



# 2012-2013 BOOSTER CLUB OPERATING MANUAL





# Canutillo Independent School District

7965 Artercraft Road El Paso, Texas 79932  
Mailing Address: P.O. Box 100 Canutillo, Texas 79835

## **FOREWORD**

This manual is designed to assist Booster Clubs and/or School Support Organizations and its members by providing organizational and financial guidance. Only approved organizations, operating under these guidelines and Canutillo Independent School District policies, administrative regulations and procedures, shall be allowed to use the school name and/or facilities in support of its programs. Specific questions regarding booster club and/or school support organizations activities should be addressed to the campus principal/designee or the Internal Audit Office.

## **PUBLIC NOTIFICATION OF NON-DISCRIMINATION**

The Canutillo Independent School District does not discriminate on the basis of race, color, national origin, gender, age or disability in its employment practices, or in providing education services, activities and programs, including technical education programs. For more information regarding the Canutillo Independent School District's policy of non-discrimination contact:

Executive Director for Human Resources  
(915) 877-7423  
7965 Artercraft Rd.  
El Paso, TX 79932

## **NOTIFICACIÓN PÚBLICO DE PRÁCTICAS NO-DISCRIMINATORIAS**

El Distrito Escolar Independiente de Canutillo no discrimina en cuanto a raza, color, origen, género, edad o discapacidad en lo que se refiere a sus prácticas de empleo, o al proveer servicios, actividades y programas educativos y vocacionales. Para mayor información respecto a la política de no discriminación del Distrito Escolar Independiente de Canutillo, favor de contactar a:

Director Ejecutivo de Recursos Humanos  
(915) 877-7423  
7965 Artercraft Rd.  
El Paso, TX 79932

# **ORGANIZATION**

## **Role of the Organization**

Booster clubs and/or school support organizations shall organize and function in a way that is consistent with the District's philosophy and objectives, within adopted Board policies, and in accordance with UIL regulations as applicable.

Each booster organization and/or school support organization must maintain bylaws that are jointly reviewed on an annual basis by the campus principal and the organization's officers. The rules of membership shall be clearly stated in the bylaws. Only active members in good standing shall be permitted to hold office or vote upon any matter of business of the organization. The bylaws must address the organization's fiscal year, structure and the method to be used to elect officers. At a minimum, the booster organization and school support organization shall elect the following officers on an annual basis.

## **President**

Typically, the president of the booster club is the parent/guardian who has been active in the booster club. The major duties include, but are not limited to, the following:

1. Preside at all meetings of the organization;
2. Regularly meet with the campus principal or designee regarding the organization's activities;
3. Resolve problems in the membership;
4. Regularly meet with the treasurer of the organization to review the organization's financial position;
5. Schedule annual audit of records or request an audit if the need should arise during the year;
6. Perform specific duties as outlined in the bylaws of the organization.

## **Vice-President**

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

1. Preside at the meetings in the absence or inability of the president to serve;
2. Perform administrative functions delegated by the president;
3. Perform specific duties as outlined by the bylaws of the organization.

## **Secretary**

The secretary is responsible for keeping accurate records of the proceedings of the organization and reporting to the membership. The secretary must ensure

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

1. Report on any recommendations made by the officers of the organization;
2. Record all business transacted at each meeting as well as any committee meetings defined by the bylaws;
3. Maintain the records of the minutes, approved by the bylaws; current membership and committee listing;
4. Maintain records of attendance of each member;
5. Conduct and report on all correspondence on behalf of the organization;
6. Other specific duties as outlined in the bylaws of the organization.

### **Treasurer**

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

1. Issue a receipt for all monies received and deposit said amounts on a weekly basis (daily if receipts on hand exceed \$250.00);
2. Present a current financial report to the officers and general membership within thirty days of the previous month end;
3. File current financial reports with the campus principals on a monthly basis;
4. Maintain an accurate and detailed account of all monies received and disbursed;
5. Reconcile all bank statements monthly as received and resolve any discrepancies with the bank immediately;
6. File sales tax reports as required by the comptroller's office (monthly, quarterly, or annually);
7. File annual IRS form 990 in a timely manner;
8. Submit records for audit to an audit committee or a designee appointed by the organization upon request or at the end of the year;
9. Other specific duties as outlined by the bylaws of the organization.

### **Election of Officers**

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



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8. Submit records for audit to an audit committee or a designee appointed by the organization upon request or at the end of the year;
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Officers may be elected in a variety of methods (simple majority, secret ballot) in accordance with the organization's bylaws. Recommendations may be taken from the floor at the time of the vote in accordance with Roberts Rules of Order. At no time should officers be appointed without the input and approval of the members. **A District employee may not serve as an officer for booster clubs or other school support organizations. District employees are not authorized to sign checks on behalf of any of these organizations.**

The organization shall provide the name, address, email address and telephone number of newly elected officers and the authorized signers of bank accounts (annually) to the campus principal or designee. Any changes in positions shall be reported to the campus principal in a timely manner.

### **Standards for Meeting**

Notice of all meetings of the booster clubs and/or student support organizations should be published at the campus seventy-two hours prior to the meeting date. The notice should clearly indicate the date and time of the meeting and the items to be discussed. **Such booster and school support organization meetings on campus may not occur without the presence of the campus principal or designee in attendance.**

### **Special Committees**

Special committees are created for a specific purpose and voted upon by the membership. The committee is automatically dissolved as soon as that purpose is accomplished and the committee report is made. The special committee may not be able to complete its assignment during a school year and members may function into the ensuing year until the purpose of the committee has been achieved. Individuals who have a conflict of interest shall not be allowed to serve as members of the committee. For example, senior parents would not be included on a scholarship committee since their child is a potential recipient of the monies.

### **Audit Committee**

At the end of the fiscal year, an audit of the booster club's and/or support organization's financial records should be conducted. The audit should be performed by someone who is independent from day-to-day financial activities. Ideally, this audit should be performed by a group of three individuals; however, if the membership size does not allow, the audit may be performed by two individuals. The primary objectives of the audit are to:

- Verify the accuracy of the Treasurer's financial reports;
- Ensure that the club's cash balances are accurate;

- Determine that established procedures for handling booster and school support organization funds have been followed;
- Ensure that expenditures have been appropriately received and occurred in a manner consistent with the organization's bylaws;
- Ensure that all revenues have been appropriately received and recorded;
- Submit a copy of audited financial report to the campus principal or designee no later than **September 1<sup>st</sup> following the end of the fiscal year.**

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.

