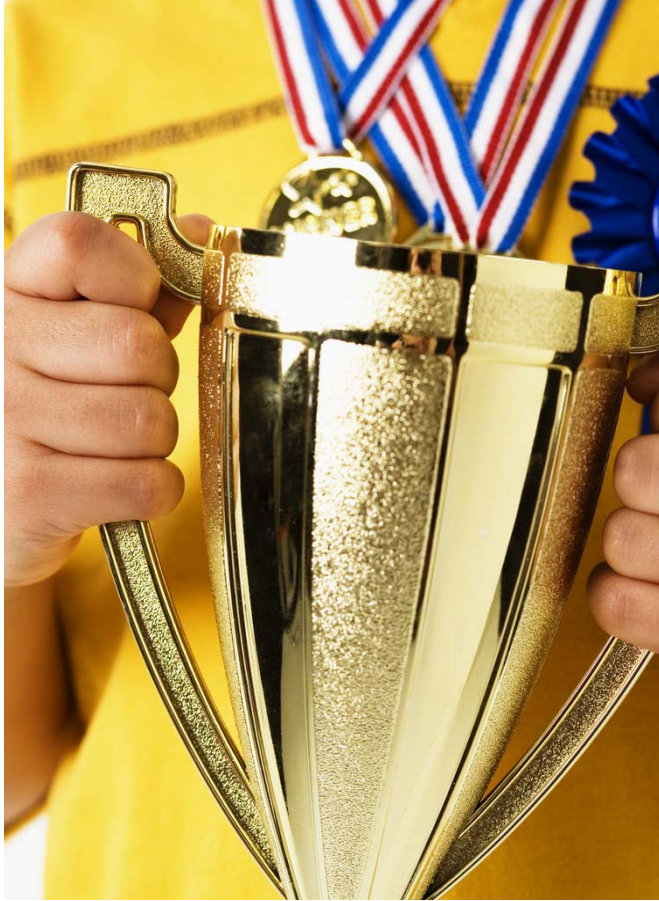


Booster Club Operating Manual



*Policies and
Procedures for
Booster Clubs
and Parent
Organizations*



Business Services Division

February 2011

Table of Contents

- Forward..... 1**
- General Information..... 2**
 - ASB 2
 - Informal Support Groups 2
 - Booster Clubs and Parent Organizations 2
- Role of Booster Clubs 4**
- Formation of a Booster Club..... 5**
 - Board Approval 5
 - Naming of the Booster Club..... 5
 - Tax Information..... 6
 - Sales and Use Tax Laws & Obtaining a Seller’s Permit 7
 - Banking Information 7
 - Insurance Requirements..... 8
 - Limit of Liability..... 9
- Booster Club Organization..... 10**
 - Constitution and By-Laws 10
 - Membership..... 10
 - Election of Officers..... 11
 - Special Committees 13
 - Audit Committee..... 13
 - Standards for Meetings 13
 - Rules for Dissolution 14
- Operating Procedures..... 15**
 - Purchases for Schools 15
 - Purchases for the Booster Club 15
 - Support Personnel 16
 - Fingerprinting..... 17
 - Use of School Facilities..... 17
 - Gifts and Awards..... 17
 - Individual Accounts..... 18
 - Relationship and Interaction with District Personnel..... 18
 - Other Requirements 18

Fundraising	19
School-Connected Food Sales.....	20
Raffles.....	20
Financial Procedures	21
Budgets and Budget Management	21
Financial Reporting to the Membership.....	21
Financial Reporting to the District	21
Cash Receipt's	22
Disbursement of Funds	22
Petty Cash	22
Bank Deposits.....	23
Bank Reconciliation.....	23
Internal Controls	24
1099 Requirements.....	24
Annual Audit Requirements.....	25
Retention of Records	26
Appendix	27
Booster Club Operating Manual Receipt Form	28
Application for Booster Club	29

Foreword

This manual is designed to assist parents and community members in establishing and operating Booster Clubs within the Perris Union High School District. Only approved organizations, operating under the established policies and procedures within this manual, shall be allowed to operate as a school-connected organization and allowed to use the school facilities in support of its programs. Specific questions regarding booster activity should be addressed to school's administration or to the District's Business Services Office.

General Information

ASB

Associated Student Body (ASB) organizations are composed of students for the purpose of conducting activities on behalf of students. Education Code Section 48930 defines the purpose of an ASB organization as “the conduct of activities on behalf of the students approved by the school authorities and not in conflict with the authority and responsibility of the public school officials”. As such, ASB groups have been given the authority to conduct fundraisers and to spend money for the benefit of students.

All activities and fundraising events that involve the primary participation of students should be conducted through the ASB. Advisors, coaches and students must follow the procedures as set by the ASB and the District. These procedures cover all student activities, performances for which gate receipts or honorariums are received, student conducted fundraisers, collections from students for uniforms and/or t-shirts, and collections in relation to District sanctioned student trips.

Informal Support Groups

Informal support groups are those who tend to form for student support during the season of a particular sport or activity. These organizations generally follow the same guidelines for organizations as outlined below for regular, ongoing, permanent booster and parent organizations. Support groups do not have tax identification numbers and tend to be composed of interested parents and others with shorter term interest in student activities. Informal groups usually provide refreshments for coaches/players; provide food, decorations or awards, etc. for end-of-season celebrations; and provide general support during games or activities. These organizations are not District sanctioned and are limited to use of school facilities and the use of the school and/or District name. Equipment purchased or funds raised by the informal support groups and subsequently donated to a particular sport or activity must follow regular Board approved policies and procedures.

