's authorization to conduct activities in the district

Laws

Booster Organizations must adhere to ALL federal, State and Local Laws these guidelines can be found within the following websites:

- Alabama State Department of Education

<https://www.alabamaachieves.org>

- Alabama Ethics Commission-Guidelines for Public Officials and Employees

<https://ethics.alabama.gov/>



Laws continued

Alabama Attorney General's Office

<https://www.alabamaag.gov>

Internal Revenue Service-IRS Publication 557
Tax Exempt Organizations

<https://www.irs.gov/forms-pubs/about-publication-557>



Laws

Alabama Building Commission

<https://dcm.alabama.gov>



Self-Work Projects

Any Structure built on board property must follow federal, state and local laws regarding building construction, building codes and inspections.

The Alabama Building Commission is authorized as the state agency for buildings and construction on school campuses.

Any building and/or building/land improvement on a school district campus shall be approved by the Board before ANY work begins.

The Project Coordinator for the Board should be in charge of the Project.

The Project must comply with Building Commissions requirements.

Full professional design team is required

Plan review and approval is required

Architect required to perform inspections

Building Commission will conduct required inspections including the final inspection

Compliance with Public Works Law and Competitive Bid Law will be applicable in most situations

At least one officer of the organization is required to attend one of the four annual orientations with the Superintendent/Chief School Finance Officer or their designee on the district's policies and procedures related to the operations of support organizations.



Training

Requirement of Booster
Club/Non-public
Sponsor/Bookkeeper

Reporting Requirements Applicable to Organizations that Maintain their Financial Operations OUTSIDE the Control of the School/School District

Every organization whose financial operations are outside the control of the school must obtain an EIN (employee Identification Number), even if it will not have employees.

Form ss-4 Application for Employer Identification Number
<https://www.irs.gov/pub/irs-pdf/fss4.pdf>

501 c Information

- 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 organization must apply for this status on form 1023 Application of Recognition of Exemption under Section 501(c)3.
- General Instructions on the rules and procedures can be found in IRS Publication 557-Tax-Exempt Status for your Organization. These documents are available on the Internal Revenue Service website at <https://www.irs.gov/pub/irs-pdf/p557.pdf>

Fidelity Bond

- The organization must provide proof of a fidelity bond (dishonest acts bond) for the organization's officers and any person handling the organizations funds on an annual basis.
- The bond should also cover any other individual who is an authorized signer on the bank account.
- The amount of the fidelity bond should be a minimum of the annual gross revenues of the organization


Annual Audit

- At the end of the fiscal year, an audit of the organization's financial records should be conducted.
- The school board has the authority to determine who will conduct the audit.
- The audit can be performed by an external auditor or the audit can be performed by individuals who are 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 balance are accurate
- Determine that established procedures for handling funds have been followed
- Ensure the expenditures occurred in a manner consistent with the organization's bylaws
- Ensure that all revenues have been appropriately received, receipted, recorded and deposited in a timely manner

- Financial Records
- IRS Form 1099 Requirements
- Annual 990 Information Return
- Sales Tax Exemption



Annual Filing Requirements

Every organization whose financial operations are outside of the control of the school district must provide the following:

IRS Form 1099 Requirements

Internal Revenue Service guidelines require that all payments for services in excess of \$600.00 made to an individual by a booster club/parent organization be reported on a form 1099 on an annual basis.

The booster club must 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 taxpayers identification number.

The organization must then issue a Form 1099 To all qualifying vendors performed in the calendar year by January 31st.

IRS Form 1099 Requirements

Information can be found on the IRS website at:
<http://www.irs.fov/pub/irs-pdf1099mis>.

NOTE: All employees shall be paid through the district's payroll department and NOT issued a 1099

NO ONE SHOULD EVER BE PAID IN CASH

General Financial Procedures

The organization should have established financial and audit procedures defined in the bylaws. Support organizations are expected to follow the same financial procedures prescribed for the operations of the local school activities. Because of the variety and volume of each organizations financial operation an organization should adopt procedures to insure compliance with state and federal laws as well as local board policies.

