



BOOSTER CLUB MANUAL

2023 - 2024

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WELCOME!

GLAD YOU'RE HERE!

Thank you for choosing to devote your time and energy to student programs within Clear Creek ISD. Booster clubs complement student programs by providing financial and operational support. Your commitment to students' success solidifies our belief that our parents and community are THE BEST, and we appreciate your dedication to student's continued exploration of learning.

To perform duties effectively and maximize student program success, all booster clubs must maintain awareness and adhere to policies, regulations, and procedures governing their organization.

The CCISD Booster Club Manual serves as a quick reference tool to address many common booster club issues. It would be difficult to address every issue and policy related to boosters in one manual. Instead, references to in-depth material available from other sources are referenced in this manual. Topics presented are done so to the best of the author's knowledge.

While booster clubs work cooperatively and jointly with the district and its employees, CCISD booster clubs are considered separate business entities, maintaining their bank account and tax ID. However, since booster clubs' activities impact the district and the public perception of the district, principals or district administrators maintain the right and authority to regulate the organizations.

Booster club officers are solely responsible for club compliance. Therefore, the district is not responsible for non-compliance and resulting fees or fines levied by any agency.

Boosters may seek independent counsel on accounting and tax matters related to their specific circumstances, but hiring a tax professional is not a district requirement. Larger clubs may wish to hire an accountant to file their federal tax Form 990 or 990-EZ, which are more complicated than Form 990-N.

The electronic copy of this manual and other resources are available on the district website under the Internal Audit Booster Resources Department page.

This year, the training was hosted in-person, along with a recording of the session, which is posted online. The link to the training session is available on the Internal Audit Booster Resources Department page.

You are appreciated, and your work to support student programs does not go unnoticed! I look forward to a great year working with you!

Jennifer Eastin

Internal Auditor

Education Support Center

2425 E. Main Street

League City, TX 77573

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OVERVIEW OF BOOSTER CLUBS

Contact List

DISTRICT CONTACTS

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Mary Goldner

Asst. Director of Visual & Performing Arts
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281.284.0086

OTHER USEFUL CONTACTS

Internal Revenue Service (IRS)

Exempt Entities – 877.829.5500

Joe Pugh

Booster Club Insurance Agent
General Liability Policy
brodypugh@gmail.com
281.557.3646

Texas Comptroller's Office

General help – 800.252.1381
Sales Tax help – 800.252.5555
WebFile – 800.442.3453

University Interscholastic League

Booster Compliance – 512.471.5883

Beginning Basics

Forming a Booster Club

The first section of this manual provides information relevant to newly created clubs or parents considering forming a club. Information regarding the roles and responsibilities of officers, elections, and steps to forming a booster club will be discussed in this section.

Parents interested in forming a booster club should discuss their intent with the sponsor and the campus principal. The principal must approve, in writing, the formation of a booster club before the organization takes any further action to create a unique identity. Parents do not have to form a booster club to support a school or student group. Parent support can be accomplished through campus fundraisers and other activities. The money raised for these groups must be deposited into a program-specific Campus Activity Fund managed by the district.

The following are some questions to consider when deciding whether or not to form a booster club:

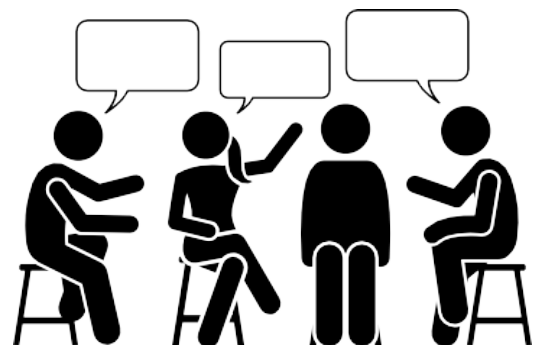
- What can a booster club accomplish that cannot be achieved through the school/student group?
- Do I have time to commit to a booster club?
- Are there enough parents willing to commit the time and resources to a booster club?
- Am I willing to attend training and file ongoing paperwork to comply with all district, UIL, State, and Federal regulations?
- Have I read or will I read this handbook to review my responsibilities once a booster club is formed?
- Do I understand the implications of non-compliance with various regulations?

Once you have decided to form a booster club, obtain the principal and coach/sponsor's written approval. Forward the approval to the Internal Auditor and follow the start-up checklist detailed in the Appendix of this manual.

Bylaws or Articles of Incorporation

A booster club should be a recognized non-profit organization. A non-profit organization is created by filing articles of incorporation with the Secretary of State per the Texas Non-Profit Corporation Act. A non-profit corporation is characterized by the fact that none of the organization's income is distributable to members or officers. Form 202 – Certification of Formation: Non-Profit Corporation is found on the Secretary of the State's webpage at:

Bylaws are a necessary item required by the IRS and CCISD. They are the "do's and don'ts" of your operation and will assist you in navigating and resolving club issues. A bylaw template is available on the district webpage. A 10 – step start-up checklist is also found in this manual.



Roles & Responsibilities

Membership

Club bylaws define membership. Only active members, current on their club dues, should have the ability to vote or hold an office.

Booster club members work through and cooperatively with the sponsor/coach. Members of a booster club may not speak or represent themselves on behalf of the district or district employees. Members may further the public's awareness of a club, but a school district employee performs public speaking responsibilities on behalf of the district. Please be mindful that community outreach is different from fundraising.

Booster clubs may charge annual dues to their members as described in their bylaws. Membership dues may include a "gift," but if you receive goods or services with your membership fee, the membership is not tax-deductible on your personal taxes. Campus sponsors or coaches are not required to pay dues as they cannot be a booster club member. Parents do not have to join a booster club to receive program benefits for their student(s). Still, there are times when a club establishes criteria that benefit members only (i.e., voting rights, scholarships, etc.). The club's bylaws should outline membership benefits.

Individuals who desire to help your club, but are not related to a student (i.e., a neighbor or friend), may volunteer for your club if they pass the District background check. The volunteer may not vote or hold office. Volunteers, chaperones, mentors, and tutors who work directly with students must undergo a background check. Any individual who fails or refuses to grant authorization for the District to conduct a criminal history check shall not be eligible to serve as a volunteer.

An individual charged with a misdemeanor involving moral turpitude or a felony shall not be qualified to volunteer. Any booster club officer must relinquish their position immediately if charged or convicted of a financial felony. The District may allow individuals with misdemeanors that do not involve moral turpitude to serve as volunteers. A case-by-case review shall be made of an applicant's circumstances. The Director of Safe & Secure Schools shall consult with other parties before making the final decision. A volunteer under felony indictment shall be removed as a volunteer pending adjudication of the case – See GKG (Local) District Policy. The Director of Safe & Secure Schools will provide written notice of denial to any applicant whose criminal history disqualifies the applicant from volunteering – See GKG (Exhibit D).

Officers

Only active members of a booster club who are in good standing with the organization and the district shall hold a booster club office. At a minimum, a booster club must elect a President and Treasurer to operate. Ideally, there should be three officers (President, Treasurer, and Secretary). If your club struggles to fill board positions, don't hesitate to contact the Internal Auditor.

Your bylaws should define term limits for officers; otherwise, the district requests officers serve no more than two years in the same office. If you cannot fill a board position after the two-year term concludes, the club may vote to extend to a third term or contact the Internal Auditor for an extension.

Roles & Responsibilities

Family members may not serve concurrent terms, as this is a conflict of interest. District employees cannot be bank signers but can act on the board in positions without bank access. After your term concludes through resignation or term limit, please turn over any material to your successor within 15 business days. Failure or delay in handing over information to successors only restrains the incoming officers from moving forward with club business.

President – The president of a booster club, should have been a member for at least a year to gain experience. Exceptions may be made in the absence of any other volunteers for the position. The primary duties include, but are not limited to:

- Perform functions as outlined in the bylaws
- Preside at all meetings
- Regularly meet with the Sponsor regarding booster activities
- Periodically meet with the Treasurer of the club to review financial matters
- Resolve problems in membership

Vice-President – The vice-president acts as the president's representative in their absence. The VP must remain familiar with the organization's day-to-day operation to be an engaged leader. Larger booster clubs may wish to elect multiple vice-presidents (or co-presidents) with responsibilities covering specific areas (i.e., VP of Fundraising). Your bylaws should address these positions. Duties include but are not limited to:

- Preside at meetings in the absence of the president
- Preside as the interim club president should the president resign or temporarily step away from position responsibilities
- Perform administrative functions as delegated by the president
- Perform other specific duties as outlined in the bylaws of the organization

Secretary – The secretary is responsible for keeping accurate records of club meetings, whether in-person or virtual. Minutes of the meetings should be distributed to club members and the sponsor/coach (if applicable) within a week of the meeting. The secretary should understand the assembly and voting procedures (i.e., Robert's Rules of Order). The primary duties include, but are not limited to:

- Record meeting minutes including attendance
- Maintain a membership list
- Provide written and verbal summary of prior meeting minutes to members

Treasurer – The most active and perhaps time-consuming job in a club is the role of treasurer. The treasurer is the authorized custodian of the funds of the club. The treasurer is ultimately responsible for assuring that all financial records are maintained, and taxes are filed on time to avoid penalties and loss of exemption. Due to increasing requirements placed on charitable organizations, a treasurer should be organized, able to balance a checkbook, and have a working knowledge of simple budgeting. The principal duties include, but are not limited to:

- Maintain accurate records of all money received and distributed
- Prepare the club's annual budget with input from the sponsor/coach and seek voter approval of the budget annually
- Reconcile bank statements within one month of receipt and resolve and discrepancies immediately
- Present detailed monthly financial reports to the club in written form and field questions
- File and pay (if applicable) Federal or State taxes by required due dates
- Submit records to the audit committee
- Upon resignation or at the end of the term, turn over all documents to the incumbent treasurer within 15 days to ensure seamless transition

Roles & Responsibilities

Special committees – Special committees are established to handle specific events. Once the event is complete, the committee's purpose commences.

- *Audit committee* – A financial audit performed by the booster club is required at the end of the fiscal year. Individuals who have not been involved in the day-to-day business activities should complete the review. The treasurer may not serve on the Audit committee. The final audit packet is due to the Internal Auditor by September 1. Audit packets are available on the district webpage.
- *Fundraising committee* – Creating a fun and profitable fundraiser is a challenging task. You must first ensure your committee establishes a comprehensive and realistic budget. Ensure fundraisers are profitable before repeating.
- *Nominating committee* – The nominating committee's purpose is to recommend various board members in the coming year. Nominations should be brought to the general membership so that elections may take place in May or June to allow old and new officers time to exchange documents and ideas. Club bylaws should define this process.
- *Scholarship committee* – Clubs may, but are not obligated to, provide scholarships for eligible students. Utilize the bylaws to outline scholarship procedures and qualifications clearly.

Coach/Sponsor – Your program coach/sponsor, serves as the Auditor between the club and the campus under the Principal's direct supervision. The coach/sponsor maintains sole responsibility for program activities with the approval of the Principal. The coach/sponsor should work closely with the booster club during the budget cycle to avoid cost overruns and accomplish program objectives.

The coach/sponsor is prohibited from serving as an officer of a booster club, a booster club member, or an authorized signer on a club bank account. Coaches and sponsors should be welcome at booster club meetings, but should never be prohibited from attending. That said, the coach/sponsor should not participate in private discussions of the executive board. Cooperative partnerships work best when lines of communication between the coach/sponsor and club officers are open, and, as a result, will foster an environment of trust and, ultimately, success.

Principal or District Administrator – (Including the District Internal Auditor) – The Principal is responsible for approving the formation and closure of a club. The Principal (including Assistant Principals) should be welcome at club meetings (but are not required) and must weigh in on any action of the club that affects the school (i.e., fundraising on school property, banquets, or other events). Booster clubs do not have the authority to direct a school district employee's duties, nor do booster clubs have permission to buy items for the school without the knowledge and pre-approval of the coach/sponsor or Principal. The scheduling of contests, rules for participation, and all other criteria dealing with school programs are under the jurisdiction of the Principal.

If a Principal or District Administrator determines a booster club is not functioning in a way consistent with school or district objectives or policies, they maintain the authority to resolve issues or dissolve the booster club. Boosters may not close down their club without notifying the Principal, coach/sponsor, and the District Internal Auditor. The process to shut down a club is outlined in the Appendix.

Financial Guidelines

Accounting Controls

A booster club must have a President, Treasurer, and Secretary who are active members to operate and segregate financial and operational duties. One person cannot hold more than one office since it would negate separation of duties and internal controls. Understanding that parent participation may wane at times and leave vacancies on the board, exceptions to the three-officer rule must be approved by the District Internal Auditor.