Booster Clubs and Parent Organizations

The most formal parent support group is the National Parent Teachers Association (PTA). The California State PTA publishes governance, fundraising, and financial guidance for members on its website: www.capta.org.

Booster and parent organizations are composed of parents, community members, and staff members coming together for the purpose of supporting specific school activities for the benefit of students such as athletic teams, debate teams, and musical groups. Such groups are commonly referred to as school-connected organizations. They are an important means of connecting parents and other community members with the curricular and co-curricular activities of students, and the Board welcomes and encourages parental interest and participation.

Booster and parent organizations are separate from school districts with which they are associated and are not governed by the Education Code. However, booster and parent organizations do not have free access to schools and their students. The District Board of Trustees and administration have, and must maintain, exclusive control and management of its public school system. Education Code Sections 51520 and 51521 require that any school-connected organization and/or activity be one that is authorized by law and permitted by Board policy.

In addition, Education Code Section 51520 prohibits the solicitation of pupils by outside organizations on school property during school hours. Solicitation is defined as “to subscribe or contribute to the funds of, to become members of, or to work for any organization not directly under the control of the school authorities.” A clear separation of responsibilities between the ASB and the various booster and parent organizations must be maintained.

All activities and fundraising events that involve the primary participation of students should be conducted through the ASB. Booster and parent organizations should serve as auxiliaries to the school program and should conduct activities and fundraising events involving the primary participation of parents and other adult community members. Funds raised by booster or parent organizations are to be used to support programs; however, no student will be required to raise funds in order to participate in school programs and events. Funds raised by booster and parent organizations should then be donated to the district for specific purposes, such as the purchase of specific items of equipment or to provide financial assistance for students in relation to uniforms, trips or other activities.

Booster or parent funds will not be co-mingled with the student body funds. The District’s tax exempt status and identification numbers are not for booster or parent organization use. Booster and parent organizations are responsible for their own tax status and accounting. All booster club tax identification numbers must be on file with the Perris Union High School District Business Services Office.

Role of Booster Clubs

Booster clubs shall organize and function in a way consistent with the District's philosophy and objectives, within adopted Board policies, and in accordance with this operations manual. Booster clubs are voluntary and provide unified support for student activities of the school. A booster club must encourage involvement by all parents of students participating in the supported activity.

Booster clubs may be formed to promote the school program or to compliment a particular student group or activity. Students enrich their education and expand their horizons when they participate in school activities and programs. Booster clubs contribute money to a club, sports team or other organization. Even though a booster club works very closely with the school and/or District, it is a separate entity.

Booster clubs are usually run in high schools by the parents of students in the organization being supported. Fundraisers are often held to raise money for supplies or equipment that the students may need or for trips that the students may need to take. The main principle of funding by a U.S. IRS 501(c)(3) nonprofit is that the booster club may not discriminate against students on the basis of their family's membership in or funding to the club, or the family's fundraising or time put into club activities.

The Advisor or Coach of a student group serves as the liaison between the booster club and the District, under the supervision of the Principal. The advisor or coach is responsible for determining the various activities and trips in which the student group will participate with the approval of the Principal.

The booster club is responsible for supporting a student group, activity, or program. Support may be as simple as providing fan support at games or events or as complex as raising money for a competition. The booster club works through the Advisor or Coach to provide assistance for the planned activities of the student group. The booster club decides the type and amount of assistance they will provide; 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 advisor or coach has the final decision.

Formation of a Booster Club

Board Approval

In order to fulfill its legal and fiduciary requirements, the Board of Trustees must approve all school-connected organizations. New booster clubs are required to submit an application (if new) or request for continuance (if previously approved). Any request for approval must include the following information as required by Board Policy and Administrative Regulation 1230.

1. The name of the organization.
2. The date of application.
3. Constitution, bylaws, rules, and procedures under which the organization will operate.
4. The names, addresses and phone numbers of all officers.
5. A brief description of the organization's purpose.
6. A list of specific annual objectives.
7. The name of the bank where the group's account will be located and the names of those authorized to withdraw funds.
8. The signature of a site administrator who supports the request for authorization.
9. Desired use for any money remaining at the end of the year, if the organization is not continued or authorized to continue in the future.
10. Evidence of liability insurance as required by law.

Authorization shall be granted for a period of one fiscal year, beginning on July 1st and ending on June 30th. Requests for subsequent authorization must be presented annually.

Naming of the Booster Club

A booster club name may not imply any form of responsibility on the part of the District, school or ASB. So that a booster club creates and maintains its own identity, it is recommended that the name of the school or school mascot not be used in the name of the booster club.

However, if the name clearly indicates "booster club", then use of the school name or mascot will be permitted. Booster clubs may not use the school or District address on its letterhead or for any other correspondence. Booster clubs should create their own unique logo, separate from that of the school or District.

