

Arlington ISD
Department of Athletics



Athletic Booster Club Organizations

Handbook

2015-2016

MISSION STATEMENT

COACHING CHAMPIONS

Arlington I.S.D. Athletics is committed to Coaching Champions through academic achievement, athletic excellence and national recognition of our student-athletes, teams and programs. We provide our student-athletes with all the necessary tools for them to be Champions in their sport and life. We coach our student-athletes character, to act with honor, and to be proud of their accomplishments. The integrity of our program is rooted in the tradition and spirit of Arlington to bring honor and distinction to our school and community.

FORWARD

This manual is designed to assist Booster Club officers and members by providing organizational and financial guidance. Only approved organizations, operating under these guidelines and Arlington Independent School District (“AISD”) policies and procedures, shall be allowed to use the school name in support of its programs. Facility use will be determined in accordance with AISD policies and procedures. Specific questions regarding the club’s activity should be addressed to the athletic director.

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ORGANIZATION

Each booster organization must maintain bylaws that are jointly reviewed on an annual basis by the athletic director and the booster club 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 booster organization and school support organization shall elect the following officers on an annual basis.

PRESIDENT

Typically, the president of a booster organization is the parent of a graduating senior 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 booster 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 booster organizations and school support 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 association and reporting to the membership. The secretary must ensure the accuracy of the minutes of the meetings, and have a thorough knowledge of parliamentary law and the organization's bylaws. The major duties include, but are not limited to, the following:

- Report on any recommendations made by the executive board of the booster organization and school support organization if such a governing board is defined by the bylaws;

- Maintain the records of the minutes, approved bylaws and any standing committee rules, current membership and committee listing;
- Record all business transacted at each meeting of the association as well as meetings of any executive board meetings in a prescribed format;
- Maintain records of attendance of each member;
- Conduct and report on all correspondence on behalf of the organization;
- Other specific duties as outlined in the bylaws of the organization.

TREASURER

The treasurer is the authorized custodian of the funds of the association. The treasurer receives and disburses all monies indicated in the budget and prescribed in the local bylaws or as authorized by action of the association. All persons authorized to handle funds of the association should be covered by a fidelity bond in an amount based upon the organization's annual income and determined by the executive board. The major duties include, but are not limited to, the following:

- Serve as chairperson of the Budget and Finance Committee if prescribed within the bylaws of the organization;
- Issue a receipt for all monies received and deposit said amounts on a weekly basis (daily if receipts on hand exceed \$ 250.00);
- Present a current financial report 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 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.

Note: Due to the increasing requirements placed on charitable organizations by the Internal Revenue Service, it is strongly recommended that the Treasurer have an accounting background.

PARLIAMENTARIAN

The primary duty of the parliamentarian is to advise the presiding officer on parliamentary law and matters of procedure when requested. The president or presiding officer of the organization alone has the power to make decisions or rule on a point of order. Thus, after the parliamentarian has given his advice, the presiding officer must make the ruling to the organization – he is not obligated to follow the recommendation of the parliamentarian. The parliamentarian should be thoroughly familiar with the bylaws and any standing rules of the group on which he serves. A copy of Roberts Rules of Order Newly Revised should be maintained by the organization and referenced as needed.

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 booster club's and school support 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 booster and school support 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.

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.

ELECTION OF OFFICERS

The election of officers of the organization will occur annually within the timelines and manner prescribed by the booster organization bylaws. Typically the election of officers should occur by May of each year so that the newly elected officers may be in place for the start of the next school year. The transfer of records and audit of the accounts should be completed no later than July 1st of each year.

Officers may be elected in a variety of methods (simple majority, secret ballot) in accordance with the organization's bylaws. The election of officers should be from a slate of officers presented by the nominating committee in the spring of each school year. Recommendations may also be taken from the floor at the time of the vote in accordance with Roberts Rules of Order. At no time should officers be appointed without the input and approval of the membership.

STANDARDS FOR MEETING

Notice of all meetings of the booster organization and school support organization should be published at the campus seventy-two hours prior to the meeting date. The notice should clearly indicate the date and time of the meeting and the items to be discussed. Such booster and school support organization meetings may not occur without the presence of the athletic director, head varsity coach, campus coordinator or designee in attendance.

Business determined at meetings without adequate campus representation shall be considered null and void. If a booster organization feels that it is necessary to meet without a campus administrator or sponsor, the athletic director should be contacted for an acceptable replacement.

