

Financial Management  
Handbook for  
Parent Organizations  
PTO's and Booster Clubs

2018-2019

Waller Independent School District  
1918 Key Street Waller Texas 77484  
936.931.0316  
936.931.4045

Parent organizations and Booster Clubs are NOT permitted  
to use the District's EIN.

Every Parent Organization should have their own identification number.

**DO NOT USE THIS NUMBER, PLEASE!**



Parent Organizations are established to promote school programs or complement student programs or activities. A Parent Organization's purpose may be to support a student group or program at a particular school or various student groups or programs at various schools. Students enrich their education and expand their horizons when they participate in school activities and programs. Therefore, the District greatly appreciates the time, effort and financial support that the Parent Organizations provide to our students.

Even though a Parent Organization works very closely with the District, it is a separate entity from the District. However, the formation of a Parent Organization must be approved by the appropriate District Principal or Administrator. In addition, a Parent Organization must adhere to various District policies and guidelines, University Interscholastic League (UIL) guidelines, and state and federal regulatory guidelines.

Parent Organizations support a particular group or program through a Sponsor. The Sponsor is a District employee who serves as a liaison between the Parent Organization and the District. In addition, the pertinent Principal or other appropriate Administrator must approve various activities of both the student group and the related Parent Organization. The main responsibilities of a Parent Organization, a Sponsor, and a Principal or Administrator are indicated below:

**Parent Organization:** Responsible for supporting a student group, activity or program. Support may be as simple as providing support at games or an event, or as complex as raising money for an out-of-state competition. The Parent Organization works through the Sponsor to provide assistance for the planned activities of the student group. The Parent Organization does not have the authority to decide the activities or groups in which the student group will participate; however, the Parent Organization can decide the type and amount of assistance they will provide. The parents and Parent Organization can make suggestions about particular activities, but ultimately the Sponsor is responsible for the final decision with the Principal or Administrator's approval.

**Sponsor:** A designated Sponsor of a student group serves as a liaison between the Parent Organization and the District, under the supervision of the Principal or Administrator. The Sponsor is responsible for determining the various activities and trips in which the student group will participate with the approval of the Principal or Administrator. The Sponsor DOES NOT have the authority to control the amount of support a Parent Organization provides.

**Principal or Administrator:** The Principal or Administrator is responsible for approving the activities of the student group and some activities of the related Parent Organization/Booster Club. In addition, the Principal or Administrator should approve the constitution and by-laws of the Parent Organization/Booster Club.

The information in this handbook is meant to provide assistance to the Parent Organizations/Booster Clubs in following policies and regulations and to provide suggestions for their organization.

## **STEPS TO STARTING YOUR OWN PTO/BOOSTER CLUB**

- A. Obtain written approval from the school Principal
- B. Send a copy of the written approval to the Business Office
- C. Establish the PTO/Booster Club's mailing address
- D. File for incorporation with the Texas Secretary of State [www.sos.state.tx.us](http://www.sos.state.tx.us)
- E. Receive a letter of acknowledgement from the IRS
- F. Apply for federal tax-exemption as a public 501(c)(3) organization with the IRS
- G. Apply for a Sales Tax Permit with the Texas State Comptroller's Office
- H. Apply for an EIN with the IRS by completing IRS form SS-4
- I. Send a copy of the Determination Letter to the Business Office
- J. Apply for limited exemption from Texas sales, excise, and use tax with the Texas State Comptroller's Office
- K. File for franchise tax exemption with the Texas State Comptroller's Office
- L. Put all documents in a "permanent file"



## Parent Organization/Booster Club Checklist

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The following checklist serves as a guide to help ensure that your Parent Organization/ Booster Club has complied with the District's Board Policies and guidelines and federal and state regulations governing Parent Organizations/Booster Clubs. In addition, information you document here will help future officers continue your compliance efforts.

### General

1. Provide the District's Business Office and the School Principal or Administrator with a list of the Parent Organization/Booster Club officers at the beginning of each school year and as officers change. The list should include:
  - Name
  - Office Held
  - Mailing Address (cannot be WISD school address)
  - Home Phone Number
  - Work Phone Number
2. Provide the School Principal or Administrator with the Parent Organization's/ Booster Club's constitution, bylaws, and operating procedures when they are originated. In addition, provide updated copies as changes are made.
3. The Parent Organization's/Booster Club's official mailing address is:

Official Name \_\_\_\_\_  
PO Box / Street \_\_\_\_\_  
City, State and Zip Code \_\_\_\_\_

### Fund-raisers

4. Provide the Sponsor and the School Principal or Administrator with a list of fund- raisers planned for the current year by the date established by the School Principal or Administrator or at least 30 days prior to any fund-raisers being held.

5. Provide the Sponsor with detailed fund-raising information at least 30 days prior to the fund-raising event.

The detailed fund-raising information should include:

- Purpose of the fund-raiser,
  - Type of fund-raising activity (i.e., candy sale, carnival)
  - Date(s), time(s), and place(s) of the activity,
  - Name of the sponsoring organization,
  - Name and phone number of organization's representative,
  - Name and phone number of person(s) in charge of the fund-raiser, and
  - Name and phone number of the person(s) who will be handling the money for the fund-raiser.
6. The Parent Organization/Booster Club cannot require members or students to fund-raise or raise a certain amount. For example, a student's ability to attend a trip cannot be based on raising a certain amount of money. If your Club is currently requiring fund-raising, discontinue this requirement.
  7. The Parent Organization/Booster Club may not use individual accounts to credit an individual for funds raised. If your Club is using individual accounts currently, this practice should be discontinued.

Fund-raising is an opportunity to generate revenue for the Parent Organization/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.

One member or student should not receive a larger benefit from fund-raising than another. In addition, if a member or student chooses not to participate in the fund-raiser, that person still **receives an equal benefit** from the revenues generated.

8. Determine the identification number used for the bank accounts. The Parent Organization's/Booster Club's Employee Identification Number (EIN) should be used. Do not use an individual's social security number, and **do not use the District's EIN.**
9. Update the authorized signers on your bank accounts as officers change.

10. Provide a copy of the written Parent Organization/Booster Club Financial Report for the applicable school year to the School Principal or Administrator and to the Business Office by September 1, of each year. For example, a report for the 2014-15 school year should be submitted by September 1, 2015.

State Regulatory Information

***The following items need to be done only once since the origination of the Parent Organization/Booster Club.***

11. Determine whether your organization has obtained a Texas Sales Tax Permit. The Parent Organization's/Booster Club's sales tax permit number is:

\_\_\_\_\_

12. Determine whether your organization has obtained a limited tax-exemption from the Texas State Comptroller's Office.

The Parent Organization/Booster Club has received a limited tax-exemption from the Texas State Comptroller's Office:

- ☐ Yes
- ☐ No

**Reminder:** Only those organizations with a limited tax-exemption from the Texas State Comptroller's Office are entitled to the two (2) "one-day, tax-free" sales/auction days.

13. If the Parent Organization/Booster Club is incorporated, determine whether your organization has obtained an exemption from Texas franchise tax from the Texas State Comptroller's Office.

The Parent Organization/Booster Club is incorporated:

- ☐ Yes
- ☐ No

If the Parent Organization/Booster Club is incorporated, an exemption from Texas franchise tax was obtained from the Texas State Comptroller's Office:

- ☐ Yes
- ☐ No

***The following item is applicable each school year or calendar year.***

14. File the Parent Organization's/Booster Club's Texas State Sales Tax Reports as required.

*The Texas State Comptroller's Office determines whether the report needs to be filed quarterly or annually and is subject to change.*

The Parent Organization/Booster Club files its Texas State Sales Tax Report:  
Quarterly or Annually.

#### Federal Regulatory Information

***The following items need to be done only once since the origination of the Parent Organization/Booster Club.***

15. Obtain an Employer Identification Number (EIN) from the Internal Revenue Service (IRS).

The EIN for the Parent Organization/Booster Club is:

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16. Determine whether the Parent Organization/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 Parent Organization/Booster Club received its tax-exempt status as a public 501(c)(3) organization from the IRS:

- ☐ Yes
- ☐ No



## Sales Tax and Reporting, Food Guidelines and Incentives

### 1.0 Purchases

- 1.1 If a parent organization has obtained an exemption from the State of Texas sales and use taxes, it simply means that the organization can purchase items for the organization's use or for resale without paying sales tax. However, the organization must still collect sales tax for taxable items sold.
- 1.2 All purchases made for the exclusive use of a parent organization should be made tax-exempt.
- 1.3 All items purchased to resell during a fund-raising event such as T-shirts, spirit items, etc, should be made as tax-free purchases from the vendor.
- 1.4 The organization may not make a purchase and pay tax to a vendor in an attempt to avoid collecting and remitting sales taxes to the State.

### 2.0 Reporting and Remitting Sales Taxes to the State

- 2.1 Sales taxes are due to the State and must be collected when taxable items are sold to others.
- 2.2 Sale taxes are due regardless of whether a parent organization has obtained tax exempt status from the IRS and regardless of whether sales taxes were charged as part of the sales price when the items were sold.
- 2.3 Annual sales tax reports are due on January 20<sup>th</sup> each year.

### 3.0 One-day Tax Free Sales

- 3.1 Parent organizations are allowed TWO one-day tax free days per **calendar year** by the State if they have obtained tax exempt status from the IRS and exemption from sales and use taxes from the State.
- 3.2 A one-day tax free day is a day (24 hours) a parent organization can sell taxable items and not have to collect and consequently remit the normal sales taxes due to the state.

### 4.0 List of Common Taxable Items

- 4.1 The following list of items or activities have been identified as being taxable when sold or sponsored by an organization. This is NOT an all-inclusive list.
  - Athletic equipment and uniforms
  - Balloons
  - Band equipment and supplies
  - Books and workbooks
  - Candles
  - Catered dinners/banquets, if not part of fund-raiser
  - Clothing
  - Concessions, if not part of fund-raiser

- Copies
- Cups
- Directories
- Drafting Supplies
- Flower Sales
- Garage Sales
- Gift Wrap paper
- Handicrafts
- Magazine Subscriptions
- Musical Supplies
- Pennants
- Pictures
- Plant sales
- Publications – yearbooks, athletic programs
- Silent Auctions
- Spirit Items
- Vending

## 5.0 List of Common Non-Taxable Items

5.1 The following list of items or activities have been identified as being non-taxable when sold or sponsored by a parent organization. This list is not all-inclusive.

Advertisements for school papers, programs etc.

Bake/food sales

Car wash

Concessions, if part of a fund-raiser

Discount cards

Dues

Gold C and Entertainment coupon books

Golf tournament entry fees

Fees – clinics and workshops

Jog-a-thon

Raffle Tickets

Tickets for admissions to athletic events, drama productions, dances, school carnivals, and other type entertainment.

Note: If you have not applied for the tax-exempt status, 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 you have not received your Determination Letter, you should receive an Acknowledgment of Your Request. Call the IRS to determine the status of your application.

***The following items may be applicable during each school year or calendar year.***

1. Determine whether your organization is in good standing with the IRS by calling the Exempt Organization Section of the IRS.

<i>Status</i>	<i>Form to File</i>
Gross receipts normally $\leq$ \$50,000 <b>Note:</b> Organizations <u>eligible</u> to file the <i>e-Postcard</i> <u>may choose to file a full return</u>	<u>990-N</u>
Gross receipts $<$ \$200,000, and Total assets $<$ \$500,000	<u>990-EZ</u> or <u>990</u>
Gross receipts $\geq$ \$200,000, or Total assets $\geq$ \$500,000	<u>990</u>
<i>Private foundation</i> - regardless of financial status	<u>990-PF</u>

After the proper form is filed with the IRS, forward a copy to the Business Office at 1918 Key Street, Waller Texas 77484.

Waller ISD strongly recommends a district employee not serve as Treasurer to any parent organization or booster club. A District employee should not serve as a check signer on the organization's bank account.

# Parent Organization/Booster Club Information Sheet

Name of Organization: \_\_\_\_\_

501(c)(3) Exempt Status: \_\_\_\_YES \_\_\_\_NO Federal ID # (EIN) \_\_\_\_\_

List Group(s) your organization supports and its main purpose/function:

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Fiscal Year End per Articles of Incorporation: \_\_\_\_\_

Gross Receipts (not just profit) @ most recent fiscal year end \$\_\_\_\_\_

Current Officers:

NAME	POSITION	PHONE NUMBER

Return this form to the Principal/Administrator by September 1  
Forward a copy of this form to the Waller ISD Business Office



# Booster Club Guidelines

Updated July 2016

## ROLE OF BOOSTER CLUBS

Neighborhood patrons form booster clubs to help enrich the school's participation in extracurricular activities. The fundraising role of booster clubs is particularly crucial in today's economic climate. Positive and direct communication can prevent most problems. Keep the superintendent informed of all activities.

- Have a chain of command for communication with the administration.
- Clear all activities through your administration.
- The superintendent or a designee who does not coach or direct a UIL contest but has approval authority over booster clubs should be invited to all meetings. All meetings should be open to the public.
- Booster clubs should apprise school administrators of all club activities. Make sure your local administration has a copy of all booster club publications. Invite administrators to all booster club meetings. Have an officer meet with the school administration regularly.
- School administration should apprise booster clubs of all school activities.
- 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.
- Periodic financial statements itemizing all receipts and expenditures should be made to the general club membership and kept on file at the school.

## 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 music and theatre 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.

## 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.

## 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, and 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.

## COACHES AND 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.



## CLUB FINANCES

*Fundraising | Spending | Stipends | Gifts to Coaches*

Fund-raising projects maybe subject to state law. Be sure that your club is in compliance with applicable law. For example, Texas has a law governing raffles. Also, consider seeking nonprofit or tax-exempt status. Consult the Texas Secretary of State's website as well as the IRS to determine if seeking designation as a non-profit that is tax exempt is appropriate for your booster club. [http://www.sos.state.tx.us/corp/nonprofit\\_org.shtml](http://www.sos.state.tx.us/corp/nonprofit_org.shtml)

Generally speaking, earnings by a properly organized booster club may not benefit any private shareholder or individual.