Tax Information

Booster clubs are not legal components of the school district and each club must have its own tax identification number and tax-exempt status. These are obtained through the Internal Revenue Service (IRS) and California Franchise Tax Board. State and Federal forms and further information can be found on the following Web sites:

Tax Identification Number

IRS Form SS-4, *“Application for Employer Identification Number”*

Instructions: <http://www.irs.gov/pub/irs-pdf/iss4.pdf>

On-line application: <http://www.irs.gov/businesses/small/article/0,,id=102767,00.html>

Tax-Exempt Status - Federal

IRS Publication 557, *“Tax-Exempt Status for Your Organization”*

IRS Rules & Procedures: <http://www.irs.gov/pub/irs-pdf/p557.pdf>

IRS Form 1023, *“Application for Recognition of Exemption Under Section 501(c)(3) of the Internal Revenue Code”*

Instructions: <http://www.irs.gov/pub/irs-pdf/i1023.pdf>

Application: <http://www.irs.gov/pub/irs-pdf/f1023.pdf>

Note: Upon approval, the IRS will issue a determination letter that recognizes the booster club’s 501(c)(3) nonprofit, tax-exempt status. Booster clubs cannot legally furnish donors with receipts for a charitable tax deductible donation unless they have obtained this type of official determination letter from the IRS.

Tax-Exempt Status - State

To apply for California tax-exempt status, use form FTB 3500, *“Exemption Application”* **or** FTB 3500A, *“Submission of Exemption Request”*

FTB 3500, *“Exemption Application”*

Application & Instructions: <http://www.ftb.ca.gov/forms/misc/3500bk.pdf>

FTB 3500A, *“Submission of Exemption Request”*

Application & Instructions: <http://www.ftb.ca.gov/forms/misc/3500a.pdf>

Note: FTB 3500A can only be used by organizations that have a federal determination letter under Internal Revenue Code (IRC) Section 501(c)(3).

Sales and Use Tax Laws & Obtaining a Seller's Permit

Booster clubs are not sales tax-exempt, unless they have filled out the proper application forms from the California Franchise Tax Board. 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 function. No item purchased tax-free by an exempt organization can be used for the personal benefit of a private party or other individual.

Any booster club planning to conduct fundraisers involving the sale of goods or merchandise must obtain a California seller's permit. This is true even if the sales are not taxable. This includes, but is not limited to, the operation of concession stands, and selling of school spirit clothing or other items. Booster clubs may not use the seller's permit of another booster club or the District's sales permit number. Sales by a booster club are generally taxable.

For more information on obtaining a seller's permit, or on sales and use tax, you may contact the California Board of Equalization at www.boe.ca.gov or call 800.400.7115. Information can also be found on the following web-sites:

Publication 73, "Your California Seller's Permit": <http://www.boe.ca.gov/pdf/pub73.pdf>

Publication 18, "Nonprofit Organizations": <http://www.boe.ca.gov/pdf/pub18.pdf>

BOE-400-SPA, "California Seller's Permit Application":
<http://www.boe.ca.gov/pdf/boe400spa.pdf>

BOE-404-A, "Qualified Purchaser Use Tax Registration"
<http://www.boe.ca.gov/pdf/boe404a.pdf>

Banking Information

Booster clubs must have their own bank account. Comingling of booster club funds and school activity funds is prohibited. To open a bank account, the booster club must first obtain an Employer Identification Number (EIN) from the IRS. (See Tax information section) The booster club shall not use just the school's name on its checks or on its literature. The use of the school name might imply that the school or the District is responsible for any obligations entered into by the club.

It is suggested that at least two officers sign each disbursement. Both signers should be parents or guardians with children in the booster club. School or District employees may not be the

signer on booster club bank accounts. All funds received should be receipted and deposited on a weekly basis. School employees may not accept loans of funds from parents and student organizations. The treasurer should reconcile the bank statement monthly and prepare a monthly financial report.

Insurance Requirements

District liability for conduct and activities of an organization established for the purpose of supporting the district may be based upon the nature of the relationship between the two entities. That relationship may be contractual or based on the amount of District control or on the fact that the District is the beneficiary of the organization's activities. Therefore, it is likely that a lawsuit based upon an activity of the organization will also name the District and seek a finding of joint liability. Whether the District is appropriately named or not, the District will incur legal expenses in defending the lawsuit.

The District requires booster clubs to provide a Certificate of Liability Insurance with the minimum required limits of coverage listed below.

General Aggregate:	\$2,000,000 (annual)
General Liability:	\$1,000,000 (per occurrence)
Auto Liability:	\$1,000,000 (per occurrence) combined single limit or
Bodily Injury:	\$ 100,000 (per person)
Personal Injury:	\$ 300,000 (per accident)
Property Damage:	\$ 100,000

It is additionally recommended that booster clubs maintain Crime Coverage or a Fidelity Bond in an amount enough to cover total booster cash assets.

The certificate must indicate the Perris Union High School District endorsed as "additional insured", and have the name of the school in the description area. In addition to the Certificate of Insurance, the Endorsement Page (including the District named as an additional insured) and Declaration Page (including any exclusions) will be required. Any questions relating to insurance requirements should be directed to the District's Risk Manager.

When using school facilities, the District may, at its discretion, require a higher level of coverage based on the type of use requested, such as athletic activities and large events. The District may more effectively limit its exposure by adequately supervising and monitoring the activities of a booster club.

Limit of Liability

Because booster clubs are separate from the District, they are not under the control of, nor are they the responsibility of, the school or District administration, or the Board of Trustees.

Booster club funds are not controlled by the District or students. Likewise, booster clubs will not be involved in the administering or supervising of the activities of student organizations. Booster clubs should not cause others to believe it is in charge of or has any responsibility for school activities, especially within the sport or activity the booster club supports.