RULES FOR DISSOLUTION

To dissolve a booster organization, a resolution shall be adopted by the booster organization and school support organization (or the executive board if the organization is inactive) stating that the question of such a dissolution be submitted to a vote at a special meeting of the members having voting rights. At least 30 days prior to the meeting, written or printed notice shall be given to each member entitled to vote stating that the purpose of such meeting is to consider the advisability of dissolving the organization. The booster organization must determine the distribution and usage of treasury monies and other assets before dissolution. In order to comply with Internal Revenue Service guidelines, care should be taken to ensure that excess funds are distributed within the framework of the organization's original purpose – i.e. athletic booster funds would remain with the athletic 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.

TRAINING REQUIREMENTS

The booster club executive board is required to attend one meeting yearly held by AISD Administration to give updates. Training requirements should be implemented into the operations of the booster club in a timely manner.

STATE AND FEDERAL REPORTING

APPLICATION FOR FEDERAL TAX EXEMPT STATUS

- General instructions for federal tax exemption may be found in IRS Publication 557, Tax-Exempt Status for Your Organization.
- The booster organization must apply for exempt status on Form 1023,

Application for Recognition of Exemption Under Section 501(c)(3).

- Each organization must file for an employer identification number.
- Each organization must complete and approve Articles of Incorporation and Bylaws that are filed with the state.
- Each organization must submit a copy of the determination letter issued by the Internal Revenue Service with regard to the organization's exempt status. The letter should be kept in a safe, permanent place as it will be required on a yearly basis to prove the organization's exempt status.
- Further information may be found on the IRS web site, at www.irs.ustreas.gov.

Application for State Tax Exempt Status

- The organization must file its Articles of Incorporation 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.

- The organization must apply for an exemption from sales and franchise tax from the Comptroller's office.

This is done by written request, which includes a description of activities, copies of articles and bylaws, and a copy of the IRS letter granting tax exemption. Further information may be obtained on the Comptroller's web site at www.window.state.tx.us.

ANNUAL FILING REQUIREMENTS

Every booster organization exempt from federal income tax under section 501(a) 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 booster 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 can be obtained from Publication 598, Tax on Unrelated Business Income of Exempt Organizations.

PUBLIC DISCLOSURE

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 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.

FUND RAISING

All booster organizations shall complete a fund raising application for each type of planned, scheduled or anticipated event and receive the approval of the athletic director at least four weeks prior to the start of the fundraiser. This application details the vendor (if any), product to be sold or service to be rendered, and the estimated sales proceeds. For safety reasons, the district discourages door-to-door solicitation.

RAFFLES

Booster clubs and school support organizations are permitted to hold raffles within the following guidelines:

- 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 \$25,000;
- Each booster organization and school support 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;
- The booster 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 booster organization may sell the tickets;
- The winner must pay income tax on any prize. If the value exceeds \$600, the booster organization and school support organization must provide an IRS form 1099 to the recipient;
- Phone solicitation may not be used to promote the event.

BINGO

A booster organization and school support organization should consider all applicable regulations for bingo.

Detailed rules may be obtained from the Texas Lottery Commission by requesting a copy of the Bingo Enabling Act, the Charitable Bingo Administrative Rules and Bingo Operations Manual by calling 1-800-BINGO77. A

Charitable Bingo may not be advertised prior to actually receiving a license.

- 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 fund raising activity. Some cities may require a solicitation permit that is temporary or renewable on an annual basis.

It is recommended that the booster club contact the city where an activity is planned or advertisement of a fund raiser is to be distributed.

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

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. Per UIL rules, coaches may only accept gifts valued up to \$500 per calendar year. The \$500 maximum is cumulative from all sources.

Donations to the District shall become the sole property of the District and not of the accepting organization. In accordance with local Board Policy, 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.

SCHOLARSHIP PROGRAMS

The District encourages scholarship programs, which meet the following criteria:

- 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 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 Booster Club 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 exofficio 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, tabulation, notes, certified recordings, and/or any other documentation used by the Scholarship Review Committee in connection with a given applicant shall be made available upon written request to that applicant. An open records request fee may be charged for this service. Scholarship Review Committee must retain the original materials for a minimum of seven years.
- Scholarship applicants shall be full-time AISD senior students enrolled in the AISD for a minimum of one full semester prior to the application deadline.
- All completed applications must be turned in to the AISD 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. Applicants 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 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% and no more than 20% of the total points or weighting 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 Booster Club may or may not require interviews of applicants in the decision process. If an interview is part of the process, it must be communicated no later than the end of the first grading period of the academic year. The applicant's parent or guardian must be permitted to be present at any interview.