Accounting Period

Exempt organizations keep records based on an accounting period called a tax year (sometimes referred to as a fiscal year). A tax year is 12 consecutive months and not necessarily January through December. The IRS requires organizations to specify the tax year in their bylaws. Most boosters have a July 1 – June 30 tax/fiscal year.

Accounting Software

Quickbooks and Excel are intuitive and inexpensive bookkeeping options. Booster club financial software exists, but is poorly supported. Use what is simple, inexpensive, and reliable.

Activity Funds

Booster clubs provide support to their student program in two manners:

- Boosters fundraise and keep the proceeds in their club bank account
- Boosters fundraise and donate the proceeds to a Campus Activity Fund. All accounting and safeguarding of the funds are the responsibility of the campus, and the funds are spent at the discretion of the program director and campus principal.






The IRS prefers boosters donate to the campus activity fund to maintain a clear path of revenue generated and expended.

Each coach/sponsor has access to a Campus Activity Fund.

The main points to note about Campus Activity Funds are the following:

- Balances roll from year to year (both positive and negative balances)
- There are no annual allocations from the district as donations or grants solely fund these accounts.
- The campus principal is the budget manager.

The differences between general funds and activity funds are explained below.

Sources of Funds		
	GENERAL FUNDS	CAMPUS ACTIVITY FUNDS
 SOURCE	District/State Funding	Donations or grants
 BUDGET MGR	Department Heads of Athletics, Fine Arts, Curriculum	Coach or Sponsor with oversight from Campus Principal
 ALLOCATION FREQUENCY	New allocation given each September 1	No allocation from the District
 BALANCE AT YEAR END	Balance does not carry forward.	Balance rolls forward (both positive and negative balances)
 PURPOSE	Recurring needs of program (e.g., new balls, nets, books, music, travel)	Program needs. Required to use a district vendor.

Financial Guidelines

Annual Audit

GASB Statement 39 requires the District to obtain and review supporting organizations' financial performance, such as booster clubs, each year.

After the fiscal year (ideally in June or July), every club must perform a fundamental review of financial operations for the prior 12 months. The audit committee, which conducts the audit, should include members who were not involved in the club's daily business or have served on the audit committee in the previous year. The club's Treasurer's responsibility is to provide documents to the audit committee within 15 days of year-end. Clubs with a year-end of June 30 should have an audit period of July 1 – June 30.

Audit packets are due to the District Internal Auditor each year by September 1. The coach/sponsor is prohibited from participating in the audit.

The District Internal Auditor does not perform an annual audit of booster clubs unless requested by a District Administrator. While the District Auditor collects audit packets and reviews the information contained therein, clubs should not assume that an audit has taken place unless the Auditor clearly states the club is under review. If an examination is requested, the Auditor will email you and copy your coach/sponsor. Please provide all information to the Auditor within five business days of such request.

The audit packet is located online to collect data in one concise place. The Auditor requires proof of tax filing, officer contact information, and club mailing address. The audit checklist is found in the Appendix or on the District webpage.

Banking

Local banks offer "club accounts" to CCISD Boosters with low monthly fees. Use your club's EIN to open your booster bank account, not your individual SSN. Banks typically require the first meeting minutes and bylaws to open an account. Other notes:

- Use the club's complete name on the bank account. Ex: Clear Lake Intermediate LDC Booster Club
- Do not open an account in the name of the district or campus, as this implies the District responsibility for the funds. You will be asked to close the account if this occurs.
- Authorized signers on the bank account can not be related by blood, marriage, or reside in the same household.
- When resigning from your board position with bank signing rights, you have 30 days to change signers. Refusal to comply or delays will result in the Auditor recommending closure of the account.
- Full-time district employees cannot be an authorized signed on a club account per district policy. District substitutes and part-time employees may be signers.
- You may choose to have dual signers on checks, but it is not required. Alternatively, you can establish a threshold where two signers are needed (i.e., checks over \$250.00).
- Debit cards are permitted.
- Coaches/sponsors may not use the club debit card as they are not authorized signers. You may reimburse them for personal out-of-pocket expenses.
- Follow-up on checks that are outstanding over 60 days as they may be lost.
- Post-dated checks should not be accepted.
- Never co-mingle personal funds with booster funds.
- Funds should be deposited no later than 5 days after an event.
- It is recommended that two persons verify large cash deposits.

Financial Guidelines

Carryover or Rollover Balance

Ideally, clubs should spend the majority of the money raised in a given year. However, it is essential to leave funds in the club account from year to year to cover start-up costs for the following year. The amount will vary from club to club, and there is no required amount. If your club requires a vote to carry over funds, please include them in your bylaws. The District does not require you to donate all remaining funds to a coach/sponsor, nor should your coach/sponsor make such demands.

Collections for Students or Families

The CCISD community is one that cares for each other, and your club may help individuals and families in times of crisis by following these suggestions. The IRS causes exempt organizations from using a significant portion of their proceeds to support non-program initiatives or to serve as a “pass-through entity” for donations to non-program purposes.

- You may host a fundraiser to help those in need, but you must be clear to donors that the money will not benefit your group.
- Funds collected must be kept separate from club finances and should be sent to the family’s financial institution, trust, or organization.
- Donors who support your family crisis campaign must know that their contribution is not tax-deductible (unless they write a check to a non-profit such as the American Cancer Association on behalf of an individual).
- Money given to individuals or families is taxable to the recipient unless a non-profit is established on their behalf.

Credit Cards

While boosters may not apply for a credit card, they may accept credit cards. Accepting payments by means of PayPal, Square, or other vendors makes commerce easier for boosters. Exempt entities such as boosters receive lower transaction charges from many credit card vendors.

Research processing fees from credit card administrators. Typically, there is a 3% fee on the transaction and an additional fee once funds are transferred to your bank. If you use multiple card readers for services such as Square, consolidate all readers to one email account. All money must flow directly to the club bank account and not to an individual’s account. Please ensure any readers and login/passwords are relinquished within 30 days after your time on the board concludes.

Crowdfunding

The prevalence of crowdfunding as a means of fundraising continues to increase each year. As more and more crowdfunding sites emerge, boosters must be cognizant of hidden fees embedded in these convenient services. Crowdfunding vendors take 5-30% of all fundraising. The industry average is between 7-10%. Research vendor’s commissions and read online reviews before committing to any crowdfunding site.

Debit Card

Debit cards are permitted so long as the Treasurer receives a detailed receipt. Helpful tips include:

- Establish a daily purchasing limit. Most banks have a \$2,500 daily purchasing limit, but your club may elect to implement a lower amount.
- Do not use the debit card to withdraw cash unless you have consent from the board and the money is dually verified before use (i.e., change fund for concession stand).

Financial Guidelines

Donations

The district is grateful for all monetary and non-monetary gifts that support our student programs. Donations may be made at any time and for any amount. Monetary donations written by check should be made payable to CCISD and sent to the campus bookkeeper for application to a Campus Activity Fund. Please ensure you receive a Donation Acknowledgement Form from the bookkeeper as your donation will appear on a monthly report provided to and recognized by the CCISD Board of Trustees.

The Activity Fund donation process and applications of funds are detailed below.



The IRS prefers 501c3 organizations to donate money to the program activity fund since it provides the cleanest means to track booster expenditures.

Non-Monetary Donations

Booster Clubs may donate a vehicle, shade covering, bench, trailer, or another fixed asset to a campus or program. **Please check with the coach, sponsor, and campus Principal before donating to ensure the asset being offered is needed and accepted by the District.** There are times when the District cannot accept an item due to insurance restrictions, condition of the asset, or building permits which would cause unintended financial consequences. If you donate an article that will modify any part of a building, sidewalk, or property, the District requires a Facility Modification Request Form (FMRF). The FMRF allows the Facilities and Maintenance Departments to review the proposal and consider how that donation will affect District property. There are times when the proposed modification negates a warranty the District may have with an existing vendor. Please contact the Facility Department to obtain the FMRF (281-294-0048). If you are donating a trailer, the District will legally transfer the title and insurance to the District.

If the District elects to dispose of the asset after its useful life, under Texas Education Code Section 11.156, ownership of any property donated to the District vests with the Board of Trustees upon acceptance, accordingly, only the District can sell or otherwise dispose of the property consistent with applicable laws.

The Education Code further provides that the District may use the property for any purpose designated by the donor that is keeping with the lawful purposes of the schools for the benefit of which the donation was made or for any legal purpose. If the property is sold, the proceeds from the sale may be used either to purchase a replacement item(s) or to support the program in general.

Financial Guidelines

Donations – Trailers or Vehicles

Before purchasing a trailer or vehicle on behalf of a program, please have your coach/sponsor call the Transportation Department to verify that the District can insure the vehicle. Age or condition may affect the District's ability to accept the item. Please try to purchase from an in-state trailer or vehicle dealer, as Texas has different paperwork requirements than other states.

The District will title and insure a trailer or vehicle you purchase for a program. Please follow these steps to transfer the title to the District.

- Complete a donation form (Appendix). Email the form to the Internal Auditor or mail it to the Education Support Center (ESC) 2425 E. Main, League City, TX 77573.
- Contact the Galveston County Tax Office (877-766-2284) and explain that you are a booster club and will be donating a trailer to CCISD. Inquire of the transfer fee, the forms to transfer title to CCISD, and where to sign the title.
- Fill out all required state/county forms, sign the title, and include the required fee/check payable to Galveston County Tax Office.
- Gather all paperwork, including 1) purchase paperwork from dealer, 2) inspection paperwork, 3) state forms, 4) check payable to Galveston County Tax Office, 5) the title signed over to CCISD.

When all paperwork is complete, the CCISD Transportation Department will take it to the county office to transfer the title. Please call Robbie Frieda in the Transportation Department with questions (281-284-0635).

Once the trailer is donated, the district will pay for insurance on the vehicle. The booster club will pay an annual registration/inspection fee, which will be much lower due to the trailer being owned by CCISD.

Donations vs. Direct-Pay

If you elect to pay a vendor directly, all accounting and safeguarding of funds is the responsibility of your booster club. Ask the vendor to bill your club directly if you are not donating funds to the school. Schools will not be responsible for forwarding mail or processing payments on your behalf.

Donations – Quid Pro Quo

According to the IRS, a charitable organization, such as a Booster Club, that is a 501c3, must provide a written disclosure statement to donors who make a payment, described as a "quid pro quo contribution," over \$75. A quid pro quo contribution is a payment made partly as a contribution and partly for the charitable organization's goods or services provided to the donor. An example of a quid pro quo contribution is where the donor gives a Booster Club \$100 in consideration for a concert ticket valued at \$40. In this example, \$60 would be deductible. Because the donor's payment (quid pro quo contribution) exceeds \$75, the disclosure statement must be furnished, even though the deductible amount does not exceed \$75.

Financial Records

All financial records (bank statements, tax filings (federal and state), scholarship information, donations and any other correspondence with a government agency should be retained for five (5) years. Items such as your organization EIN from the IRS, your sales tax permit from the Texas Comptroller's Office, or your Determination Letter from the IRS should be kept indefinitely. All records of the organization should change hands between outgoing and incoming officers within 30 days of elections.

Financial Guidelines

Fundraising

CCISD Policy GE (Local) states that “District affiliated support organizations...shall fundraise or solicit donations and function in a way that is consistent with the District’s philosophy and objectives.” Before any fundraising activity occurs, Booster Clubs should coordinate and seek approval of their sponsor and campus Principal. The following guidelines should be established.

Fundraising Guidelines

CCISD Board Policies GE (Local), FJ (Legal & Local), and GKB (Local) discuss fundraising. Fundraising is an essential component of community support that helps enrich the District’s educational programs at every level. Activities are permitted under this policy to raise funds to augment academic, co-curricular, and extracurricular programs and engage parents, citizens, and community organizations.

School-wide fundraising activities involving direct student participation shall be limited in number and duration to minimize disruption, subject to the Principal’s direction. Please use discretion when involving students in fundraising activities and aim to limit participation to two. Parents may host and participate in fundraising with no limits.

Further, to protect students, parents, teachers, administrators, and the community from fundraising efforts that are exploitative, coercive, threatening to the health and welfare of students, or disruptive to the educational process, the following guidelines shall be followed.

Participation in fundraising is strictly voluntary, and students should not be required to participate. Boosters may offer an “opt-out” option for parents in lieu of fundraising. The Booster Club Board shall determine the “opt-out” amount.

To ensure compliance with UIL rules, student-athletes may not accept prizes when fundraising efforts are limited only to athletes. Student participation in fundraising should not interfere with regular instructional programs or class time. Non student-athletes may receive an appropriate incentive for participating in a fundraising program.

