

## BOOSTER CLUB Q & A

1. Are there any extensions for the 2019-20 School Year

No, the requirements have not changed from the 2019-20 School Year. Booster Groups have been given 14-months to get compliant, and GASB 39 requires the financial reporting of the Booster Group to Garland ISD. This helps prevent fraud and to track Booster Operations for the 2019-20 School Year.

However,

- if the Booster Group is only lacking 501(c)(3) approval,
- can validate 501(c)(3) submission to the IRS before October 31, 2019,
- submitted the Checklist, Confirmation Statement, Annual Financial Report, Booster Club Leadership Information Sheet, and bylaws to [BoosterClub@garlandisd.net](mailto:BoosterClub@garlandisd.net), then the Booster group can operate once the approval form is submitted and approved by Garland ISD.
  - No funds can be raised or expensed until all steps are completed.

2. Do you have to have a separate Booster Club for each sport?

No, booster by-laws can allow for a booster group to support multiple sports.

Group exemptions may be allowed at the discretion of the campus Principal. Booster clubs should organize and operate in a way that benefits a group as a whole instead of benefiting individual members of a group.

3. How do we raise funds if we are not a 501(c)(3)? Is there a cost to apply for a 501(c)(3)?

Booster clubs cannot operate as a tax exempt organization and raise funds if they are not a legitimate 501(c)(3). Per the IRS, any funds raised by a group who is not a 501(c)(3) will be taxable and the group will be shut down by the District.

The IRS governs the user fees for 501(c)(3) organizations and are subject to change annually. The IRS publishes the latest user fee information at [www.IRS.gov](http://www.IRS.gov) keyword user fee.

4. Can a Booster Club charge its members a fee to be a part of the Booster Club and a higher fee to get the right to vote (\$100-\$400)?

General membership or voting fees/dues may not be charged by the booster club. The fees charged to members must be tied to specific items being purchased.

“Membership” should be defined in the booster club bylaws. All members may volunteer for the club, but only active members should have the ability to vote or hold an office. Membership dues are not a requirement for participation in a booster club nor should the absence of such dues exclude a child from participating in a club or program sponsored event.

5. Our organization competes during the summer. Do we have to follow the GISD fiscal year?

The booster club reporting period should be July 1 thru June 30 so that it coincides with the District's fiscal year. This will assist with completing the annual financial reporting due to the District on September 15.

6. Do you have sample documents on the checklist?

Sample documents noted in the [Booster Club Checklist](#) can be found in the Exhibit section of the [Booster Club Guidelines](#).

7. Is it ok to have the Booster Club grant scholarship to 2-3 students, \$500 each, at the end of the year?

A booster club may grant scholarships as long as the bylaws dictate a committee and selection process.

Scholarships must be awarded based on a student's need or merit (e.g. essay contest, GPA). Clubs may wish to outline the standard process for scholarship application and distribution in their bylaws. The members of the committee selecting the scholarship recipients should not be related to any of the potential recipients. Funds should be sent directly to the student's University Registrar made payable to the University with the student's name in the memo. Boosters must ensure all UIL eligibility requirements have concluded. Boosters should define in their bylaws what happens if a student declines to attend a University and receives a scholarship. Please outline whether the money is forfeited or held for a period of time until the student decides on a post-secondary school.

8. Seems we haven't filed on 990 or with the State Comptroller. If we owe a fine, then does the Booster Club need to pay it?

Yes, the booster club is a separate entity from the District and any fines incurred will need to be paid by the booster club. Please contact the IRS and the State Comptroller for specific questions regarding the fees, as these filings and fees are tied to your group's Employer Identification Number.

9. Can we provide senior school (university) scholarships?

Per the UIL Booster Club Guidelines, academic and music booster clubs may fund scholarships to be awarded provided that the selection of the recipients is not based solely on their success in interscholastic competition. Per the UIL Constitution and Contest Rules, athletic booster clubs may provide scholarships to student athletes for college or university enrollment if awarded at or after graduation from high school.