Interview topics must be communicated to the applicant not less than seventy-two hours prior to the interview.

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 organizations funds.

CASH RECEIPT PROCEDURES

All cash collections received by the booster organizations and school support organizations for fees, dues, fund raising, 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 only (not the coins or checks) and verify that the currency has 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 that the bank may make that the currency received was not correct.

PETTY CASH

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

BANK RECONCILIATION

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

Items needed for reconciliation:

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

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

- Indicate the ending balance per the bank statement.
- Check off outstanding checks from prior month's bank reconciliation using the bank statement.
- Determine the outstanding checks by comparing the Check Register to the bank statement, including any remaining checks from the previous month.
- Determine the deposits in transit by comparing the Cash Receipts Journal to the bank statement.
- Identify any items that need to be corrected by the bank, such as check printing, returned check charges and material encoding errors. These items should be grouped together under Other Adjustments.
- Total all items and enter the amount on the Adjusted Bank Balance line.

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

- Indicate cash account ending balance from the general ledger.
- Compare the bank statement to the Check Register and list any cleared checks 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.

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 uses of booster and school support organization funds.

Booster 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 Superintendent.

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.

1099 REQUIREMENTS

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

The booster organization and school support organization should secure an IRS form W-9 from the provider at the time of service to ensure that the organization has an accurate record of the tax payer identification number. The organization must then issue a form 1099 to all qualifying vendors performed in the calendar year by January 31st.

The 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 should be accessed for appropriate 1099 reporting requirements and forms at www.irs.ustreas.gov.

SALES TAX

TAXABLE STATUS OF PURCHASES

- A booster 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.
- **The District exemption status may not be utilized by parent, patron, or alumni organizations to secure exemption from sales and excise taxes. Parent/teacher organizations, booster clubs and school support organizations must apply for their own 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.
- 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 booster organization and school support organization shall collect sales tax on all taxable sales according to the tax schedule listed in the appendix.

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

- 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 7.25%, the school would collect \$2.15 ($\2.00×1.0725) from the buyer for each item sold.
- Absorbing the tax in the item's selling price - thus if the item sold for \$2.00 including tax, the school would retain \$1.86 and remit \$0.14 for sales tax. If this method is used, divide the total sales by 1.0725 (assuming a tax rate of 7.25%) to find the taxable sales. To determine the sales tax amount, subtract the taxable sales from the gross sales.

TAXABLE STATUS OF SALES

School and school-related 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 PTA/PTO 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 PTA/PTO 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 booster club and school support 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 a school associated 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). Further information can be found on the comptroller's web site at www.cpa.state.tx.us/taxinfo/salestax.

OTHER

The following guidelines apply to all athletic booster organizations. If a question should arise which cannot be resolved the athletic director should be contacted for clarification.

- All meetings shall be public and announced in advance (minimum of 72 hours);
- A copy of meeting minutes must be sent to the Athletic Office within one week after the meeting.
- A reconciliation of the year's financial records must be submitted to the athletic director by June 30 of each year.
- The campus administrator or designee must be present at all booster and school support organization meetings;
- Any action taken at the meeting will be subject to review and revocation by the sponsor, principal or his designee.
- The regular school program and extra and co-curricular activities of the school and programs sanctioned by TEA, UIL and district affiliated organizations will take precedence over booster and school support organization activities;
- Parents, booster club and school support organization members are expected to follow the same standards of conduct as district employees when chaperoning, sponsoring or attending student activities, including rules in the campus handbook;
- Each individual student's or group of students' participation will be determined by the sponsor, the principal/designee and not by the organization or any member(s). Participation is considered to be a privilege and not a right, and will be based on a proven record of good conduct and dependability. Lack of such demonstrated behavior on the part of anyone will be grounds for disapproval for participation and travel.
- There will be no student activities, parties, meetings, travel, or other gathering in the name of the school organization, booster organization, or school support organization unless prior permission has been received from the head coach and the athletic director. All activities will be under the auspices of the school and the district.
- School employee and student planning and preparation for activities supported by the booster organization will occur outside of the school day or as approved by the athletic director/designee.
- Activities and travel sponsored by booster organizations must be outside the school day or as approved by the athletic director. Per the UIL, Booster Clubs may not pay direct for travel or meal expenses of student athletes.
- 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 booster 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;
- Booster organizations and school support 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 Superintendent;
- Booster organizations and school support organizations may not contribute funds for contracted services or campus travel to enhance professional development without the express written approval of the athletic director.

