

Norwalk La Mirada Unified School District

Booster Club Manual

January 2015

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Booster Club Basic Requirements

Booster clubs are parent organizations formed primarily to assist student groups with obtaining resources for events, supplies, equipment and various fees and expenses. Booster clubs are separate from the District and they are not under the control of or the responsibility of, the site administrator, superintendent or governing board. Their funds are not controlled by the district or the students, nor should they be involved in the administering or supervising of the activities of student organizations.

However, governing boards are able to approve guidelines for these groups to follow and the organizations' fund-raising activities. Education Code section 51521 requires that all organizations that conduct fund-raising to benefit clubs, schools, students or the district at the K-12 level have prior approval from the school district's governing board or the board-assigned designee.

To meet this statutory requirement the Norwalk La Mirada Unified School District Unified School District (District) has policies and regulations requiring booster clubs to do the following:

1. Submit for approval annually a copy of the application including an updated plan of activities and its Board officers.
2. Each officer must submit a signed Acknowledgement Form.
3. Submit a copy of the organization's adopted constitution and bylaws with the completed application.
4. Submit a copy of annual financial statements to the District or site at the end of the fiscal year.
5. Be in compliance with all District Policies and Regulations required.

Booster clubs must also comply with the following rules or their approval may be terminated.

1. Booster clubs may not imply any form of responsibility on the part of the District, school or ASB.
2. Booster clubs are not legal components of the school district and must have their own tax identification number; they are NOT allowed to use the school tax identification number.
3. Booster clubs are responsible for their own tax status, accounting and financial records.
4. Booster clubs must not commingle their funds with ASB funds.
5. Booster clubs must submit a Certificate of Liability from their insurance company and a Hold Harmless Agreement.
6. Booster clubs must carry their own liability insurance in an amount equal to or exceeding the minimum determined by the District.
7. Submit to the Executive Board, mid-year and end of year financial statements.

8. Submit financial statements and bank reconciliations ending June 30th to the principal/designee by July 31st of each year.
9. The District, principal or site designee reserves the right to dissolve any booster club with cause.
10. Booster clubs must have their own bank account separate from the District and/or ASB.
11. Booster clubs are authorized to operate for a period of one fiscal year with renewals available.
12. The Superintendent or designee reserves the right to revoke a booster club's authorization to conduct activities in the District.
13. Fund-raising activities at any school site are directly under the control of school authorities.
14. Any rules and regulations developed for the club organization must conform to the law, the Board of Education's policies and regulations, and the school site's policies and procedures.
15. All Booster club members must be made aware that no individual should personally benefit from the organization's activities and this should be made part of the by-laws.
16. If a booster club dissolves or terminates, the club's constitution should provide for the distribution of any excess funds to another non-profit organization, the ASB or the District.
17. If a booster club decides to operate a bingo or raffle activity, California Penal Code Sections 326.5 and 320.5 regulate these events.
18. Booster clubs' ability to use school facilities at K-12 districts is regulated by California Education Code 38130-38139, known as the Civic center Act.

Fundraising:

Booster and parent organizations are not legal components of a school district. Each organization must have its own tax identification number, own bank account, and is directly responsible for compliance with IRS and state reporting and disclosure requirements. Donations to booster clubs can only be legally deducted if the club is officially approved by the IRS as a 501(c)(3) tax-exempt organization. Other restrictions apply and each donor should consult their own tax advisor. It is the organization's responsibility to be both knowledgeable and compliant with all state and federal laws.

Booster and parent groups are encouraged to contact the Internal Revenue Service and the Franchise Tax Board in order to obtain a tax-exempt status for their organization. State and Federal forms and further information can be found at references in the Tax Information section.

This summary is intended as an overview only for booster club organizers. The following attached manual provides more in-depth information regarding the operation of a booster club. We recommend using it as needed for a better understanding of the rules and regulations affecting each booster club.

Purpose of a Booster Club

Booster clubs 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. 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 clubs are separate from school districts with which they are associated and are not governed by the Education Code. However, booster clubs do not have free access to schools and their students. The District Board of Education and administration have, and must maintain, exclusive control and management of its public school system.