This manual establishes policies and procedures to be followed by booster clubs operating within the Perris Union High School District. School site and District administration will advise booster clubs on management, policies and procedures, and review and/or audit booster clubs' financial statements to ensure the clubs' financial integrity. However the district assumes no accountability or liability for the operation and management of booster clubs. Any financial obligation incurred by a booster club shall be solely that of the booster club.

Booster clubs must agree to indemnify, defend, and hold harmless the Perris Union High School District, its Board, officers, agents and employees from every claim or demand made, from every liability, loss, damage, or expense, of any nature whatsoever, which may be incurred by reason of:

Death or bodily injury to persons, loss of or injury to property, or any loss, damage or expense which may have been sustained by the District or any persons, firm or corporation employed by the District upon or in connection with the activity called for in this agreement, except for the sole negligence of the District.

Any injury to or death of persons or damage to property, any loss or theft sustained by persons, firms or corporations, including the applicant, arising from any act of neglect, default, omission, negligence or willful misconduct of the Applicant, its members, or any person, firm or corporation employed by the Applicant, either directly or by independent contract, and attributable in connection with the activity covered by this agreement, on or off District property.

Booster clubs, at their own expense, cost and risk, shall defend any and all actions, suits or other proceedings that may be brought or instituted against the District, its Board, officers, agents, or employees and shall pay or satisfy any such claim, demand, liability or judgment rendered against the District, its Board, officers, agents, or employees in any action, suit or other proceedings arising out of the booster activities.

Booster Club Organization

Constitution and By-Laws

Minimally a constitution should include the following five elements:

1. Name and purpose of the organization.
2. Membership.
3. Executive Board or Officers.
 - a. Positions and duties of each position defined
 - b. Position and term limitations
4. Method of amendments to the constitution.
 - a. By who
 - b. By petition of ___ percent of members
 - c. By ballot
5. Adoptions or ratification of constitution and any subsequent amendments.
 - a. Shall require (percentage) vote of (Executive Board)

Minimally the by-laws should include the following six elements:

1. Duties and powers of Executive Board and Officers.
2. The composition and membership of committees.
3. Successions.
4. Elections and qualification for office.
5. Finances.
 - a. Statement of internal controls, authorization of financial activities
 - b. Who shall approve prior to any commitment
6. Meeting schedule.
 - a. For regular and special sessions
 - b. Time, manner, frequency
 - c. What constitutes a quorum
 - d. Who shall conduct meetings

Membership

1. Parents, community members, and staff may be members of any booster club or parent organization.
2. The principal or designee shall maintain ongoing communication with the organization.

3. Membership fees may be used for raising funds for specific projects for the schools, but school fees may not be a requirement of parents or students to participate in school activities.

Election of Officers

Employees of the District shall not serve in a financial capacity of a booster or other parent organization. Financial capacity includes holding positions as treasurer, fundraising chairperson, or serving as a check signer. Individuals elected to officer positions in a booster club must have a child actively involved in a District program.

The election of officers for a booster club should occur on an annual basis. At a minimum, they shall elect officers for the positions of president, vice-president, secretary and treasurer. These officers will make up the executive board. Each member of the executive board is required to ensure the booster club procedures and operating practices are financially and legally sound, and in conformance with all rules, regulations, laws, ordinances and statutes applicable to the organization. As a member of the executive board, an individual is legally obligated to be prudent and reasonable in conducting himself to help preserve and protect the organization. Executive board members must actively participate in the management of the organization including attending meetings, evaluating reports and reading minutes.

Each officer will receive a printed copy of the *Booster Club Operating Manual*. They must read the manual and return a signed acceptance form to the Business Services Office before the first meeting of the new school year.

President

Typically, the president of a booster club is an individual who has previously been active in the organization. The major duties include, but are not limited to, the following:

1. Preside at all meetings of the organization.
2. Regularly meet with the designated campus representative regarding booster activities.
3. Resolve problems in the membership.
4. Regularly meet with the treasurer of the organization to review the organization's position.
5. Select an officer as the designee to receive bank statements through the mail at their home address. This individual shall not be a signer on the account. Upon receipt, the designee should review the activity on the bank statement and canceled checks for reasonableness. This provides an independent review by an individual not associate with disbursement activity.

6. Schedule annual audit of records or request an audit if the need should arise during the year.

Vice-President

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

1. Preside at meetings in the absence or inability of the president to serve.
2. Perform administrative functions delegated by the president.

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 meeting minutes and have a thorough knowledge of parliamentary law and the organization's procedures. The major duties include, but are not limited to, the following:

1. Report on any recommendations made by the executive board of the booster club, if such a governing board is defined.
2. Maintain the records of the minutes and any standing committee rules, current membership and committee listing.
3. Record all business transacted at each meeting.
4. Maintain records of attendance of each member.
5. Conduct and report on all correspondence on behalf 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 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 on the organization's annual income and determined by the executive board. The major duties include, but are not limited to, the following:

1. Serve as chairperson of the Budget and Finance Committee, if prescribed.
2. Issue a receipt of monies received and deposit said amounts on a weekly basis (daily if receipts on hand exceed \$250.00).
3. Present a current financial report including bank statements, bank reconciliations, and financial statements to the District's Business Services office within thirty (30) days of the previous month end. Copies should be available for review by the general membership, as requested.
4. File current financial reports at the end of each semester (December and June) with the executive board.
5. Maintain accurate and detailed account of all monies received and disbursed.