- 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 only to the booster club and should not have control or signature authority over booster club funds, including petty cash or miscellaneous discretionary funds.
- Coach's 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. See Section 481, *UIL Constitution and Contest Rules*.
- Schools shall not pay to coaches, and coaches shall not accept, funds gathered by a high school booster club or other sources within the school district. See Section 1202(b), *UIL Constitution and Contest Rules*.
- Funds are to be used to support school activities. To provide such funding for non-school activities could violate UIL rules and the public trust through which funds are earned.

## ATHLETIC BOOSTERS

Individuals should be informed of the seriousness of violating the athletic amateur rule found in Section 441 and the awards rule found in Section 480 of the *UIL Constitution and Contest Rules*. Check with school administrators before giving anything to a student, school sponsor or coach. 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. If a team violates the amateur rule, the penalty shall be assessed against the team and not against each individual. See Section 441(d), *UIL Constitution and Contest Rules*. All fans, not just members of the booster club, should be aware of these rules. It affects the entire community.

- Athletic booster club funds shall not be used to support athletic camps, clinics, private instruction or any activity outside of the school.
- The local school district determines when, how and from whom student athletes can receive meals and snacks. See Section 441(b)(9), *UIL Constitution and Contest Rules*.
- Schools must give prior approval for any banquet or get-together given for students.
- Students may not accept money or other valuable consideration from school booster club funds for any non-school purpose. See Section 441(A)(3), *UIL Constitution and Contest Rules*.
- 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. See Section 441(a), *UIL Constitution and Contest Rules*. *Valuable consideration is defined as tangible or intangible property or service including anything that is usable, wearable, salable or consumable.*
- 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 meals. It would be a violation for booster groups or individuals to pay for such costs directly, without prior approval from the local school administration. See Section 441(b)(9) and Section 840 (a)(2)(A)(iv).
- Student athletes may accept small "goodie bags" consisting of cookies, candy and symbolic gifts from their classmates, if allowed by local school policy. See Section 441(B)(7), *UIL Constitution and Contest Rules*.



## ACADEMIC BOOSTERS

We encourage 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.

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. See Section 480, *UIL Constitution and Contest Rules*. 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 without prior school district approval. 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.

### EXAMPLES OF ACADEMIC BOOSTER CLUB CONTRIBUTIONS THAT ARE NOT PROHIBITED BY UIL RULE, WITH LOCAL ADMINISTRATIVE APPROVAL, ARE:

- 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 would not meet the definition of an educational field trip and could be considered a violation of the Awards Rule. See Section 480(2)(d), *UIL Constitution and Contest Rules*.
- 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.

## MUSIC BOOSTERS

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

- 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.
- 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(f) 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. See Section 480(2)(A), *UIL Constitution and Contest Rules*. 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.







# 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/>.

The Texas Comptroller of Public Accounts is an equal opportunity employer and does not discriminate on the basis of race, color, religion, sex, national origin, age, or disability in employment or in the provision of any services, programs or activities.

In compliance with the Americans with Disabilities Act, this document may be requested in alternative formats by calling the toll-free number listed at the bottom of Page 1 or by calling (512) 463-4600 in Austin, (512) 475-0900 (FAX).



Sign up to receive e-mail updates on the Comptroller topics of your choice at [www.window.state.tx.us/subscribe](http://www.window.state.tx.us/subscribe).

Susan Combs • Texas Comptroller of Public Accounts

## Texas Sales and Use Tax Resale Certificate

Name of purchaser, firm or agency as shown on permit	Phone (Area code and number)
Address (Street & number, P.O. Box or Route number)	
City, State, ZIP code	
Texas Sales and Use Tax Permit Number (must contain 11 digits)	
<div style="border: 1px solid black; height: 1.2em; width: 100%;"></div>	
Out-of-state retailer's registration number or Federal Taxpayers Registry (RFC) number for retailers based in Mexico	
<div style="border: 1px solid black; height: 1.2em; width: 100%;"></div> (Retailers based in Mexico must also provide a copy of their Mexico registration form to the seller.)	

I, the purchaser named above, claim the right to make a non-taxable purchase (for resale of the taxable items described below or on the attached order or invoice) from:

Seller: \_\_\_\_\_

Street address: \_\_\_\_\_

City, State, ZIP code: \_\_\_\_\_

Description of items to be purchased on the attached order or invoice:

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Description of the type of business activity generally engaged in or type of items normally sold by the purchaser:

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The taxable items described above, or on the attached order or invoice, will be resold, rented or leased by me within the geographical limits of the United States of America, its territories and possessions or within the geographical limits of the United Mexican States, in their present form or attached to other taxable items to be sold.

I understand that if I make any use of the items other than retention, demonstration or display while holding them for sale, lease or rental, I must pay sales tax on the items at the time of use based upon either the purchase price or the fair market rental value for the period of time used.

*I understand that it is a criminal offense to give a resale certificate to the seller for taxable items that I know, at the time of purchase, are purchased for use rather than for the purpose of resale, lease or rental, and depending on the amount of tax evaded, the offense may range from a Class C misdemeanor to a felony of the second degree.*

 Purchaser	Title	Date
---	-------	------

**This certificate should be furnished to the supplier.**  
**Do not send the completed certificate to the Comptroller of Public Accounts.**



## Texas Sales and Use Tax Exemption Certification

*This certificate does not require a number to be valid.*

Name of purchaser, firm or agency	
Address (Street & number, P.O. Box or Route number)	Phone (Area code and number)
City, State, ZIP code	

I, the purchaser named above, claim an exemption from payment of sales and use taxes (for the purchase of taxable items described below or on the attached order or invoice) from:

Seller: \_\_\_\_\_


Street address: \_\_\_\_\_ City, State, ZIP code: \_\_\_\_\_

Description of items to be purchased or on the attached order or invoice:


Purchaser claims this exemption for the following reason:


I understand that I will be liable for payment of all state and local sales or use taxes which may become due for failure to comply with the provisions of the Tax Code and/or all applicable law.

*I understand that it is a criminal offense to give an exemption certificate to the seller for taxable items that I know, at the time of purchase, will be used in a manner other than that expressed in this certificate, and depending on the amount of tax evaded, the offense may range from a Class C misdemeanor to a felony of the second degree.*

 Purchaser	Title	Date
---	-------	------

NOTE: This certificate cannot be issued for the purchase, lease, or rental of a motor vehicle.

**THIS CERTIFICATE DOES NOT REQUIRE A NUMBER TO BE VALID.**

Sales and Use Tax "Exemption Numbers" or "Tax Exempt" Numbers do not exist.

**This certificate should be furnished to the supplier.  
Do not send the completed certificate to the Comptroller of Public Accounts.**



# Texas Sales and Use Tax Return - Short Form

**Who May File the Short Form** - You may file the short form if you meet all of the following criteria:

- your business has a single location in Texas;
- you report applicable local taxes only to the entities (city, transit authority, county or special purpose district) in which your business is located;
- you do not prepay your state and local taxes;
- you do not have a credit to take on this return for taxes you paid in error on your purchases; and
- you do not have customs broker refunds to report.

You must file the long form (Form 01-114) if any of these statements do not apply to your business. You must file a long form if you are responsible for out-of-state use tax and have no in-state locations.

If you have a credit to take on this return for taxes you paid in error or customs broker refunds to report, you are required to complete Form 01-114 Sales and Use Tax Return and Form 01-148 Texas Sales and Use Tax Return Credits and Customs Broker Schedule.

**When to File** - Returns must be filed or postmarked on or before the 20th day of the month following the end of each reporting period. If the due date falls on a Saturday, Sunday or legal holiday, the next business day will be the due date.

**Business Changes** - If you are out of business or if your mailing or outlet address has changed, you can make these changes online at [www.comptroller.texas.gov/taxinfo/sales](http://www.comptroller.texas.gov/taxinfo/sales), "Sales Tax Permit and Account Updates (Web-Change)," or blacken the box to the right of the signature line on this return.

## Instructions for Filing an Amended Texas Sales and Use Tax Return -

1. Make a copy of the original return you filed or download a blank return from our website at [www.comptroller.texas.gov/taxinfo/taxforms](http://www.comptroller.texas.gov/taxinfo/taxforms).
2. Write "AMENDED RETURN" on the top of the form.
3. If you're using a copy of your original return, cross out the amounts that are wrong and write in the correct amounts. If you're using a blank return, enter the amounts as they should have appeared on the original return.
4. Sign and date the return.

If the amended return shows you **underpaid** your taxes, please send the additional tax due plus any penalties and interest that may apply.

If the amended return shows you **overpaid** your taxes and you are requesting a refund, you must meet all of the requirements for a refund claim. Please refer to *Sales Tax Refunds-Requesting a Refund* at [www.comptroller.texas.gov/taxinfo/refunds/sales/refund\\_request.html](http://www.comptroller.texas.gov/taxinfo/refunds/sales/refund_request.html).

**Whom to Contact for Assistance** - If you have any questions regarding sales tax, you may contact the Texas State Comptroller's field office in your area or call 1-800-252-5555 or 512-463-4600.

## General Instructions

- Please do not write in shaded areas.
- If any preprinted information on this return is incorrect, OR if you do not qualify to file this return, contact the Comptroller's office.
- Do not leave Items 1, 2, 3 or 4 blank. Enter "0" if the amount is zero.
- You must file a return even if you had no sales.
- If any amounts entered are negative, bracket them as follows: <XX,XXX.XX>.

- If **hand printing**, please enter all numbers within the boxes, as shown. Use black ink.

0 1 2 3 4 5 6 7 8 9

- If **typing**, numbers may be typed consecutively.

0123456789



## ONLINE TAX FILING AND PAYMENT 24/7 WITH WebFile!

[www.comptroller.texas.gov/webfile](http://www.comptroller.texas.gov/webfile)

Have this form available when you file your short form electronically using WebFile.  
Payment options are credit card or Web EFT (electronic check).  
No-tax-due filing is also available through TeleFile at 1-888-434-5464.

You have certain rights under Chapters 552 and 559, Government Code, to review, request and correct information we have on file about you. Contact us at the address or phone numbers indicated in the instructions.

PLEASE DETACH AND RETURN BOTTOM PORTION ONLY

01-117  
(Rev. 2-15/36)

## TEXAS SALES AND USE TAX RETURN

HHH

L. OUT OF BUSINESS DATE  
DO NOT ENTER UNLESS  
no longer in business.



\*\*\* INTERNET \*\*\*

a. **26140** Do not fold, staple or paper clip Write only in white areas.

c. Taxpayer number d. Filing period

g. Due date

f. Outlet no./ location

k. Outlet address (Do not use a P.O. box address)

Taxpayer name and mailing address

I declare that the information in this document and any attachments is true and correct to the best of my knowledge and belief.

sign here Taxpayer or duly authorized agent

Date Daytime phone (Area code & no.)

Blacken this box if out of business or address has changed.

1. TOTAL SALES (Whole dollars only)	.00
2. TAXABLE SALES (Whole dollars only)	.00
3. TAXABLE PURCHASES + (Whole dollars only)	.00
4. Total amount subject to tax (Item 2 plus Item 3)	.00
5. Tax due - Multiply Item 4 by the combined tax rate (Include state & local)	
6. Timely filing discount (0.005)	
7. Prior payments	
8. Net tax due (Subtract Items 6 and 7 from Item 5.)	
9. Penalty & interest (See instructions)	
10. TOTAL AMOUNT DUE AND PAYABLE (Item 8 plus Item 9)	

# **Instructions for Completing Texas Sales and Use Tax Return - Short Form** (continued)

**Item c.** Enter the taxpayer number shown on your sales tax permit. If you have not received your sales tax permit, and you are a sole owner, enter your Social Security number. For other types of organizations, enter the Federal Employer Identification Number (FEIN) assigned to your organization.

*Disclosure of your social security number is required and authorized under law, for the purpose of tax administration and identification of any individual affected by applicable law. 42 U.S.C. sec. 405(c)(2)(C)(i); Tex. Govt. Code secs. 403.011 and 403.078. Release of information on this form in response to a public information request will be governed by the Public Information Act, Chapter 552, Government Code, and applicable law.*

**Item d.** Enter the filing period of this report (month, quarter or year) and the last day of the period in the space provided.

Examples: "Month Ending 12-31-07"  
"Quarter Ending 09-30-07"  
"Year Ending 12-31-07."

**Item f.** If the location indicated in Item f is no longer in business, enter the out-of-business date.

**Item 1.** Enter the total amount (not including tax) of ALL services and sales, leases and rentals of tangible personal property including all related charges made during the reporting period. Report whole dollars only. Enter "0" if you have no sales to report.

**Item 2.** Enter the total amount (not including tax) of all TAXABLE services and TAXABLE sales, leases and rentals of tangible personal property including all TAXABLE related charges made during the reporting period. Report whole dollars only. Enter "0" if you have no taxable sales to report.

**Item 3.** Enter the total amount of taxable purchases that you made for your own use. Taxable purchases are those taxable items purchased, leased or rented for personal or business use on which sales or use tax was not paid. This includes purchases from Texas or out-of-state sellers, or items taken out of inventory for use, items given away, and items purchased for an exempt use but actually used in a taxable manner. Taxable purchases do not include inventory items being held exclusively for resale. Report whole dollars only. Enter "0" if you have no taxable purchases to report.

**Item 4.** Add the totals of Item 2 (Taxable Sales) and Item 3 (Taxable Purchases) and enter on Item 4. Enter "0" if you have no amount subject to tax. DO NOT INCLUDE ITEM 1 (Total Sales) IN THIS TOTAL.

**Item 5.** The tax rate is a combined rate of tax types indicated: state, city, transit authority, county and/or special purpose district. Please call the Comptroller's office if the rate is incorrect or if you have a question about the tax rate. Multiply Item 4 by the tax rate and enter in Item 5.