Formation of a Booster Club

Booster Club Approval

In order to fulfill its legal and fiduciary requirements, the District or site designee must approve all booster clubs. New booster clubs are required to submit an application (if new) or request for continuance (if previously approved). Any request for approval must include a completed application with all required documents.

Booster clubs are not permitted to operate until final approval is received from the school site administration. Authorization shall be granted for a period of up to one fiscal year, beginning on July 1st and ending on June 30th, but may be revoked by the Superintendent or designee if considered necessary. Requests for [continuing](#) authorization must be presented annually.

Organization members and their board should be aware that no individual should personally benefit from the activities conducted by the organization.

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. A booster club creates and maintains its own identity. The name of the school or school mascot is not allowed to be used in the name without the addition of the word “booster” attached to the name. 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. The District recommends filing for tax-exempt status as a 501(C)(3) Non-profit. This is required for donations to be legally deducted by donors. Individual donors should consult their own tax advisor for additional tax advice. All necessary forms 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).

Generally, an approved 501(c)(3) tax exempt organization is required to file the following with the Internal Revenue Service:

0 - \$50,000	Form 990 - N
\$50,000 - \$200,000	Form 990 - EZ
Over \$200,000	Form 990

California requires a postcard filing for earnings under \$25,000. Over \$25,000 requires a Form 199. All 501(c)(3)'s in California are required to register with the California Attorney General's office and annually file a form RRF-1.

Organizations not filing for 501(c)(3) status are not tax exempt and there can be no charitable contributions. They cannot hold themselves out as a tax exempt entity and are a taxable entity for Federal and State tax purposes.

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 fund-raisers 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 ASB 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 above) The booster club shall use their official name on its checks and on its literature (refer to section above “Naming of the Booster Club”).

It is suggested that at least two officers sign each disbursement for proper internal controls. All funds received should be receipted and deposited on a weekly basis. The treasurer should reconcile the bank statement monthly and prepare a monthly financial report to be reviewed and signed off by a second executive officer.

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 on the certificate and below:

General Liability:	\$1,000,000 (per occurrence)
Auto Liability:	\$1,000,000 (per occurrence) combined single limit or

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

You may use any insurance company of your choice; however, the following are two websites that may provide assistance:

www.boosterclubs.org

www.rvnuccio.com

The certificate must indicate the Norwalk-La Mirada Unified School District Unified 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

The Booster Club is a not a school sponsored activity and participation in the Club or in Club activities is purely voluntary. 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 Education. 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 Norwalk-La Mirada Unified 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 are required to sign a hold harmless agreement as part of the booster club application process.

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 and Tenure.
 - a. Who can join?
 - b. How many members?
 - c. What officers?
 - d. Who has voting rights?
 - e. Will those who move from the school attendance area be allowed to serve their terms, if desired?
 - f. What are the procedures for removing someone from office?
 - g. How long will they be allowed to serve?
 - h. Will they be allowed to serve consecutive terms? If so, how many?
 - i. How will unexpired terms be filled when vacancies occur?
 - j. Will leaves of absence be permitted?

The bylaws could state that vacancies of elected officers are to be filled by the person with the next highest number of votes in the most recent election and that all replacement officers may only finish the term of the person replaced. Organizations may also want to define the procedures for resignation, e.g., a letter to the chairperson, and/or establish criteria for terminating officers who fail to attend meetings, e.g. missing two consecutive scheduled meetings without cause or proper notice to the chairperson.

3. Executive Board or Officers.
 - a. Positions and duties of each position defined
 - b. Position and term limitations (recommended not to serve for more than two consecutive fiscal years in any one position)
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
 - c. Statement determining distribution of assets upon dissolution; should align with framework of the organization original purpose.
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.
2. The principal or designee shall maintain ongoing communication with the organization.
3. No fees can be collected as a condition of membership unless the booster club is a nationally recognized booster organization that requires fees at a national level.

Election of Officers

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 Manual*. They must read the manual and return a signed acknowledgement form to the school site (athletic/activities office) administrator before the first booster club meeting of the school year. The acknowledgement form is located at the back of this manual.