### **Mailing Address**

A mailing address must be established to receive correspondence. The mailing address will be used to complete forms required by the District, the Texas Secretary of State, the Texas Comptroller's Office, the IRS, and the bank. *The Booster Club may not use the campus mailing address. Booster Club* invoices, bank statements, fundraising products, etc., shall NOT be sent to any Canutillo ISD campus, but rather to the organization's own address.

The District recommends that a post office box (PO Box) be established. Establishing a permanent address allows for easy transition to new officers. The new officers can assume responsibilities without updating the mailing address and will have immediate access to incoming mail.

### **Rules for Dissolution**

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



## **Liability**

The District will not assume any liability for booster clubs and/or school support organizations activities. The District strongly encourages booster clubs and/or school support organizations to obtain adequate insurance protection for liability and financial fraudulence. Organizations should have various safeguards set up to protect the officers and membership, and funds that are raised. Organizations must provide adequate insurance coverage for activities conducted on school premises. The District cannot provide insurance coverage for booster clubs and/or school support organizations.

It is recommended that the Booster Clubs and/or school support organizations consider obtaining some of the following insurance policies:

A General Liability Policy protects not only the organization, but protects the individual member.

An Accidental Medical Policy provides additional coverage for out of pocket medical expenses to help deter lawsuits and to provide coverage where the General Liability Policy does not. This policy does not replace your liability policy, but is a complement.

The Bond or Commercial Crime Policy is set to protect your money and securities in the event they are embezzled, stolen, or fraudulently altered.

The Officer's Liability Policy is set up to protect the way you manage your organization and the decisions that are made by you and other board members. These decisions include what type of fundraiser to have where to hold the event or any other managerial decisions.

A Property Policy provides protections for the personal property of your organization from such perils as theft or fire. One thing that most organizations don't realize is that your Property Policy can also protect your fundraising merchandise, auction items, and raffle prizes.

## **FEDERAL AND STATE REPORTING**

This section provides general tax information to organizations. It is each organization's responsibility to seek competent professional tax advice for its own tax reporting and filing requirements. The information provided in this document is not intended to be specific or all inclusive:

### **Application for Federal Tax Exempt Status 501 (C) (3)**

- General instructions on the rules and procedures for federal tax exemptions may be found in the Internal Revenue Service (IRS)

Publication 557 – How to Apply for Recognition of Exemption for an Organization.

- The booster organization and school support organization must apply for exemption from federal taxes on Form 1023, Application for Recognition of Exemption under Section 501 (c) (3).
- The application must be accompanied by Form 8718, User Fee for Exempt Organization Determination Letter Request, which provides a user fee to be paid to the IRS, depending on the anticipated annual gross receipts. Upon acceptance of the organization's exempt status by the IRS, a determination letter will be received as evidence of approval. The letter should be kept in a safe, permanent place as it will be used time and again to prove the organization's exempt status.
- Each organization must submit to the campus principal and the District's Finance Department a copy of the determination letter issued by the Internal Revenue Service with regard to the organization's exempt status.

**Note:** Instructions for completing these forms and copies of these forms can be found on the IRS website at [www.irs.gov](http://www.irs.gov) under "forms and publications." The IRS main number is 1-800-829-1040, and the Tax Exempt Section is 1-877-829-5500.

### **Application for Employer Identification Number (EIN)**

- The IRS requires all organizations that conduct business to have their own Employer Identification Number.
- The EIN is obtained with the SS-4 Form from the IRS. (A member's social security number should not be used as the organization's EIN for banking or other business purposes. Organizations are not allowed to use the District's EIN.) The EIN will be the number used to establish a bank account for the organization.
- The organization must file its Articles of Incorporation and Bylaws with the Secretary of State's Office as a non-profit association. Typically, an attorney licensed in the State of Texas completes the articles of incorporation. Further information may be obtained on the Secretary of State's website at [www.sos.state.tx.us](http://www.sos.state.tx.us).
- When a number is assigned to the organization, ensure that the paperwork is maintained in a permanent file from year to year.
- The recommended fiscal year end for a booster club or school support organization is June 30<sup>th</sup>.
- Note: An organization can now apply for an EIN number online on the IRS website at [www.irs.gov](http://www.irs.gov), then under "forms and publications" insert "employer identification number" and continue to complete the application process online.

## **Annual Filing Requirements**

Every booster organization and school support organization exempt from federal income tax under section 501 (c) is required to determine the necessity of filing an annual Form 990, Return of Organization Exempt from Income Tax. It is the responsibility of the organization to determine whether filing is required and, if so, to complete the requisite filing.

Further, even though booster organizations and school support organizations are recognized as tax exempt, they may be liable for tax on the portion of income deemed to be unrelated business income (UBI). UBI is income from a trade or business activity, regularly carried on that is not substantially related to the charitable, education or other purposes that are the basis for the organization's exemption. Each organization must determine whether additional forms must be filed in this regard. More information can be obtained from Publication 598, Tax on Unrelated Business Income of Exempt Organizations.

## **Public Disclosure**

A nonprofit organization must provide copies on request of its original application for tax exemption, including any supporting documents filed by the organization in support of its application, plus any letter document issued by the IRS in connection with the application. When a request for information is made in person, the booster organization and/or school support organization is required to furnish the requested information immediately under IRS guidelines. Further, the organization will be required to comply with the timelines established by the Texas Public Information Act, Texas Government Code Chapter 552.

## **SALES TAX**

### **Application for State Sales Permit Number**

#### **Taxable Status of Purchases**

- All booster clubs and school support organizations **must** apply for their own sales permit number. They **may not** use another organization's or the District's sales permit number.
- Application forms for a sales permit number may be obtained from the Texas Comptroller of Public Accounts.
- 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 functions.
- Each organization can have two tax-free sales days per calendar year according to Texas State Sales Tax Law.
- No item purchased tax-free by an exempt organization can be used for the personal benefit of a private party or individual.



- A booster organization and school support organization must provide the vendor with a valid signed exemption certificate when claiming state sales tax exempt status.
- Items which become the personal property of the student (cheerleader uniforms, band t-shirts, etc.) even though connected with a school or organization, are not exempt from tax. Items which are purchased by the organization through budgeted funds as an award to a student are not taxable.
- Meals purchased by the organization for athletic teams, bands, etc. On authorized school trips are exempt from sales tax if the organization contracts for the meals. The booster organization and school support organization must pay for the meals with a booster and school support organization check and provide an exemption certificate.
- Individual members of the athletic team, band, etc., may not claim exemption from the sales tax on the meals they purchase while on a school authorized trip.