**Item 6.** Timely Filing Discount - If you are filing your return and paying the tax due on or before the due date, multiply the Tax Due in Item 5 by .005 and enter the result in Item 6.

**Item 7.** If you requested that a prior payment and/or an overpayment be designated to this specific period, the amount is preprinted in Item 7 as of the date this return was printed.

**Item 9.** Penalty and Interest:

- 1-30 days late: Enter penalty of 5% (.05).
- 31-60 days late: Enter penalty of 10% (.10).
- Over 60 days late: Enter penalty of 10% (.10) plus interest calculated at the rate published on Pub. 98-304, by telephone at 1-877-447-2834, or online at [www.comptroller.texas.gov](http://www.comptroller.texas.gov).

(Texas Tax Code Ann. Sec. 111.060 and 111.061)

**Note:** An additional \$50 late filing penalty will be assessed each time a return is filed after the due date.

**Item 10.** Add Item 8 plus Item 9, if applicable, and enter in Item 10.

Make total amount of Item 10 payable in one check to:

**State Comptroller**

Mail your return and payment to:

**Comptroller of Public Accounts  
P.O. Box 149355  
Austin, TX 78714-9355**

**DO NOT WRITE ON THE BACK OF THIS FORM**



About Us

Federal FAQ

State FAQ

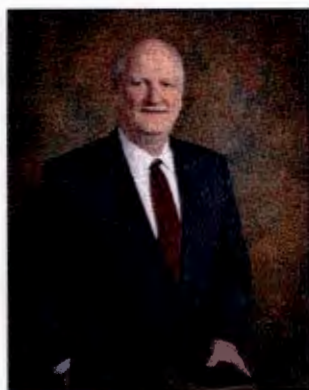
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## Texas Penal Code, Section 32.45 - Misapplication of Fiduciary Property or Property of Financial Institution

### CHAPTER 32. FRAUD

#### § 32.45. MISAPPLICATION OF FIDUCIARY PROPERTY OR PROPERTY OF FINANCIAL INSTITUTION.

(a) For purposes of this section:

(1) "Fiduciary" includes:

(A) a trustee, guardian, administrator, executor, conservator, and receiver;

(B) an attorney in fact or agent appointed under a durable power of attorney as provided by Chapter XII, Texas Probate Code;

(C) any other person acting in a fiduciary capacity, but not a commercial bailee unless the commercial bailee is a party in a motor fuel sales agreement with a distributor or supplier, as those terms are defined by Section 153.001, Tax Code; and

(D) an officer, manager, employee, or agent carrying on fiduciary functions on behalf of a fiduciary.

(2) "Misapply" means deal with property contrary to:

(A) an agreement under which the fiduciary holds the property; or

(B) a law prescribing the custody or disposition of the property.

(b) A person commits an offense if he intentionally, knowingly, or recklessly misapplies property he holds as a fiduciary or property of a financial institution in a manner that involves substantial risk of loss to the owner of the property or to a person for whose benefit the property is held.

(c) An offense under this section is:

(1) a Class C misdemeanor if the value of the property misapplied is less than \$20;

(2) a Class B misdemeanor if the value of the property misapplied is \$20 or more but less than \$500;

(3) a Class A misdemeanor if the value of the property misapplied is \$500 or more but less than \$1,500;

(4) a state jail felony if the value of the property misapplied is \$1,500 or more but less than \$20,000;

(5) a felony of the third degree if the value of the property misapplied is \$20,000 or more but less than \$100,000;

(6) a felony of the second degree if the value of the property misapplied is \$100,000 or more but less than \$200,000; or

(7) a felony of the first degree if the value of the property misapplied is \$200,000 or more.

NOTE: This information is **NOT LEGAL ADVICE**. It is provided for **EDUCATIONAL USE ONLY**. If you need legal advice regarding a criminal matter in the state of Texas, please [contact us](#) at (512) 478-0758 or fill out a brief [case questionnaire](#).







# WALLER INDEPENDENT SCHOOL DISTRICT

## FUND RAISING/SALES ACTIVITY APPLICATION

Please Note: This form must be completed in blue ink.

Fundraiser ☐  
Sale ☐

Campus \_\_\_\_\_ Date \_\_\_\_\_

Club name \_\_\_\_\_ Sponsor \_\_\_\_\_

Beginning date of sale \_\_\_\_\_ Ending date of sale \_\_\_\_\_

Describe the purpose of this sale \_\_\_\_\_

Describe the product or activity \_\_\_\_\_

Vendor \_\_\_\_\_ Representative \_\_\_\_\_  
Company Name Phone

Address \_\_\_\_\_  
Street Address/P.O. Box Number City State Zip

Have all outstanding debts from previous activities been collected?

☐ Yes \$ \_\_\_\_\_  
☐ No Amount Outstanding\*

Estimate the following:

Approximate cost per item \$ \_\_\_\_\_

Estimated profit \$ \_\_\_\_\_

Percentage profit \_\_\_\_\_

\*To be completed by secretary/bookkeeper

Is this sale taxable? Yes \_\_\_\_\_ No \_\_\_\_\_  
If yes, are you using this sale as one of your two tax-free  
sale days for this calendar year? Yes \_\_\_\_\_ No \_\_\_\_\_  
Is this your 1st or 2nd tax-free sale to date? \_\_\_\_\_

I certify that I will exercise strict control over all products in my possession and will remit all collections on a daily basis to the secretary/bookkeeper. I further certify that I reviewed and read the sponsor supplement and signed the Responsibilities of Faculty Sensors of Student Groups Acknowledgement form. I will notify the Accounting Office promptly of all outstanding debts so that appropriate action may be taken. I realize that any losses due to my failure to follow established rules and procedures may become my personal responsibility.

Submitted by \_\_\_\_\_ Date \_\_\_\_\_ Reviewed by \_\_\_\_\_ Date \_\_\_\_\_  
Sponsor Bookkeeper

Approved by \_\_\_\_\_ Date \_\_\_\_\_ Approved by \_\_\_\_\_ Date \_\_\_\_\_  
Principal Team Leader, Financial Services (Fundraising Only)

### FUND RAISING RECAP

Due in Accounting Department within 4 weeks of ending sale date

Total deposits \$ _____	Quantity of Inventory Received _____ (each item)
Less: Total cost of sale (invoice) \$ _____	Less: Inventory Sold _____
Net profit _____	Less: Inventory Giveaway ** _____
	Inventory Remaining _____

\*\*Explanation for Inventory Giveaway must be attached

Sponsor \_\_\_\_\_ Date \_\_\_\_\_

Principal \_\_\_\_\_ Date \_\_\_\_\_

Secretary/Bookkeeper \_\_\_\_\_ Date \_\_\_\_\_





**WALLER INDEPENDENT SCHOOL DISTRICT**  
**ACCOUNTABILITY OF MONIES COLLECTED FROM STUDENTS**

NAME OF CLUB/ORGANIZATION \_\_\_\_\_ DATE \_\_\_\_\_

ACTIVITY INVOLVING RECEIPT OF MONEY \_\_\_\_\_

RECEIPT # ISSUED \_\_\_\_\_ DATE \_\_\_\_\_

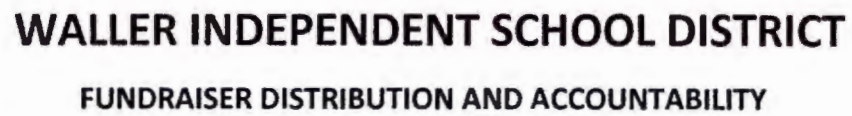
THIS FORM SHALL LIST CONTRIBUTORS AND THEIR CONTRIBUTIONS AND BE KEPT WITH THE CAMPUS  
BOOKKEEPER ACTIVITY FUND CLUB FILE

NAME	AMOUNT	NAME	AMOUNT
_____	\$ _____	_____	\$ _____
_____	\$ _____	_____	\$ _____
_____	\$ _____	_____	\$ _____
_____	\$ _____	_____	\$ _____
_____	\$ _____	_____	\$ _____
_____	\$ _____	_____	\$ _____
_____	\$ _____	_____	\$ _____
_____	\$ _____	_____	\$ _____
_____	\$ _____	_____	\$ _____
_____	\$ _____	_____	\$ _____
_____	\$ _____	_____	\$ _____
_____	\$ _____	_____	\$ _____
_____	\$ _____	_____	\$ _____
_____	\$ _____	_____	\$ _____
_____	\$ _____	_____	\$ _____
_____	\$ _____	_____	\$ _____
_____	\$ _____	_____	\$ _____
_____	\$ _____	_____	\$ _____
_____	\$ _____	_____	\$ _____
_____	\$ _____	_____	\$ _____
_____	\$ _____	_____	\$ _____
_____	\$ _____	_____	\$ _____

**TOTAL AMOUNT COLLECTED \$** \_\_\_\_\_

\_\_\_\_\_  
CLUB SPONSOR SIGNATURE      DATE

\_\_\_\_\_  
STUDENT OFFICER SIGNATURE      DATE

[illegible]

**School Booster Club**  
**Balance Sheet**  
**As of June 30, 2014**

**ASSETS**

Checking Account	\$ 3,750	
Savings Account	<u>15,250</u>	
		<u><u>19,000</u></u>

**LIABILITIES & FUND BALANCE**

Fund Balance	\$ 7,400	
Net Income	<u>11,600</u>	
		<u><u>19,000</u></u>

**School Booster Club**  
**Income Statement**  
For the Fiscal Year Ended June 30, 2014

INCOME	Total	Program Revenue	Fundraisers	Investment Income	Donations	Note
Catalog Fundraiser	13,600		13,600			
Other Fundraiser	2,600		2,600			
Golf Tournament	17,500		4,800		12,700	Note (1)
Raffle (at golf tournament)	500		500			
Donated Texans Football Tickets for Raffle	100				100	Note (2)
Donation - Cash	5,000				5,000	
Interest	10			10		
Membership Dues (50 members @ \$20)	1,000				1,000	Note (3)
Educational Trip Income (from students)	10,425	10,425				
<b>Total Income</b>	<b>50,735</b>	<b>10,425</b>	<b>21,500</b>	<b>10</b>	<b>18,800</b>	
Form 990-EZ / 990		Line 2	Line 6a	Line 4	Line 1	
EXPENSES	Total	Program Expenses	Fundraisers	Admin Expenses		
Catalog Fundraiser	6,800		6,800			
Other Fundraiser	800		800			
Golf Tournament Costs	3,500		3,500			
Donated Texans Football Tickets for Raffle	100		100			
Scholarship	2,500	2,500				
School Donation	11,000	11,000				
Storage Rental	500			500		
Supplies	680	300		380		
Bank Service Charges	80			80		
Telephone	350	250		100		
Travel	400	300		100		
Educational Trip	12,425	12,425				
<b>Total Expenses</b>	<b>39,135</b>	<b>26,775</b>	<b>11,200</b>	<b>1,160</b>		
		Line 17	Line 6b	Line 17		
		27,935				
<b>NET INCOME (LOSS)</b>	<b>11,600</b>					

Note (1): Assumed 60 players and FMV of round of golf \$80

Note (2): Based on fair market value on date of donation

Note (3): Assumed members receive no benefit for their membership dues



Form **990-EZ****Short Form**  
**Return of Organization Exempt From Income Tax**

OMB No. 1545-1150

**2013**

Under section 501(c), 527, or 4947(a)(1) of the Internal Revenue Code (except private foundations)

▶ Do not enter Social Security numbers on this form as it may be made public.

▶ Information about Form 990-EZ and its instructions is at [www.irs.gov/form990](http://www.irs.gov/form990).Department of the Treasury  
Internal Revenue ServiceOpen to Public  
Inspection

<b>A</b> For the 2013 calendar year, or tax year beginning <u>JUL 1, 2013</u> and ending <u>JUN 30, 2014</u>	
<b>B</b> Check if applicable: <input type="checkbox"/> Address change <input type="checkbox"/> Name change <input type="checkbox"/> Initial return <input type="checkbox"/> Terminated <input type="checkbox"/> Amended return <input type="checkbox"/> Application pending	<b>C</b> Name of organization <u>SCHOOL BOOSTER CLUB</u> <b>D</b> Employer identification number <u>76-1234567</u> <b>E</b> Telephone number <u>281-555-5555</u> <b>F</b> Group Exemption Number <b>G</b> Accounting Method: <input checked="" type="checkbox"/> Cash <input type="checkbox"/> Accrual Other (specify) _____ <b>H</b> Check <input type="checkbox"/> if the organization is not required to attach Schedule B (Form 990, 990-EZ, or 990-PF). <b>I</b> Website: <u>WWW.SCHOOLBOOSTERCLUB.COM</u> <b>J</b> Tax-exempt status (check only one) — <input checked="" type="checkbox"/> 501(c)(3) <input type="checkbox"/> 501(c) ( ) (insert no.) <input type="checkbox"/> 4947(a)(1) or <input type="checkbox"/> 527 <b>K</b> Form of organization: <input checked="" type="checkbox"/> Corporation <input type="checkbox"/> Trust <input type="checkbox"/> Association <input type="checkbox"/> Other _____ <b>L</b> Add lines 5b, 6c, and 7b, to line 9 to determine gross receipts. If gross receipts are \$200,000 or more, or if total assets (Part II, column (B) below) are \$500,000 or more, file Form 990 instead of Form 990-EZ. <u>\$ 50,735.</u>

**Part I Revenue, Expenses, and Changes in Net Assets or Fund Balances** (see the instructions for Part I)Check if the organization used Schedule O to respond to any question in this Part I ☒

<b>Revenue</b>	1	Contributions, gifts, grants, and similar amounts received	1	18,800.
	2	Program service revenue including government fees and contracts	2	10,425.
	3	Membership dues and assessments	3	
	4	Investment income	4	10.
	5a	Gross amount from sale of assets other than inventory	5a	
	b	Less: cost or other basis and sales expenses	5b	
	c	Gain or (loss) from sale of assets other than inventory (Subtract line 5b from line 5a)	5c	
	6	Gaming and fundraising events		
	a	Gross income from gaming (attach Schedule G if greater than \$15,000)	6a	500.
b	Gross income from fundraising events (not including \$ <u>12,700.</u> of contributions from fundraising events reported on line 1) (attach Schedule G if the sum of such gross income and contributions exceeds \$15,000)	6b	21,000.	
c	Less: direct expenses from gaming and fundraising events	6c	11,200.	
d	Net income or (loss) from gaming and fundraising events (add lines 6a and 6b and subtract line 6c)	6d	10,300.	
7a	Gross sales of inventory, less returns and allowances	7a		
b	Less: cost of goods sold	7b		
c	Gross profit or (loss) from sales of inventory (Subtract line 7b from line 7a)	7c		
8	Other revenue (describe in Schedule O)	8		
9	Total revenue. Add lines 1, 2, 3, 4, 5c, 6d, 7c, and 8	9	39,535.	
<b>Expenses</b>	10	Grants and similar amounts paid (list in Schedule O)	10	13,500.
	11	Benefits paid to or for members	11	
	12	Salaries, other compensation, and employee benefits	12	
	13	Professional fees and other payments to independent contractors	13	
	14	Occupancy, rent, utilities, and maintenance	14	500.
	15	Printing, publications, postage, and shipping	15	
	16	Other expenses (describe in Schedule O)	16	13,935.
17	Total expenses. Add lines 10 through 16	17	27,935.	
<b>Net Assets</b>	18	Excess or (deficit) for the year (Subtract line 17 from line 9)	18	11,600.
	19	Net assets or fund balances at beginning of year (from line 27, column (A)) (must agree with end-of-year figure reported on prior year's return)	19	7,400.
	20	Other changes in net assets or fund balances (explain in Schedule O)	20	0.
	21	Net assets or fund balances at end of year. Combine lines 18 through 20	21	19,000.