Employees of the school should not serve in a financial capacity of a booster organizations.

Each organization should adopt an account package or computerized accounting method which will meet the needs of the organization for several years.

At a minimum the organization's membership must be provided with a financial statement and bank reconciliation of each meeting

Financial documents requested by the school principal or activity sponsor must be provided within 10 days of said request.

Internal Controls Procedures

In order to protect the organization, its members, and its financial well-being, standard internal controls must be in place.

The following is a summary of basic internal controls necessary to prevent the loss of funds through carelessness, mistakes or misappropriation.

Controls over Bank Accounts

Booster Organizations are required to establish a checking account with the organization's EIN number at the bank or credit union.

Neither a person's social security number nor the District's EIN number can be used to open a bank account

Accounts should be established with at least three individuals on the signature card.

Checks require the signature or authorization of two club officers.

Each check must include all supporting receipts and or documentation which will be part of the monthly reconciliation and annual review of the financial records.

Controls over Cash and Receipts

All cash collections received by the booster club for program costs, dues, fundraising, etc. must be receipted in a receipt book and deposited upon receipt.

Deposits should be made daily if the total receipts on hand exceed \$250.00. If daily receipts are less than \$250.00 deposit must be made within one week even if the receipts for all days combined are less than \$250.00

Controls over Cash and Receipts, continued

All money must be deposited prior to holidays and weekends regardless of the amount.

The use of night deposit boxes are highly recommended.

Deposits must be supported by a prepared receipt along with some type of record documenting the source and amount of funds (tabulation of monies collected form, cash receipt book form, ticket sales record etc)

Money must be counted and reconciled by more than one person

Controls over Disbursements

Only Authorized Officers should have the authority to submit request for payments.

All purchases should be included in the organizations approved budget and voted on and recorded in the minutes.

Checks should not be generated without proper documentation (Invoice, Original receipts, etc)

Documentation should included the signature of two Officers – President, Vice President or a designated representative.

Checks require two signatures of officers

Checks cannot be made payable to cash

Blank checks should not be signed with proper completion

All expenses should be paid by check and not paid by cash

Controls over Disbursements, continued

Goods and services should not be paid in advance.

If startup/change cash is needed, checks should be made payable to an individual and redeposited into the bank account separately from any other funds.

All purchases of equipment should have prior approval by the district.

Budgetary & Oversight Control

Members should establish and approve a budget at the beginning of the school year.

The budget should be filed with the local school principal once adopted by the organization.

Actual receipts and disbursements should periodically be compared to the budget.

Budgetary & Oversight Control, continued

The Treasurer must provide a monthly written financial report to the Board and /or general membership in agreement with the bylaws which should include the bank account balance, the receipt and disbursement of activity since the last meeting.

The financial report should also include a comparison of budget versus actual receipts and expenditures.

At the end of the fiscal year, an audit of the booster club's financial records should be conducted.

A copy of the signature page detailing the results of the audit must be forwarded to the districts CSFO

Contact List

In addition to the local school principal, other helpful contacts/links are provided below

Alabama Department of Education

<https://www.alabamaachieves.org>

Alabama Building Commissions

<https://www.bc.alabama.gov>

Alabama Ethics Commission

info@ethics.alabama.gov

Alabama Attorney Generals Office

<http://www.ago.state.al.us>

Internal Revenue Service

www.irs.gov

Parent Boosters USA

<http://parentbooster.org>

Tax-Exempt Organizations

[www.irs.gov\(select Charities & Non-Profits](http://www.irs.gov/charities-non-profits)

Tax Forms and Publications

[www.irs.gov\(select Forms & Publications\)](http://www.irs.gov/forms-publications)

Any
1.1
Questions



Thank You

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