## **ACCOUNTING FOR TRANSACTIONS**

### **Method of Accounting**

There are a wide variety of computerized accounting packages available to assist the organization in accurate financial reporting; manual record keeping is not the recommended method of reporting. Rather, each organization should adopt an accounting package or computerized accounting method to be used for several fiscal years. At a minimum, the membership should be provided with a financial statement and bank reconciliation at each meeting. The financial statement should detail the budget to actual expenditures and receipts. Cash receipts and disbursement reports should be available for review when needed or at the annual audit. **Any individuals who actively coach or direct a UIL activity should not have control or signature authority over organizations funds.**

### **Cash Receipt Procedures**

All cash collections received by the booster organizations and school support organizations for fees, dues, fund raising, etc. must be deposited upon receipt. All funds must be supported by some type of record documenting the source and amount of funds (tabulation of monies collected form; cash receipt form, ticket sales record, etc.). Such documentation shall be readily available for audit purposes.

Deposits shall be made daily if the total receipts on hand exceed \$250. If daily receipts are less than \$250, deposits shall be made within one week; even if the receipts for all days combined are less than \$250. All money must be deposited prior to holidays and weekends.



Bank deposits should be prepared as follows to ensure the integrity of the financial reporting:

1. Separate all currency and coins by denomination and carefully count and record it in the appropriate section of the bank deposit form.
2. Indicate individual checks on deposit slip form.
3. Total the deposit slip.
4. Tally the pre-numbered cash receipts and make certain that this total matches the deposit total.
5. For large deposits, have another individual independently count the currency and coins, and verify that the amounts have been correctly recorded on the deposit slip.
6. Both individuals should initial the deposit slip next to the currency amount on the deposit slip.

### **Petty Cash**

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

### **Bank Account**

To open a bank account, the organization must first obtain an Employer Identification Number (EIN).

- The school's name should not be solely used on the organization's checks or on its literature. The use of the school name only might imply that the school or the District is responsible for any obligations entered into by the club. The name must include the organization's name on the bank account. Example: John Doe High School Bank Booster Club.
- It is suggested that at least two (2) officers sign each disbursement. Both signers should be parents or guardians with children in the respective school campus. **School District employees may not serve as the treasurer nor be authorized to sign checks for the organization.**
- All funds received should be receipted and deposited within 24 hours of receipt. Commingling of the organization funds and school activity funds is prohibited.
- 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 to the Board of Directors, Executive Board or Officers.

## **Disbursement of Funds**

Direct payment and gifts to employees and alcoholic purchases are not permitted uses of booster and school support organization funds.

Booster organizations and school support organizations may not contribute funds in an effort to increase the personnel allocations and/or stipends of a particular program or campus without the express written approval from the Human Resources and/or Financial Services Division.

A disbursement voucher should be completed for all expenditures regardless of the amount. The appropriate supporting documentation (invoices, receipts) should then be attached to the disbursement form and filed in check number order. At no time should a check be issued without the appropriate supporting documentation.

## **1099 Requirements**

Internal Revenue Service guidelines require that all payments for services in excess of \$600.00 made to an individual by a booster organization and school support organization be reported on a form 1099 on an annual basis. The booster organization and school support organization should secure an IRS form W-9 from the provider at the time of service to ensure that the organization has an accurate record of the tax payer identification number. The organization must then issue a form 1099 to all qualifying vendors performed in the calendar year by January 31<sup>st</sup>.

## **Fund Raising**

All booster organizations and school support organizations shall complete a fund raising application for each type of planned, scheduled or anticipated event, activity, or product sale and receive the approval of the campus principal or designee. This application details the vendor (if any), product to be sold or service to be rendered (See "Forms" tab). For safety reasons, the district discourages door-to-door solicitation. Please refer to District Policy CFD (Local) and Administrative Regulation CFD (See "Misc." tab).

## **Donations**

School district staff and students are discouraged from accepting gifts of value. Students engaged in UIL activities shall not accept gifts except as provided by UIL Constitution and Contest Rules.

Donations to the District shall become the sole property of the District and not of the accepting organization. Gifts to the District must meet the following criteria:

- Must have a purpose consistent with District purposes.
- Place no restrictions on the school program.
- Do not require the endorsement of a business product.
- Do not conflict with policies or actions of the Board or public law.
- Do not require extensive District maintenance.

To be deductible as a charitable contribution, a payment to charity must be a gift. A gift to charity is a payment of money or transfer of property without receipt of adequate consideration and with donative intent. Generally Accepted Accounting Principles require that the asset be recorded at its fair market value at the time of the donation. The District will make no determination of value for Internal Revenue Service purposes.

A gift or grant to a campus or the District that may impact a campus (i.e. facility, grounds, infrastructure, technology, or curriculum) must have prior approval by the campus principal and the Superintendent and/or the Financial Services Division prior to the acceptance/purchase of such gift.

## **Tools for Success**

The following guidelines apply to all parent/booster/school support organizations. If a question should arise which cannot be resolved at the campus level, the District's Internal Audit Office should be contacted for clarification.

### **Organizations should:**

- Hold all meetings publicly and announce in advance, according to the organization's bylaws.
- Be voluntary and provide unified support for student success at the school.
- Encourage involvement by all parents of student participating in the support activity.
- Use school facilities only with prior approval of the principal or designee.
- Obtain approval of the principal or designee for all fundraising activities.
- Have a campus administrator or designee present at all booster and school support organization meetings.
- Submit a copy of current bylaws and operating procedures to the principal or designee.
- Submit the name, address, email address, and phone number of all current officers and the authorized signers of bank account to the principal or designee.
- Provide adequate insurance coverage for its organization.
- Comply with Board policies when donating money or gifts to the District.

- Comply with UIL Guidelines, District policies, and Federal and State tax laws.
- Obtain Federal tax exempt status.
- Obtain an Employer Identification Number.
- Obtain a State Sales Permit.
- Submit IRS Determination letter to campus principal and/or Financial Services Division.
- Follow the same standards of conduct as district employees when chaperoning, sponsoring or attending student activities, including rules in the campus handbook.

### **Organizations should not:**

- Have authority in directing or influencing District employees in the administration of duties.
- Be involved in decision or policy making activities for a student group.
- Give a sponsor or coach a gift of cash in excess of the limits imposed by the UIL guidelines from any source in recognition of, or appreciation for coaching, directing or sponsoring student activities.
- Give anything (including awards) to students without prior approval from the school administration. (Faculty sponsors wish-lists should have received prior approval from school administration before submission to an organization.)
- Give a member any gift without the approval of the club membership.
- Employ or pay any member for services rendered with the organizations funds.
- Sign contracts or pay expenses directly from the organizations accounts for any arrangements for student travel associated with the organizations without the prior approval of the principal. (Organizations may donate money or merchandise to the school with prior approval of the administration.)
- Use the District's tax identification number as the organization's identification number.
- Use the District's sales permit number as the organization's sales permit number.