LHA For Paperwork Reduction Act Notice, see the separate instructions.

Form 990-EZ (2013)

332171  
11-25-13





**Part V Other Information** (Note the Schedule A and personal benefit contract statement requirements in the instructions for Part V) Check if the organization used Sch. O to respond to any question in this Part V ☒

	Yes	No
33 Did the organization engage in any significant activity not previously reported to the IRS? If "Yes," provide a detailed description of each activity in Schedule O		X
34 Were any significant changes made to the organizing or governing documents? If "Yes," attach a conformed copy of the amended documents if they reflect a change to the organization's name. Otherwise, explain the change on Schedule O (see instructions)		X
35 a Did the organization have unrelated business gross income of \$1,000 or more during the year from business activities (such as those reported on lines 2, 6a, and 7a, among others)?		X
b If "Yes" to line 35a, has the organization filed a Form 990-T for the year? If "No," provide an explanation in Schedule O	N/A	
c Was the organization a section 501(c)(4), 501(c)(5), or 501(c)(6) organization subject to section 6033(e) notice, reporting, and proxy tax requirements during the year? If "Yes," complete Schedule C, Part III		X
36 Did the organization undergo a liquidation, dissolution, termination, or significant disposition of net assets during the year? If "Yes," complete applicable parts of Schedule N		X
37 a Enter amount of political expenditures, direct or indirect, as described in the instructions	37a	0.
b Did the organization file Form 1120-POL for this year?	37b	X
38 a Did the organization borrow from, or make any loans to, any officer, director, trustee, or key employee or were any such loans made in a prior year and still outstanding at the end of the tax year covered by this return?	38a	X
b If "Yes," complete Schedule L, Part II and enter the total amount involved	38b	N/A
39 Section 501(c)(7) organizations. Enter:		
a Initiation fees and capital contributions included on line 9	39a	N/A
b Gross receipts, included on line 9, for public use of club facilities	39b	N/A
40 a Section 501(c)(3) organizations. Enter amount of tax imposed on the organization during the year under: section 4911 <u>0.</u> ; section 4912 <u>0.</u> ; section 4955 <u>0.</u>		
b Section 501(c)(3) and 501(c)(4) organizations. Did the organization engage in any section 4958 excess benefit transaction during the year, or did it engage in an excess benefit transaction in a prior year that has not been reported on any of its prior Forms 990 or 990-EZ? If "Yes," complete Schedule L, Part I	40b	X
c Section 501(c)(3) and 501(c)(4) organizations. Enter amount of tax imposed on organization managers or disqualified persons during the year under sections 4912, 4955, and 4958		0.
d Section 501(c)(3) and 501(c)(4) organizations. Enter amount of tax on line 40c reimbursed by the organization		0.
e All organizations. At any time during the tax year, was the organization a party to a prohibited tax shelter transaction? If "Yes," complete Form 8886-T	40e	X
41 List the states with which a copy of this return is filed	NONE	
42 a The organization's books are in care of	BETTY BAKER	
Located at	555 STONE DRIVE, HOUSTON, TX	
Telephone no.	281-555-5555	
ZIP + 4	77001	
b At any time during the calendar year, did the organization have an interest in or a signature or other authority over a financial account in a foreign country (such as a bank account, securities account, or other financial account)?	42b	X
If "Yes," enter the name of the foreign country: _____ See the instructions for exceptions and filing requirements for Form TDF 90-22.1, Report of Foreign Bank and Financial Accounts.		
c At any time during the calendar year, did the organization maintain an office outside of the U.S.?	42c	X
If "Yes," enter the name of the foreign country: _____		
43 Section 4947(a)(1) nonexempt charitable trusts filing Form 990-EZ in lieu of Form 1041 - Check here <input type="checkbox"/> and enter the amount of tax-exempt interest received or accrued during the tax year	43	N/A
44 a Did the organization maintain any donor advised funds during the year? If "Yes," Form 990 must be completed instead of Form 990-EZ	44a	X
b Did the organization operate one or more hospital facilities during the year? If "Yes," Form 990 must be completed instead of Form 990-EZ	44b	X
c Did the organization receive any payments for indoor tanning services during the year?	44c	X
d If "Yes" to line 44c, has the organization filed a Form 720 to report these payments? If "No," provide an explanation in Schedule O	44d	
45 a Did the organization have a controlled entity within the meaning of section 512(b)(13)?	45a	X
b Did the organization receive any payment from or engage in any transaction with a controlled entity within the meaning of section 512(b)(13)? If "Yes," Form 990 and Schedule R may need to be completed instead of Form 990-EZ (see instructions)	45b	



46 Did the organization engage, directly or indirectly, in political campaign activities on behalf of or in opposition to candidates for public office?

If "Yes," complete Schedule C, Part I

	Yes	No
46		X

**Part VI** Section 501(c)(3) organizations only

All section 501(c)(3) organizations must answer questions 47-49b and 52, and complete the tables for lines 50 and 51.

Check if the organization used Schedule O to respond to any question in this Part VI

47 Did the organization engage in lobbying activities or have a section 501(h) election in effect during the tax year? If "Yes," complete Sch. C, Part II

48 Is the organization a school as described in section 170(b)(1)(A)(ii)? If "Yes," complete Schedule E

49a Did the organization make any transfers to an exempt non-charitable related organization?

b If "Yes," was the related organization a section 527 organization?

	Yes	No
47		X
48		X
49a		X
49b		

50 Complete this table for the organization's five highest compensated employees (other than officers, directors, trustees and key employees) who each received more than \$100,000 of compensation from the organization. If there is none, enter "None."

(a) Name and title of each employee	(b) Average hours per week devoted to position	(c) Reportable compensation (Forms W-2/1099-MISC)	(d) Health benefits, contributions to employee benefit plans, and deferred compensation	(e) Estimated amount of other compensation
NONE				

f Total number of other employees paid over \$100,000

51 Complete this table for the organization's five highest compensated independent contractors who each received more than \$100,000 of compensation from the organization. If there is none, enter "None." NONE

(a) Name and business address of each independent contractor	(b) Type of service	(c) Compensation

d Total number of other independent contractors each receiving over \$100,000

52 Did the organization complete Schedule A? Note. All section 501(c)(3) organizations and 4947(a)(1) nonexempt charitable trusts must attach a completed Schedule A

X Yes No

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than officer) is based on all information of which preparer has any knowledge.

Sign Here

Signature of officer

Date

SHERYL JONES, PRESIDENT

Type or print name and title

Paid Preparer Use Only

Print/Type preparer's name

Preparer's signature

Date

Check ☐ if self-employed

PTIN

Firm's name

Firm's EIN

Firm's address

Phone no.

May the IRS discuss this return with the preparer shown above? See instructions

Yes No

Form 990-EZ (2013)





**Part II** Support Schedule for Organizations Described in Sections 170(b)(1)(A)(iv) and 170(b)(1)(A)(vi)

(Complete only if you checked the box on line 5, 7, or 8 of Part I or if the organization failed to qualify under Part III. If the organization fails to qualify under the tests listed below, please complete Part III.)

**Section A. Public Support**

Calendar year (or fiscal year beginning in) ►	(a) 2009	(b) 2010	(c) 2011	(d) 2012	(e) 2013	(f) Total
1 Gifts, grants, contributions, and membership fees received. (Do not include any "unusual grants.")						
2 Tax revenues levied for the organization's benefit and either paid to or expended on its behalf						
3 The value of services or facilities furnished by a governmental unit to the organization without charge						
4 Total. Add lines 1 through 3						
5 The portion of total contributions by each person (other than a governmental unit or publicly supported organization) included on line 1 that exceeds 2% of the amount shown on line 11, column (f)						
6 Public support. Subtract line 5 from line 4.						

**Section B. Total Support**

Calendar year (or fiscal year beginning in) ►	(a) 2009	(b) 2010	(c) 2011	(d) 2012	(e) 2013	(f) Total
7 Amounts from line 4						
8 Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources						
9 Net income from unrelated business activities, whether or not the business is regularly carried on						
10 Other income. Do not include gain or loss from the sale of capital assets (Explain in Part IV.)						
11 Total support. Add lines 7 through 10						
12 Gross receipts from related activities, etc. (see instructions)					12	
13 First five years. If the Form 990 is for the organization's first, second, third, fourth, or fifth tax year as a section 501(c)(3) organization, check this box and stop here						<input type="checkbox"/>

**Section C. Computation of Public Support Percentage**

14 Public support percentage for 2013 (line 6, column (f) divided by line 11, column (f))	14	%
15 Public support percentage from 2012 Schedule A, Part II, line 14	15	%
16a 33 1/3% support test - 2013. If the organization did not check the box on line 13, and line 14 is 33 1/3% or more, check this box and stop here. The organization qualifies as a publicly supported organization		<input type="checkbox"/>
b 33 1/3% support test - 2012. If the organization did not check a box on line 13 or 16a, and line 15 is 33 1/3% or more, check this box and stop here. The organization qualifies as a publicly supported organization		<input type="checkbox"/>
17a 10% -facts-and-circumstances test - 2013. If the organization did not check a box on line 13, 16a, or 16b, and line 14 is 10% or more, and if the organization meets the "facts-and-circumstances" test, check this box and stop here. Explain in Part IV how the organization meets the "facts-and-circumstances" test. The organization qualifies as a publicly supported organization		<input type="checkbox"/>
b 10% -facts-and-circumstances test - 2012. If the organization did not check a box on line 13, 16a, 16b, or 17a, and line 15 is 10% or more, and if the organization meets the "facts-and-circumstances" test, check this box and stop here. Explain in Part IV how the organization meets the "facts-and-circumstances" test. The organization qualifies as a publicly supported organization		<input type="checkbox"/>
18 Private foundation. If the organization did not check a box on line 13, 16a, 16b, 17a, or 17b, check this box and see instructions		<input type="checkbox"/>

Schedule A (Form 990 or 990-EZ) 2013



**Part III Support Schedule for Organizations Described in Section 509(a)(2)**

(Complete only if you checked the box on line 9 of Part I or if the organization failed to qualify under Part II. If the organization fails to qualify under the tests listed below, please complete Part II.)

**Section A. Public Support**

Calendar year (or fiscal year beginning in) ▶	(a) 2009	(b) 2010	(c) 2011	(d) 2012	(e) 2013	(f) Total
1 Gifts, grants, contributions, and membership fees received. (Do not include any "unusual grants.")	16,000.	16,500.	24,920.	20,000.	18,800.	96,220.
2 Gross receipts from admissions, merchandise sold or services performed, or facilities furnished in any activity that is related to the organization's tax-exempt purpose	19,500.	17,000.	15,380.	35,000.	31,925.	118,805.
3 Gross receipts from activities that are not an unrelated trade or business under section 513						
4 Tax revenues levied for the organization's benefit and either paid to or expended on its behalf						
5 The value of services or facilities furnished by a governmental unit to the organization without charge						
6 Total. Add lines 1 through 5	35,500.	33,500.	40,300.	55,000.	50,725.	215,025.
7a Amounts included on lines 1, 2, and 3 received from disqualified persons					5,450.	5,450.
b Amounts included on lines 2 and 3 received from other than disqualified persons that exceed the greater of \$5,000 or 1% of the amount on line 13 for the year						0.
c Add lines 7a and 7b					5,450.	5,450.
8 Public support (Subtract line 7c from line 6.)						209,575.

**Section B. Total Support**

Calendar year (or fiscal year beginning in) ▶	(a) 2009	(b) 2010	(c) 2011	(d) 2012	(e) 2013	(f) Total
9 Amounts from line 6	35,500.	33,500.	40,300.	55,000.	50,725.	215,025.
10a Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources	19.	12.	10.	10.	10.	61.
b Unrelated business taxable income (less section 511 taxes) from businesses acquired after June 30, 1975						
c Add lines 10a and 10b	19.	12.	10.	10.	10.	61.
11 Net income from unrelated business activities not included in line 10b, whether or not the business is regularly carried on						
12 Other income. Do not include gain or loss from the sale of capital assets (Explain in Part IV.)						
13 Total support. (Add lines 9, 10c, 11, and 12.)	35,519.	33,512.	40,310.	55,010.	50,735.	215,086.