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. The financial information should be reviewed on a monthly basis.
5. Select an officer as the designee other than the treasurer 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 associated with disbursement activity.
6. Schedule annual audit of records or request an audit if the need should arise during the year.
7. Submit annual financial statements to the school site administrator.

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 booster club 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.
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 booster club. The treasurer receives and disburses all monies indicated in the budget or as authorized by action of the booster club. All persons authorized to handle funds of the booster club should be covered by a fidelity insurance bond in an amount based on the organization's annual income and determined by the executive board; the fidelity/crime insurance bond should cost under \$100.00. 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. Prepare a current financial report including bank statements, bank reconciliations, and financial statements within thirty (30) days of the previous month end. Copies should be available for review by the general membership.
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. File sales tax reports as required by the State Controller's office (monthly, quarterly, or annually).
7. File annual IRS form 1099 in a timely manner. (See "Consultants" section)
8. 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.

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 and/or District. As an alternative to an audit committee, an audit should be performed by an outside party, such as a CPA.

Standards for Meetings

Notice of all meetings should be provided to the school's activities office to be published 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. The booster club may use school facilities only with prior approval of the principal or designee.

Dissolution of Booster Clubs

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 fourteen (14) days prior to the meeting, written or printed notice shall be given to activities/athletics office 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.

The District, principal, or site designee reserves the right to dissolve any booster club with cause.

Operating Procedures

Purchases for Schools

Booster clubs by nature are designed to assist the school and/or ASB, and assistance may come in the form of donations such as cash, supplies, equipment and transportation. Donations 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 by the ASB's student council. Donations to a school or the District will be accepted/approved by the Board of Education 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. It is recommended that all purchases of equipment for District use be made by the District through donations to adhere to District standards. 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 invoice 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

Purchases for the booster club will be processed as disbursements directly from booster club funds. 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 fund-raiser. As an example, if a booster club is running a concession stand, they would purchase the items to be sold from booster funds.

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 fund-raisers. Items necessary for a fund-raiser 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.

Hiring Request and Payment of Salaries

Booster clubs are prohibited from hiring or directly paying District employees. Booster clubs may make donations to the District to cover the costs of additional employees, but only if such positions are approved in advance by the District School Board or Superintendent designee. At their discretion, employees may volunteer to perform activities for booster clubs during non-working hours. If an organization wishes to donate money to cover the cost, the procedure is as follows:

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 employee will be hired through normal procedures and be subject to all rules and regulations imposed by the Human Resources division and State and Federal Law.
5. The employee is not authorized to perform services until after Board approval.
6. The employee will be paid only after the above procedures have been completed. Payment will be made in accordance with District procedures.
7. The District will invoice the booster club for the salary reimbursement.

Consultants

In the course of ordinary business, the District (and ASB's) often hire consultants to assist with various projects or presentations that may be needed. Booster clubs should be aware of the regulations that must be followed when communicating with ASB on this topic. The following is an excerpt from the Associated Student Body Accounting Manual & Desk Reference 2009, Fiscal Crisis Management Assistance Team (FCMAT), describing the various issues associated with Consultants and Employees:

If someone is not already an employee of the school district, the ASB must determine whether that person legally is considered an employee or an independent contractor under the IRS regulations. Independent contractors frequently are called consultants within the school district community. Because it is sometimes difficult to make this determination, some districts have chosen to require the ASB to hire all extra help as employees of the school district and pay them through the regular payroll process. However, neither the federal government nor the IRS has that stringent a set of mandates.

Fingerprinting

Any booster club member who will come into contact with students must complete the District's Requirements for Volunteers, in accordance with Board Policy 6801, by completing the application and clearance process through the District's Human Resources division. Only approved volunteers will be

allowed to assist in activities where students are present. 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, fund-raisers and activities. Such activities cannot conflict with school schedules or activities, or district policies. These will take precedence over booster club activities.

Should your organization require and/or desire the use of District facilities (for a meeting or other purpose), please visit your school office and pick up the District's "Application for Use of District Facilities" form. Generally this form should be submitted one month before the intended activity. Additional insurance may be required.