### **Other Considerations:**

- Any action taken at the meeting will be subject to review and revocation by the sponsor, principal or designee.
- Each individual student's or group of students' participation will be determined by the sponsor, the principal/designee and not by the organization or any member(s). Participation is considered to be a privilege and not a right, and will be based on a proven record of good conduct and dependability. Lack of such demonstrated behavior on the part of anyone will be grounds for disapproval for participation and travel.



- There will be no student activities, parties, meetings, travel, or other gathering in the name of the school organization, booster organization, or school support organization unless prior permission has been received from the sponsor and the principal or the sponsor is present. All activities will be under the auspices of the school and the district.
  - School employee and student planning and preparation for activities supported by the booster organization and school support organization will occur outside of the school day or as approved by the principal/designee.
  - Activities and travel sponsored by booster organizations and school support organizations must be outside the school day or as approved by the appropriate campus principal.
  - The educational purposes of all activities should be a major consideration- there will be no travel for purely leisure or recreational purposes.
  - Participation in any activity or travel associated with booster and school support organization activities is a privilege and not a right for all involved. All student and employee travel will be under the auspices of the school and all participants will be approved by the sponsor and principal.
  - No cash will be given to any school employee to use at his or her discretion;
  - The purchase or consumption of alcoholic beverages while on school property, at school-related or school-sponsored activities, or in the presence of students, is specifically prohibited;
  - Organizations shall not directly support political activities by providing campaign donations or placing advertisements in support of a particular candidate as doing so could jeopardize the tax-exempt status of the organization;
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- Booster organizations and school support organizations may not contribute funds in an effort to increase the personnel allocations and or stipends of a particular program or campus without the express written approval of the Financial Services Division;
  - Booster organizations and school support organizations may not contribute funds for contracted services or campus travel to enhance professional development without the express written approval of the Financial Services Division.

### **Top Ten Ways to Protect Your Organization against Embezzlement**

1. Money should never be kept at a treasurer's home.
2. Two people should always count the money, and both should sign the receipt verifying the amount.

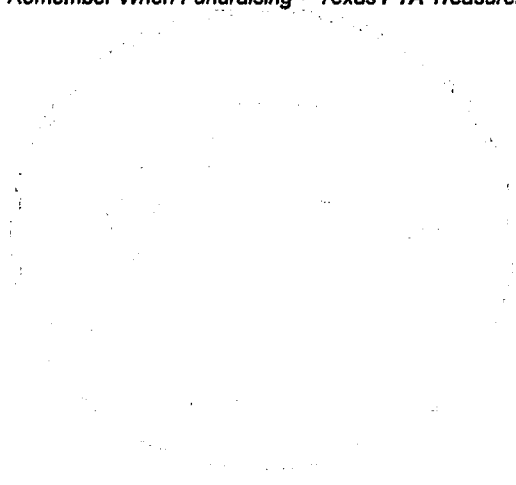
3. Two signatures should be required on all checks.
4. Have a member who does not have check signing authority review the bank statement monthly before giving it to the treasurer. This person is looking for red flags including: checks showing up in non-sequential order, checks made out to cash, cash withdrawals, checks written out to non-approved vendors, checks written for non-approved expenses, and checks written out to individuals.
5. Never sign a blank check or a check made out to "cash."
6. The treasurer should arrange to deposit the money in the bank as soon after the conclusion of the project if possible.
7. Money should be deposited into the organization's bank account daily, even if a project is ongoing.
8. All bills must be paid by check, never cash.
9. Conduct an annual audit of the books.
10. Make sure that you have a Bond policy and make sure to follow the requirements to guarantee coverage.

### **Top Ten Things to Remember When Fundraising**

1. Have a specific goal for each fundraiser, regularly remind yourself and your volunteers of that goal, and promote it to the community.
2. Assign an organized person to serve as fundraising chairman.
3. If you are using a fundraising company, know the company or check out references and have a written contract.
4. Select a program with a good service package that fits your needs.
5. Make sure the product you're selling represents a good value at a fair price.

6. Look for fundraising activities that have educational value and promote community involvement.
7. Delegate and involve as many volunteers as possible.
8. Keep it short. People lose interest in long projects.
9. Don't overdo it. Remember, kids are in school to learn and parents can only afford so much. Also, remember the children must never be placed in a position of risk.
10. Have fun. It's got to be fun.

*Top Ten Things To Remember When Fundraising - "Texas PTA Treasurer Chairman's Guide"*





## Booster Club Guidelines



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

## | GENERAL GUIDELINES |

### The role of competition

Participation teaches that it is a privilege and an honor to represent one's school. Students learn to win without boasting and to lose without bitterness.



Self-motivation and intellectual curiosity are essential to the best academic participants. Artistic commitment and a desire to excel are traits found in music participants. Physical training and good health habits are essential to the best athletes. Interscholastic competition is a fine way to encourage youngsters to enrich their education and expand their horizons.

Leadership and citizenship experiences through school activities help prepare students for a useful and wholesome life.

Plus, competition is fun!

### Role of the Superintendent

Member schools make UIL rules and determine policies regarding penalties to schools, school district personnel and student participants. The superintendent is solely responsible for the entire UIL program. All school activities, organizations (including the booster club), events and personnel are under the jurisdiction of the superintendent. Booster clubs must recognize this authority and work within a framework prescribed by the school administration.



### Role of Booster Clubs

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

### Written Policies

Booster clubs should develop and annually review policies to cover:

- \*how to obtain administrative approval before beginning projects;
- \*how to plan and publicize meetings;
- \*bookkeeping and fund administration including process to obtain superintendent's approval prior to raising or spending funds;
- \*election of officers (suggestion: one president; one secretary; one treasurer; and three vice - presidents: one vice



president to oversee fall, winter and spring sports);

- \*taking, distributing and filing minutes;

- \*public communication;

- \*proper interaction with fine arts directors and academic and athletic coaches through the lines of authority as established by the school board;

- \*a sportsmanship code governing behavior of booster club members and fans at contests, treatment of officials, guests, judges, etc.; and

- \*plans to support the school regardless of success in competition, keeping the educational goals of competition at the forefront of all policies.

### Relationship with the school

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

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

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

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

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

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

## | CLUB FINANCES |

### Fundraising | Spending | Stipends | Gifts to Coaches

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

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

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

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

money go to outside promoters.