14 First five years. If the Form 990 is for the organization's first, second, third, fourth, or fifth tax year as a section 501(c)(3) organization, check this box and stop here ☐**Section C. Computation of Public Support Percentage**

15 Public support percentage for 2013 (line 8, column (f) divided by line 13, column (f))	15	97.44 %
16 Public support percentage from 2012 Schedule A, Part III, line 15	16	97.44 %

**Section D. Computation of Investment Income Percentage**

17 Investment income percentage for 2013 (line 10c, column (f) divided by line 13, column (f))	17	.03 %
18 Investment income percentage from 2012 Schedule A, Part III, line 17	18	.03 %

19a 33 1/3% support tests - 2013. If the organization did not check the box on line 14, and line 15 is more than 33 1/3%, and line 17 is not more than 33 1/3%, check this box and stop here. The organization qualifies as a publicly supported organization ☒b 33 1/3% support tests - 2012. If the organization did not check a box on line 14 or line 19a, and line 16 is more than 33 1/3%, and line 18 is not more than 33 1/3%, check this box and stop here. The organization qualifies as a publicly supported organization ☐20 Private foundation. If the organization did not check a box on line 14, 19a, or 19b, check this box and see instructions ☐

**Part IV Supplemental Information.** Provide the explanations required by Part II, line 10; Part II, line 17a or 17b; and Part III, line 12. Also complete this part for any additional information. (See instructions).

This image shows a single page of white paper with horizontal blue or grey ruling lines. The lines are evenly spaced and run across the width of the page. There is no handwriting or other markings on the paper.





**Schedule B**(Form 990, 990-EZ,  
or 990-PF)Department of the Treasury  
Internal Revenue Service**Schedule of Contributors**▶ Attach to Form 990, Form 990-EZ, or Form 990-PF.  
▶ Information about Schedule B (Form 990, 990-EZ, or 990-PF) and  
its instructions is at [www.irs.gov/form990](http://www.irs.gov/form990).

OMB No. 1545-0047

**2013**

Name of the organization

SCHOOL BOOSTER CLUB

Employer identification number

76-1234567

Organization type (check one):

Filers of:

Section:

Form 990 or 990-EZ

☒ 501(c)( 3 ) (enter number) organization☐ 4947(a)(1) nonexempt charitable trust not treated as a private foundation☐ 527 political organization

Form 990-PF

☐ 501(c)(3) exempt private foundation☐ 4947(a)(1) nonexempt charitable trust treated as a private foundation☐ 501(c)(3) taxable private foundationCheck if your organization is covered by the **General Rule** or a **Special Rule**.**Note.** Only a section 501(c)(7), (8), or (10) organization can check boxes for both the General Rule and a Special Rule. See instructions.**General Rule**

- ☒ For an organization filing Form 990, 990-EZ, or 990-PF that received, during the year, \$5,000 or more (in money or property) from any one contributor. Complete Parts I and II.

**Special Rules**

- ☐ For a section 501(c)(3) organization filing Form 990 or 990-EZ that met the 33 1/3% support test of the regulations under sections 509(a)(1) and 170(b)(1)(A)(vi) and received from any one contributor, during the year, a contribution of the greater of (1) \$5,000 or (2) 2% of the amount on (i) Form 990, Part VIII, line 1h, or (ii) Form 990-EZ, line 1. Complete Parts I and II.
- ☐ For a section 501(c)(7), (8), or (10) organization filing Form 990 or 990-EZ that received from any one contributor, during the year, total contributions of more than \$1,000 for use *exclusively* for religious, charitable, scientific, literary, or educational purposes, or the prevention of cruelty to children or animals. Complete Parts I, II, and III.
- ☐ For a section 501(c)(7), (8), or (10) organization filing Form 990 or 990-EZ that received from any one contributor, during the year, contributions for use *exclusively* for religious, charitable, etc., purposes, but these contributions did not total to more than \$1,000. If this box is checked, enter here the total contributions that were received during the year for an *exclusively* religious, charitable, etc., purpose. Do not complete any of the parts unless the **General Rule** applies to this organization because it received *nonexclusively* religious, charitable, etc., contributions of \$5,000 or more during the year ..... ▶ \$ .....

**Caution.** An organization that is not covered by the General Rule and/or the Special Rules does not file Schedule B (Form 990, 990-EZ, or 990-PF), but it **must** answer "No" on Part IV, line 2, of its Form 990; or check the box on line H of its Form 990-EZ or on its Form 990-PF, Part I, line 2, to certify that it does not meet the filing requirements of Schedule B (Form 990, 990-EZ, or 990-PF).

LHA For Paperwork Reduction Act Notice, see the Instructions for Form 990, 990-EZ, or 990-PF. Schedule B (Form 990, 990-EZ, or 990-PF) (2013)

Name of organization

Employer identification number

**SCHOOL BOOSTER CLUB****76-1234567****Part I Contributors** (see instructions). Use duplicate copies of Part I if additional space is needed.

(a) No.	(b) Name, address, and ZIP + 4	(c) Total contributions	(d) Type of contribution
<b>1</b>	<b>DAVID JOHNSON</b> <b>701 ASHMOORE</b> <b>HOUSTON, TX 77001</b>	\$ <b>5,000.</b>	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)
		\$	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)
		\$	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)
		\$	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)
		\$	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)
		\$	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)
		\$	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)



Name of organization

Employer identification number

SCHOOL BOOSTER CLUB

76-1234567

**Part II** Noncash Property (see instructions). Use duplicate copies of Part II if additional space is needed.

(a) No. from Part I	(b) Description of noncash property given	(c) FMV (or estimate) (see instructions)	(d) Date received
		\$	
		\$	
		\$	
		\$	
		\$	
		\$	
		\$	
		\$	
		\$	
		\$	

Name of organization

Employer identification number

## SCHOOL BOOSTER CLUB

76-1234567

**Part III** Exclusively religious, charitable, etc., individual contributions to section 501(c)(7), (8), or (10) organizations that total more than \$1,000 for the year. Complete columns (a) through (e) and the following line entry. For organizations completing Part III, enter the total of exclusively religious, charitable, etc., contributions of \$1,000 or less for the year. (Enter this information once.) ▶ \$

Use duplicate copies of Part III if additional space is needed.

(a) No. from Part I	(b) Purpose of gift	(c) Use of gift	(d) Description of how gift is held
	(e) Transfer of gift		
	Transferee's name, address, and ZIP + 4		Relationship of transferor to transferee
	(e) Transfer of gift		
	Transferee's name, address, and ZIP + 4		Relationship of transferor to transferee
	(e) Transfer of gift		
	Transferee's name, address, and ZIP + 4		Relationship of transferor to transferee
	(e) Transfer of gift		
	Transferee's name, address, and ZIP + 4		Relationship of transferor to transferee





**Part II Fundraising Events.** Complete if the organization answered "Yes" to Form 990, Part IV, line 18, or reported more than \$15,000 of fundraising event contributions and gross income on Form 990-EZ, lines 1 and 6b. List events with gross receipts greater than \$5,000.

	(a) Event #1	(b) Event #2	(c) Other events	(d) Total events
	GOLF TOURNAMENT (event type)	CATALOG SALES (event type)	1 (total number)	(add col. (a) through col. (c))
<b>Revenue</b>				
1 Gross receipts .....	17,500.	13,600.	2,600.	33,700.
2 Less: Contributions .....	12,700.			12,700.
3 Gross income (line 1 minus line 2) .....	4,800.	13,600.	2,600.	21,000.
<b>Direct Expenses</b>				
4 Cash prizes .....				
5 Noncash prizes .....				
6 Rent/facility costs .....	3,500.			3,500.
7 Food and beverages .....				
8 Entertainment .....				
9 Other direct expenses .....		6,800.	800.	7,600.
10 Direct expense summary. Add lines 4 through 9 in column (d) .....				11,100.
11 Net income summary. Subtract line 10 from line 3, column (d) .....				9,900.

**Part III Gaming.** Complete if the organization answered "Yes" to Form 990, Part IV, line 19, or reported more than \$15,000 on Form 990-EZ, line 6a.

	(a) Bingo	(b) Pull tabs/instant bingo/progressive bingo	(c) Other gaming	(d) Total gaming (add col. (a) through col. (c))
<b>Revenue</b>				
1 Gross revenue .....			500.	500.
<b>Direct Expenses</b>				
2 Cash prizes .....				
3 Noncash prizes .....				
4 Rent/facility costs .....				
5 Other direct expenses .....			100.	100.
6 Volunteer labor .....	<input type="checkbox"/> Yes _____ % <input type="checkbox"/> No	<input type="checkbox"/> Yes _____ % <input type="checkbox"/> No	<input checked="" type="checkbox"/> Yes 10000 % <input type="checkbox"/> No	
7 Direct expense summary. Add lines 2 through 5 in column (d) .....				100.
8 Net gaming income summary. Subtract line 7 from line 1, column (d) .....				400.

9 Enter the state(s) in which the organization operates gaming activities: TXa Is the organization licensed to operate gaming activities in each of these states? ☐ Yes ☒ Nob If "No," explain: TEXAS DOES NOT REQUIRE LICENSE FOR ORGANIZATIONS HOLDING LESS THAN THREE RAFFLES PER CALENDAR YEAR.10a Were any of the organization's gaming licenses revoked, suspended or terminated during the tax year? ☐ Yes ☒ No

b If "Yes," explain: \_\_\_\_\_

- 11 Does the organization operate gaming activities with nonmembers? ☐ Yes ☒ No
- 12 Is the organization a grantor, beneficiary or trustee of a trust or a member of a partnership or other entity formed to administer charitable gaming? ☐ Yes ☒ No
- 13 Indicate the percentage of gaming activity operated in:
- |                               |     |   |
|-------------------------------|-----|---|
| a The organization's facility | 13a | % |
| b An outside facility         | 13b | % |
- 14 Enter the name and address of the person who prepares the organization's gaming/special events books and records:

Name ► \_\_\_\_\_

Address ► \_\_\_\_\_

- 15a Does the organization have a contract with a third party from whom the organization receives gaming revenue?
- ☐
- Yes
- ☒
- No

b If "Yes," enter the amount of gaming revenue received by the organization ► \$ \_\_\_\_\_ and the amount of gaming revenue retained by the third party ► \$ \_\_\_\_\_.

c If "Yes," enter name and address of the third party:

Name ► \_\_\_\_\_

Address ► \_\_\_\_\_

## 16 Gaming manager information:

Name ► \_\_\_\_\_

Gaming manager compensation ► \$ \_\_\_\_\_

Description of services provided ► \_\_\_\_\_

☐ Director/officer☐ Employee☐ Independent contractor

## 17 Mandatory distributions:

- a Is the organization required under state law to make charitable distributions from the gaming proceeds to retain the state gaming license? ☐ Yes ☒ No

b Enter the amount of distributions required under state law to be distributed to other exempt organizations or spent in the organization's own exempt activities during the tax year ► \$ \_\_\_\_\_

**Part IV** Supplemental Information. Provide the explanations required by Part I, line 2b, columns (iii) and (v), and Part III, lines 9, 9b, 10b, 15b, 15c, 16, and 17b, as applicable. Also complete this part to provide any additional information (see instructions).

**SCHEDULE O**  
(Form 990 or 990-EZ)

Department of the Treasury  
Internal Revenue Service

**Supplemental Information to Form 990 or 990-EZ**

Complete to provide information for responses to specific questions on  
Form 990 or 990-EZ or to provide any additional information.  
▶ Attach to Form 990 or 990-EZ.

▶ Information about Schedule O (Form 990 or 990-EZ) and its instructions is at [www.irs.gov/form990](http://www.irs.gov/form990)

OMB No. 1545-0047

**2013**

Open to Public  
Inspection

Name of the organization

SCHOOL BOOSTER CLUB

Employer identification number  
76-1234567

**FORM 990-EZ, PART I, LINE 4, OTHER INVESTMENT INCOME:**

**DESCRIPTION OF PROPERTY:**

**AMOUNT:**

INTEREST INCOME

10.

**FORM 990-EZ, PART I, LINE 10, GRANTS AND ALLOCATIONS:**

**ACTIVITY CLASSIFICATION: EDUCATION SCHOLARSHIPS**

**GRANTEE RELATIONSHIP: NONE**

**PROPERTY DESCRIPTION: CASH**

**BOOK VALUE OF PROPERTY: 2,500.**

**DATE OF GIFT: 09/01/13**

**AMOUNT GIVEN:**

2,500.

**ACTIVITY CLASSIFICATION: EDUCATION**

**GRANTEE NAME: LOCAL HIGH SCHOOL**

**GRANTEE ADDRESS: 5656 SPRING DRIVE HOUSTON, TX 77001**

**GRANTEE RELATIONSHIP: NONE**

**PROPERTY DESCRIPTION: CASH**

**BOOK VALUE OF PROPERTY: 11,000.**

**DATE OF GIFT: 09/01/13**

**AMOUNT GIVEN:**

11,000.

**TOTAL INCLUDED ON FORM 990-EZ, LINE 10**

13,500.

**FORM 990-EZ, PART I, LINE 16, OTHER EXPENSES:**

**DESCRIPTION OF OTHER EXPENSES:**

**AMOUNT:**

SUPPLIES

680.

LHA For Paperwork Reduction Act Notice, see the Instructions for Form 990 or 990-EZ.

Schedule O (Form 990 or 990-EZ) (2013)

332211  
09-04-13



**SCHEDULE O**  
**(Form 990 or 990-EZ)**

Department of the Treasury  
Internal Revenue Service

**Supplemental Information to Form 990 or 990-EZ**

Complete to provide information for responses to specific questions on  
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EDUCATIONAL TRIP	12,425.
BANK SERVICE CHARGES	80.
TELEPHONE	350.
TRAVEL	400.
TOTAL TO FORM 990-EZ, LINE 16	13,935.