If a parent or guardian attempts to fundraise or solicit funds outside of the district or campus policy or otherwise attempts to manipulate or call into question the financial integrity of the booster club, the campus Principal or district administrator maintains the authority to remove the parent/guardian from their position within the booster club.

Fundraising and the IRS

The IRS prohibits tax-exempt organizations from requiring people to participate in fundraisers. Students who decline to participate in a fundraiser cannot be excluded from receiving benefits otherwise raised for the team/group. Coaches and sponsors cannot determine participation in a school event based on the amount of individual fundraising.

The IRS prohibits the use of individual accounts by Booster Clubs. Proceeds must be distributed to the group and not to individuals. However, campuses may keep personal accounts to track district-assessed course fees or fines through Skyward. The only time a student may receive an individual benefit is if they have a financial hardship. The Booster Club Board must vote to provide additional assistance to the student, which the IRS permits.

Financial Guidelines

Fundraising – Analyzing profit

Within a week of the fundraiser's end date, the treasurer or fundraising committee should complete the reconciliation of the fundraiser, noting the net profit or loss to the board. Unprofitable fundraisers should not be repeated.

Fundraising – Crowdfunding

The prevalence of digital fundraising or "crowdfunding" as a means of fundraising continues to increase each year as it provides a convenient means of fundraising. As more crowdfunding sites emerge, boosters must be aware of fees embedded in these convenient services. Crowdfunding vendors take 5-30% of all fundraising. The industry average is between 7-10%. Research vendor's commissions and read online reviews before committing to any particular crowdfunding site.

Funds raised from electronic fundraising should flow through the Booster Club's bank account instead of an individual's account.

You may also create "wish lists" for programs. Commonly used websites include Amazon Wish List or Donors Choose. Please check with your coach/sponsor before initiating.

Fundraising Effectiveness

- Establish a fundraising goal.
- Allow time to promote your fundraiser.
- Contact your campus administrator to inquire about the campus fundraiser calendar to avoid overlapping other program's efforts.
- Try to conduct fewer but more effective programs to avoid "fundraising fatigue."
- Keep copies of order forms and ensure all paperwork is legible to prevent delays.

Grants or Employer Matching Programs

Corporate or private grants provide an excellent form of revenue for your club. Please be mindful that the District's "Clear Creek ISD Support Group Ruling" tax structure is uncommon and frequently misunderstood by corporations or granting agencies. Please seek assistance from the Internal Auditor if the granting agency requires additional paperwork or proof of exemption.

Oftentimes, grant funds are sent to the central organization (i.e., Clear Creek ISD Support Group). The Internal Auditor will endorse the grant check to your booster club. Please email the Internal Auditor if you apply for a grant.

Many corporations offer employer matching programs (i.e., Boeing, Marathon, Shell, ExxonMobil). If your employer offers a matching program, they will likely issue the check to the Clear Creek ISD Support Group instead of your booster club. Do not worry as the Internal Auditor is familiar with the process and will endorse any funds over to your club. Please notify me if you elect to participate in one of these programs.

Insufficient or Returned Checks

If more than one insufficient check is presented to the Booster Club by the same party, further checks should not be accepted, only a cashier's check or money order. Further, the party issuing an insufficient funds check must reimburse the Booster Club for the check amount plus any applicable fees within thirty (30) days of notification of inadequate funds.

Financial Guidelines

Loans

Booster clubs should not assume debt that is secured or unsecured. Boosters should never loan parents or students money.

Petty Cash

Utilizing a petty cash box is acceptable unless prohibited in your bylaws. Access to petty cash should be strictly limited to the treasurer and another officer. Control of the petty cash account by a district employee is not allowed. The petty cash fund must be used for emergency purchases only or events such as concessions. Petty cash vouchers and receipts should support the use of cash. At any given time, the amount of petty cash plus the total of vouchers (receipts) on hand should equal the amount of the original petty cash fund. After the conclusion of an event that required petty cash, all remaining money should be deposited into the booster bank account until the need arises again.

Receipting payments

Always receipt those who make a payment unless they receive an automatic response from an ordering system (PayPal or vendor websites). Copies of receipts serve as backup documentation for a deposit.

Right to Audit

The CCISD Internal Auditor or the Campus Principal maintains the right to request an audit of your club. At such time, it is expected that all financial material, including bank statements, receipts, deposit slips, tax filings, and other supporting documents, are provided to the Auditor within five business days of the request. You may arrange to leave records at your nearest campus, but please notify the Internal Auditor. The Auditor will return documents to you within five business days of completing the audit. You may also share links to cloud-based document systems with the Auditor. The results of the Audit will be communicated to your board.

Safeguarding Money

- Do not keep money or checkbooks in an unlocked drawer, filing cabinet, vehicle, or another unsecured and visible location. The District will not replace stolen funds.
- Money received and not yet deposited should never be used for personal purchases, advances reimbursements, or for any other reason.
- Checks should be used in sequential order to make reconciling easier.

Scholarships

Boosters maintain the option, but not a requirement to award student scholarships. The amount your club awards and the selection criteria should be set in your bylaws and reflected in your budget. All qualifying seniors must have the opportunity to apply for a scholarship(s). Communicate the application process and qualifications and make the application form available to potential applicants and their parents/guardians. Any changes to the criteria or process must have membership approval.

- Scholarship committee members should not be related to any potential recipients.
- The scholarship committee must consider all qualifying applicants.
- The application scoring, decision material, and other documents must be available within five days upon written request.
- Funds should be sent directly to the student's university registrar made payable to the university with the student's name in the memo. Service Academies (Naval Academy, etc) require sending funds to the US Treasury (contact the service academy for details).

Financial Guidelines

Scholarships continued

- Applicants bear the responsibility of ensuring all UIL eligibility requirements have been concluded.
- Applicants who received a full scholarship to a school may be ineligible to receive local scholarships. Some schools allow local scholarships to pay for summer school, often not covered by full-ride scholarships.
- Boosters should set aside scholarship money each year and adjust expenditures accordingly to fulfill promised scholarships. If your club has given scholarships in the past, please make an effort to continue the practice. Oftentimes families rely on every bit of funding to help their children succeed post high school.
- Bylaws should outline the process if a student withdraws or delays college. Please have a “Plan B” for these scenarios.
- Teachers or coaches should not be involved in the scholarship process unless they are providing a reference letter.

Selling Club Gear at Games

Band, Cheer, Color Guard, or Dance Team can sell club or campus merchandize at the two main District football stadiums (Veterans or Challenger Columbia) only if their school is playing at the stadium that evening. Please contact the Athletics Department if you plan to set up a booth at one of the stadiums. Outside vendors (i.e., car dealerships, jewelry companies, etc.) may not set up a tent on your behalf unless these vendors connect with the District’s Marketing Department and secure an advertising contract.

Selling club promotional items during an event at any other location for any other sport than high school varsity football is permitted. Please ensure your coach or sponsor is aware of your plans in advance.

Sources of Funding

As referenced above section titled “Activity Fund,” coaches and sponsors have access to two sources of funds. Each source of funds

has different funding sources, budget managers, allocations, and regulations of use. If you have specific questions on the use of general or activity funds, by law, you must submit a Public Information Request through our Communications Department. Details on Public Information Requests can be found on our website at:

<https://apps.ccisd.net/TPIAR/Application/Application>

Spending Money

Club spending is guided by your budget established at the beginning of your fiscal year. Depending on your club’s procedures, disbursements should be made from an established budget line item; otherwise, vote to amend the budget.

- Refrain from issuing blank checks to members. Instead, offer to reimburse parents for their documented expenses.
- Utilize the “Request for Expenditure” form when making a purchase or requesting reimbursement.
- Checks made payable to “cash” without proper documentation are prohibited.
- Use the Texas Sales Tax exemption certificate (Form 01-339 – see Appendix) to avoid paying sales tax. The Sales Tax form can be used by anyone in your organization who makes purchases on behalf of the club and never for personal expenses.
- Always request a detailed receipt for products or services purchased.
- If a member spends personal funds on behalf of the club without prior authorization from the board or members and with the expectation of reimbursement, it is a club-level decision to reimburse that party for their out-of-pocket expenses.





CCISD Support Group - Taxes

Nearly all CCISD Booster Clubs obtain federal exemption as a subsidiary of the Clear Creek ISD Support Group. The IRS recognizes a subsidiary as tax-exempt if they are affiliated with a central organization. This avoids the need for each of the subsidiaries to apply for exemption individually. As such, Clear Creek ISD Support Group is your central organization, and you, as a CCISD Booster, are considered a subordinate or subsidiary of a group ruling.

Why does CCISD implement a support group structure? Because the support group exemption is an administrative convenience for both the IRS and central organizations with many affiliated organizations. Subordinates in a group exemption do not have to file, and the IRS does not have to process separate applications for exemption. Consequently, subordinates do not receive individual determination letters. The central organization is tasked with providing a “support group letter” instead of a determination letter, yet vendors or granting agencies often misunderstand it.

Even though your club is a subordinate of the Clear Creek ISD Support Group, you are responsible for obtaining an EIN for your club (only done once at the club’s creation) and filing federal taxes annually. **Essentially, the Clear Creek ISD Support Group reduces your initial paperwork and cost upon creating your club. There is no purpose or benefit to “joining” the Clear Creek ISD support group if you sought individual exemption.**

Do not be alarmed when you file your federal tax return for your booster club, and “Clear Creek ISD Support Group” appears on your confirmation email. The online system used by the IRS automatically adds the central organization name to all subordinate filings. You may add your club’s name in the DBA line of the federal return. More details on that process are in the IRS/Taxes section. See the cost/benefit analysis of obtaining exemption in the graphic below.

Options for Federal Exemption		
INDIVIDUAL	-VS-	SUPPORT GROUP
\$250 application fee	 COST	Free
<ul style="list-style-type: none"> Deal directly with the IRS Application processed online Individual Determination Letter from the IRS 	 BENEFIT	<ul style="list-style-type: none"> Low cost The Auditor applies on your behalf
<ul style="list-style-type: none"> Expensive The application can be confusing 	 DRAWBACK	<ul style="list-style-type: none"> No Determination Letter. You are a subsidiary of the Clear Creek ISD Support Group.
<ul style="list-style-type: none"> Apply at www.pay.gov (Form 1023-EZ). Confirmation letter from the IRS in 2-3 weeks 	 PROCESS	<ul style="list-style-type: none"> Apply for EIN Write bylaws Send EIN & bylaws to the Auditor. The Auditor applies on your behalf.

IRS – Federal Taxes

501c3

Section 501(c)(3) is a portion of the U.S Internal Revenue Code (IRC) and a specific tax category for nonprofit organizations. 501(c)(3) organizations are non-profit organizations established around a mission. As long as they operate to support their mission, they receive favorable tax treatments, such as avoiding federal income and unemployment taxes. This section will address requirements to continue the exemption. It will also cover the required filing deadlines and applicable forms to use.

EIN – Employee ID Number

An EIN is a 9-digit number assigned by the IRS to your business (beginning with any number from 0-9). You can think of an EIN as the equivalent of a social security number for an individual. All Booster Clubs in CCISD have their own EIN, different from the Clear Creek ISD Support Group (32-0272343). If you have been using the Support Group EIN, please discontinue and begin using your club's assigned EIN.

- Once you have an EIN, you have it as long as the club exists and never have to reapply for an EIN unless you lose your exemption.
- Just because you have an EIN does not mean you are exempt. The Auditor applies for exemption on your behalf.
- When applying for an EIN, the online application requires a "Responsible Party's" social security number.
- The release of information on this form in response to a public information request will be governed by the Public Information Act.
- You may change the name of the Responsible Party by completing IRS Form 8822b "Change of Responsible Party" after your term expires.

Filing Federal Tax

Each booster club is required to file a Federal Tax return each year. Failure to file federal taxes for three consecutive years results in the automatic revocation of a club's exempt status. The chart on the next page assists Treasurers with form selection.

Form 990

Form 990 is a paper form and used by organizations with gross receipts of greater than \$200,000. Even though tax-exempt nonprofits do not pay federal taxes, they must file a form (any of the 990 series tax forms) with the IRS each year.

Form 990 ensures nonprofits conduct their business consistent with their public responsibilities. In a way, the 990 can be a public relations tool when care is taken to fill it out correctly. Since the IRS makes the 990's publically available on its website, it is also a mechanism for donors interested in supporting a particular cause to evaluate the best charities to support.

Completing the 990 takes financial skill and tax knowledge. Tax specialists in the Clear Lake area charge between \$200 and \$400.