6. Reconcile all bank statements as received and resolve any discrepancies with the bank immediately.
7. File sales tax reports as required by the State Comptroller's office (monthly, quarterly, or annually).
8. File annual IRS form 1099 in a timely manner.
9. Submit records to the audit committee appointed by the organization upon request or at the end of the year.

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

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. Special committees should complete their assignments within the current school year. If the objectives are not met at the end of the school year, officers will be required to reappoint members of the committee for the following year, until the purpose of the committee has been achieved. Individuals who have a conflict of interest shall not be allowed to serve as members of the committee. For example, senior parents would not be included on a scholarship committee, since their child is a potential recipient of the monies.

Audit Committee

At the end of the fiscal year, an audit of the booster club's financial records should be conducted. The audit should 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 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. As an alternative to an audit committee, an audit may be conducted by an outside party, such as a CPA.

Standards for Meetings

Notice of all meetings should be published at the campus seventy-two (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. In order to provide an optimum level of communication and teamwork,

booster club meetings should be held in the presence of the campus principal or other school sponsor. Business determined at meetings without adequate campus representation shall be considered null and void. The booster club may use school facilities only with prior approval of the principal or designee.

Rules for Dissolution

To dissolve a booster club, a resolution shall be adopted by the booster organization (or the executive board, if the organization is inactive) stating that the question of such a dissolution be submitted to a vote at a special meeting of the members having voting rights. At least thirty (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 club 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. This must be noted in the booster club bylaws.

Operating Procedures

Purchases for Schools

Booster clubs by nature are designed to assist the school and/or ASB, and such assistance may come in the form of donations of supplies, equipment and transportation. Donation to the school shall be processed in accordance with board approved policies and procedures. Donations to the ASB or an ASB club will be accepted/approved by the ASB's student council. Donations to a school or the District will be accepted/approved by the Board of Trustees of the District.

When a booster club wishes to give the ASB or one of its clubs money for supplies or equipment, the booster club will first donate the funds. In making the donation, the booster club should clearly indicate the purpose of the donation. The purchase will then be carried out through the District's purchasing system by an authorized agent of the District and in accordance with District purchasing guidelines and statutory laws. In no case shall a booster club purchase supplies or equipment independently. When supplies or equipment is purchased from donated funds, it becomes the property of the school and District. All equipment and supplies purchased for a school must be shipped to a school district address. A booster club address will not be used for purchases for schools made from donated funds.

A booster club may also donate funds to the ASB or the school for transporting students to events. A field trip request form will be completed by the school in conjunction with the event. The District's Business Services office will bill the booster club for the cost of the transportation. In no event will a booster club be permitted to remit payment directly to the transportation department, nor will they be permitted to contract for transportation by an outside agency.

Purchases for the Booster Club

Though booster clubs make purchases for schools through a donation of funds to the ASB, this purchasing mechanism is limited to purchases for schools. Purchases for the booster club will be processed as disbursements directly from booster club funds (see Disbursement of Funds section). This includes purchases of supplies or equipment as it relates to the day to day operation of the booster club, as well as purchases necessary to conduct a fundraiser. As an example, if a booster club is running a concession stand, they would purchase the items to be sold from booster funds. The profit, along with profits from other fundraisers would then be donated to the ASB to carry out specific activities and/or purchases.

Booster clubs are not eligible for the same special or discounted pricing as received or negotiated by the District, nor can a booster club make purchases under a District contract. Booster clubs may however negotiate their own pricing or contracts from vendors of their choice. Neither the ASB nor the District is permitted to make purchases for or on behalf of a booster club. This includes purchases for fundraisers. Items necessary for a fundraiser may not be purchased through the ASB, even if the booster club provides the funding for the purchase. This would be considered comingling of funds and is strictly prohibited.

Support Personnel

The Perris Union High School District does not permit booster clubs to hire staff to perform services for the school or District. If a booster or parent organization wishes to pay for additional and/or extra-curricular services such as additional coaching positions or specialized assistants, the person to provide the services must be hired through the Human Resources division of the Perris Union High School District. The booster club will deposit such funds into a District account for the proposed expenses. The funds must be sufficient to pay for the actual services plus any benefits due the employee.

The following procedures must be followed when a booster club wishes to provide funding for additional support personnel:

1. Obtain approval from the site principal for the type of position that is desired.
2. Upon approval of the principal, the principal will consult with the Human Resources division regarding the legality of hiring such a position. Often times certain provisions of collective bargaining agreements or other applicable laws will prevent the hiring of certain positions, or require additional steps to be followed.
3. Upon approval of the Human Resources Division, a personnel requisition will be completed by the principal of the school receiving the services. This will be forwarded to the Human Resources division for processing.
4. The Business Services office will collect and deposit the donation from of the booster club for the total cost of the employee.
5. The employee will be hired through normal channels and be subject to all rules and regulations imposed by the Human Resources division and State and Federal Law.
6. The employee is not authorized to perform services until after Board approval and District receipt of the donated funds.
7. The employee will be paid only after the above procedures have been completed. Payment will be made in accordance with the employee's collective bargaining agreement and District procedures.

Fingerprinting

Any booster club member who will come into contact with students must complete the school volunteer program application and complete the registration and clearance process through the District's Human Resources division. Only approved volunteers will be allowed to assist in activities where students are present.