**FORM 990-EZ, PART V, INFORMATION REGARDING PERSONAL BENEFIT CONTRACTS:**

THE ORGANIZATION DID NOT, DURING THE YEAR, RECEIVE ANY FUNDS, DIRECTLY,  
OR INDIRECTLY, TO PAY PREMIUMS ON A PERSONAL BENEFIT CONTRACT.

THE ORGANIZATION, DID NOT, DURING THE YEAR, PAY ANY PREMIUMS, DIRECTLY,  
OR INDIRECTLY, ON A PERSONAL BENEFIT CONTRACT.

## **Suggested Audit Program**

### **Bank Reconciliations**

Trace ending balances on the reconciliations to bank statements, outstanding check lists, and other reconciling items.

Verify that bank reconciliations were completed within 30 days of bank statement ending date.

Ensure that any outstanding or reconciling items on the reconciliations were cleared the following month.

Verify that the balance in the bank account (at beginning of school year), plus total deposits per check register, minus total disbursements per check register, balances to ending bank account balance (at end of school year).

### **Bank Statements**

Determine whether a procedure is in place for a club member, other than those that have check signing ability, to receive bank statements by mail and review for reasonableness.

Determine whether any cash corrections were identified on bank statements. Ensure that reasonable explanations are available.

Compare the number of cleared checks included in the bank statement with the number that is noted on the bank statement to ensure agreement.

Ensure that cleared checks contain signatures of individuals authorized to sign checks. Ideally, bank accounts should be established to require two signatures.

### **Receipts**

From the check register or other accounting records, schedule each deposit (use of spreadsheets is helpful). If volume is significant, consider selecting only a representative sample.

Trace deposits to collection documentation and prepared cash receipts for agreement.

Trace deposits to bank statements to ensure agreement.

Ensure that receipts are presented for deposit in a timely manner by reviewing the dates of prepared cash receipts with the date of deposit on the bank statement.



### **Disbursements**

From the check register or other accounting records, schedule each check, withdrawal, or other debit (use of spreadsheets is helpful). If volume is significant, consider selecting only a representative sample.

Trace checks to supporting documentation such as invoices, receipts, approved expenses related to fundraisers, or other reasonable explanations.

Review the canceled check to ensure agreement of payee name, endorsement, and check amount.

Trace disbursements to budget approved by the membership or meeting minutes.

For bank withdrawals for the purpose of establishing a change fund for an event, confirm that the change fund was later re-deposited.

Evaluate each fundraiser individually by calculating the value of items available for sale or number of tickets sold, and comparing to deposits and remaining inventory, if any, to ensure agreement.

Determine whether fundraiser applications were prepared and submitted to the campus principal for each fundraiser.

### **Miscellaneous**

Inventory all remaining check stock to confirm that all checks are present and sequential. Ensure that the check number for the last check issued and first check available in check stock are sequential.

Confirm that check stock is retained in a secure place when not in use.

Determine whether any checks were voided during the course of the year. Ensure that any voided checks are retained in the records, but have been sufficiently modified to eliminate the possibility of clearing the bank (i.e. signature portion has been cut out of the check and VOID has been written across the check).

Ensure that sales tax reports were prepared and filed timely.

Verify that IRS 990 form was filed, review for reasonableness.



# **YEE-HAW BOOSTER CLUB ASSOCIATION BY-LAWS**

**AMENDED: May 15, 2010**

## **ARTICLE I - NAME**

The name of this organization shall be the YEE-HAW BOOSTER CLUB.

## **ARTICLE II - OBJECTIVES**

Sec. 1. This organization is organized exclusively for charitable, religious, educational, and scientific purposes, including, for such purposes, the making of distributions to organizations that qualify as exempt organizations under section 501 ( c ) (3) of the Internal Revenue Code of 1954 (or the corresponding provision of any future United States Internal Revenue Law).

No part of the net earnings of the corporation shall inure to the benefit of, or be distributable to, its members, trustees, officers, or other private persons, except that the organization shall be authorized and empowered to pay reasonable compensation for services rendered and to make payments and distributions in furtherance of the purposes set forth in the paragraph above. No substantial part of the activities of the organization shall be the carrying on of propaganda, or otherwise attempting to influence legislation, and the organization shall not participate in, or intervene in (including the publishing or distribution of statements) any political campaign on behalf of any candidate for public office. Notwithstanding any other provision of these by-laws, the organization shall not carry on any other activities not permitted to be carried on (a) by an organization exempt from Federal Income tax under section 501 (c) (3) of the Internal Revenue Code of 1954 (or the corresponding provision of any future United States Internal Revenue Law) or (b) by an organization, contributions to which are deductible under section 170 (c) (2) of the Internal Revenue Code of 1954 (or the corresponding provision of any future United States Internal Revenue Law).

Sec. 2. This organization is organized to support the activities of the drill team members. Upon the dissolution of the organization, the Executive Committee shall, after paying or making provision for the payment of all of the liabilities of the organization, dispose of all of the assets of the organization exclusively for the purposes of the organization in such manner, or to such organization or organizations organized and operated exclusively for charitable, educational, religious, or scientific purposes as shall at the time qualify as an exempt organization or organizations under section 501 ( c ) (3) of the Internal Revenue Code of 1954 (or the corresponding provision of any future United States Internal Revenue Law), as the Executive Committee shall determine. Any such assets not so disposed of shall be disposed of by the Court of Common Pleas of the county in which the principal office of the organization is then located, exclusively for such purposes or to such organization or organizations, as said Court shall determine, which are organized and operated exclusively for such purposes.

### **ARTICLE III - MEMBERSHIP DUES**

Membership becomes automatic upon payment of dues.

### **ARTICLE IV - OFFICERS AND THEIR ELECTION**

Sec. 1. The Executive Board of this club shall consist of the following officers: President, 1<sup>st</sup> Vice-President, 2<sup>nd</sup> Vice-President, 3<sup>rd</sup> Vice-President, Secretary, Treasurer(s) and Parliamentarian.

Sec. 2. No person shall serve in the same office more than one consecutive year unless it is decided and voted upon to determine that it is the best interest of the club. Term of the office herein is defined as the period of May of current year until May of the following year at installation of Booster Club officers.

Sec. 3. Officers shall be elected by voice, unless there are nominations from the floor in which case the vote shall be by ballot. Nominations of officers shall be presented to the membership by a nomination committee at least one month prior to the election of the officers. The nomination committee shall consist of the club President as chairperson; the Yee-Haw Director; the Principal, at his or her discretion; and five other members appointed by the President. Two of the appointed members shall be from the Executive Committee and three from the membership at large, including one sophomore class representative, one junior class representative, and one senior class representative.

Sec. 4. These officers shall be elected annually in April and assume duty at the installation of officers at the May Booster Club meeting.

Sec. 5. Nominations from the floor may be made provided prior consent is obtained from the prospective nominee and these nominations are made at the time the nominating committee presents its slate to the membership.

Sec. 6. A vacancy occurring in an office shall be filled by a vote of the executive board.

Sec. 7. All officers are volunteers, and none are paid any compensation for services performed. As such, no officer shall incur any personal liability as a result of serving on this board.

## ARTICLE V - DUTIES OF OFFICERS

Sec. 1. The President shall preside at all meetings of the club, Executive Board, and the Executive Committee and shall be a member ex-officio of all committees and shall perform other duties usually pertaining to the office.

Sec. 2. The 1<sup>st</sup> Vice-President shall act as aid to the President and shall perform duties of the President in the absence of that officer and serve as chairperson of membership and special events.

Sec. 3. The 2<sup>nd</sup> Vice-President shall be responsible for procuring chaperones for all football games, contest trips, or other events which take place.

Sec. 4. The 3<sup>rd</sup> Vice-President shall be responsible for organizing all fund raising projects.

Sec. 5. The Secretary shall keep a record of all meetings of the club and of the Executive Board meetings and shall conduct the general correspondence of the club.

Sec. 6. The Treasurer(s) shall be custodian of all Booster Club funds and all disbursements of these funds under guidelines listed below.

1. Expenditures in excess of budgeted amounts will not be expended without board approval.

2. Receipts and "Request for Funds" forms must be presented to the Treasurer for reimbursement. No cash advances are allowed unless the item has already been budgeted for and funds are available.

3. The 3<sup>rd</sup> Vice-President (fund raising chairperson), the project chairperson, and the Treasurer shall be in charge of tabulating money at the end of each fundraiser. Duplicate receipts will be issued by the Treasurer with the Treasurer retaining the original and a copy given to the 3<sup>rd</sup> Vice-President.

4. The following signatures are to be maintained on the file at the financial institution in which the checking account is located:

- a. President of the Booster Club; and
- b. Treasurer(s) of the Booster Club.

All checks are to have these two (2) signatures.

5. The Treasurer will be required to keep current and accurate ledgers indicating all accounts payable. At the end of his/her term, the Booster Club shall have an organizational committee conduct an



annual review of the organization's revenues/expenditures for the prior year. A copy of the report for the prior year will be submitted to the Principal's office and to the Internal Audit Department by September 1 of each year.

6. A financial disposition of Booster Club funds shall be presented monthly, with a financial statement given at the May meeting.

Sec. 7. The Parliamentarian will insure that all meetings are conducted according to Robert's Rules of Order.

## **ARTICLE VI - MEETINGS**

Sec. 1. A regular meeting of the Booster Club shall be held on the second Tuesday night of each school month unless otherwise provided by the club or the Executive Board with a seven-day notice.

Sec. 2. Fifty percent (50%) of the voting membership of the Booster Club, one of whom shall be authorized to open and preside over the meeting, shall constitute a quorum.

## **ARTICLE VII - EXECUTIVE COMMITTEE**

The Executive Committee shall consist of the officers of the club and the Yee-Haw Director. Its duties shall be to transact necessary business between club meetings and such other business as may be referred to it by the club; to approve the plans of work of the standing committee chairpersons; and to present reports at the regular meetings. Special meetings of the Executive Committee may be called by the President or by a majority of the committee's members.

## **ARTICLE VIII - STANDING COMMITTEES**

There shall be such standing committees created by the Executive Committee as may be required to promote the objectives and purposes of the club. The chairpersons of the standing committees shall be appointed or selected by the newly elected Executive Board. Their term of office shall be for one year.

### **Standing Committees**

Scholarship  
Father/Daughter Social  
Photo Historian  
Props  
Publicity

Mother/Daughter Luncheon  
Parent Socials  
Sunshine (Thank Yous)  
Costumes/ Sewing  
Telephone

Standing Committees (continued)

Formal	P.A.C.E.
Spring Show	Banquet
Fundraising (i.e., Car Wash, Jazz Camp, Christmas Wrap, Candy Sales)	

## **ARTICLE IX - PARLIAMENTARY AUTHORITY**

All meetings shall be governed by Robert's Rules of Order in cases where they are applicable and are not inconsistent with these by-laws.

The Booster Club has no authority to direct the Director, an employee of Totally Country High School, in any of her duties. The schedule of contest, rules of participation, method of earning letters, awards offices and all other criteria dealing with interschool programs are under the jurisdiction of the Director and the school administration.

## **ARTICLE X - AMENDMENTS**

These by-laws may be amended at any regular meeting of the organization by two-thirds vote of the designated quorum, provided notice of proposed amendment shall be given at the previous regular meeting.

## **ARTICLE XI - STANDING RULES**

Flowers or memorials shall be sent in case of death of a Yee-Haw member or immediate family member (mother, father, sister, brother). Cards are to be sent in all other instances.

All Booster Club projects must support the philosophy of the school administration.

## **ARTICLE XII - VOTING**

Membership in the Yee-Haw Booster Club is by family with one vote per family.

## **ARTICLE XIII - AWARDS**

Attendance awards shall be given only to the daughters of members who have missed no more than one (1) meeting during the year.

## **ARTICLE XIV -ACADEMIC**

An academic scholarship will be given to needy or deserving Yee-Haws as the funds are available. The scholarship recipient(s) will be decided by the Totally Country Scholarship Committee. The amount to be awarded shall be determined by the Executive Board when creating the annual budget.

## **ARTICLE XV - FUNDRAISING**

Sec. 1. All sales campaigns must be cleared through the Yee-Haw Director and the Totally Country Principal.

Sec. 2. All funds raised shall be for the purpose of supporting drill team activities by providing funds to cover costumes, uniforms, leotards, shoes, props, contest fees, contest travel expenses, refreshments, scholarships, or other necessary items required for participation on drill team and not being provided for drill team members by the high school or school district. Social events will be incidental to the purpose of fund raising activities, and drill team members are required to pay for participation in connection with same. Committee chairpersons, board members, and drill team director shall decide on the amount due from drill team members in connection with a social event.

## **ARTICLE XVI - RETURN CHECK POLICY**

Sec. 1. If more than one insufficient funds check is presented to the Booster Club by the same party, no further checks will be accepted, only cashier's check or money order.

Sec. 2. The party issuing an insufficient funds check must reimburse the Booster Club for the amount of the check plus any applicable fees within thirty (30) days of notification of insufficient funds.

## **ARTICLE VII - DISSOLUTION:**

Sec. 1. Upon dissolution, all assets are to be distributed to the school activity fund or another 501 © (3) organization. If at the time of dissolution, the named organization of their choice 1. ceases to exist, 2. does not accept the distribution, 3. is not exempt under 501 © (3) at the time of the dissolution, the assets shall then be distribution for one



or more exempt purposes within the meaning of section 501 © (3) of the Internal Revenue Code, or corresponding section of any future federal tax code, or should be distributed to the federal government, or to a state or local government, for public purpose. Any such assets not disposed of shall be disposed of by the Court of Common Pleas of the county in which the principal office of the organization is then located, exclusively for such purposes or to such organization or organizations, as said Court shall determine, which are organized and operated exclusively for such purposes.