Form 990-EZ

Form 990-EZ is also a paper tax return, but for mid-sized clubs with gross receipts of greater than \$50,000 but less than \$200,000. While less extensive than the 990, the 990-EZ requires a detailed financial history. Additional schedules are required depending on the activities and type of organization.

As with Form 990, the 990-EZ requires some level of tax competence. Treasurers with a business background will be able to complete the form, or you can always hire an accountant to help you.

IRS – Federal Taxes

990-N (or e-Postcard)

The e-Postcard or 990-N is the easiest 990 series form to file and takes less than 5 minutes. You can access the e-postcard filing system by entering “990-N” in the search section www.irs.gov. Users of the online system must register. Treasurers may pass along the club log-in with their successors. It is recommended to change the account password.


Filing the e-postcard is free. Much like our personal taxes, you have a 4 ½ month window to submit your tax filing. The window opens on the first day of your tax year (for many booster clubs, this is July 1). The last day to file is 4 ½ months after this date, or November 15 for most clubs. If you miss the filing window, please try to file! Oftentimes, the IRS will accept your late filing with no penalty.

DO NOT BE ALARMED THAT YOUR TAX STATEMENT SAYS CLEAR CREEK ISD SUPPORT GROUP. It is not an error. Enter your club name in the DBA or Business Contact section, and your name will appear on the confirmation section.

After filing, the IRS system relays acceptance or denial of your return within 10 minutes. If your e-Postcard is not accepted, there is a reason. Please call the IRS Exempt Organization Unit to determine the cause (877-829-5500). Common reasons for rejected 990-N include:

- Your club lost it’s exemption for failure to file taxes for three consecutive years.
- The application for exemption was never processed. Please call the Auditor for help.
- You clicked the wrong box when asked if gross receipts are less than \$50,000. Retry.

You must remedy the error before filing again. Please retain a copy of your confirmation.

 Federal Tax Forms				
	990-N "E-POSTCARD"	990-EZ	990	
GROSS RECEIPTS	Less than \$50,000	\$50,001-\$200,000	Greater than \$200,000	
METHOD TO FILE	Online only through www.irs.gov	Paper (short-form)	Paper (long form)	
DUE DATE	4 1/2 months after fiscal year end	4 1/2 months after fiscal year end	4 1/2 months after fiscal year end	
PREPARER	Club Treasurer	Club Treasurer or Tax Accountant	CPA or Tax Accountant	

IRS

Responsible Party

Form 8822-b is the formal means of changing your club's mailing address or Responsible Party with the IRS. To avoid frequent mailing address changes, the IRS recommends Booster Clubs obtain a P.O. Box. Please ensure the P.O. Box keys are handed off to your new officers at the beginning of their term, and remember to pay your box rent!

You may also change the name of the "Responsible Party" in Form 8822-b. If your Booster Club does not change officers or addresses from year to year, you are not required to complete this form.

Reinstatement after Revocation

There are two methods for restoring your tax-exempt status after it has been revoked. One process involves keeping your existing EIN but paying a filing fee of \$250 to the IRS. You can apply for reinstatement online through www.pay.gov. The second method consists of more paperwork, terminating your old Booster Club (name, EIN, bank accounts, etc.), and essentially starting over. Please refer to the Appendix for details.

Resources from the IRS

The IRS provides a public search tool to locate prior tax filings or revocation notices.

The search tool for exempt organizations is found at: <https://www.irs.gov/charities-non-profits/tax-exempt-organization-search>.

Organizations listed in this database remain in good standing with the IRS. Donors may use this database to determine the deductibility of their contributions. If you are not listed, please get in touch with the Auditor as this indicates an issue that should be resolved.

Revoked Status

By law, tax-exempt status is revoked when an organization does not file required Form 990-series returns annually for three consecutive years. The automatic revocation date listed for each organization is historical; it reflects an organization's effective date of automatic revocation, but not necessarily its current tax-exempt status. You may have reinstated your exemption, but your revocation will still appear in this database. If you have restored your exemption, you can call the IRS to remove the revoked notice online.

IRS Determination Letters

Clubs that sought individual exemption after January 1, 2014, can view their determination letters online. Support Group subsidiaries will not have a Determination Letter on file since they are a subsidiary of a central organization. Nearly all booster clubs are part of the Clear Creek ISD Support Group. Therefore, many will not find a Determination Letter on the IRS website.

If you are a subsidiary and need proof of exemption, contact the Auditor for a "Support Group Letter" that carries the same authority by law as a Determination letter.

Contact the IRS

For answers to questions about charities, call the IRS' Tax Exempt and Government Entities Customer Account Service line at (877) 829-5500.

Due to COVID-19, call center wait times for an IRS agent can be as long as one hour. Many questions can be answered through the search bar on www.irs.gov, or feel free to contact the Auditor.

Sales Tax –

Texas Comptroller's Office

As Texans, we do not pay personal income tax to the State of Texas, so we are not accustomed to filing taxes with an agency outside of the IRS. However, businesses in Texas must file Sales Tax (only if they have a Sales Tax Permit). Otherwise, you will not file or pay anything to the Texas Comptroller's Office.

State Exemption

After establishing your Booster Club as tax-exempt with the IRS, the Texas Comptroller's Office also requires an application for tax exemption. The Auditor completes Form AP-204 (Application for Exemption) on your behalf and emails it to the Comptroller's Office. If you are a new club, you will receive an exemption letter from the Comptroller's Office. Please file this letter in your Treasury binder. **You do not have to reapply for federal or state exemption each year.** The state exemption waives the Franchise Tax obligation and also enables you to purchase qualifying items tax-free.

If for any reason, the IRS revokes your exempt status, the Comptroller's Office will repeal your state exemption, too, since the two entities share information.

Texas Taxpayer ID

When you apply for State exemption or a Texas Sales Tax Permit, you will be issued an 11 digit Texas Taxpayer ID that begins with a 1, 2, or 3. Please note that this number is different from an EIN, which has 9 digits. Your sales tax ID can sometimes be referred to as your resale or reseller number. It can be confusing having two identification numbers. Vendors use the term "tax ID" interchangeably, so it is advised to ask for clarification (EIN or Texas Taxpayer ID). Please use the Texas Taxpayer ID when filing sales tax forms and filling out the Texas Resale Certificate (to waive sales tax on purchases). See Appendix for a copy.

Sales Tax Permit

Anytime you make a taxable sale to a customer, the Texas Comptroller's Office requires you to collect and remit sales tax back to the State. If you intend to sell taxable items or services, you must apply for a Texas Sales Tax Permit. Sales tax is due on sales of tangible personal property (TPP). TPP is defined as any item seen, weighed, measured, felt, or touched (examples in the following pages). Boosters are not required to have a Sales Tax Permit, especially if a club sells taxable items only during qualified tax-free fundraisers (two per calendar year); sells only nontaxable items; or raises funds only by using a for-profit entity to sell taxable items (i.e., receives commissions or sells items for another company like candles or chocolates, etc.)

Opening a Sales Tax permit creates an obligation to file Sales Tax with the Comptroller's Office quarterly. Failure to file or late filings incur a \$50.00 fee plus daily interest until paid.

CCISD Booster Clubs are not required to apply for a Sales Tax Permit since the State offers two tax-free sales days per calendar year. Many clubs organize their fundraising efforts in such a way to avoid the hassle of a Sales Tax Permit by hosting only two taxable fundraisers per calendar year. You may host as many non-taxable fundraisers as you want if you elect not to apply for a sales tax permit.

Sales Tax – Texas Comptroller's Office

TEXAS SALES AND USE TAX PERMIT
This permit is not transferable, and this side must be prominently displayed in your place of business.

WILYWARE, LLC
WILYWARE, LLC
6500 S. PADRE ISLAND DR STE 16E
CORPUS CHRISTI
NUECES COUNTY
TX 78412-4055

NAICS CODE: 541519 DESCRIPTION ON NEXT LINE:
Other Computer Related Services

WE SHOW THIS BUSINESS IN THE FOLLOWING LOCAL SALES TAX AUTHORITIES:
CITY: CORPUS CHRISTI EFF: 07/01/2013
TRANSIT: CORPUS CHRISTI MTA EFF: 07/01/2013
SPD: CORPUS CHRISTI CRIME CON EFF: 07/01/2013

Susan Combs
Comptroller of Public Accounts

Apply for a Sales Tax Permit

- Online application:
<https://comptroller.texas.gov/taxes/permit>
- Allow 2-3 weeks to receive your permit similar to the one pictured above. Once you receive your permit, you must display it when selling taxable items.
- Present Form 01-339 Texas Certificate of Exemption when making tax-free purchases.
- Items purchased tax-free by an exempt organization cannot be used for personal benefit.
- If the Booster Club acts as an agent for a vendor (Yankee Candle, World's Finest Chocolate), sales tax is the vendor's responsibility, not the club's. It is usually embedded in the product's price.
- A sales tax permit creates an obligation for your club to file sales tax each quarter (reminders are sent months in advance in the monthly booster club newsletter).

Canceling a Sales Tax Permit

Mail your permit to the Comptroller's Office listed on the document. Please call the Comptroller's Office to cancel your permit (800-252-5555) only after filing your final sales tax return. Unused but open sales tax permits are subject to late fees and financial penalties if not closed, so please close if not using! Just because you do not use a permit does not mean it cannot be taxed or penalized for failure to file state taxes.

Open Records

New and renewing sales tax permittees sometimes get calls from vendors seeking to provide goods or services. Taxpayers find that the unsolicited calls diminish within a week or two of starting a business.

Why does this happen? Texas law requires that the Comptroller's Office provide this public information, including a permittee's telephone number. The Comptroller's Office does not sell this information. Additionally, the law prohibits the Comptroller's Office from asking requestors what they plan to do with the information.

The Comptroller's Office is committed to protecting your information; therefore, none of your confidential information is ever disclosed.

Change of Address

The Comptroller's Office asks that you change your address online at:
<https://comptroller.texas.gov/web-forms/manage-account/change-address/>

Houston Field Offices

The Comptroller of Texas offers Texas Taxpayers the opportunity to receive one-on-one help from a tax specialist in one of their field offices. Offices are closed on Federal holidays. For taxpayer assistance, the Comptroller's Office offers many services via the web and telephone any day of the week.

The closest field office for the CCISD area is located at 1919 North Loop West, Suite 510, Houston, TX 77008. Phone: 713-426-8200.

Sales Tax - Webfile



Filing State Sales Tax

Upon applying for a sales tax permit, you open up a responsibility to file taxes with the Texas Comptroller's Office once per quarter.

The Comptroller's Office establishes the filing frequency initially as quarterly for one year; until your club establishes a successful filing and payment history. After one year, you may call the Comptroller's office to request annual filings. Taxes are always due 20 days after each quarter-end (i.e., March 31 quarter-end is due on April 20).

It is important to note that even if your club had no taxable sales to report, a sales tax report must be filed, or you will incur a \$50.00 fee. Failure to submit any state tax report or a late report is subject to a \$50.00 fee per missed filing (up to \$200.00 per year).

The Comptroller's Office offers WebFile, an online system, to report and collect sales tax.

WebFile

All Texas state taxes are filed online through the state's system called WebFile. WebFile is a free service provided by the Texas Comptroller of Public Accounts. The login page can be found by going to <https://security.app.cpa.state.tx.us/>

You will need two things to file taxes through WebFile:

1. Texas Taxpayer ID # (11 digits) and
2. WebFile ID

WebFile ID

Your WebFile number is your "access code" to the WebFile system. It is printed in the upper left corner of the tax report mailed to each taxpayer or on other notices. It is two letters followed by six numbers (Ex: RT123456 or XT123456).

If you do not have your WebFile number, you can contact the Comptroller's Office at (800) 442-3453 any time. This automated system can provide a WebFile number if you can provide the last amount paid or filed on a recent return. If you cannot validate your ID, you can request a duplicate ID sent to the last address on file via this automated system. The mailed WebFile ID will arrive in approximately 1 week.



There are short helpful videos on the Comptroller's website, or call 1-800-252-5555. The representatives are helpful. WebFile accepts credit cards and electronic fund transfers (i.e., using your bank account number). If you prefer to pay by check, you may file online without paying but must go back to the main menu and print a hard copy of your return and mail it to Austin with your check. Processing takes 2-3 weeks.

Sales Tax

Due Dates

Quarterly taxes are due 20 days after the quarter-end. Quarterly due dates are:

- April 20
- July 20
- October 20
- January 20

Annual taxpayers must submit taxes by January 20.

