

# BOOSTER CLUB CHECKLIST

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The following checklist serves as a guide to help ensure that your Booster Club has complied with the District's Board Policies and guidelines and Federal and State regulations governing Booster Clubs. In addition, information you document here will help future officers continue your compliance efforts. This list does not have to be turned in – it is provided for your reference and record-keeping purposes. The information provided by the District is not an authority of specific accounting situations or tax-related issues concerning individual Booster Clubs. Therefore, Booster Clubs should obtain competent independent counsel, such as a Certified Public Accountant (CPA) or an attorney, to address accounting and tax matters related to their specific circumstances, at their own expense.

## **General Reference**

\_\_\_\_\_ 1. Provide the District's Director of Athletics, Band, Choir, Sponsor or Principal with a list of Booster Club Officers at the beginning of each school year and as officers change. The list should include:

- Name
- Office Held
- Mailing Address
- Cell Phone
- Email Address

\_\_\_\_\_ 2. The Booster Club's official mailing address:

- Official Name
- Address
- City, State, Zip Code

## **Insurance**

\_\_\_\_\_ 3. The Booster Club should consider purchasing a general liability policy, event liability, and/or fidelity (bond) insurance coverage policies. The Booster Club, nor officers or members are covered under SFDR-CISD's liability insurance. Booster Clubs are considered their own separate legal entity.

## **Fundraisers**

\_\_\_\_\_ 4. All fund raising activities should be pre-approved by the Director of Athletics, Coach, Band, Choir, Principal or Sponsor.

\_\_\_\_\_ 5. If the Booster Club is a 501(c)(3) organization, they cannot require members or students to fund-raise or raise a certain amount. Fund raising is an opportunity to generate revenue for the Booster Club as a group, not individuals. Therefore, revenues should be recorded in a group account where all members or students have the same opportunity to benefit equally from the revenues. If the booster club elects to raise funds in any form that focuses on individuals, and not a group, the club runs a risk of being fined by the IRS, at a minimum.

## **Financial Matters**

\_\_\_\_\_ 6. The bank accounts used by the Booster Club include:

- Bank Name & Account Number

\_\_\_\_\_ 7. Determine the identification number used for the bank accounts. The Booster Club's Employee Identification Number (EIN) should be used. Do not use individual social security numbers and do not use the District's EIN.

- The identification number used for the bank account/s is as follows: \_\_\_\_\_

\_\_\_\_\_ 8. Update the authorized signers on your bank accounts as officers change. It is highly recommended that all checks issued require two signatures (officers).

➤ Name of Persons

Officer Positions

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_ 9. 501(c) groups are not automatically exempt from tax. Review the information at <https://comptroller.texas.gov/taxes/exempt/booster.php> for guidance on Booster Clubs. A) Helpful publications available on the link above are: Publication 94-183 Tax Topics: School Fundraisers and Texas Sales Tax. Pub 96-122 Exempt Organizations: Sales and Purchases. B) Organizations must apply for exemption with the Comptroller's Office. Search records to verify your organization is exempt from Texas franchise tax.

Search the following link for verification of nonprofits that hold state tax exemption from sales and use tax, franchise, and/or hotel occupancy tax: <https://comptroller.texas.gov/taxes/exempt/search.php> . Determine whether your organization is in good standing with the Texas Comptroller's Office and tax exempt status by emailing [exempt.orgs@cpa.State.tx.us](mailto:exempt.orgs@cpa.State.tx.us) or calling 800-252-5555 Tax Assistance or searching on the link above.

\_\_\_\_\_ 10. Determine whether your organization is in good standing with the IRS by searching the following link: <http://www.irs.gov/charities-non-profits/search-for-tax-exempt-organizations> .

\_\_\_\_\_ 11. File the Booster Club's Texas Sales Tax Report as required. *The Texas Comptroller's office determines how often the report needs to be filed and is subject to change. The reports could be Monthly, Quarterly, Semi-Annually or Annually.*

\_\_\_\_\_ 12. Present a Treasurer's Report at every meeting that includes general membership.

\_\_\_\_\_ 13. Present a Treasurer's Report at the general membership meeting that entails the financial position of the club at the end of the fiscal year.

\_\_\_\_\_ 14. Issue 1099 forms to applicable individuals or businesses by January 31<sup>st</sup>, of each year. The 1099 forms should be sent to the IRS by February 28<sup>th</sup> of each year.

- Note: Request a W-9 from the individual or business before issuing them a check.

\_\_\_\_\_ 15. **IMPORTANT** File the IRS Form 990, 990-EZ, or 990-N (E-Postcard), Return of Organization Exempt from Income Tax, each year.

- The return is due by the 15<sup>th</sup> day of the 5<sup>th</sup> month after the organizations' account period ends (due 4 ½ months after your official year-end).

- Official Year-End: \_\_\_\_/\_\_\_\_/\_\_\_\_ Due Date for Return: \_\_\_\_/\_\_\_\_/\_\_\_\_

\_\_\_\_\_ 16. A District employee cannot be an authorized signer on the Booster Club's bank account.