Booster club members will be required to fill out an application, take a TB and drug test, be fingerprinted, and attend a safety orientation. Until the volunteer clearance process is complete, the member will not be allowed to provide assistance for the booster club.

Use of School Facilities

The school principal or designee must approve on-campus activities, including meeting times, places, dates, fundraisers and activities. Such activities cannot conflict with school schedules or activities, or district policies. These will take precedence over booster club activities.

State law and Board Policy and Administrative Regulation 1330 regulate community programs on district property. If school facilities are to be used in conjunction with an approved event/activity, they must also be placed on the official school calendar. The established school procedure must be followed and can be obtained from the principal's secretary. If another District facility, outside of the current campus facility is needed, the District *Use of Facilities Manual* form should be submitted generally one month before the intended activity. Additional insurance may be required.

The sale, purchase or consumption of alcoholic beverages and tobacco products while on school property or in the presence of students is specifically prohibited.

Gifts and Awards

Student and parental gifts to school district employees are an expression of appreciation for coaching, directing, or sponsoring student activities, rather than a gift of significant monetary value. Employees shall in no way encourage students, parents, or support groups to present gifts. Gifts of cash will not be permitted.

Booster clubs shall not give anything (including awards) to students without prior approval from school administration.

Individual Accounts

Individual accounts are those accounts used by a booster club to credit an individual with revenues raised. The booster clubs would use these accounts to benefit the individual by offsetting that individual's expenses with the amount credited to that individual from the revenues raised. The purpose of a tax-exempt organization is to benefit an entity as a whole instead of benefiting individuals. Therefore, the use of individual accounts could result in denial of the application for tax-exempt status by the IRS or the loss of existing tax-exempt status. In addition, the individual benefits received by people would result in taxable income to them.

Relationship and Interaction with District Personnel

The booster club must not be used to attempt to influence the sponsor's, principal's or other administrator's decisions or be a lobbying group concerning matters which are duties assigned to district personnel, such as trips, staffing, and schedules. Additionally, they will not be involved in the direction of a coach or advisor, personnel issues, scheduling of contests, rules of participation, or policy making activities for a student group or extracurricular program. These administrative duties are the sole responsibility of the school and District administration.

Other Requirements

- Booster club members are expected to follow the same standards of conduct as District employees when chaperoning, sponsoring, or attending student activities.
- All activities in which a student group participates, travel or otherwise, will be approved in advance by the sponsor and the principal. At such activities, the sponsor shall have full authority at all times, except as instructed by the principal or designee.
- The principal must approve all publications and communications that booster clubs send to parents and/or the community.
- Each student or group of students participating will be determined by the sponsor and the principal and not by the organization or any member(s). Participation is considered 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.
- Booster clubs shall not directly support political activities by providing campaign donations or placing advertisements in support of a particular candidate as doing so could jeopardize the tax exempt status of the organization. If a candidate is running for office and is invited to join a meeting, all candidates running for the office must be extended an invitation to the meeting.

Fundraising

In accordance with Education Code Section 51521, programs, fundraisers or other activities sponsored by booster and parent organizations must be authorized and conducted according to local board policy, laws, and school rules. At the beginning of each school year, each booster club shall submit to the principal/designee a list of the fundraising events that each organization proposes to hold that year. The principal/designee shall review the proposed events and determine whether the events are in conflict with or detract from the school's educational program. No fundraising activities can begin until the booster club obtains approval from the principal or designee.

The following are guidelines for booster club fundraising activities within the Perris Union High School District:

1. Use of the Districts'/schools' name in fundraising activities should be approved by the principal/designee and will comply with district policies and state law.
2. Students shall not be involved in fundraising activities except as volunteers for the booster organization.
3. All booster funds are collected and maintained by the organization. The District's tax identification number cannot and will not be used. No booster funds shall be kept in ASB accounts.
4. No coercion should be exercised in fundraising activities and no student or teacher is required to raise any particular minimum of money or sell any minimum number of tickets, etc. Under no circumstances should pressure be brought to bear on students through competition or by special recognition of sales.

It is the policy of the District that funds received from booster club fundraising activities is used to benefit the student and school in an appropriate way. Fundraising projects for parental groups shall be:

1. For the educational benefit of the student, coordinated through the principal.
2. For a specific project, as identified in the current approved budget and not for the sake of raising money.
3. In connection with the established goals and philosophies of the booster club as well as Perris Union High School District guidelines.
4. The use of individual student accounts for members of District groups or clubs is not allowed.

On-campus activities, especially fundraisers, should not supplant, duplicate, nor interfere with those of other school or booster clubs. The principal has the authority to limit the number of on-campus fundraisers.

School-Connected Food Sales

Booster clubs must comply with state law as well as district policies and regulations on the sale of food on school premises. Booster clubs are encouraged to review and become knowledgeable of applicable laws including county food handling requirements, State and Federal nutritional standards, as well as the District's Wellness Policy. Additional information is available from the Nutrition Services Office. Booster clubs are one of the organizations that the district authorizes to operate the concession stands at sporting events in order to raise funds for the organization. However, the ASB is given first priority.