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

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

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

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

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



## | ATHLETIC BOOSTERS |

### Club restrictions

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

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

- \*Booster groups or individuals may donate money or merchandise to the school with prior approval of the administration. These kinds of donations are often made to cover the cost of commercial transportation and to cover costs for out-of-town meals. It would be a violation for booster groups or individuals to pay for such costs directly.

- \*Individuals should be informed of the seriousness of violating the athletic amateur rule.

The penalty to a student-athlete is forfeiture of varsity



athletic eligibility in the sport for which the violation occurred for one calendar year from the date of the violation. Student athletes are prohibited from accepting valuable consideration for participation in school athletics - anything that is not given or offered to the entire student body on the same basis that it is given or offered to an athlete. Valuable consideration is defined as tangible or intangible property or service including anything that is usable, wearable, salable or consumable. Local school districts superintendents have the discretion to allow student athletes to accept, from their fellow students, small 'goodie bags' that contain candy, cookies or other items that have no intrinsic value and are not considered valuable consideration.

\*Homemade "spirit signs" made from paper and normal supplies a student purchases for school use may be placed on the students' lockers or in their yards. Trinkets and food items cannot be attached. Yard signs made of commercial quality wood, plastic, etc. if not purchased or made by the individual player's parent, must be returned after the season.

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

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

### **Official Interpretation of the UIL Athletic Amateur Rule, section 441 of the UIL Constitution and Contest Rules:**

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

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

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

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

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

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

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

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

### **| ACADEMIC BOOSTERS |**

The rules for athletics are different than the rules for academics and music. Athletes are restricted by the Athletic Amateur Rule, which states that athletes cannot accept money or valuable consideration for participating in a UIL sport or for allowing their names to be used in promoting a product, plan or service related to a UIL contest. Academics has no amateur rule. Journalism participants may work for a newspaper and be paid. Actors may work summer stock and be paid. Students may win calculators and software for participating in invitational math contests.



UIL academic students are restricted by the Awards Rule. So, as a general practice, booster clubs should not give gifts or awards to students for their participation in UIL contests that count toward district, region or state standing. School booster clubs may raise money to purchase letter jackets, provided the funds are given to the school without designation to buy jackets for particular students and the school determines criteria for awarding the jackets. Parents may purchase jackets for their own children provided the school designates the student as being qualified to receive the jacket.

Booster Clubs may raise money to provide an annual banquet for academic participants and coaches.

With prior administrative approval, you may also:

\*Purchase equipment for programs such as computers or software for yearbook or computer science;

\*Organize and chaperone trips and assist with expenses for travel to academic competitions or educational trips such as journalism conventions or speech tournaments. Booster club funds may be used to provide food and refreshments for students on these trips. A purely recreational trip to Six Flags



Over Texas would not meet the definition of an educational field trip and could be considered a violation of the Awards Rule;

- \*Run tournaments, organize fund-raising efforts, recruit corporate donors, raise money for scholarships and arrange for tutors and professional trainers to work with students;

- \*Fund academic workshop scholarships provided selection of the recipients is not based solely on their success in interscholastic competition. Selection could be based on grade point average or the student's selection of high school courses. All students meeting the conditions for scholarship assistance should be notified and eligible for financial assistance. Funds should be monitored to ensure that they are expended for camp or workshop purposes.

We wish we had more academic booster clubs, whether they cover UIL academic competition in general or specific programs such as theatre, speech/debate, journalism or math/science. A great need exists for parental involvement and support.

## | MUSIC BOOSTERS |

In addition to the general procedures outlined, the following guidelines apply to Music Booster Club activities.

- \*Some music booster clubs assist with expenses for travel to various music-related activities such as UIL contests and performances at away athletic events. Such financial support violates no UIL rules provided that it is approved and coordinated by the local school district.

- \*Many music groups schedule educational field trips with the approval of the local school administration and under local school district policies. For such trips, specific educational components must be included such as performing for a music festival, an adjudicated contest or a concert tour. Marching performances such as the Macy's Thanksgiving Day Parade, the Rose Bowl Parade or other similar ceremonial appearances also qualify. However, educational components need not be limited to performances. Concert attendance, visiting university/conservatory music facilities and other music related, non-performing opportunities would also be appropriate if approved by the local school district.



- \*A recreational trip, on the other hand, would not meet the definition of an educational field trip as provided in Section 480 of the UIL Constitution and Contest Rules. Students receiving the benefits of a purely recreational trip would likely be in violation of the Awards Rule.

- \*Booster Clubs may also fund scholarships for private

lessons and summer music camps provided the selection of the recipients is not based on success in interscholastic competition. Funds for such activities should be carefully monitored to ensure that they are expended for educational rather than recreational activities.

- \*The awarding of patches, T-shirts or other items for achievement in interscholastic competition would be subject to the UIL Awards Rule. In order to protect all music students' eligibility, such awards should be approved and administrated by the local school district in accordance with school district policies.

- \*Be mindful of the fact that there is no Music Amateur Rule. Therefore, limitations established in athletics intended to ensure compliance with the Athletic Amateur Rule do not apply to music programs and related activities.

## What You Can Do:

### Parents

- \*Remember: The classroom comes first!
- \*Help conduct fair and equitable competition: adhere to rules, uphold the law and respect authority.
- \*Remember that officials are human. Respect their decisions.
- \*Delegate authority to the school, then support its decisions.
- \*Set standards by which you expect children to conduct themselves, and live by those standards yourself.
- \*Be aware of capabilities and limitations of young people. Don't have unrealistic expectations.
- \*Allow your children to live their own lives.
- \*Be involved in areas in which your own child is not involved, thus contributing to school unity and spirit.
- \*Show respect to the opponents of your children.
- \*Praise. Don't criticize. Urge others to do the same.
- \*Help your children and their friends develop integrity through the intensity of competitive activity.

### Work with the administration

- \*Positive and direct communication can prevent most problems. Keep the superintendent informed of all activities.
- \*Make sure your local administration has a copy of all club publications.
- \*Invite administrators to all booster club meetings.
- \*Have an officer meet with the school administration regularly.
- \*Have a chain of command for communication with the administration.
- \*Clear all activities through your administration.

### Coaches and Fine Arts directors

- \*Be sure your booster club wish list has been approved by your supervisor before it goes to the booster club.
- \*Work with your administration to determine what your club can provide.
- \*Make your request to the club benefit as many students as possible.
- \*Attend the booster club meetings and/or know what the club is doing.
- \*Understand that your advisory role to the boosters is without vote.
- \*Support other programs within your district.
- \*Meet with parents regularly and make them aware of relevant rules.
- \*Involve your staff with your booster club. Let the booster club know who your staff is and what duties they perform.