University Interscholastic League

Booster Club

Guidelines

(REPRINTED FROM THE UIL BOOSTER CLUB GUIDELINE MANUAL)

Be they music, fine arts, academic or athletic, booster clubs should exist to enrich students' involvement in extracurricular activities without endangering their eligibility.

| GENERAL GUIDELINES |

The role of competition

Participation teaches that it is a privilege and an honor to represent one's school. Students learn to win without boasting and to lose without bitterness. Self-motivation and intellectual curiosity are essential to the best academic participants. Artistic commitment and a desire to excel are traits found in music participants. Physical training and good health habits are essential to the best athletes. Interscholastic competition is a fine way to encourage youngsters to enrich their education and expand their horizons. Leadership and citizenship experiences through school activities help prepare students for a useful and wholesome life. Plus, competition is fun!

Role of the Superintendent

Member schools make UIL rules and determine policies regarding penalties to schools, school district personnel and student participants. The superintendent is solely responsible for the entire UIL program. All school activities, organizations, events and personnel are under the jurisdiction of the superintendent.

Booster clubs must recognize this authority and work within a framework prescribed by the school administration.

Role of Booster Clubs

Neighborhood patrons form booster clubs to help enrich the school's participation in extracurricular activities. The fundraising role of booster clubs is particularly crucial in today's economic climate.

Written Policies

Booster clubs should develop and annually review policies to cover:

*how to obtain administrative approval before beginning projects;

- *how to plan and publicize meetings;
- *bookkeeping and fund administration including process to obtain athletic director's approval prior to raising funds;
- *election of officers (suggestion: one president; one secretary; one treasurer; and three vice - presidents: one vice president to oversee fall, winter and spring sports);
- *taking, distributing and filing minutes;
- *public communication;
- *proper interaction with fine arts directors and academic and athletic coaches through the lines of authority as established by the school board;
- *a sportsmanship code governing behavior of booster club members and fans at contests, treatment of officials, guests, judges, etc.; and
- *plans to support the school regardless of success in competition, keeping the educational goals of competition at the forefront of all policies.

Relationship with the school

The superintendent or a designee who does not coach or direct a UIL contest has approval authority over booster clubs and should be invited to all meetings. All meetings should be open to the public. *In AISD, the athletic director has approval authority over athletic booster clubs.

*Booster clubs do not have authority to direct the duties of a school district employee. The scheduling of contests, rules for participation, methods of earning letters and all other criteria dealing with inter-school programs are under the jurisdiction of the local school administration.

*Minutes should be taken at each meeting and kept on file at the school.

*School administration should apprise booster clubs of all school activities.

*Booster clubs should apprise school administrators of all club activities.

*Periodic financial statements itemizing all receipts and expenditures should be made to the general club membership and kept on file at the school.

| CLUB FINANCES |

Fundraising | Spending | Stipends | Gifts to Coaches

Money given to a school cannot be earmarked for any particular expense. Booster clubs may make recommendations, but cash or other valuable consideration must be given to the school to use at its discretion.

*Fund-raising projects are subject to state law. Nonprofit or tax-exempt status may be obtained from the Internal Revenue Service.

*Community-wide sales campaigns should be coordinated through the school administration to minimize simultaneous sales campaigns.

*Sales campaigns should be planned carefully to insure that the projects provide dollar value for items sold, and that most of the money raised stays at home. Otherwise donations are often more rewarding than letting the major part of the money go to outside promoters.

*Fund-raising activities should support the educational goals of the school and should not exploit students. Activities and projects should be investigated carefully before committing the school's support.

*Individuals who actively coach or direct a UIL activity should serve in an advisory capacity to the booster club and should not have control or signature authority over booster club funds, including petty cash or miscellaneous discretionary funds. Coach's wish-lists should have received prior approval from school administration before submission to boosters.

*Coaches and directors of UIL academics, athletics and fine arts may not accept more than \$500 in money, product or service from any source in recognition of or appreciation for coaching, directing or sponsoring UIL activities. The \$500 limit is cumulative for a calendar year and is not specific to any one particular gift.