Raffles

Penal Code Sections 320 and 320.5 authorize, under defined circumstances, eligible organizations to conduct raffles which require the payment of a fee for a chance to win a prize. Raffles may include 50/50 raffles, donation drawings, duck derby and cow chip bingo. While it is not permissible for school districts, individual schools or ASB's to conduct raffles, nonprofit groups such as booster clubs, are allowed to conduct raffles as long as the group is tax-exempt in accordance with Revenue and Taxation Code 23701(d) and has been licensed to do business in California for at least one year. Information on how to conduct a legal raffle can be obtained by going to the California Attorney General's Web site at www.ag.ca.gov. Before the group can conduct the raffle, it must register with the Department of Justice and complete the annual raffle registration form at <http://caag.state.ca.us/charities/raffles.htm#forms> by September 1 of the year in which the raffle will be held. On an annual basis, the group is required to submit a report to the Department of Justice that includes the gross receipts and expenses incurred from the operation of the raffle, as well as the charitable or beneficial purposes for which the proceeds were used. It is also important to note some additional restrictions:

- At least 90 % of the profits of the raffle must be distributed to beneficial or charitable purpose.
- Detachable tickets must have identifying numbers.
- Only adults may supervise the drawing.
- The raffle may not be conducted over the Internet.

Financial Procedures

Budgets and Budget Management

A budget should be developed at the beginning of the year to project expected revenues and expenses and should be revised as needed. Budgets are usually prepared for a one-year period and include the annual goals and a plan for achieving those goals by deciding the following:

Estimated revenues - What fundraisers will be held?

Estimated expenses - What will the fund-raisers cost to hold?

Estimated ending reserves and carryover - Is there enough left over to accomplish the goals that have been outlined?

Budget monitoring is also necessary. This is the process of comparing the budget to the actual revenues and expenses at a point in time to determine whether the revenues are coming in as expected and that the expenses are not exceeding the amounts authorized in the budget. This should be done at least monthly so that there is adequate time to adjust plans. The budget is not realistic or if the planned goals will not be met because of lower than projected revenue or higher than projected expenses booster clubs should revise the budget. Whenever any significant changes in the estimated revenues occur or any increases in expenses are expected, booster clubs should revise their budget. A good rule of thumb to use for significant change is a variance of 10 percent or more.

Financial Reporting to the Membership

At a minimum, the organization's membership should be provided with a financial statement and bank reconciliation at each meeting. The financial statement should provide a comparison of budgeted versus actual expenditures and receipts. Cash receipts and disbursement reports should be available for review when needed and at the annual audit.

Financial Reporting to the District

GASB Statement No. 39 of the Governmental Accounting Standards Board requires the District to obtain and review financial performance information of supporting organizations to determine whether these organizations should be considered a component unit. To this end, booster clubs are required to submit to the executive board mid-year and end-of-year financial statements. End-of-year financial statements should also be submitted to the Business Services

Office. Monthly financial statements and bank reconciliations may be required at the discretion of the Business Services office primarily for new booster clubs.

Cash Receipt's

All cash collections received by the booster club 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. Such documentation should be readily available for audit purposes.

Disbursement of Funds

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

Booster clubs may not contribute funds in an effort to increase the personal allocations and/or stipends of a particular program or campus without the express written approval of the District.

A disbursement voucher, such as a Purchase Order 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.

Petty Cash

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

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

Bank Deposits

It is recommended that deposits be made daily, if the total receipts on hand exceed \$250.00. If daily receipts are less than \$250.00, deposits shall be made within one week even if the receipts for all days combined are less than \$250.00. 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.

- Separate all currency and coins by denomination and carefully count and record it in the appropriate section of the bank deposit form.
- A tape may be run of any checks included in the deposit rather than indicating the checks individually on the deposit slip. A copy of the tape should be retained with your copy of the deposit records.
- Total the deposit slip.
- Tally the pre-numbered cash receipts and make certain this total matches the deposit total.
- Attach the cash receipt verification with a copy of the deposit clip and file in date order.
- For large deposits, have another individual independently count the currency only (not the coins or checks) and verify the currency has been correctly recorded on the deposit slip.
- Both individuals should initial the deposit slip next to the currency amount on the deposit slip.
- 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.

Bank Reconciliation

Upon receipt of the monthly bank statement, the balance indicated on the statement shall be reconciled to the bank account balance in the general ledger as of the last day of the month. The reconciliation should be completed within thirty (30) days of the date of the bank statement. Items that are needed for reconciliation are listed below.

- Bank reconciliation form
- Prior month's bank reconciliation
- Bank statement
- Check register and/or cash disbursement journal
- Cash receipts journal
- General Ledger

Internal Controls

Booster clubs are responsible for ensuring that proper internal controls exist for all of their financial activities. Internal controls are the foundation of sound financial management. They include the policies and procedures that an organization establishes to do the following.

- Ensure that operations are effective and efficient
- Safeguard and preserve the organization's assets
- Promote successful fundraising ventures
- Protect against improper fund disbursements
- Ensure that unauthorized obligations cannot be incurred
- Provide reliable financial information
- Reduce the risk of fraud and abuse
- Protect members and volunteers
- Ensure compliance with applicable laws and regulations

It is critical to establish good policies and procedures relative to internal controls. Internal controls not only protect assets such as money and equipment, they also protect people. For example, establishing good internal controls for fundraising events significantly reduces the risk that anyone participating in the event will be accused of any impropriety. Internal controls include segregating duties according to employees' functions so that one person is not handling a transaction from beginning to end. This is a critical part of a system of checks and balances. Functions that need to be segregated include the following.