Penalties & Late Fees

The Comptroller's Office reminds you to file taxes via US Mail at least 30-60 days before your taxes are due. However, if you fail to submit a required tax report on the due date, the Comptroller's office will send you an estimate of taxes due (minimum of \$1,000). The amount due will decrease once your actual data is entered into the system. Failure to file and pay taxes may result in collection actions against your club. Finally, if you close the booster club without closing your sales tax permit, penalties and interest will continue to accrue. As a last resort, the District will be forced to close the account and debit the amount owed from the student program you once supported. Please do your part and close your sales tax permit if not needed to avoid unnecessary penalties.

Franchise Tax

Most boosters should never have to file a Franchise Tax Report as the Auditor applies for exemption on your behalf. Should you receive a letter regarding Franchise Tax, please contact the Auditor as this indicates your application for exemption with the state was never processed. There are certain reports to file to end this obligation.

If required, Franchise Tax is due once per year on May 15. Failure to file results in a \$50.00 fine.

Sales Tax Exemption

The exemption from the Texas sales tax allows exempt organizations to make tax-free purchases of eligible items intended for resale. The Booster Club must present the vendor with a Texas Resale Certificate (Form 01-339) to purchase the items tax-free. The certificate

must state the Booster Club's Sales Tax Permit Number or EIN to be valid. Vendors accept the form "In Good Faith" but are not required to honor the form by law. See Appendix for an example.

Tax-Free Days

The Texas Comptroller's Office grants school districts and qualified exempt organizations two "tax-free" sales days per calendar year. Therefore, if you sell taxable items or services these days, you will not have to collect or report sales tax. Texas Publication 94-183 outlines the specifics. There are a few things to note:

- Exemption status is required for entitlement to the tax-free days;
- A "tax-free" day is defined as a consecutive 24 hour period, and a "calendar year" is January through December;
- The days should be designated in advance so that purchasers know that the sales are not subject to tax and that your Treasurer knows not to count these sales as taxable.
- The organization may not collect tax on the transactions and keep the tax under the guise of a "tax-free" sale provision.
- The exemption does not apply to any item sold for more than \$5,000 unless the organization manufactures it.
- You may designate the tax-free day as the date on which the items are delivered, or the day all money is due.
- You may combine fundraisers (sell shirts, decals, chair backs) on the same day as long as the sales occur in 24 hours.
- Surplus items not sold during a 24-hour tax-free day will be taxed, and the tax reported and remitted to the State of Texas.

Sales Tax

Sales Tax & 3rd Party Fundraising

Clubs may contract with a fundraising company to sell taxable items, such as wrapping paper, gifts, candles, or candy. The exempt organization markets the items, collects the money, and forwards an agreed-upon portion of the money to the fundraising company. In this case, the fundraising company is technically the seller, not the Booster Club. The fundraising company must report the sales tax to the Comptroller's Office. Luckily, booster clubs do not have to count this sale as taxable.

TAXABLE VS. NON-TAXABLE	
Please refer to the table below or Publication 94-183 from the Texas Comptroller's Office for additional details on taxable vs. non-taxable items.	
TAXABLE	NON-TAXABLE
<ul style="list-style-type: none">• Apparel• Art (music, video, drawings, paintings, sculpture)• Athletic equipment (if the student keeps)• Band equipment (if the student keeps)• Books, calendars• Candles• Car decals• Flowers, plants or holiday greenery• Garage sale items• Jewelry• Magazine subscriptions under 6 months• Musical supplies (if the student keeps)• School store items - except food• Stadium seats• Stationary, note pads, greeting cards• Yard signs	<ul style="list-style-type: none">• Admission tickets - athletic events, banquets, carnivals, clinics, homecoming, musicals, summer camps.• Advertising sales• Booster club memberships• Car wash• Concessions/Food• Cosmetology services• Coupon books• Donations• Facility rentals• Magazine subscriptions over 6 months• Parking permits• Student club memberships

Banquets – Admission to an annual dinner is not taxable. If the club pays for the event, they must present their tax-free form to the venue and pay the site directly. Banquets cannot be held in a church per District policy. The Coach, Sponsor, or District Administrator's input should be considered when planning your year-end banquet.

Concession Sales at Events – Booster Clubs do not collect tax on meals and prepackaged food. Please check with your campus principal for approving the sales of outside food on campus.

Internet Sales – Sales of taxable items over the internet are treated the same as sales of taxable items made at any other sales location. Booster Club websites must collect sales tax on taxable items they sell online and remit to the State.

University Interscholastic League

The University Interscholastic League (UIL) exists to provide educational, extracurricular academic, athletic, and music contests. The UIL aims to provide rules for good sportsmanship and fair play for all participants (www.uil texas.org). A UIL Booster Guide can be found on their website.

Rules vary by activity. Please refer to UIL's website for the details in the Constitution and Contest Rules.

Coach or Sponsor Gifts

In short, coaches (including assistants and any fine arts sponsor) may receive up to \$500 in money, products, or services from any source in recognition of or appreciation for directing a UIL activity. The \$500 limit is cumulative for a calendar year. See Section 481, UIL Constitution and Contest Rules.

Student Gifts

The most prevalent question posed to the Auditor each year, is can the booster club give gifts to student-athletes? In short, the answer is no. Individuals should be informed of the seriousness of violating the amateur athletic rule found in Section 441, and the awards rule found in Section 480 of the UIL Constitution and Contest Rules. 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 breach. If a team violates the amateur rule, the penalty shall be assessed against the team and not against each individual.

- Athletic booster club funds shall not be used to support athletic camps, clinics, private instruction, or any activity outside of the school.
- Students may not accept money or other valuable consideration from school booster club funds for any non-school purpose.

Gift Rules Continued

- The District determines when, how, and from whom student-athletes receive meals and snacks. Students must pay for their meals of the coach calls a weekly/monthly team meeting outside of tournament or game day play for only a certain player level (i.e., just the varsity). The Booster Club could organize the event in such circumstances, but the athlete must pay for their meal.
- Schools must give prior approval for any banquet or get-together given to students. 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 provided to an athlete. Valuable consideration is tangible or intangible property or service, including anything 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 made to cover the cost of commercial transportation and to cover expenses for meals. It would be a violation for booster groups or individuals to pay for such costs directly, without prior approval from the school.
- 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.
- When in doubt, call the UIL.



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.

Booster Club Guidelines

Updated July 2016

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.

UIL – Booster Club Guidelines

CLUB FINANCES

Fundraising | Spending | Stipends | Gifts to Coaches

Fund-raising projects may be 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

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*.

UIL – Booster Club Guidelines

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.

Operational Guidelines

Advertising or Sponsorship

The district maintains advertising and sponsorship agreements with several community businesses and is contractually obligated to honor those agreements. Before your club enters into an advertising or promotional deal with an outside party that would conflict with existing district advertising agreements (exclusively at the two main football stadiums), don't hesitate to contact the Office of Communications at 281.284.0020.

- Boosters cannot advertise at the two main district football stadiums on behalf of a vendor, not under an existing advertising agreement with the District.
- Boosters may not bring 3rd-party vendors to the stadiums to sell items on their behalf.
- Contracts (verbal or written), products, services, sponsorships, or donations shall not be endorsed, solicited, or accepted if they:
 - Contain words, pictures, or references that are obscene, vulgar, or otherwise inappropriate;
 - Endorse endangering the health or safety of students, parents, or animals;
 - Promote or serve alcohol or other controlled substances;
 - Violate school rules, district policy, or regulation;
 - Include hate literature that attacks any group or individual.

The district shall reserve the right to disapprove any advertisements if it determines the proposed promotion is in bad taste or otherwise reasonably objectionable. The same policy also prohibits advertising displayed on district property in any district publications that are sexual either in theme in treatment and subjects that would be disruptive to or inconsistent with the district's educational purpose.

Bylaws

Bylaws are the operating rules specific to your club and are required by CCISD and the IRS. Laws ensure stability, help resolve conflict, define processes, and provide a roadmap for future officers. Bylaws should be updated annually through amendments to reflect any changes that occur throughout the year. A ample template is found on the department webpage.

Calendar

The Auditor communicates relevant due dates for all training and tax deadlines months in advance through the booster club newsletter. You may sign-up for the newsletter on the department webpage at www.ccisd.net.

- January 20 – 4th quarter sales tax or annual sales tax due to the Texas Comptroller's Office. Check to see if you are an annual or quarterly filer.
- April 20 – 1st quarter sales tax filing due to the Texas Comptroller's Office.
- May 15 – (NOT COMMON) – Franchise Tax due to the Texas Comptroller's Office. Call the Auditor if you receive a letter.
- July 20 – 2nd quarter sales tax filing due to the Texas Comptroller's Office.
- August (mid-month) – Concession Stand Lottery (see below for details).
- August (end-month) – Booster Club Training
- September 1 – Audit review due.
- September 1 – Insurance premium due. See below for details.
- October 20 – 3rd quarter sales tax filing due to the Texas Comptroller's Office.
- November 15 – Federal Tax due to the IRS. ****PLEASE NOTE**** Federal tax is due 4 ½ months after your year-end. Check your club bylaws for your fiscal year-end and add 4 ½ months to calculate your due date.

Operational Guidelines

CCISD Policies

Boosters are bound by provisions in CCISD policies including but not limited to FJ (Legal): Charitable Raffles, FJ (Local): Gifts and Solicitations, GE (Reg): Parent Organizations, GE (Local): Relations with Parent Organizations, GKD (Local): Facilities, GKD (Reg): Community Relations, Non-school use of Facilities. The Booster Club Manual is cross-referenced in CCISD Policy. Policies and regulations are located on our District website's "Policy and Legal Affairs" department page.

Contracts with CCISD Vendors

At no time shall the Booster Club enter into binding agreements with vendors on behalf of the district. District purchasing contracts are not available for Booster use. However, you may use similar vendors, but you may not utilize our specific purchasing contracts.

Dissolution of a Club

At times, clubs may become insupportable due to lack of member support, financial instability, failure to file taxes, or club conflict. The Booster club or the Sponsor/Coach must first notify the campus principal of their intent to dissolve the Booster Club. After contacting a District Administrator and if a District Administrator does not initiate dissolution, club members may vote to terminate with a majority vote as defined in club bylaws.

It is CCISD's practice that each campus principal maintains the right and authority to dissolve or reform a Booster Club at their discretion if it is determined that the club is not functioning in a way consistent with the program, campus UIL, federal, state, or district policies.

CCISD and the IRS require Boosters to turn over remaining booster club money to the program activity fund within 30 days. The law strictly prohibits any other distribution of funds.

The Texas Secretary of State requires all records of a terminated Booster Club to be returned to the campus administrator, coach, or sponsor within 30 days of dissolution. Steps need to be taken to properly close down a club or otherwise face costly late fees and the most taxing authorities' fines. In the Auditor's experience, Booster clubs often forget to call the Texas Comptroller's Office, which can levy the highest financial penalties. See the appendix for the Closure Checklist.

Elections

The election of officers will occur annually within the manner prescribed in your bylaws. As part of the annual club audit, the outgoing officers must report the new officer's name and email address to the CCISD Internal Auditor by September 1 of each year. Any interim changes in positions shall be reported to the Auditor within 30 days.

Officers may be elected in various methods (a simple majority, online voting, email ballot) and as otherwise defined in your bylaws. How you handle elections should follow your bylaws but ultimately is a club-level decision that should be handled constructively and fairly. At no time should officers be appointed without the input and approval of the membership. The transfer of records to new officers should be done within 30 days of an election. When exiting your post, please remain available to your successor as they will most assuredly have questions for you.

During COVID-19, the Auditor allowed the use of online voting software to avoid gathering. You may continue the use of such software in future or as needed.

Operational Guidelines

End of Year Banquets

Year-end banquets provide an opportunity for clubs to celebrate the accomplishments of the program. Please be mindful that the celebrations should include input from the students and coach and not cause undue financial hardship on the club. Booster's primary concern is raising money to support a student program and not fund an opulent year-end banquet. Boosters must handle banquet funds, not coaches.

The Booster Club may not give gift cards to graduating seniors of a UIL sport at the banquet. See the "Gifts" section for details or refer to the policy as defined in the UIL constitution under subchapter O, section 480 www.uilTEXAS.org.

Coaches (assistants and sponsors) are allowed to receive \$500 per year in cash, check, or gift cards. UIL gift rules are different for coaches than for students. Please refer to UIL's website for detailed clarification on gift rules or call the UIL. If the UIL does not sanction your program, the gift rules do not apply.

Flyers

CCISD provides organizations the ability to share event information that benefits students and families in one centralized place. Brochures are available year-round at our District website. Click on Community -> Seasons of Fun or contact the Communications Department.