10. Is there a set limit in which you can charge for band fees?

There is no set limit on the band fees charged but the fees must be tied to specific items being purchased.

In addition, booster clubs should benefit the group as a whole. The bylaws may establish criteria that could be used to determine if a person is in financial need. If the criteria are met, the booster could provide the necessary funds to allow the individuals to participate. The criteria should be established in the bylaws prior to a particular situation arising, and should be used consistently for all people, and not change from year to year.

11. Are there restrictions to Booster Club organizations regarding charging a fee for band Booster Club memberships?

General membership or voting fees/dues may not be charged by the booster club. The fees charged must be tied to specific items being purchased.

"Membership" should be defined in the booster club bylaws. All members may volunteer for the club, but only active members should have the ability to vote or hold an office. Membership dues are not a requirement for participation in a booster club nor should the absence of such dues exclude a child from participating in a club or program sponsored event.

12. If your treasurer is a CPA, can she be the one to do the audit?

An audit of the booster club's financials may be conducted by an external accountant, or an audit committee consisting of at least two individual members who are independent from the day-to-day financial activities. The President and Treasurer shall not conduct the audit.

13. If students help raise funds, can the money go into the Booster Club account? Or does it have to go into the school's account?

The booster clubs cannot use the students solely in an effort to raise funds unless the booster club is willing to put a portion or all of the funds raised in the student or campus activity account.

14. Can we provide senior gifts?

As a general rule, booster clubs should not give gifts or awards to students for their participation in UIL contests that count toward District, region or state standing without prior school district approval.

15. Is a gift card considered cash for raffle?

Per the Texas Comptroller, a prepaid or "stored value" credit card is not a prohibited prize since it is not readily convertible to cash. However, gift cards shall not be given to students. The IRS and UIL regulate the amount/value of gifts to employees.

Cash prizes are strictly prohibited. "Money" is defined by CREA as "coins, paper currency, or a negotiable instrument that represents and is readily convertible to coins or paper currency." A certificate of deposit is a prohibited prize. A U.S. savings bond and a prepaid, or "stored value," credit card is not prohibited.

16. Is the Booster Club allowed to have a football pot as a fundraiser as long as funds are not dispersed to anyone?

No, this could be considered gambling.

17. The size of our sports team fluctuates annually. Are there be exceptions to the eight (8) member rule for booster club?

As a requirement, booster clubs should have at least eight members and a minimum of four officers (President, Vice-President, Secretary, and Treasurer). This rule is in place due to sustainability of the booster group.

18. Are booster clubs allowed to give incentives to help encourage fundraising participation? For example, the top three sellers receive one of three prizes?

Booster clubs cannot require members to participate in fundraising activities and cannot require members to sell or raise a certain amount. Both of these practices may jeopardize an organization's tax-exempt status with the IRS. However, booster clubs may develop specific criteria that must be met in order for a benefit to be given to a member. For example, the booster club may provide non-cash incentives to the top sellers to encourage fundraising participation so long as participation is not required, quotas are not set, and all members have the opportunity to qualify. Furthermore, funds raised are to support the GISD student activity group and funds shall not be expensed for awards on booster members.

19. What are the steps for booster club dissolution?

At times, clubs may become insupportable due to lack of member support, financial instability, failure to file taxes, due to club conflict, and/or not following the Garland ISD Booster Club Guidelines. Per the Booster Club Guidelines, the booster organization must determine the distribution of treasury monies, and care must be taken to ensure that excess funds are distributed within the framework of the organization's original purpose as defined in the bylaws. The booster club shall donate/issue a check for any excess funds to the campus to be deposited into the campus activity fund within 30 days of dissolution, and must follow any IRS and Texas state dissolution rules as appropriate. If dissolved, all records of the Booster Club must also be returned to the campus administrator within 30 days of dissolution for audit purposes.