[www.uilTEXAS.org](http://www.uilTEXAS.org)





# SALES AND USE TAX BULLETIN

July 2009

Susan Combs, Texas Comptroller of Public Accounts

## School Fundraisers and Texas Sales Tax

Texas school districts, public schools, qualified exempt private schools and each bona fide chapter within a qualifying school are exempt from the payment of Texas sales and use tax on purchases of taxable items for their use, if the purchases are related to the organization's exempt function.

The organization must obtain a sales tax permit and collect and remit sales tax on taxable items it sells unless one of the exemptions listed below applies. An organization does not have to register for a sales tax permit if all its sales are of exempt items or if its sales take place through tax-free fundraisers.

### Two One-Day Tax-Free Sales

School districts, public schools, qualified exempt private schools and bona fide chapters within a qualifying school may conduct two one-day tax-free sales or auctions each calendar year. For the purposes of this exemption, one day is counted as 24 consecutive hours and a calendar year is the 12-month period from January through December. See subsection (h) of Rule 3.322, "Exempt Organizations."

For example, a school may sell taxable items such as t-shirts, hats, uniforms, school supplies or crafts

tax-free on a designated tax-free sale day. These days should be designated in advance so that purchasers are aware that the sales are not subject to tax. The organization may not collect tax on the transactions and keep the tax under the "tax-free" sale provision. The exemption does not apply to any item sold for more than \$5,000 unless it is manufactured by the organization or donated to the organization and not sold back to the donor.



Either the date on which the items are delivered by the vendor to the school organization or the day on which the school organization delivers the items to its customers may be designated as the one-day tax-free sale day. Persons buying from surplus inventory on the designated date do not owe tax. Those buying on subsequent dates owe tax unless the purchase occurs on the organization's other tax-free sale day.

For example, a school group selling yearbooks may accept pre-orders without collecting tax if the day the yearbooks will be delivered to customers is designated as one of the group's tax-free fundraisers. Surplus yearbooks sold during the same day also qualify for the exemption. Surplus yearbooks sold on other days are taxable unless sold at the group's other tax-free fundraiser.





# SALES AND USE TAX BULLETIN

## School Fundraisers and Texas Sales Tax

If two or more groups hold a one-day tax-free sale together, the event counts as one tax-free sale for each participating organization. Each of those organizations then is limited to one additional tax-free sale during the remainder of the calendar year.

If an exempt organization is purchasing taxable items for resale during its designated tax-free sale days and it holds a sales tax permit, the organization may either give the retailer a resale certificate, Form 01-339 (front), or an exemption certificate, Form 01-339 (back) to purchase the items tax-free. A non-permitted exempt organization, however, may purchase items for resale tax-free by issuing an exemption certificate to the vendor for items sold during its two one-day, tax-free sales.

### Schools and Bona Fide Chapters

To qualify as a bona fide chapter of a school, a group of students must be organized for an activity other than instruction or to have a tax-free sale. Bona fide chapters include student groups recognized by the school and organized by electing officers, holding meetings and conducting business. There is no limit on the number of bona fide chapters a school can have. Bona fide chapters can include whole grade levels (e.g. senior class, junior class or freshmen), but cannot be limited to specific classes (e.g. Senior English or Biology II). Various other school groups such as a student council, science club or drama club can qualify if they are composed of students and school staff.

A department of a school, such as a purchasing, accounting, maintenance or IT department, is not a bona fide chapter even though it is part of the school or school district.

Groups that are not considered bona fide chapters, unless otherwise qualified to hold the two one-day tax-free sales, must obtain a sales tax permit and collect and remit sales tax on all taxable items sold at

fundraisers. Non-student organizations such as booster clubs and PTAs/PTOs cannot qualify as bona fide chapters of a school, but may qualify for the tax-free sale days under other provisions of the Tax Code. See the "Nonstudent Nonprofit Organizations" section in this publication for more information.

### Non-Qualifying Fundraisers –

#### Acting as an Agent or Sales Representatives

When a school, school group, PTA/PTO, booster club or other exempt organization raises funds by acting as a sales representative or commissioned sales agent for a for-profit retailer, the group is not responsible

for reporting and remitting sales and use tax. As a result, however, the exempt organization is not considered to be the seller and cannot use a tax-free sale day for this type of event. In these cases, the group receives a commission for holding a book fair or for selling candy, gift wrap, holiday ornaments, candles or similar items.

When an exempt organization acts as a commissioned sales agent or representative for a for-profit seller, the seller should provide instructions and information regarding the proper collection of tax. The for-profit retailer may

advertise in the sales catalog or state on each invoice that tax is included or require that tax be calculated and collected based on the selling price of each taxable item. The for-profit retailer is then responsible for remitting the tax collected or backed out to the Comptroller. Similarly, sales of taxable items made through the Web site of a for-profit retailer are also taxable and may not be sold tax-free in connection with a fundraiser.

### Nonstudent Nonprofit Organizations

Nonstudent nonprofit organizations that are not bona fide chapters of schools may qualify for two one-day tax-free sales or auctions on their own.

A **booster club** for a band, football team or similar group may hold two one-day tax-free sales or auctions







# SALES AND USE TAX BULLETIN

## School Fundraisers and Texas Sales Tax

once it has obtained a sales tax exemption from the Comptroller's office on its purchases.

A nonprofit organization with an Internal Revenue Service (IRS) exemption under Section 501(c)(3), (4), (8), (10) or (19) is exempt from sales and franchise taxes. A booster club that has a 501(c) federal exemptions should complete AP-204 and submit it, along with a copy of its IRS exemption letter, to the Comptroller's office. After the Comptroller's office notifies the club of its exempt status, the club can hold two one-day tax-free sales or auctions each calendar year.

**Parent-teacher associations** (PTAs) affiliated with the Texas state PTA or the national PTA are exempt as educational organizations and can hold two one-day tax-free sales or auctions each calendar year. **Parent-teacher organizations** (PTOs), as well as **parent-teacher-student associations** (PTSAs) and **organizations** (PTSOs), are also exempt from sales tax as educational organizations.

PTAs *not* affiliated with the Texas state PTA or the national PTA, parent-teacher organizations (PTOs) and parent-teacher-student associations (PTSAs) and organizations (PTSOs) are also eligible for exemption from sales tax as educational organizations. These organizations should complete form AP-207 and submit it to the Comptroller's office. Once the exemption has been granted, these organizations can also hold two one-day tax-free sales or auctions each calendar year.