Each Season of Fun E-Flyer will be posted for 30 days unless a longer term is selected. New E-Flyers will be posted on the 15th and 30th of the month. E-Flyers must be submitted via CCISD's website. The E-Flyer Request Form must be submitted along with proof of 501c3 status, if applicable. Please submit E-Flyers at least 15 days before your event begins. All E-Flyers must meet the criteria established in local District policies found here: GKDA (Local) and GKB (Local).

Gifts

UIL gift rules for athletics are different from the standards for academics and music. Athletes are restricted by the Athletic Amateur Rule, which is found in section 480 of the UIL's annual Constitution and Contest Rules, 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 have no amateur rule.

Student-Athletes

- Students in a UIL sport are prohibited from accepting money or valuable consideration for participation in a UIL event. Senior students may receive a \$20 minor gift and a \$75 major gift (memento) honoring the student's accomplishments.
- Cash or checks are prohibited. Students other than seniors are not allowed to receive gifts other than nominal value items (i.e., value < \$20.00). Valuable consideration is tangible or intangible property or service, including anything usable, wearable, salable, or consumable. Local school districts have the discretion to allow student-athletes to accept, from their fellow students, small 'goodie bags' that contain candy, cookies, or other items that have no intrinsic value.
- Refer to the UIL website for details.

Students in other activities

- Students in non-UIL events may receive gifts unless another governing agency implements gift rules. Intrascchool events (such as singing contests) are treated differently from UIL events and fall under different rules. The UIL Constitution and Contest Rules 480 (a)(3) says that "students may accept unlimited awards (including cash/prize money) for participating in an intrascchool competition." This rule is applicable only if the competition is strictly within the school.

Operational Guidelines

Gift Rules continued

Coaches/Sponsors

- Coaches and directors of UIL academics, athletics, and fine arts may not accept more than \$500 in money, products, or services from any source in recognition of your club's appreciation for coaching, directing, or sponsoring UIL activities. The \$500 limit is cumulative for a calendar year. Gifts may be given by cash, check, or gift card.

Insurance – General Liability

The District secures a \$1 million group liability policy for boosters, the cost of which is shared by all boosters. The District fronts the premium and collects reimbursement from each club (\$50.00 per year). Payments are due September 1 of each year by check or PayPal. Payments made via check should be sent to the Auditor at 2425 E Main Street, League City, TX 77573 and made payable to CCISD. A credit card link is available through the department webpage at www.ccisd.net. Please ensure to enter your booster club's name to receive credit for your payment. Individual club policies are an option but are often expensive. If you wish to receive a copy of the policy, don't hesitate to contact the Auditor after payment has been confirmed.

If you plan to host a fun-run or summer camp, you will need a special event short-term policy from our insurance agent, Joe Pugh (contact information in the front of this manual), or an agent of your choosing. The booster club pays for special event policy.

Director and Officer (D&O) insurance is not included in the group policy due to the expense and is not required by the district. D&O insurance provides coverage to officers for failure to carry out legal and fiduciary duties. You are welcome to obtain a policy for your club if desired.

Membership Dues

Booster clubs may charge membership dues as defined in their bylaws. Parents do not have to be members of a booster club for their child(ren) to participate in the student group that benefits from club support. Membership dues are associated with the parents being part of Booster Club and are not associated with program expenses levied by the school. Membership dues may not offset costs related to the program. Sponsors/coaches should never collect membership dues.

Outside Food Sales

Booster clubs may sell food during meal periods at the high school and intermediate schools with the principal's approval. Outside food may not be sold to elementary students at any time during the school day.

To comply with various health departments, please contact the entities below to inquire about a food permit. If you plan to sell prepackaged foods, you do not need a food permit.

City of Houston Health Department:

Requires a food permit to prepare or cook food at a fundraiser. 713-794-9200

Harris County (other than the city of Houston) Health Department does not require non-profit organizations to obtain a permit to prepare, handle, or deliver food. 713-767-3000

Galveston County Health Department

Requires a temporary food service permit to prepare, handle, or deliver food. 409-938-7221. Galveston County has been known to perform inspections during campus events to ensure a sink is available for cleaning utensils and washing hands.

Operational Guidelines

Facility Rentals

Boosters are welcome to rent a variety of District buildings, athletic areas, and rooms. The District does not charge reservation fees to non-profit groups; only hourly support charges for custodial, security, and technology depending upon the number of guests. Failure to accurately count the number of guests will result in additional costs after your event concludes.

Please review CCISD Policy GKD (Local) and GKD (Reg) and Facility Rental Guide found in the Appendix. Proof of general liability insurance is required. If you participate in the Support Group General Liability Policy and have paid your \$50.00, you may obtain a copy of the policy from the Auditor. The \$50.00 insurance payment is required each school year. Individual club policies are an option, but they are expensive. The Safe and Secure Department handles facility rentals in CCISD. Don't hesitate to get in touch with the Facility Rental Specialist at 281-284-0061.

Raffles

The Texas Attorney General oversees raffles in the state of Texas. A non-profit must be in business for at least three years to host a raffle. Raffles are defined as the award of one or more prizes by chance at a single occasion between a pool of persons who have purchased a ticket that represents a chance to win a prize. You do not need to register with the AG's office to host a raffle or silent auction, but rules must be followed as detailed below. Gift cards may be awarded. Contact the Texas Attorney General's Office with questions: 800-621-0508.

Per the AG's website, "A qualified organization may offer any prize except money. Cash prizes are strictly prohibited. "Money" is defined as "coins, paper currency, or a negotiable instrument that represents and is readily convertible to coins or paper currency." A certificate of deposit is a prohibited prize. A U.S. savings bond and a prepaid, or "stored value," credit card is not prohibited."

- By law, schools are not allowed to hold a raffle. CCISD Policy further prohibits gambling games, such as bingo.
- A qualified organization may have only two raffles per calendar year.
- Paid advertising through mass communication is not permitted. Donated advertising is permissible.
- Raffle tickets must state the name of the organization hosting the raffle, the price of the ticket, the date prize is to be awarded, and a description of each award.
- Only boosters or students may sell tickets.
- Persons may not receive compensation either directly or indirectly for organizing or selling raffle tickets.
- An unauthorized raffle is considered gambling under the Texas Penal Code. Conducting such a raffle is a Class A misdemeanor. Participating in an illegal raffle is a Class C misdemeanor.

Operational Guidelines

Raffles continued

Online Raffles

According to Texas law, 501c3 nonprofits may host an online raffle if:

1. Their federal exemption is in good standing,
2. The non-profit has been in existence for more than three years, and
3. The online raffle is promoted only through the club's website or directly to previous club supporters.
4. Personal social media accounts are excluded as they are likely to contain users who have not previously supported the club.

The Charitable Raffle Enabling Act (CREA) prohibits the promotion of an online raffle through social media. Please consider administrative fees or other restrictions of online vendors.

Silent Auctions

Silent auctions are permitted by law, but please consider tax consequences. The sale of items at a silent or live auction carries various tax rules depending on the fair market value and sale price. In general, auction items are considered taxable income to the booster club.

Record Retention

A public charity should maintain books and records for five (5) years. The charity must document the sources of funds and expenditures reported on any tax form (federal or state). Electronic copies or cloud-based systems are acceptable. **Records must be handed over to incoming members within 30 days of vacating your booster club office.**

Permanent records include your club EIN, Sales Tax Permit, Determination Letter (if applicable), Support Group Letter. Never dispose of permanent records!

Student Fees or Fines

Student course fees, technology fees, and other assessments are processed through Skyward at the campus. At times, Booster Clubs collect money for student activities (i.e., Band) instead of schools. If a parent does not submit money for required expenses resulting in amounts owed to the Booster Club, the amount owed cannot be levied on the student's account with the school. If a booster club wishes to recover these amounts, they must do so independently from the District.

Student Privacy & Social Media

We live in a constantly connected world, which may be acceptable to some but perhaps, not all. Before posting anything in a multi-media context, be mindful and considerate of others' feelings and privacy. Ensure parents or legal guardians of a student completes a media release form. While such material may be used to promote your booster club or solicit donations, you must respect the privacy and safety of all students, parents, or guardians and obtain their approval before distributing their photo or name. You may create your form.

As with the District's social media policies, respect for students, parents, and our community members are expected, on and off the field, court, or campus. All aspects of social media etiquette, including the district's social media policy, are required of all Booster Clubs at all times and subject to scrutiny if District Administrators are notified of violations.

Violations will be reviewed and subject to removal from the booster club or booster club board.

Operational Guidelines

Volunteers

CCISD is committed to providing a safe learning environment for students and staff and welcome volunteers at our schools. Interested volunteers will need to complete an online application and successfully pass a background check before volunteering at any CCISD campus or working with students.

To apply for a volunteer opportunity at any campus or support a program, go to the district website: www.ccisd.net/volunteer.

After submitting your application, allow 3-4 business days for processing, at which time you will receive an email notification. Remember to present a state-issued photo I.D. to the front office staff and identify yourself as a volunteer.

If your application has been denied and you feel there has been a mistake, please contact our Safe and Secure Schools Department at 281.284.0063.

Volunteer Safety Guide

All activities with students must take place on the school campus or as part of a school-sponsored event. Doors must remain open if on campus.

- Off-campus contact is prohibited.
- Do not exchange phone numbers, addresses, or emails.
- Transporting a student is prohibited. Students must be transported in a school district vehicle or legal guardian's vehicle.
- Physical contact should be limited. If exhibited, it should be done in full view of other school officials.
- All student information is confidential, and sharing that information with others is a violation of the law.
- If a student confides that they are the victim of sexual, emotional, or physical abuse, is considering homicide or suicide, or is involved in any illegal activity, you must report to the Campus Administrator.

Concession Stand Lottery

Each fall, boosters have the opportunity to work the varsity football concession stands at Challenger Columbia and earn up to \$1,050 for their booster club in one night.

- The District pays each person \$35 per game or up to \$1,050 for your club if you can secure all 30 workers needed for the evening.
- You will work the first 3 quarters of the game (~3.5 hours).
- The Concession Stand Lottery establishes who has the first right to fill vacancies for a designated game. If a club cannot fill all 30 spots, other clubs may backfill volunteers to reach the required 30 workers per game.
- The Auditor will send a pre-registration link months before the lottery. The link will be in the booster newsletter.
- There are typically 15-17 home games at Challenger Columbia in a given year. Please refer to the varsity football schedule. The Child Nutrition Department will staff Veterans Memorial.
- Students over the age of 16 are permitted to work as long as an adult accompanies them.
- Details on the drawing and rules will be included in the newsletter. These guidelines and other information will be reviewed in detail on the night of the lottery that is held at the Education Support Center.

Frequently Asked Questions

Advertising

Do advertising restrictions only apply to District facilities or any advertising?

All advertising must be cleared through the Communications Office, especially at Veterans Memorial and Challenger Columbia Stadiums. For more information, please call Eva DeCardenas at 281-284-0029 or email edecarde@ccisd.net.

Banquets

Can the booster club give gift cards to graduating seniors at the end of the season banquet?

UIL participants may not accept gift cards. High school students in a UIL activity may receive a one-time major award not to exceed \$75 and a minor award of \$20 per sport/activity (per the UIL). This ruling can be found in the UIL constitution subchapter O, Section 480.

Do we need to collect tax on banquet tickets?

No.

Bingo

In October of 2013, CCISD relinquished its bingo license with the Texas Lottery Commission. As such, Booster Clubs are not allowed to hold or participate in bingo as a form of fundraising on CCISD property. You must obtain a temporary Bingo license yourself to host a bingo. This is the club's liability and would have no doing with CCISD. Booster Clubs may not advertise on behalf of a Bingo Hall. Learn more information by reaching out the Texas Lottery Commission.

Bylaws

If we amend our bylaws mid-year, should we submit a copy to the District?

Yes, please email the Auditor a copy to retain in the club's master file with the Auditor.

Why do we need bylaws?

The IRS requires any 501(c)(3) organizations to maintain a set of bylaws. Bylaws are the organizing documents that define the purpose of your group, establish rules that govern your club, and provide general operating guidelines. Bylaws should be customized for your group, reviewed, and updated annually as needed.

CCISD Employees as Officers

Can a CCISD employee hold an office in our Booster Club?

Yes. This ruling is a change from previous years (pre-2015). However, the employee cannot be a signer on a bank account. Typically, this means employees cannot hold the office of Treasurer or President. Substitute teachers and paraprofessionals are exempt from this ruling.

CCISD EIN

Can I use the CCISD Support Group name or EIN?