The sale, purchase or consumption of alcoholic beverages or 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. Booster clubs should not give anything (including awards) to students without prior approval from school's coach/advisor.

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 publications and communications that booster clubs send to parents and/or the community should be provided to the school site designee.
- 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.

Fund-raising

In accordance with Education Code Section 51521, programs, fund-raisers or other activities sponsored by booster clubs 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 tentative fund-raising events that each organization proposes to hold that year. Amendments to the scheduled fund-raising events should be submitted three weeks prior to the event. 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 fund-raising activities can begin until the booster club obtains approval from the principal or site designee.

The following are guidelines for booster club fund-raising activities within the Norwalk-La Mirada Unified School District:

1. A Use of Facilities request must be pre-approved at the site level prior to the submission of a fund-raising request. Attach a copy of the approved facilities request form to the fund-raising request.
2. Students shall not be involved in fund-raising activities except as volunteers after school hours and/or off campus for the booster organization.
3. All booster funds are collected and maintained by the organization. The District or ASB 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 fund-raising 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.

Funds received from booster club fund-raising activities are used to benefit the student and school in an appropriate way. Fund-raising projects for parental groups should be:

1. For the educational benefit of the student, coordinated through the principal/designee.
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 Norwalk-La Mirada Unified School District guidelines.
4. **For the benefit of the student program that the booster club supports. The use of individual student accounts or tracking of student accounts is not allowed.**

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

Although not included in this packet, official IRS tax information may be found at:

<http://www.irs.gov/charities/article/0,,id=96109,00.html>

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. 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. Be aware that snack bars are subject to inspection by the County Health Department at any time.

Raffles and Auctions

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://ag.ca.gov/charities/raffles.php#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.

An auction, on the other hand, is a group of items that have been donated or purchased that are then "sold" in a silent auction to generate donations for a specified group or activity. An auction held on a Saturday, conducted by a booster club with the sole purpose of raising donations for the school, would

be acceptable as a fund-raiser. Both parents and students would be able to bid on the items, since it would not occur during school hours, and is not considered gambling. However, when a school is working with an organization, the community perceives that the funds raised will be used towards supporting school functions. Care must be taken by all involved that the donations received are used in the manner represented by the organization conducting the fund-raiser.

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 fund-raisers will be held?

Estimated expenses - What will be the cost to conduct the fund-raisers?

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. If the budget is not meeting expectations because of lower than projected revenue or higher than projected expenses booster clubs should revise the budget.

Financial Reporting to the Membership

At a minimum, the organization's membership should be provided with a financial statement and bank reconciliation at the end of each semester, monthly copies should be available for review. 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/School Site

Booster clubs are required to submit to the executive board mid-year and end-of-year financial statements. Annual financial statements and bank reconciliations ending June 30 must be submitted to the principal/designee by July 31 of each year.

Cash Receipts

All cash collections received by the booster club for fees, dues, fund-raising, etc. must be deposited in total and in a timely manner. 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.

Approval should be obtained for all expenditures regardless of the amount; it is recommended this be written using a disbursement voucher. 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 or 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. All money must be deposited prior to holidays and weekends. To ensure the integrity of financial reporting, common deposit practices include:

- 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.
- Deposited receipts must be grouped together in consecutive sequence to assure all are received. Multiple receipt books should be grouped separately to provide adequate audit trails.
- Tally the pre-numbered cash receipts and make certain this receipt total matches the deposit total.
- Attach the cash receipt summary documents with a copy of the deposit slip and file in deposit date order.
- For large deposits, have another individual independently count the deposit and verify the amount has been correctly recorded on the deposit slip.
- Both individuals should initial 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 deposit 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 fund-raising 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
- Maintain an accurate inventory of all goods

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 fund-raising events significantly reduces the risk that anyone participating in the event will be accused of any impropriety. Internal controls include segregating duties according to members' 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

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 should 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 school site activities 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

GENERAL DO'S AND DON'TS OF BOOSTER CLUBS

What to do:

- Obtain tax identification number and tax-exempt status, if applicable.
- Open financial account under the above criteria. Maintain records for continued status.
- Create logo and name to be used; the school or district is separate. High school or district logos should not be used without specific authorization of the Superintendent/designee; booster clubs have their own identity.
- Raise funds by using adult membership. Special projects may include students who volunteer.
- Maintain relationship with principal and his/her designee for input of needs.
- Donate all purchases to the school district in accordance with District policy.
- Donate funds to ASB accounts for specific student teams/groups.
- Consult District maintenance department prior to purchasing items that require installation or involve site or building improvements
- Consult business division prior to purchasing goods or services that require on-going maintenance contracts.