**These bylaws were submitted and approved at the special Officer meeting on May 20, 2010.**

**Officer** \_\_\_\_\_

**Date:** \_\_\_\_\_

**Officer** \_\_\_\_\_

**Date:** \_\_\_\_\_

Example

# BY-LAWS

## XYZ HIGH SCHOOL BOOSTER CLUB, INC.

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### ARTICLE I

- 1.1 **Name.** The name of this corporation is XYZ HIGH SCHOOL BOOSTER CLUB, INC. ("Corporation")

### ARTICLE II

- 2.1 **Purposes.** The Corporation is organized exclusively for educational and charitable purposes within the meaning of Section 501(c)(3) of the Internal Revenue Code of 1986, as amended ("Code"). The purpose or purposes for which the Corporation is organized are:
- a. To sponsor and promote a chemical free prom night for graduating seniors of XYZ High School;
  - b. To educate high school students and the public about the benefits to themselves and others of a chemical free celebration of prom night;
  - c. To solicit and disburse funds to be used to support the above purposes.

### ARTICLE III

- 3.1 **Principal Office.** The principal office of the Corporation shall be located in Sugar Land, Fort Bend County, Texas.
- 3.2 **Registered Office and Registered Agent.** The Corporation shall have and contiguously maintain in the State of Texas a registered agent whose office is identical with such registered office, as required by the Texas Non-Profit Corporation Act. The registered office may be, but need not be identical with the principal office of the Corporation, and the address of the registered office may be changed from time to time by the Board of Directors.

### ARTICLE IV

- 4.1 **Administration.** The Purposes of the Corporation shall be carried out through conferences, committees and projects. The Corporation shall not seek to direct the administrative activities of the school or to control their policies.
- 4.2 **Non-Commercial.** The Corporation shall be non-commercial, non-sectarian and nonpartisan. No commercial enterprise or any candidates shall be endorsed by it. The name of the Corporation or its officers in their official capacities shall not be used in any connection with a commercial concern or with any partisan interest or for any purpose other than the regular work of the Corporation.

## ARTICLE V

- 5.1 Membership.** The Corporation will have no members. The Corporation may, nevertheless, use the term "Members" to designate those persons having such privileges and status as the Board of Directors may determine. Such "Members" shall have no voting or other legal or equitable rights in the Corporation.

## ARTICLE VI

- 6.1 General Powers.** The affairs of the Corporation shall be managed by its Board of Directors.
- 6.2 Number and Qualifications.** The Board of Directors shall consist of the individuals who hold the offices of President, Vice President, Treasurer and Secretary of the Corporation. Membership in the Board of Directors shall be held exclusively and indefinitely by the individuals holding such offices. The initial Members of the Board of Directors are as follows:

### NAME

### ADDRESS

Joe Smith	222 Some Road, Houston, TX 77777
Jane Doe	724 Aroad Avenue, Houston, TX 77777
John Black	345 Another Avenue, Houston, TX 77777
Mary Smithe	889 Deadend Road, Houston, TX 77777

- 6.3 Duties.** The duties of the Board of Directors shall be to transact necessary business.
- 6.4 Quorum.** A majority of the Board of Directors shall constitute a quorum for the transaction of business at any meeting of the Board; but if less than a majority of the directors are present at the meeting, a majority of the Directors present may adjourn the meeting from time to time without further notice.
- 6.5 Manner of Acting.** The act of a majority of the Directors present at a meeting at which a quorum is present shall be the act of the Board of Directors, unless the act of a greater number is required by law or by these by-laws.
- 6.6 Resolutions.** No resolutions may be adopted except by the Board of Directors.
- 6.7 Informal Action by Directors.** Any action required by law to be taken at a meeting of the Board of Directors, or any action which may be taken at a meeting of the Board of Directors, may be taken without a meeting if a consent in writing setting forth the action so taken shall be signed by all of the directors.



## **ARTICLE VII OFFICERS**

**7.1 Officers.** The officers of the Corporation shall be a President, Vice President, Secretary and Treasurer. Officers shall take office at the first regular meeting and serve for a term of one year or until their successors are installed.

**7.2 Designation of Officers.** The officers of the Corporation shall be elected annually at the first regular meeting. Each officer shall hold office until his successor shall have been duly elected and shall have been qualified, or until his death, or until he shall resign or shall have been removed in the manner hereinafter provided.

**7.3 Vacancies.** Vacancies occurring during the term of office shall be filled by the Board of Directors.

**7.4 President.** The President shall be the principal executive officer of the Corporation and shall in general supervise and control all of the business and affairs of the Corporation. He or she shall preside at all meetings of the Corporation, the Board of Directors, and shall be exofficio member of all committees. He or she may sign, with the Secretary or any other proper officer of the Corporation authorized by the Board of Directors, any contracts or other instruments which the Board of Directors has authorized to be executed, except in cases where the signing and execution thereof shall be expressly delegated by the Board of Directors or by these By-laws or by statute to some other officer or agent of the Corporation; and in general he or she shall perform all duties incident to the office of President and such other duties as may be prescribed by the Board of Directors from time to time.

**7.6 Vice President.** In the absence of the President or in the event of his or her inability or refusal to act, the Vice President shall perform the duties of the President, and when so acting shall have all the powers of and be subject to all the restrictions upon the President. The Vice President shall be the Chairman of the Fundraising Committee.

**7.7 Treasurer.** If required by the Board of Directors, the Treasurer shall give a bond for the faithful discharge of his or her duties in such sum and with such surety or sureties as the Board of Directors shall determine. He or she shall have charge and custody of and be responsible for all funds and securities of the Corporation; deposit all such moneys in the name of the Corporation in such banks, trust companies, or other depositories as shall be selected in accordance with these By-laws; and in general perform all the duties incident to the office of Treasurer and such other duties as from time to time may be assigned to him or her by the President or by the Board of Directors. The Treasurer shall present a statement of account at every meeting of the Corporation and at other times when requested by the Board of Directors and shall make a report at the Spring and Fall meetings. The Treasurer's books shall be subject to audit annually by a committee of three members appointed by the President at the spring meeting. The Treasurer's books shall be closed by July 31 of the fiscal year (end of the fiscal year).

- 7.8 Secretary.** The Secretary shall keep the minutes of the meetings of the members of the Board of Directors in one or more books provided for that purpose; give all notices in accordance with the provisions of these By-laws or as required by law; be custodian of the corporate records; keep a register of the address of each member which shall be furnished to the Secretary by each member; and, in general, perform all duties incident to the office of Secretary and such other duties as from time to time may be assigned to him or her by the President or by the Board of Directors.

## **ARTICLE VIII CONTRACTS, CHECKS, DEPOSITS AND FUNDS**

- 8.1 Contracts.** The Board of Directors may authorize any officer or officers, agent or agents of the Corporation, in addition to the officers so authorized by these By-laws, to enter into contract or execute and deliver any instrument in name of and on behalf of the Corporation. Such authority may be general or confined to specific instances. All expenditures must be approved by the Board of Directors before they are made.
- 8.2 Checks and Drafts.** All Checks, drafts, or orders for the payment of money, notes- or other evidences of indebtedness issued in the name of the Corporation shall be signed by such officer or officers, agent or agents of the Corporation and in such manner as provided in these By-laws or as from time to time determined by the Board of Directors.
- 8.3 Deposits.** All funds of the Corporation shall be deposited from time to time to the credit of the Corporation in such banks, trust companies, or other depositories as the Board of Directors may select.
- 8.4 Gifts.** The Board of Directors may accept on behalf of the Corporation any contribution, gift, bequest or devise for the general purposes or for any special purpose of the Corporation.
- 8.5 Special Provision.** At the close of the fiscal year in 2010, the Corporation shall remit \$500 to next year's Project Prom. In all succeeding years, at the close of the fiscal year, the Corporation shall remit \$ 1,000 for use for the succeeding Project Prom.

## **ARTICLE IX MISCELLANEOUS**

- 9.1 Books and Records.** The Corporation shall keep correct and complete books and records of account and shall also keep minutes of the proceedings of its members, Board of Directors, and committees having any of the authority of the Board of Directors, and shall keep at the registered or principal office a record giving the names and addresses of the members entitled to vote. All books and records of the Corporation may be inspected by any member or his or her agent or attorney for any proper purpose at any reasonable time.
- 9.2 Fiscal Year.** The fiscal year of the Corporation shall begin on the first day of September and end on the last day in August.

**ARTICLE X  
AMENDMENTS**

- 10.1 Amendments.** These By-laws may be amended at any regular or special meeting of the Board of Directors by a two-thirds vote of the members present and voting, following notices of the proposed amendment at a previous regular or special meeting of the Board of Directors.

**ARTICLE XI  
RULES OF ORDER**

- 11.1 Rules of Order.** Except as provided in these By-laws, the rules contained in Roberts Rules of Order Newly Revised shall govern the Corporation operation.

**Adopted**

IN WITNESS WHEREOF, we have hereunto set our hands this day and year shown below.

Dated: \_\_\_\_/\_\_\_\_/\_\_\_\_

\_\_\_\_\_  
Joe Smith

Dated: \_\_\_\_/\_\_\_\_/\_\_\_\_

\_\_\_\_\_  
Jane Doe

Dated: \_\_\_\_/\_\_\_\_/\_\_\_\_

\_\_\_\_\_  
Mary Smith



## **KICKS & SPLITS PARENT CLUB POLICY GUIDELINE: FINANCIAL AID**

### **DEFINITION**

"Financial Aid" refers to financial support provided to individual Kicks & Splits team members from the Kicks & Splits Parent Club general fund.

### **PURPOSE**

As a member of the Kicks & Splits Dance/Drill Team, students incur expenses throughout the year that are offset by the Parent Club through financial contributions from team members and/or their parents/guardians. The purpose of Financial Aid is to reduce those expenses for individual(s) in a situation of financial hardship.

### **ELIGIBILITY**

Award of Financial Aid is determined by a Committee of the Parent Club Executive Board.

Proof of financial hardship shall be provided in written form (see Procedure section).

Eligibility is based on the income level test used by Fort Bend ISD for reduced price lunches.

Eligibility is contingent upon good faith participation by the individual and/or parent(s) in the Club's fundraising activities.

### **THE COMMITTEE**

The Committee shall consist of the Dance/Drill Team Director, the President(s) and the Treasurer(s).

The Committee is responsible for a good faith determination of financial need while respecting the privacy of the individual(s).

Financial Aid decisions may not be made by a Committee member who is related to a sponsorship candidate; in the event of such a conflict, the related Committee member(s) shall be replaced by other member(s) of the Executive board as selected by the President.

Financial Management Handbook  
For Parent Organizations  
Section 4  
Fundraising....  
Sales Tax Rules and Reporting, Food Guidelines, Incentives

**1.0 Purchases**

- 1.1 If a parent organization has obtained an exemption from the State for Texas sales and use taxes, it simply means that the organization can purchase items for the organization's exclusive use (further exempt purpose) or for resale (once the items are sold, they are taxable) without paying sales taxes. However, the organization must still collect sales taxes for taxable items sold. Sales taxes are essentially a transaction tax.
- 1.2 The remainder of Section 4 is based on the assumption that the parent organization has obtained tax-exempt status from the IRS as a public 501(c)(3) charitable organization and an exemption from the State for Texas sales and use taxes.
- 1.3 All purchases made for the exclusive use (necessary to the organization's exempt function) of a parent organization should be made tax-exempt.
  - 1.3.1 A Texas Sales and Use Tax Exemption Certificate form should be issued to the vendor.
  - 1.3.2 Sales and use tax exemption numbers do not exist. Exemption forms require no number to be valid. The Certificate authorizes the vendor to make the sale tax-exempt.
  - 1.3.3 The vendor should keep the certificate on file to show State Comptroller auditors if they are audited.
- 1.4 All items purchased to *resell* during a fund-raising event such as T-shirts, spirit items, etc. should be made as tax-free purchases from the vendor.
  - 1.4.1 A Texas Sales Tax Resale Certificate showing the organization's Sales Tax Permit Number (11 digits) should be given to the vendor unless the vendor already has one on file. If the organization is not required to have a sales tax permit, it may issue an exemption certificate when purchasing taxable items for resale.
  - 1.4.2 It is not allowable to pay the vendor for sales taxes in an attempt to avoid collecting and remitting sales taxes to the State.

## **2.0 Reporting and Remitting Sales Taxes to the State**

- 2.1 Sales taxes are due to the State and must be collected when taxable items (i.e. – caps and t-shirts) are sold to others.
- 2.2 Sales taxes are due regardless of whether a parent organization has obtained tax-exempt status from the IRS and regardless of whether sales taxes were charged as part of the sales price when the items were sold.
- 2.3 There is a requirement to file at least one sales tax report per calendar year (January – December) with the State Comptroller's office. The State Comptroller will inform the parent organization after filing their first sales tax report if sales taxes must be remitted more frequently (based on taxable sales in one year).
  - 2.3.1 The State Comptroller's office will generally mail the required reporting forms and information to the organization after it has obtained a Sales Tax Permit. If you did not receive the sales tax reporting forms, the organization is still required to complete the appropriate sales tax report.
  - 2.3.2 If an organization has a Sales Tax Permit, the State requires that a sales tax report be filed annually even if the organization did not sell anything taxable (zero sales/no tax due tax report).
  - 2.3.2 The sales tax report can be completed online, if preferred, by going to the State Comptroller's website at:  
[http://www.window.state.tx.us/taxinfo/sales/webfile\\_sales.html](http://www.window.state.tx.us/taxinfo/sales/webfile_sales.html).  
Select either "File Tax Due" or "File No Tax Due" (zero tax report).
- 2.4 Annual sales tax reports are due January 20<sup>th</sup> each year. Quarterly and monthly sales tax reports are due on the 20<sup>th</sup> of the month immediately following the end of the quarter or month, respectively.
- 2.5 All KISD locations except Mueller Elementary are currently located in a 8¼% sales tax rate area.
- 2.6 When completing the sales tax report, verify that the amount listed as total taxable sales reflects the sales price before tax. It should not be the total amount collected including tax or your organization will be paying sales taxes twice.
  - 2.6.1 For example if the total amount collected including tax for a T-shirt is \$15.00, the sales price would be \$13.99 (\$15.00/1.0725).