No. CCISD operates the central organization titled "Clear Creek I.S.D. Support Group" with an EIN of 32-0272343. Your club is established as a subsidiary under the central organization Clear Creek ISD Support Group. Please use your club's 9 digit EIN when filing taxes, providing donation letters, applying for grants, or making tax-exempt purchases.

Frequently Asked Questions

Donations

Can a Booster Club provide a donation letter to parents who volunteer their equipment for the Booster Club's use? What about student works who need volunteer hours?

Yes. You may give a receipt for the donated time or equipment.

If I lost my tax-exempt status, can I provide a tax-deductible receipt to donors?

No. If the IRS notified you that you lost your tax-exempt status, you are considered a for-profit entity and cannot offer this benefit to your donors. Please inform donors that their donation will not be tax-deductible.

How do I donate to my student's activity fund?

Write a check to CCISD and give it to the campus bookkeeper. Ensure the program activity fund name (or program name) is attached to the check so the bookkeeper knows which program should receive the funds.

If my Booster Club purchases a vehicle or trailer, does the District title and insure the item?

Yes! The District will title and insure donated vehicles or trailers. However, there are times that a used item may be uninsurable for various reasons. Please check with your sponsor/coach and campus principal before making a purchase.

Exemption

If the IRS recognizes my club as tax-exempt, do I need to apply for an exemption with the State of Texas Comptroller's Office?

The Auditor applies on your behalf. You will receive a notice of exemption from the Comptroller's Office in 3-4 weeks from the date of application. Search for your state exemption online anytime at <https://comptroller.texas.gov/taxes/exempt/search.php>.

Fees to Vendors, Clinicians, or Technicians

How are clinicians, band technicians, choreographers, etc., paid by the Booster Club?

Booster Clubs should not pay anyone who works directly with students. Instead, please donate the money to the campus activity fund. The District must enter into a consulting agreement with the vendors who work with students. These vendors must undergo a criminal background check and abide by District policies.

Flyers

How do I submit a brochure for approval and distribute it to feeder pattern schools?

Applications are submitted online through the Communications Department webpage. Paper flyers are distributed twice per year at the campus (September and April).

What is the turnaround time for approval once a flyer is submitted?

The Office approves flyers of Communications within one business week. If a revision is required, you will be contacted.

Frequently Asked Questions

Fundraising

Can Booster Clubs have “letter campaigns” asking for donations rather than selling items?

Yes, however, this method is considered a fundraiser. Please remember to provide your donors a tax-deductible receipt if you are a Booster Club in good standing with the IRS.

Are students limited to the number of fundraising events?

Yes. Students may participate in two fundraisers per year. Parents can conduct as many fundraisers as they would like without the involvement of the students.

Can we sell homemade goods as a fundraiser? If so, when?

Yes. Bake sales may be held at the high school during the school day as long as the transaction does not take place in the area where meals are sold or consumed (i.e., cafeteria). At the intermediate schools, a bake sale may take place after school.

Can students fundraise to offset their costs to attend a trip even if not all students will attend?

No. All fundraising organized by the boosters must benefit all students in the program equally.

What steps do I take to obtain approval for a fundraiser?

Please check with your sponsor/coach and campus administrator before scheduling a fundraiser. Each campus maintains different forms and protocols for approving fundraisers.

Gifts

Can the Booster Club give tips to the campus principal, sponsor, our board, or officers of the club?

No. The purpose of a Booster Club is to support the student program.

Can the Booster Club give gifts to students?

It depends on the program rules. If it is a UIL activity, UIL is very restrictive on the amount spent on students. Therefore, the District cautions giving gifts to non-senior students to protect their UIL eligibility. The UIL permits senior gifts limited to \$75.00, which must be used on a souvenir such as a plaque or an award. Do not give cash or gift cards. Contact the UIL with specific questions.

Can the Booster Club give gifts to coaches and sponsors?

Yes. You may give your coach or sponsor up to \$500 per year.

Insurance

Does the District provide group liability insurance for all boosters?

Yes, however, by law, the District cannot pay for the policy out of taxpayer money. Therefore, each booster club is required to pay \$50.00 per club per year to be covered under the policy. The policy is a general liability policy that can be used for your fundraisers or facility rental. Please get in touch with our insurance agent, Joe Pugh, with questions (contact information in the front of the manual).

Frequently Asked Questions

I.R.S./Federal 501c3

Does a 501c3 ever expire or need to be renewed?

No, it does not expire and does not require renewal. It can be revoked if you do not file taxes yearly.

Is there more than one category of a tax-exempt organization?

Yes. The most familiar is a 501c3 public charity or private foundation. All CCISD Booster Clubs are public charities since the majority of their funding comes from various public sources.

What benefit does being 501c3 offer my club and its donors?

One of the primary benefits is the ability to accept donations that are tax-deductible to the donor. Additional benefits include, but are not limited to, 1) exemption from federal corporate income taxes and 2) exemption from individual state taxes. You can also apply for grants and other public or private allocations available only to 501c3 organizations. You may purchase goods tax-free and receive discounts on US Postalk bulk-mail rates.

When do we file Form 990, 990-N (e-Postcard), or 990-EZ?

Taxes are due 4 ½ months after your club's year end. Most boosters have a year-end of June 30, which makes taxes due November 15. You may file as early as July 1. Failure to file taxes for three years will result in the automatic revocation of your exemption.

Our mailing address changed this year; how do I update our information with the IRS?

Booster Clubs must complete Form 8822-b (Change of Address or Responsible Party) each year when changes occur and mail to the IRS. The form can be found at www.irs.gov.

Will the District file a group federal tax return on behalf of all Booster Clubs?

No! The District does not file a group tax return for all Booster Clubs! Clubs are responsible for submitting their federal taxes each year using their name and EIN.

Purchasing

Are there purchasing guidelines Booster Clubs need to follow?

Yes. The District recommends, but does not require clubs to 1) obtain two or three quotes for large purchases; 2) match every check or debit purchase with a receipt or a request for expenditure; 3) be mindful of conflicts of interest – if an officer in your Booster Club owns a business and would like to sell items to the Booster Club, the Officer must submit a bid but may not vote in the vendor selection process.

Can a sponsor/coach handle funds for purchasing items such as team t-shirts?

Coaches and sponsors should handle funds for their campus-led fundraisers only. It is customary for the booster club to manage the collection of money for the booster club business. The coach/sponsor should not handle booster club money, only to the extent that they would collect a program donation and relay that money to the campus bookkeeper to be applied to their activity fund account at the campus.

Frequently Asked Questions

Purchasing

Can a coach or sponsor request reimbursement from the Booster Club for items purchased for the program using personal funds?

Yes. Ideally, the sponsor/coach would apprise the Booster Club of the intended expense and allow the Booster Club to purchase the item directly. The sponsor/coach should provide detailed receipts to be reimbursed. This rule does not apply to District travel. Travel reimbursements should be processed through CCISD.

Are Booster Clubs required to use District purchasing contracts?

No. Booster Clubs are treated as private entities under Texas Law and are not constrained by Texas Public Education purchasing requirements. Booster Clubs may independently use similar vendors as CCISD but cannot utilize the District's purchasing contracts.

If a Booster Club donates money to CCISD to purchase items requested by the coach/sponsor, is there an approval process?

Yes. For example, if a coach would like a particular piece of equipment, the Booster Club should donate the money to the school, and the school would utilize a CCISD approved vendor to purchase an item. Your Booster Club will receive a donation receipt from the District Finance office or your campus bookkeeper. If your funds are used to modify a school building or adding a fixed structure (storage shed, bench, awning, banner), you will need to work with your campus to complete a Facility Modification form. Your bookkeeper will have details on this process or call the Auditor.

If the Booster Club donates money to the campus activity fund and then changes its mind, can the Booster Club request reimbursement from the campus activity fund?

No. The Texas Education Agency prohibits reimbursement from Activity Funds to outside sources such as Booster Clubs.

Can I ask a vendor to send the Booster Club bill to the school or campus bookkeeper?

No! Campuses receive a large volume of mail and are prohibited from processing booster mail or bills. If your club works directly with a vendor, please make certain they bill the booster club and not the school.

Salaries to Contractors

How are wages paid to consultants or technicians?

It depends on the type of work done for the program. If a consultant works directly with students, they must undergo a background check and accept a consulting contract through the District. The District will then compensate the consultant for their time through our accounts payable department. However, if your club hires a consultant to work on props for a concert or show, you would pay them directly. If you pay the consultant more than \$600, you should submit a Form 1099 at the end of the tax year. Form 1099 includes instructions on filing the form with the IRS.

Frequently Asked Questions

Sales Tax

I presently pay Texas Sale Tax quarterly; can I change this to an annual filing?

Yes. The State allows you to request the conversion of your quarterly sales tax filing to an annual schedule after you have demonstrated timely filing and paying for one year. Call the Comptroller's Office to request this change. 800-252-5555.

Do we apply for a Sales Tax Permit each year?

No. Once you apply for a Sales Tax Permit, you have it for the life of your program until it is revoked or abandoned. However, the State requires quarterly reporting of sales tax to stay current. Understand that failure to report and remit sales tax on time will result in fines and interest penalties from the Texas Comptroller. Ultimately, the Comptroller's Office will seize assets if fines exceed a certain threshold.

If the Booster Club purchases uniforms for a team, are they liable for sales tax?

The Booster Club should not buy uniforms directly. The club should donate the money to the District. The District will utilize a District purchasing contract to purchase uniforms.

Scholarships

How should the Booster Club distribute scholarship money?

Scholarship proceeds should be made payable to the university (including "for the benefit of" the student's name) and sent to the University's Registrar. Scholarship money should never go directly to the student.

Can our Booster Club announce scholarship winners before UIL eligibility completion?

No. Per UIL guidelines, all UIL eligibility must be completed before the scholarship announcement. See www.uilTEXAS.org for additional details on scholarships.

Support Group (Clear Creek I.S.D. Support Group)

Why do I have a letter stating that I am part of the Clear Creek ISD Support Group?

First, it signifies that you are a subsidiary of a central organization (i.e., Clear Creek ISD Support Group). Secondly, it means you achieved exemption indirectly, through the central organization instead of directly with the IRS. The sole purpose of the Support Group is to gain exemption at no cost as a subsidiary. Being a part of the Support Group does not waive your responsibility for filing taxes (Federal or State). Your Booster Club is still required to file all necessary taxes with the IRS and the State of Texas Comptroller's Office. If you are tax-exempt and not part of the support group, you do not need to join, as there is no additional benefit to you.

I lost my tax-exempt status for failing to file taxes for three consecutive years. Can I be added back to the Support Group using my existing name and EIN?

While you cannot be added back to the support group using your revoked EIN, you can seek reinstatement directly with the IRS for \$250 at www.pay.gov. Form 1023-EZ.

Frequently Asked Questions

Support Group (Clear Creek I.S.D. Support Group)

Why does my e-Postcard say “Clear Creek I.S.D. Support Group?”

As a subordinate under the Clear Creek ISD Support Group, the first line of your federal tax filing will have the central organization name (Clear Creek ISD Support Group). Add your name to the DBA section and the business contact section on the 990-N. The club name will appear on your confirmation copy.

Taxes (Federal and State)

When do I file taxes?

It depends. All clubs must file federal taxes once per year. Federal taxes are due 4 ½ months after your fiscal year-end (check your bylaws for this date). The type of federal tax form you use depends on your annual gross revenue. Please refer to the IRS section of this manual for more details.

State taxes are due only if you have a Texas Sales Tax Permit. Initially, clubs with a Sales Tax Permit must file Sales & Use tax with the Texas Comptroller’s Office each quarter (due 20 days after each quarter-end). After proving your club files taxes regularly, the Comptroller’s Office will convert your tax filing date to annually, only if you call to request.

Volunteers

Do all Booster Club participants need to be approved as a CCISD volunteer?

Yes. Under state law, the school district must conduct a criminal background check on all volunteers working with children. Please register online as a volunteer:

<https://apps.ccisd.net/VolunteerRegistration/VolunteerRegistration.aspx>



APPENDIX & EXHIBITS

CCISD Booster Club Audit Checklist and Instructions



At the end of each school year, each booster club is required to complete an annual review of its financial operations. The audit is the closing step before handing over financial documents to the incoming Treasurer and President. Your bylaws may include instructions for your Audit Committee, in which case, this checklist will assist those people assigned to the review.

- The audit is due September 1 of each year (you have all summer to complete).
- The audit packet is now ONLINE. Save an electronic copy of proof of tax filing to upload with your form. The audit form can be found here:

<https://www.ccisd.net/booster-clubs>



WHO COMPLETES THE AUDIT?