*The district may pay a stipend, fixed at the beginning of the year, as part of the annual employment contract. The amount of the stipend can't depend on the success of a team or individual. In other words, a coach can't receive more money if a team or individual qualifies to region or state.

*Funds are to be used to support school activities. To provide such funding for non-school activities would violate UIL rules and the public trust through which funds are earned.

| ATHLETIC BOOSTERS |

Club restrictions

Booster clubs cannot give anything to students, including awards. Check with school administrators before giving anything to a student, school sponsor or coach. Schools must give prior approval for any banquet or get-together given for students. All fans, not just members of the booster club, should be aware of this rule. It affects the entire community.

*Unlike music and academic booster clubs, athletic booster club funds shall not be used to support athletic camps, clinics, private instruction or any activity outside of the school.

*Booster groups or individuals may donate money or merchandise to the school with prior approval of the administration.

These kinds of donations are often made to cover the cost of commercial transportation and to cover costs for out-of-town meals.

It would be a violation for booster groups or individuals to pay for such costs directly.

*Individuals should be informed of the seriousness of violating the athletic amateur rule. The penalty to a student-athlete is forfeiture of varsity athletic eligibility in the sport for which the violation occurred for one calendar year from the date of the violation. Student athletes are prohibited from accepting valuable consideration for participation in school athletics - anything that is not given or offered to the entire student body on the same basis that it is given or offered to an athlete. Valuable consideration is defined as tangible or intangible property or service including anything that is usable, wearable, salable or consumable.

Salable food items or trinkets given to athletes by students, cheerleaders, drill team members, little/big brothers or sisters, school boosters, parents of other students, teachers or others violate this rule (see exception for "goodie bags" to follow).

*Homemade "spirit signs" made from paper and normal supplies a student purchases for school use may be placed on the students' lockers or in their yards. Trinkets and food items cannot be attached. Yard signs should be made of commercial quality wood,

plastic, etc. If not purchased or made by the individual player's parent, they must be returned after the season.

*The school may provide meals for contests held away from the home school only. If the school does not pay for meals, the individual parents need to purchase their own child's food. Parents may purchase anything they wish for their own child but may not provide food or other items of valuable consideration for their child's teammates. The school may also provide supplies for games and practices and transportation for school field trips. Students should pay admission fees during school field trips.

*Parties for athletes are governed by the following State Executive Committee interpretation of Section 441 of the UIL Constitution & Contest Rules.

Section 441: VALUABLE CONSIDERATION SCHOOL

(a) VALUABLE CONSIDERATION SCHOOL TEAMS AND ATHLETES MAY ACCEPT:

1. Pre-Season. School athletic teams may be given preseason meals, if approved by the school.

2. Post-Season. School athletic teams may be given postseason meals if approved by the school. Banquet favors or gifts are considered valuable consideration and are subject to the Awards and Amateur Rules if they are given to a student athlete at any time.

3. Other. If approved by the school, school athletic teams and athletes may be invited to and may attend functions where free admission is offered, or where refreshments and/or meals are served. Athletes or athletic teams may be recognized at these functions, but may not accept anything, other than food items, that is not given to all other students.

(b) ADDITIONAL VALUABLE CONSIDERATION THAT SCHOOL TEAMS AND ATHLETES MAY ACCEPT

Examples of additional items deemed allowable under this interpretation if approved by the school, include but are not limited to:

1. meals, snacks or snack foods during or after practices;
2. parties provided by parents or other students strictly for an athletic team

Local school district superintendents continue to have the discretion to allow student athletes to accept small "goodie bags" that contain candy, cookies or other items that have no intrinsic value and are not considered valuable consideration.

**Gatherings of school athletic teams at parents' or patrons' homes require each athlete to contribute equally to any food or refreshment. The burden of proof will be on the athlete, his or her head coach and the school if these occasions are questioned. No overnight lodging or sports instruction or practice is permitted.

ALWAYS CHECK THE RULES PRIOR TO TAKING ACTION!

REFERENCES

Web Sites

AISD Web Site

www.AISD.net

Internal Revenue Service

www.irs.ustreas.gov

UIL

www.uil.utexas.edu

State Comptroller

www.window.state.tx.us

Secretary of State

www.sos.state.tx.us

Phone Numbers

State Comptroller512-463-4600

Secretary of State.....512-463-5555

University Interscholastic League512-471-5883

AISD Athletic Department.....682-867-1950