### **3.0 One-day Tax-free Sales**

- 3.1 Parent organizations are allowed two one-day tax-free days per **calendar year** by the State if they have obtained exempt status from the IRS and exemption from sales and use taxes from the State.
- 3.2 A one-day tax-free day is a day (24 consecutive hours) a parent organization can sell taxable items and not have to collect and consequently remit the normal sales taxes due to the State.
- 3.3 In order to be fair to those taking over the next year, it is recommended that parent organizations use one of these tax-free days during the fall semester and one in the spring semester (unless the nature of a particular organization is to have all fund-raisers in the same semester). This will allow the next parent organization to still have one tax-free day left for that calendar year. It is important to communicate this information to the next officers.
- 3.4 The criteria for a one-day tax-free sale have to do with when possession goes from the parent organization (which is tax exempt) to the buyer (which is not tax exempt). Orders and/or collections could be taken over an extended period before delivery is made. The delivery just has to be advertised as one day (the tax-free day).
- 3.5 If your organization has a sales tax permit, it will need to report the one-day tax-free day on the sales tax report in "total sales", not "taxable sales".

### **4.0 List of Common Taxable Items**

- 4.1 The following list of items or activities have been identified as being taxable when sold or sponsored by a parent organization. This list is not all-inclusive.
  - Athletic equipment and uniforms
  - Balloons
  - Band equipment and supplies - reeds, recorders
  - Books, workbooks, etc.
  - Candles
  - Catered dinners/banquet, if not part of fund-raiser
  - Clothing - T-shirts, all other clothing items
  - Concessions, if not part of a fund-raiser
  - Copies - collections from coin or manual copiers
  - Cups - glass, plastic, paper, etc.
  - Directories - student
  - Drafting supplies
  - Flower sales
  - Garage sales
  - Gift-wrap paper
  - Handicrafts

- Horticulture items
- Magazine subscriptions (< 6 months)
- Musical supplies
- Pennants
- Pictures/photographs
- Plant sales
- Publications – yearbooks, football programs, memory books
- Programs - athletic, music, etc.
- Recorders - musical
- Retirement plaque
- Rings - school
- School Store - all items sold by school stores
- Silent Auctions (if not part of one-day tax-free day and is for items such as free golf round, membership to a health club, other recreational-type items, etc.)
- Spirit Items – ribbons, banners, pom poms, pennants, cups, bracelets, etc.
- Stationery
- T-Shirts, all other clothing items
- Uniforms - PE, cheerleader (when student property)
- Vending - pencils and other non-edible supplies
- Yearbooks, if not part of one-day tax-free day

## **5.0 List of Common Non-taxable Items**

5.1 The following list of items or activities have been identified as being **non-taxable** when sold or sponsored by a parent organization. This list is not all-inclusive.

- Advertisements sold for school newspapers, athletic & booster club programs, etc.
- Bake/food sales
- Car wash
- Catalog sales (organization is acting as agent of seller & receives a commission- see 6.0 below)
- Concessions, if part of a fund-raiser
- Dinners – when prepared by parents or catered as part of a fund-raiser of a parent organization and not in direct competition of local vendors
- Discount cards
- Dues
- Gold-C and Entertainment coupon books
- Golf tournament entry fees
- Fees – clinics and workshops
- Jog-a-thon
- Magazine subscriptions (6 months or more)
- Raffle tickets

- Silent auctions (all if part of one-day tax-free day; if not part of one-day tax-free day and is for items such as gift certificates for dinner, manicure, facials, haircuts, stay at a hotel, etc.)
- Tickets for admission to athletic events, drama productions, dances, school carnivals and other similar entertainment events (including tickets sold to play a game at a booth for a prize)

## 6.0 Criteria to Determine if Seller or Agent

- 6.1 If a parent organization engages in a fund-raiser where they take orders, collect money on the sales, retain a commission and then forwards the sales proceeds to the fund-raising company, the parent organization is not responsible for remitting sales taxes. The parent organization is merely acting as an agent for the seller (fund-raising company). The fund-raising company is actually responsible for remitting the sales taxes from the proceeds.
- 6.1.1 Parent organization is considered the seller and is **responsible for remitting sales taxes** when it purchases inventory (i.e. - t-shirts, spirit items, etc.) from a retailer for a certain price and then resells the taxable items at its own profit or loss at a price the parent organization determined.
- 6.1.2 The parent organization is considered an agent for the seller (collects on behalf of vendor) and **is not responsible for remitting sales taxes** (fund-raising company is responsible) when it "contracts" with a fund-raising company to sell items (i.e. - certain catalog type sales, etc.) at a price determined by the fund-raising company, retains a commission and forwards the remaining sales proceeds to the fund-raising company.



## **Topics**

### **Handout Material**

**Filing requirements**

**W-9 – Request for Taxpayer Identification Number and Certification**

**Form 1099 – Miscellaneous Income**

**Donation receipts**

**Form 8282 – Donee Information Return**

**Form 8283 – Noncash Charitable Contributions**

**Form 8734 – Support Schedule for Advance Ruling Period**

**Individual Accounts**

**Form 990-T – Exempt Organization Business Income Tax Return  
(Unrelated Business Income – UBI)**

**Conflicts of Interest**

**Political Lobbying**

**Excess Benefits**

**Vehicle Donations**

**Booster club example**

**Form 990-EZ – Return of Organization Exempt from Income Tax**

**Schedule A – Organization Exempt Under Section 501(c)(3)**

**Schedule B – Schedule of Contributors**

**Schedule G – Supplemental Information Regarding Fundraising or Gaming Activities**

### **Filing Requirements for IRC 503(c)(3) Organizations**

For tax years beginning in 2010

Returns are due by the 15th day of the fifth month after organization's year end. For example, if yearend is June 30, 2011, return due by November 15, 2011. Organization can file two ninety day extensions, Form 8868.

Form 990N – Gross receipts normally less than \$50,001 must file online with IRS at <http://epostcard.form990.org>. There is no paper form.

#### **Form 990N Information**

Organization's legal name

Any other names the organization uses

Organization's mailing address

Organization's employer identification number

Name and address of principal officer of the organization

Organization's year end

Verify that organization's annual gross receipts are less than \$50,001

Some indication the organization has not ceased operations or terminated

Form 990EZ – Gross receipts less than \$200,000 and total assets less than \$500,000.

Form 990 – Gross receipts greater than \$199,999 and total assets greater than or equal to \$500,000.

**FAILURE TO FILE FORM 990-N, 990-EZ OR 990 FOR THREE CONSECUTIVE YEARS, THE ORGANIZATION'S STATUS AS AN EXEMPT ORGANIZATION UNDER IRC 503(C)(3) WILL AUTOMATICALLY BE REVOKED. FROM THE DATE OF REVOCATION, THE ORGANIZATION WILL BE A TAXABLE CORPORATION OR ASSOCIATION AND WILL OWE INCOME TAXES ON ITS NET INCOME. REVENUE PROCEDURE 2014-11 GIVES STEPS NECESSARY FOR ORGANIZATION TO REGAIN EXEMPT STATUS THE ORGANIZATION WILL HAVE TO RE-FILE FORM 1023 AND APPLY FOR 501(C)(3) STATUS WITHIN 15 MONTHS OF THE DATE OF REVOCATION.**

### **Form W-9**

Form W-9, Request for Taxpayer Identification Number and Certification, should be obtained from all vendors, donors of property of \$500 or more and prize winners of \$600 or more.

### **Form 1099-MISC**

Report rents and non-employee compensation (i.e. payments to vendors) on a calendar year of \$600 or more. Report name, address and federal identification number (i.e. social security number or employer identification number) and amount paid to such person/entity. Generally payments to corporations are not reportable, payments to all other persons or entities are reportable. Exception, all payments to attorneys/law firms of \$600 or more are reportable. Form 1099 is also required for prizes of \$600 or more awarded to an individual.

Penalties for failure to file Form 1099

\$30 per Form 1099 if filed within 30 days of due date (February 28)

\$60 per Form 1099 if filed after 30 days of due date and before August 2

\$100 per Form 1099 if filed after August 1

### **Donation Receipts**

Organizations must provide written receipts to the donor for donations of property and cash.

1. For the purposes of acknowledging the receipt of property donations, the term "property" does not include services (I.R.C. section 1.170A-1(g)). As a general rule, for a "donation" to be considered a charitable contribution, the donated property must have some cost basis in the hands of the donor. Donations such as coupons for services or discounts on services or goods have no such cost basis in the hands of the donor and therefore do not qualify as a charitable contribution and should not be acknowledged as such (Rev. Rul. 79-431, 1979-2 CB 108).
  - a. Donation receipt is required for donations of \$250 or more of cash or property received during the year.
  - b. Under the quid pro quo rules the organization must provide a receipt if it receives a payment of more than \$75 that is partly for goods or services and partly a contribution.

### **DONATION OF CASH**

(Donor Name)

(Donor Address, if known)

Thank you for your contribution of \$\_\_\_\_\_ in cash on [ Date ]. Your gift will be devoted to our organization's objectives and we will not provide benefits or services required to be valued in consideration for this gift.

( Organization's Name)

Authorized Signature



### **Donations from Fundraisers**

Organizations use various fundraising events (ie golf tournaments, galas, raffles, etc) to raise money during the year. In each case, except raffles, there probably is a quid pro quo element to the fundraising event. It is the organization's responsibility to determine the fair market value of the non-charitable benefits received by the participants and disclose the charitable and non-charitable portion of each fundraiser to the participants.

1. Use best estimate to determining the fair market value of non-charitable benefits of a fundraiser.
2. If donated property is auctioned or given as a prize the donor should provide a reasonable estimate of its fair market value.
3. No part of the purchase of a raffle ticket is considered a charitable contribution.

### **Quid pro Quo Donations (Payment of \$75.01 or More)**

(Donor Name)

(Donor Address, if known)

Thank you for your contribution of \$\_\_\_\_\_ in cash and/or [ Describe Property ] on [ Date ]. We estimate the fair market value of the benefits we provided to you consideration for this donation was \$\_\_\_\_\_. We are a I.R.C. section 501(c)(3) organization and you may claim a donation deduction for the difference between the cash and/or property given to the organization and the value of the benefits you received. The organization assumes no responsibility for determining the fair market value of the donated property.

( Organization's Name)

Authorized Signature

### **Form 8282 - Disposal of Donated Property**

If the organization within three years of receipt, disposes of donated property (ie sells, transfers or assigns) with a fair market value of \$500 or more, the organization is required to complete Form 8282 and file the form with IRS within 125 days of the disposal of such property and send a copy to the donor.

1. Does not apply to marketable securities or cash.
2. Does not apply if the donated property is consumed or distributed in fulfilling exempt purpose. For example, athletic booster club receives donated football equipment and distributes such equipment to high school athletes.
3. In some cases, Form 8282 may be required for dispositions of donated property of \$500 or more.

### **Form 8283 - Donations of Property**

If the organization receives property with a fair market value of \$5,000 or more, the organization is required to sign Part IV of Form 8283 acknowledging the receipt of the donation. This acknowledgement applies only to the receipt of the noncash donation, does not imply the organization agrees with the fair market value of the donation indicated by the donor.

1. As a general rule we advise organizations that when acknowledging the receipt of donated property to not give a fair market value for the donated property.

### **Form 8734**

Filed at the end of an organization's advanced ruling period (5 years) to obtain the organization's definitive ruling letter the organization qualifies as a publicly supported charity under IRC Section 501(c)(3). This is the same information included on Schedule A.

### **Individual Accounts**

The IRS generally does not like individual accounts within a charitable organization. An example of an individual account is Johnny sells more coupon books than the rest of the kids in the organization and for this Johnny gets a \$100 credit to his account than he can use to pay for the next field trip. This can be considered an individual receiving a personal benefit from a charitable organization, which is contrary to the general purpose of a charitable organization.

### **Unrelated Business Income (UBI)**

UBI arises if an organization engages in a trade or business that is regularly carried on and the activity is not substantially related to the performance of the organization's exempt purpose. Unrelated business income (UBI) is subject to income taxes at the corporate tax rates and is reported on Form 990-T.

1. Advertising.
2. Travel tours (non-educational).
3. Sales of mailing lists.
4. Subscription revenue for publications (ie journals, periodicals, directories, etc).
5. Rental of personal property.
6. Rental of real property when the organization provides significant services to the lessee.

### **Conflicts of Interest**

Officers, directors and large contributors are generally considered "disqualified" persons and any transactions or business dealings with these individuals, their family members or their related entities are subject to disclosure and scrutiny by the IRS.

1. Compensation and benefits.
2. Purchase of assets.
3. Leasing transactions.
4. Payments for goods or services.
5. Grants or scholarships.

### **Political Lobbying**

Public charities (IRC Section 501(c)(3)) are generally prohibited from directly or indirectly participating in or spending funds on political lobbying. Political lobbying is the attempt to influence legislation or the actions of an official of the executive branch of the government.

### **Excess Benefits**

An excess benefit transaction is when value of the consideration given by the organization exceeds the value of the goods or services received by the organization directly or indirectly from a disqualified person.

1. Potentially the IRS can levy a 25% excise tax on the person receiving the excess benefit and an additional 200% excise tax if the excess benefit is not corrected within the taxable period.
2. Organization officers, directors and managers can be charged a 10% excise tax on the excess benefit if they knowingly and willingly participated in the transaction.

### **Vehicle Donations**

Special rules apply beginning after December 31, 2004 regarding the donation of vehicles to charitable organizations if the vehicle has a fair market value of more than \$500 or is sold for more than \$500.

1. Generally the donation amount is limited to the sales price of the vehicle by the organization, not its "fair market value."
2. The organization must file Form 8282 if the vehicle is disposed of within three years.
3. Organization must provide the donor Form 1098-C within 30 days of the disposal of the vehicle and with the IRS by February 28 of the next year.