- The outgoing members or eligible board members perform the audit. Some clubs elect an audit committee to complete the audit. Depending on your membership size, you may need as few as one person to complete the audit. Clubs with a membership of greater than 100, may need two persons.
- Board members involved in daily financial activities (e.g., sign checks) may not perform the audit.
- The outgoing Treasurer provides financial documents to the audit committee or selected audit members. It is asked that the Treasurer and President remain available and willing to field questions or provide additional documents for the audit committee.



AUDIT SCOPE, DUE DATE & AUDIT PACKET FORM

DUE DATE: September 1

- The scope of the audit should be the prior-year activity for the previous 12 months. If your year-end is June 30, then you will audit the previous year beginning July 1 through the current year, June 30.
- Many documents can be found online if your Treasurer cannot or will not provide documents to you. Most banks provide online statements, and the IRS makes available copies of tax forms 990, 990-EZ, or 990-N (a.k.a. e-Postcard).
- The IRS tax forms can be found by searching through this link. Search by entity name or EIN. <https://apps.irs.gov/app/eos/>
- The Texas Comptroller of Public Accounts does not publish Sales & Use Tax Returns online. You must have a login and password combination to access these records.

SUBMISSION ONLINE - No More Paper!

- As of 2021, all audit packets are submitted electronically through an online packet using Microsoft forms. Do that here : <https://www.ccisd.net/booster-clubs>. Send any supporting documents to boosterclubs@ccisd.net. This link will be available on the District's Community page as well.



AUDIT CHECKLIST



BANK RECONCILIATIONS

- Verify bank reconciliations are performed regularly.
- Did the Treasurer follow up on items that remained outstanding for several months (e.g., checks that did not clear for several statements)?



DEPOSITS

- Verify deposit calculations. Are there differences between the Treasurer total and bank totals? Were there multiple bank corrections?
- Is club money deposited within 5 days of receipt? If not, please ask why.
- Are donors given a receipt for their donation?
- Check supporting documents for deposits (e.g., membership form for membership dues, PayPal or Square listing of transfers, cash count sheet for a fundraiser).
- Examine Treasurer's report given at booster meetings. Are the balances correct?



PAYMENTS OR PURCHASES

- Examine checks and verify authorized signers. Are two signatures required on all checks or only those over a stated amount?
- Are checks clearing in sequential order? If not, why?
- Are there missing checks that were not noted as VOID, lost, or never cashed?
- Are checks clearing the bank for the amount written?
- Are payments or purchases supported by a receipt or invoice?
- Are checks written for cash? If so, is there supporting evidence of use?



INSURANCE

- Did the club submit payment for \$50.00 to CCISD for booster club insurance?
- If not, did the club secure its own general liability policy (required if they held a fundraiser or secured a facility rental)?



FUNDRAISERS

- Review profit and loss for fundraisers. Did the Treasurer provide a fundraiser recap to the membership?



FEDERAL TAXES

- Confirm Federal Taxes were filed. All booster clubs are required to file Federal Taxes EVERY YEAR. Failure to file for three years results in the loss of exemption.



STATE TAXES

- APPLICABLE ONLY IF THE CLUB HAS A SALES TAX PERMIT!
- Confirm Sales & Use Tax was filed with the Texas Comptroller of Public Accounts. Failure to file results in fines and penalties.



QUESTIONS

District Internal Auditor

281-284-0184

boosterclubs@ccisd.net

The 6-Step Facility Rental Guide



Research

Before scheduling, check the [District calendar](#) to avoid scheduling during any facility closures.



Policies & Fees

Facility rental rules are outlined in District Policy GKD (Regulation). Rental Fees vary based on your organization's status:

Non-Profits & Booster Clubs: Refer to [Exhibit 1, 3, 4, 5](#).

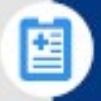
For-Profit Entities: Refer to [Exhibit 1, 3](#).

CCISD Camps: Refer to [Exhibit 2](#). Support fees are required for custodial, security or technology based on group size.



Profit Status

If you are a non-profit, you will need to provide [proof of your exemption](#) (i.e., Determination Letter from the IRS).



Insurance

Proof of general liability insurance indicating a minimum of \$1 million in coverage naming Clear Creek ISD as the certificate holder is required of all renters. Most insurance agents can provide a quote.



Reserve Online

Facility Reservation Requests are submitted online through the [Facility Usage Request Form](#) found in the Communities section of the CCISD website. Please allow up to 2 weeks for a response.



Contract and Payment

Once your request is approved, you will receive a rental agreement contract and invoice. You may pay [online here](#). Reservations will be canceled if an invoice is not paid by the due date.



Reservations must be secured no less than 30 business days from the event.

Any request received that does not meet this requirement is automatically deleted from the system.

Any modifications made after the execution of a Rental Agreement Contract will be subject to fee adjustments based on proposed changes.

Specific details on District Facility Rental Policies can be found on the District website: [GKD \(Local\)](#) and [GKD \(Regulation\)](#).

Questions?

Facility Rental Specialist
281-284-0061

10 Steps to start a Booster Club

1



Get the OK from your Principal – Email or call the Principal and copy your sponsor.

2



Create a name for your Club – Include the campus name + activity (Seabrook Int. Band Booster Club). The IRS prohibits using previously registered names.

3



Elect officers – A minimum of three officers are required (usually President, Treasurer, and Secretary). Exceptions should be emailed to the Auditor.

4



Draft bylaws – Bylaws serve as your operating guide. A sample is provided [here](#) or on the Auditor's department web page.

5



Apply for an EIN – [Application for an Employee Identification Number](#) is found on the IRS' website: www.irs.gov. You will receive your EIN electronically in 5 minutes.

6



Email a copy of your EIN and signed bylaws to the Auditor: boosterclubs@ccisd.net. The Auditor must apply on your behalf to waive the \$275.00 application fee.

7



Open a bank account – Bylaws and first meeting minutes are required to open an account. Ask for a booster club account, not a business account.

8



Look for a state exemption letter– The Auditor will apply for your state exemption. A letter from the Texas Comptroller's Office will arrive in 3-4 weeks. Please retain for your records.

9



Sales Tax Permit – If you plan to host more than two taxable fundraisers per year, apply for a Sales Tax Permit online <https://comptroller.texas.gov/taxes/permit/>. A permit is not needed if you host only two fundraisers or non-taxable sales.

10



File taxes on time! FEDERAL taxes are filed once per year with the IRS. STATE taxes are filed 4x per year with the Texas Comptroller's Office only if you have a Sales Tax Permit.

?



Questions? Call 281-281-0184 or email: boosterclubs@ccisd.net. Online resources: <https://www.ccisd.net/booster-clubs>



Procedures for closing down a Booster Club

Please follow the steps below to shut down your booster club formally. Failure to follow these steps may result in fines or penalties with certain entities. Thank you!

Campus

- ☐ **Sponsor/Coach:** Please visit with your principal or program coordinator before closing a club.
- ☐ **Parents:** Please ensure the principal and sponsor/coach approve the closure.

Bank

- ☐ If your club still has members, make a motion in your last booster club meeting to close down the club. Those who sign on your bank account will need these minutes to close your bank account. If you do not have members remaining, then advise the bank that the club has become insupportable due to lack of participation and have the signers close the bank account.
- ☐ You have 30 days from the date of closure to withdraw funds. Make the cashier's check payable to CCISD or your campus and mail or deliver the proceeds to the campus bookkeeper. The funds will be applied to your student's program Activity Fund Account (i.e., band, debate, FFA, athletics, etc.)

Club Documents

- ☐ Per the Secretary of State of Texas, you have 30 days from the day of closure to return all club documents to the Program Sponsor or Coach. Materials include but are not limited to bank statements, tax filings (IRS and State), membership records, meeting minutes, officer folders.

Internal Revenue Service

- ☐ If you are a club in good standing and with gross receipts of less than \$50,000, you may file a FINAL Form 990-N (e-Postcard) and click the box "**Terminated**" in the upper left-hand corner of the form. The filing will terminate your EIN and close your tax-filing obligation with the IRS. The 990-N is an electronic form and can be retrieved [here](#).
- ☐ If your club has been **revoked** for failure to file taxes for three consecutive years, call the IRS and notify them that you have disbanded (877-829-5500).
 - o By placing the call, you will remove the requirement to file a [Form 1120 \(US Corporate Tax Return\)](#).

Texas Comptrollers Office

- ☐ If you have a Sales Tax Permit, login to [WebFile](https://webfile.comptroller.texas.gov) on the State of Texas Comptroller's Website <https://comptroller.texas.gov> or call (800-252-1381) to see if outstanding Sales & Use Tax or Franchise Tax forms are current.
 - o *Failure to pay outstanding taxes will prohibit the closure of the group, and your school will have to pay taxes from their Activity Fund.*
- ☐ File and pay any remaining taxes that are due.
- ☐ If you call, ensure you file forms in the *specific order the state instructs*.
- ☐ Once all outstanding forms have been filed, and all balances paid, you may submit [Form 05-359 Request for Certificate of Account Status to Terminate a Taxable Entity's Existence in Texas or Registration](#).
 - o In Section B, check "Termination." Sign and mail to the address listed on the form
- ☐ Please maintain a copy for your club's files.

CCISD

- ☐ After completing the above two steps, please notify the Internal Auditor of your club's closure via email: boosterclubs@ccisd.net I will remove your name from my database and will send a letter to the IRS to remove you from our Support Group.

Further questions - please contact:

District Auditor

Clear Creek ISD

Email: boosterclubs@ccisd.net

Phone: 281-284-0184

Request for Expenditure Form Booster Club

Date:

Requestor

Name:

Expenditure Information

Amount of Expenditure*

** Include a copy of quote or invoice*

Payment type requested

- ☐ Check
☐ Use of debit card

Reason for Expenditure

Vendor

Notes

Additional comments or questions:

Approval

Expenditure is

- ☐ Approved
☐ Denied

Signature of Treasurer, President or
VP*

** Requesting party cannot also approve their own request.*

BOOSTER CLUB DEPOSIT RECAP FORM

Booster Club Name _____

Today's Date _____

Event/Reason for Deposit _____

CURRENCY:

	X	\$ 1.00	=	\$	-	Enter number of each bill in the shaded column and the cells will calculate total below.
		\$ 5.00	=	\$	-	
		\$ 10.00	=	\$	-	
		\$ 20.00	=	\$	-	
		\$ 50.00	=	\$	-	
		\$ 100.00	=	\$	-	
TOTAL CURRENCY =====>					\$	-

COIN:

	X	\$ 0.01	=	\$	-	Enter number of each coin in the shaded area and the cells will calculate total below.
		\$ 0.05	=	\$	-	
		\$ 0.10	=	\$	-	
		\$ 0.25	=	\$	-	
		\$ 1.00	=	\$	-	
TOTAL COINS =====>					\$	

CHECKS (list all or attach a copy of checks)

Payer	Check #	Check date	Purpose of Pmt	Amount
TOTAL CHECKS =====>				\$ -
TOTAL CHECKS PG 2 ==>				\$ -

TOTAL DEPOSIT ==>	\$ -
--------------------------	------

FIRST PERSON MAKING COUNT: _____
(SIGNATURE)

SECOND PERSON MAKING COUNT: _____
(SIGNATURE)



JULY 2009

TAX TOPICS

SALES AND USE TAX

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.

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

FOR MORE INFORMATION,
SEARCH OUR WEBSITE AT
Comptroller.Texas.Gov

OR CALL
1-800-252-5555.

This publication is intended as a general guide and not as a comprehensive resource on the subjects covered.
It is not a substitute for legal advice.

1

SALES AND USE TAX

Texas Comptroller of
Public Accounts



SCHOOL FUNDRAISERS AND TEXAS SALES TAX

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 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

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(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 exemp-

tion 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 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. As of January 1, 2014, sales of alcoholic beverages, including beer, wine and mixers, made by the holders of a mixed beverage permit are subject to two taxes:

- The 6.7 percent mixed beverage gross receipts tax assessed on the seller, and
- The 8.25 percent mixed beverage sales tax assessed on the purchaser.

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Sales of beer and wine made by the holder of a beer and wine only permit 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

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 donation (see Tax Code Section 151.155(b)). If the purchaser makes use of the item before it is donated, the purchaser is

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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 at the bottom of the page is a short list of examples of taxable and nontaxable sales.

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

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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 1-800-252-5555 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.texas.gov, or call Tax Assistance at 1-800-252-5555.

For information on how to apply for federal exemptions, contact the U.S. Internal Revenue Service at 1-877-829-5500 or online at <http://www.irs.gov/>.

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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.

sign here ▶	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.

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