- Those who initiate, authorize or approve transactions
- Those who execute the transactions
- Those who record the transaction
- Those who reconcile the transaction
- Those responsible for the item resulting from the transaction

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 be reported on a form 1099 on an annual basis. The booster club should secure an IRS form W-9 from the provider at the time of service to ensure the organization has an accurate record of the taxpayer identification number. The organization must then issue a form 1099 to all qualifying vendors performed in a calendar year by January 31.

Annual Audit Requirements

An audit is an examination of the financial records of the booster club. It assures that all income and expenditures are accounted for and consistent with the budget and goals for the year. It also verifies that the bank balance and ledger balance are reconciled. The audit is to protect the booster club officers and the organization.

An audit should be conducted at the end of the fiscal year, when there is a change in treasurer, and when there is a change in any officer who signs booster club checks.

An audit may be conducted by an outside party, such as a CPA or an audit committee. The audit committee should be comprised of at least two members of the booster club (not the president or treasurer).

Audit procedures for the audit committee are as follows.

1. Review reconciled bank statements and canceled checks to determine that:
 - a. Disbursements have been properly documented with an invoice or receipt.
 - b. Disbursements have been properly approved.
 - c. Checks have been properly signed.
 - d. Checks have been deposited or cashed by the payee indicated.
 - e. Checks have been accounted for in the proper sequence (no missing checks).
2. Check addition and subtraction on cash receipts and deposits.
3. Compare cash receipts and deposits to the bank statement.
4. Verify that receipts and disbursements were allocated to the correct account or budget category.
5. Verify that income from sales, dues, or any other sources have appropriate backup. The total amount collected should match the amount deposited into the bank account.
6. Review the treasurer's monthly reports and check them for accuracy. Review the beginning and ending balances on reports to verify that correct ending balances were carried forward as beginning balances on subsequent reports.
7. Determine that only applicable booster club officers are authorized signers on bank account(s). Former officers should not remain on the account(s) as authorized signers. In addition, the faculty sponsor shall not be an authorized signer on the account.
8. Obtain proof that all applicable sales taxes were paid.
9. The audited financial report should be signed by all members of the audit committee and submitted to the Business Services office no later than August 1 following the end of the fiscal year.
10. Verify that 1099s were issued, if applicable.

Retention of Records

Since voluntary organizations often suffer from the constant turnover of officers and members, it is important that the activities of the organization be clearly documented and that a procedure for retaining those documents be established. Listed below are documents that should be retained by the organization.

- Cash receipts
- Cash disbursements and general ledger
- Bank records
- Income tax returns
- Minutes of meetings as defined by the organization by-laws

It is recommended that the organization obtain a safety deposit box or a similar storage facility to ensure security of important documents.

Appendix

Perris Union High School District booster club forms are on the next two (2) pages



PERRIS UNION HIGH SCHOOL DISTRICT

Booster Club Operating Manual Receipt Form

As an elected officer to a booster club operating within the Perris Union High School District, I certify that I have read the Perris Union High School District Booster Club Operating Manual. I understand the procedures outlined in this manual and will adhere to its instruction. At anytime should I have questions regarding policies or procedures, or the information outlined in this manual, I will contact the Business Services Office or the school site administration for clarification or further instruction. I further understand that the information provided in this manual is not intended to be specific or all-inclusive. It is the responsibility of the booster club to fully understand all laws that govern the operation of booster clubs. Where necessary, the booster club will seek competent professional financial and tax advice for accounting and filing requirements. The District assumes no accountability or liability for the operation and management of booster clubs. I understand that as an officer of the booster club, and member of the executive board, I am required to ensure the booster club procedures and operating practices are financially and legally sound, and in conformance with all rules, regulations, laws, ordinances and statutes applicable to the organization. I further understand and accept that I am legally obligated to be prudent and reasonable in conducting myself to help preserve and protect the organization.

Signature: _____ **Date:** _____

Printed Name: _____

Booster Club Name: _____

Office Held: _____

Maintain a copy of this manual for your reference.

Please return this signed receipt form to the Business Services Office.



PERRIS UNION HIGH SCHOOL DISTRICT

Application for Booster Club

New Application

Renewal Application *(required each school year)*

GENERAL INFORMATION

Name of Organization		School Site	
Mailing Address		School Year	
		Date Requested	

EXECUTIVE BOARD OFFICERS

	Name	Address	Phone	Email
President				
Vice President				
Secretary				
Treasurer				

PURPOSE *(describe the purpose of the organization)*

ANNUAL OBJECTIVES *(list specific goals for the school year)*

FINANCIAL INFORMATION

Name of Bank		Account Number	
Address of Bank		Authorized Signers	
Tax ID # (EIN)		Seller's Permit #	

REQUIRED DOCUMENTS *(attach copies)*

<input type="checkbox"/> Booster Club Constitution	<input type="checkbox"/> 501(c)(3) Federal Determination Letter	<input type="checkbox"/> Certificate of Insurance
<input type="checkbox"/> Booster Club Bylaws	<input type="checkbox"/> Proof of State Tax Exempt Status	<input type="checkbox"/> Insurance Endorsement Page
<input type="checkbox"/> Proof of Tax ID #	<input type="checkbox"/> Seller's Permit	<input type="checkbox"/> Insurance Declaration Page

Signature of Booster Club President: _____ Date: _____

Signature of School Site Principal: _____ Date: _____

APPROVAL (District Use Only)

Business Services Authorization: _____	Date: _____
Authorized From: _____ to _____	Board Approval Date: _____