Sales of taxable items by PTAs, PTOs, PTSAs, and PTSOs made at other times of the year are subject to tax.

### Internet Sales

Sales of taxable items over the Internet are treated the same as sales of taxable items made at the school or at any other sales location. Schools, school groups and

other non-student, nonprofit organizations that accept online orders through a Web site must collect sales tax on taxable items they sell online. An online sale occurring during a one-day tax-free sale, however, would qualify for the exemption.

### Food and Beverage Sales

A public or private elementary or secondary school, school group or PTA/PTO does not have to collect tax on sales of meals and food products (including candy and soft drinks) if the sales are made during the regular school day and by agreement with the proper

school authorities. This exemption includes food, soft drinks and candy sold through vending machines.

PTAs/PTOs and other qualifying groups associated with a specific public or private elementary or secondary school or school group may also sell meals, food, candy or soft drinks tax-free outside of the school day if the sales are part of the organization's fundraising drive and all net proceeds go to the group for its exclusive use.

### Concession Stands

Concession-stand food sales are exempt from tax when made by a school group, PTA/PTO or other group (such as a booster club) associated with a public or private elementary or secondary school, if the sales are part of the organization's fundraising drive and all net proceeds go to the organization for its exclusive use. The exemption applies to sales of soft drinks and candy, but does not include sales of alcoholic beverages. The group can issue an exemption certificate in lieu of paying tax on purchases of candy, sodas, gum and other taxable food items sold at its concession stand. The exemption certificate should state that the group will sell the items as a fundraiser.

### Annual Banquets and Annual Food Fundraisers

All volunteer nonprofit organizations can hold a tax-free annual banquet or other food sale provided the





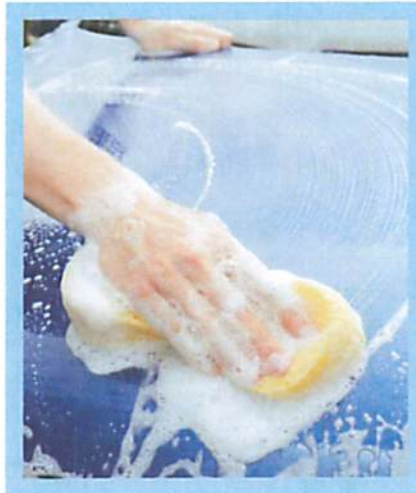


# SALES AND USE TAX BULLETIN

## School Fundraisers and Texas Sales Tax

event is not professionally catered; is not held in a restaurant, hotel or similar place of business; is not in competition with a retailer required to collect tax; and the food is prepared, served and sold by members of the organization. The exemption does not apply to the sale or purchase of alcoholic beverages. To qualify for exemption, the food sale must:

- be an annual event;
- last no more than one week;
- be a fundraising project exclusively provided by the volunteers of the participating nonprofit organizations;
- be non-commercial in every respect (that is, the food and beverages cannot be prepared or served by a caterer or a restaurant, and must be prepared and served by the participating organizations' volunteers, without pay); and
- not be held in competition with a retailer at the same event who must collect tax on food and beverage sales.



The annual food sale or banquet exemption does not apply to sales of alcoholic beverages or non-food items (e.g., arts, crafts or t-shirts). Alcoholic beverages are not food products and are taxable. The type of tax due (sales tax or mixed beverage gross receipts tax) depends upon the type of permit held by the selling organization. Sales of alcoholic beverages, including beer, wine and mixers, are subject to the Texas 14 percent mixed beverage gross receipts tax when sold by a mixed-beverage permit holder, while sales of beer and wine made by a beer and wine-only permit holder are subject to sales tax.

### Nontaxable Sales

Some items are not subject to sales tax no matter who sells them.

### Nontaxable Food Items

Sales tax is not due on nontaxable food items. Examples of such items include cookie dough, pizza kits, cheese spreads, meat sticks, jelly, salsa, fresh fruit and mixes packaged for preparation at home.

### Magazine Subscriptions

Subscriptions to magazines entered as periodicals-class (formerly called second-class) mail and sold for six months or more are exempt from sales tax. Single issues and subscriptions for fewer than six months are taxable, however.

### Bakery Items

Bakery products (including but not limited to pies, cakes, cookies, bagels and muffins) are exempt unless sold with plates or eating utensils.

### Gift Certificates and Passbooks

Sales of intangibles such as gift certificates and coupon passbooks are not subject to sales tax. Instead, retailers should collect tax when the certificate or coupon is redeemed for the purchase of taxable merchandise or services. The tax is based on the item's actual retail selling price less any cash discount given at

the time of the sale (e.g., a deduction for a coupon). Of course, if the gift certificate is for a nontaxable service such as a haircut, manicure or facial, no sales tax is due when the certificate is redeemed. Taxable services are listed in "Taxable Services" (Tax Publication 96-259.)

### Car Washes

Washing a car is not a taxable service under the Texas Tax Code. Groups holding car washes are not required to collect tax on their charges for this service.

### Amusement Services

The sale of an amusement service provided exclusively by a nonprofit organization, other than an IRS Section





# SALES AND USE TAX BULLETIN

## School Fundraisers and Texas Sales Tax

501(c)(7) organization, is exempt from sales tax. For example, the sale of an admission ticket to a school carnival, dance, athletic event or musical concert is exempt.

### Periodicals and Writings

Periodicals and writings (reading materials including those presented on audio tape, videotape and computer disk) are exempt from tax if published and distributed by a religious, philanthropic, charitable, historical, scientific or other similar organization not operated for profit. A "similar" organization must be organized for a benevolent purpose and must not be operated for profit. Similar organizations include PTAs, PTOs, PTSAs and PTSOs, but exclude all public and private educational organizations.

This means that PTAs, PTOs, PTSAs and PTSOs may publish and sell printed reading materials such as yearbooks, books, calendars, directories, magazines, brochures and newsletters without collecting sales tax. The qualifying organization may issue a properly completed resale certificate to the printer in lieu of paying tax on charges for printing, binding and item placement.

Items that contain printed materials that can be read but primarily serve other purposes or functions, such as school logo t-shirts, bookmarks, photographs and novelties, are subject to sales tax *unless* sold during a qualifying and designated tax-free sale or auction.

School districts, schools and school groups, however, must collect tax on sales of printed reading materials unless the sale is designated as one of the organization's tax-free fundraisers.