What NOT to do:

- Conduct fund-raiser activities that require a student to participate.
- Co-mingle booster clubs funds with ASB funds.
- Represent booster clubs activities as those of the Norwalk-La Mirada Unified School District or one of its schools.

NORWALK-LA MIRADA UNIFIED SCHOOL DISTRICT

Booster Club Manual Acknowledgement Form

As an elected officer to a booster club operating within the Norwalk-La Mirada Unified School District, I certify that I have read the Norwalk-La Mirada Unified School District Unified Booster Club Manual. I understand the procedures outlined in this manual and will adhere to its instruction. At any time should I have questions regarding policies or procedures, or the information outlined in this manual, I will contact 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 school site administrator.

**BOOSTER CLUBS
HOLD HARMLESS AGREEMENT**

Booster clubs and its officers or operators will agree to indemnify, defend, and hold harmless the Norwalk-La Mirada Unified School District, its Board Members, officers, agents, teachers, staff or any other employees from any damage injury or harm involving any student, parent or third party arising from or which occurs in any way as a result of or related to Booster Club activity regardless of location, including every claim or demand made, every liability, loss, damage, or expense, of any nature whatsoever by any student, parent or third party 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 Booster Club or its representatives or participants, including any corporations, district employees, firm or corporation employed by the Booster Club which arises from negligence or misconduct on the part of the Booster Club, its representatives, students or participants , or which in any way is related to Booster Club activity, regardless of date, time or location.

Any injury to or death of persons or damage to property, any loss or theft sustained by persons, firms or corporations, including the applicant participating in Booster Club activity or conduct related to Booster Club activity, or otherwise 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 and during or outside of school hours.

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.

ACKNOWLEDGED BY BOOSTER CLUB PRESIDENT:

Print Name/ Signature: _____

Date: _____

NORWALK-LA MIRADA UNIFIED SCHOOL DISTRICT

Application for Booster Club

New Application
Complete Sections I thru IV

Renewal Application *(required each school year)*
Complete all sections

I. GENERAL INFORMATION				
Name of Organization		School Site		
Mailing Address		School Year		
		Date Requested		
II. EXECUTIVE BOARD OFFICERS				
	Name	Address	Phone	Email
President				
Vice President				
Secretary				
Treasurer				
III. PURPOSE (Describe the purpose of the organization)				
IV. ANNUAL OBJECTIVES (List specific goals for the school year)				
PRELIMINARY APPROVAL				
<p>This certifies you have satisfied sections I thru IV. Please complete remaining sections and resubmit for Final Approval. You are not authorized to operate as a booster organization until all sections have been satisfied and signature for final approval is received from the school site administrator.</p> <p>Initials School Site Administrator: _____ Date: _____</p>				

V. FINANCIAL INFORMATION			
Name of Bank		Account Number	
Address of Bank		Authorized Signers	
Tax ID # (EIN)		Sellers' Permit #	

VI. REQUIRED DOCUMENT (Attach copies)			
<input type="checkbox"/> Booster Club Constitution	<input type="checkbox"/> 501 (c)(3) Federal Determination Letter (if applicable)	<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	
<input type="checkbox"/> Booster Club Manual Acknowledgement Form signed by each Officer	<input type="checkbox"/> Hold Harmless Agreement	<input type="checkbox"/> Proof of Crime/Fidelity Bond Insurance	

FINAL APPROVAL	
<p>This certifies you have satisfied all sections of the Norwalk-La Mirada Unified School District Application for Booster Club. Authorizations are granted per school year. You must resubmit your application annually to continue to operate as a booster organization.</p>	
Signature of School Site Administrator: _____	Date: _____
Authorized Date: From _____ To _____	