### **State Regulatory Information**

***The following items need to be done only once. Once completed maintain documentation received.***

\_\_\_\_\_ 17. Determine whether your organization has obtained a Texas Sales Tax Permit.

- Additional information regarding Sales Tax can be found at:

<https://comptroller.texas.gov/taxes/sales/>

\_\_\_\_\_ 18. Determine whether your organization has obtained a tax-exemption from the Texas Comptroller's Office. <https://comptroller.texas.gov/taxes/exempt/search.php>

- The Booster Club has received a tax-exemption from the Texas Comptroller's Office: ☐

Yes \_\_\_\_\_ No \_\_\_\_\_

**Reminder: Only those organizations with a tax exemption from the Texas Comptroller's Office are entitled to the two "one-day, tax-free" sales/auction days.**

\_\_\_\_\_ 19. If the Booster Club is incorporated, determine whether your organization has obtained an exemption from Texas Franchise tax form from the Texas Comptroller's Office:

☐ Yes \_\_\_\_\_ ☐ No \_\_\_\_\_

If the Booster Club is incorporated, an exemption from Texas Franchise tax was obtained from the Texas Comptroller's Office:

☐ Yes \_\_\_\_\_ ☐ No \_\_\_\_\_

### **Federal Regulatory Information**

***The following items need to be done only once. Once completed maintain documentation received.***

\_\_\_\_\_ 20. Obtain an Employer Identification Number (EIN) from the Internal Revenue Service (IRS).

- The EIN for the Booster Club is \_\_\_\_\_

\_\_\_\_\_ 21. Determine whether the Booster Club has received tax-exempt status as a Public, 501(c)(3) organization from the IRS. If the IRS has approved the Clubs' tax-exempt status, a Determination Letter would have been received from the IRS.

- The Booster Club received its tax-exempt status as a public 501(c)(3) organization from the IRS.

☐ Yes \_\_\_\_\_ ☐ No \_\_\_\_\_

If the Booster Club has not applied for the tax-exempt status, then complete the IRS Form 1023,

Application for Recognition of Exemption, and the Form 8718, User Fee for Tax-Exempt Organization Determination Letter Request. Submit these forms and the applicable fee to the IRS. If you have applied for the tax-exempt status but have not received your Determination Letter, you should receive an Acknowledgement of Your Request. If not, call the IRS to determine the status of the application.

State and Federal regulatory information included in this section does not include all laws or rules that may apply to your particular situation. The information provided by the District is not an authority of specific accounting situations or tax-related issues concerning individual Booster Clubs. Therefore, Booster Clubs should obtain competent independent counsel, such as a Certified Public Accountant (CPA) or an attorney, to address accounting and tax matters related to their specific circumstances. The cost of these services would be the Booster Club's responsibility. In addition, the IRS and the Texas State Comptroller's Office may be contacted for questions related to your organization's specific situation.

### **IMPORTANT**

**Booster Club officers and their designated Coach/Sponsor/Principal are both responsible for ensuring their Booster Club is in compliance with District policies and guidelines, UIL guidelines, and State and Federal regulations.**

#### **University Interscholastic League (UIL) Booster Club Guidelines:**

The UIL guidelines can be downloaded from their website at:

- <http://www.uilTEXAS.org/policy/booster-club-guidelines>

#### **State Regulatory Information:**

- <https://comptroller.texas.gov/>

#### **Federal Regulatory Information-IRS Exempt Status as a 501(c)(3) Organization and Tax Returns:**

- <http://www.irs.gov/charities-and-nonprofits>
- <http://www.irs.gov/charities-non-profits/search-for-tax-exempt-organizations> ➤

Booster Clubs cannot use the District's EIN number.

General Information 1-800-829-1040 [www.irs.gov](http://www.irs.gov)

- Tax-exempt Organizations 1-877-829-5500 [www.irs.gov](http://www.irs.gov) (Select Charities & Non-Profits) ➤ Tax Forms & Publications 1-800-829-3676 [www.irs.gov](http://www.irs.gov) (Select Forms & Publications)

An organization is **NOT** automatically considered tax-exempt by acquiring an EIN. All organizations must first apply for an EIN to be recognized as a unique entity and then apply for tax-exempt status. Likewise, the mere fact that an entity is organized as a non-profit organization DOES NOT indicate that it is exempt from Federal tax.

ANY BOOSTER CLUB NOT IN GOOD STANDING WITH THE DISTRICT, AND STATE, AND FEDERAL REGULATIONS AND REPORTING REQUIREMENTS SHOULD NOT ACCEPT DONATIONS THAT ONE MIGHT CONSIDER TAX DEDUCTIBLE. ADDITIONALLY, ACTION SHOULD BE TAKEN IMMEDIATELY TO OBTAIN GOOD STANDING STATUS WITH ALL ENTITIES.