### Donations

A purchaser using personal funds may give an exemption certificate to vendors when buying taxable items

that will be donated to a qualifying organization, such as a school, before the individual makes any use of the items. The exemption certificate must state that the taxable item is being purchased by the individual for donation to an exempt organization and must clearly identify the organization accepting the a donation (see Tax Code Section 151.155[b]). If the purchaser makes use of the item before it is donated, the purchaser is responsible for paying or accruing tax on the item's purchase price.

Donations (gifts) of cash or taxable items or services made to an organization are not taxable sales unless

the exempt organization gives the donor a taxable item in exchange for the donation, and the item is of proportionate or equal value to the donation.

### Sales to Students

Generally, other than the exemptions previously identified, schools and associated groups must collect, report and remit sales tax on taxable items that they sell or taxable services they provide to others, including sales made to students.

Schools may issue a resale certificate in lieu of paying tax to suppliers when purchasing taxable items to sell. Schools may issue an exemption certificate in lieu of paying tax when purchasing taxable items for their use or for giving away to students or others as part of a course of instruction. A district must collect tax on the sales price of taxable items when selling them to students or to others.

For example, if a school sells uniforms, gloves and shoes to drill team members, it must collect tax on the sales unless it designates their sale as one of its two one-day tax-free sales. The school may purchase the uniforms tax-free for resale to the drill team members.

The table on the following page is a short list of examples of taxable and nontaxable sales.







# SALES AND USE TAX BULLETIN

## School Fundraisers and Texas Sales Tax

TAXABLE	NONTAXABLE
Rental of tangible personal property such as locks, musical instruments, calculators and computers	Rental of real property such as a gymnasium, auditorium, library or cafeteria
Horticultural products such as flower arrangements, roses, carnations, holiday greenery and poinsettias	Agricultural products (plants and seeds), the products of which ordinarily constitute food for human consumption
Cosmetology products such as shampoo, conditioner and nail polish sold to customers	Cosmetology services such as haircuts, shampoo, manicures and pedicures
Parking permits for the general public	Parking permits for public school students, faculty and staff
Animals that do not ordinarily constitute food or food products, such as hamsters, mice, cats and dogs	Farm animals such as pigs, cows, chickens and other livestock
Publications such as football, basketball or volleyball programs	Sales of advertising space in athletic programs, yearbooks, newspapers
Automobile repair parts (a separately stated charge for parts is taxable; a separately stated charge for repair labor is not taxable)	Automobile repair (a lump-sum charge for parts and labor)
Car carpet shampooing	Car washes
Magazines (single issue or subscription less than six months)	Magazine subscriptions for six months or longer

### Need More Information?

For more information, see:

Rule 3.286, "Seller's and Purchaser's Responsibilities"

Rule 3.322, "Exempt Organizations"

Rule 3.293, "Food; Food Products; Meals; Food Service"

Rule 3.298, "Amusement Services"

Rule 3.299, "Newspapers, Magazines, Publishers, Exempt Writings"

Tax Publication 96-122, "Exempt Organizations - Sales and Purchases" — Frequently Asked Questions section provides information about school organizations applying for exemption from state taxes.

Tax Publication 96-259, "Taxable Services"

Please use our Texas Online Sales Tax Registration System to apply for a sales tax permit. An application also can be downloaded from our Tax Forms Online page. You can also obtain an application by calling (800) 252-5555 or by visiting one of our enforcement field offices.

For questions about an organization's Texas tax-exempt status, please use our Texas Tax-Exempt Entity Search, write to [exempt.orgs@cpa.state.tx.us](mailto:exempt.orgs@cpa.state.tx.us), or call Tax Assistance at (800) 531-5441 and ask for the Exempt Organizations Section.

For information on how to apply for federal exemptions, contact the U.S. Internal Revenue Service at (877) 829-5500 or online at <http://www.irs.gov/>.

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**Independent School District**

## **BOOSTER CLUB & SCHOOL SUPPORT ORGANIZATION OFFICER INFORMATION**

Please submit your officer information to your supporting campus/department immediately following your organization's election. Information should be submitted even if officers are the same as last year. Any changes that occur during the year prior to the next election should be reported utilizing this form. A copy of this form should also be maintained by the President of the organization.

School year: \_\_\_\_\_ Campus/department supported: \_\_\_\_\_  
Name of organization \_\_\_\_\_

### **President**

\_\_\_\_\_  
Name (First **AND** Last name)  
\_\_\_\_\_  
Street Address **OR** PO Box, City, State AND Zip Code  
\_\_\_\_\_  
Phone number(s) \_\_\_\_\_ Email address \_\_\_\_\_

### **Vice President**

\_\_\_\_\_  
Name (First **AND** Last name)  
\_\_\_\_\_  
Street Address **OR** PO Box, City, State AND Zip Code  
\_\_\_\_\_  
Phone number(s) \_\_\_\_\_ Email address \_\_\_\_\_

### **Treasurer**

\_\_\_\_\_  
Name (First **AND** Last name)  
\_\_\_\_\_  
Street Address **OR** PO Box, City, State AND Zip Code  
\_\_\_\_\_  
Phone number(s) \_\_\_\_\_ Email address \_\_\_\_\_

### **Secretary**

\_\_\_\_\_  
Name (First **AND** Last name)  
\_\_\_\_\_  
Street Address **OR** PO Box, City, State AND Zip Code  
\_\_\_\_\_  
Phone number(s) \_\_\_\_\_ Email address \_\_\_\_\_





**Independent School District**

## BOOSTER CLUB & SCHOOL SUPPORT ORGANIZATION FUND RAISING APPLICATION

Name of organization: \_\_\_\_\_

Campus supported: \_\_\_\_\_

Type of event, activity, product sale or service: \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

Date beginning: \_\_\_\_\_ Date Ending: \_\_\_\_\_

Location of event, activity, product sale or service: \_\_\_\_\_

Specific purpose(s) for which the net proceeds are to be used: \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

Vendor (if applicable): \_\_\_\_\_

Vendor contact name: \_\_\_\_\_ Phone: \_\_\_\_\_

Event Coordinator: \_\_\_\_\_ Phone: \_\_\_\_\_

District contact name: \_\_\_\_\_ Phone: \_\_\_\_\_

I request permission to conduct a money raising activity. I will be responsible for the accountability of all monies collected and I will follow the organization's bylaws and CISD guidelines.

\_\_\_\_\_  
Coordinator's signature      Date

\_\_\_\_\_  
Principal/Designee's signature      Date



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### CISD Mission Statement

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Canutillo ISD will provide a quality education to assure that all students graduate on time, are prepared for higher education, or are work force ready.