

BOOSTER CLUB



HANDBOOK

Pikeville Junior High/High School

120 Championship Drive

Pikeville, KY 41501

(606) 432-0185

Message From the School

Dear Stakeholders,

On behalf of the students, faculty, and administration at Pikeville Junior High/High School, we want to express our appreciation and gratitude for volunteering hours dedicated to supporting extra-curricular and co-curricular activities. Booster clubs/parent organizations are integral parts in supporting and strengthening the programs or student groups at Pikeville Junior High/High School.

In order to keep Booster Club members informed a handbook was created to assist Booster Clubs in staying in compliance with Pikeville Junior High/High School, Pikeville Independent Schools, Kentucky Department of Education policies and procedures and KRS statutes. It is our mission and ultimate goal that Booster Club members find this handbook a useful tool towards having a financially and orderly organization.

Our students are afforded many unique opportunities to showcase their talents and skills. These opportunities are available through support from our Booster Clubs. Once again, thank you for the numerous countless hours of dedication and support for the students of Pikeville Junior High/High School.

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Introduction

Booster Clubs are a valuable complement to the school's athletic, music, and academic competition programs, as well as class organizations. Their activities often provide additional financial resources and enrichment for the programs they support. **Every Booster Club at Pikeville Junior High/High School must be familiar with and conduct all its activities in compliance with requirements and limitations set by Pikeville Junior High/High School, Pikeville Independent Schools, Kentucky Department of Education and Kentucky Administrative Regulations (KAR).** The full text of guidelines are available online at the following addresses:

School Policies

http://www.pikeville.kyschools.us/content_page2.aspx?schoolid=1&cid=286

District Policies

<http://policy.ksba.org/p07/>

Kentucky Department of Education Redbook

<http://education.ky.gov/districts/finrept/documents/redbook%202013%20edition.pdf>

Kentucky Administrative Regulations

<http://www.lrc.state.ky.us/kar/frntpage.htm>

The *Booster Club Handbook* supplements the information contained in the above guidelines and communicates most of the school and district's rules for Booster Clubs that support its co-curricular and extra-curricular activities.

IMPORTANT DATES

Item	Due Date
Monthly Financial Statement (F-SA-15A)	July 10th
Annual Financial Report For Fiscal Year (ending June 30 th) (F-SA-15A)	July 15th
Federal Employment Identification Number (FEIN)	August 1st
Names, Addresses, Email Addresses, Phone Numbers of Officers	August 1st
Names of Individuals With Check Signing Authority	August 1st
External Support/Booster Organization Worksheet (Form F-SA-4B)	August 1st
Monthly Financial Statement (F-SA-15A)	August 10th
Monthly Financial Statement (F-SA-15A)	September 10th
Monthly Financial Statement (F-SA-15A)	October 10th
Monthly Financial Statement (F-SA-15A)	November 10th
Monthly Financial Statement (F-SA-15A)	December 10th
Monthly Financial Statement (F-SA-15A)	January 10th
Monthly Financial Statement (F-SA-15A)	February 10th
Monthly Financial Statement (F-SA-15A)	March 10th
Monthly Financial Statement (F-SA-15A)	April 10th
Monthly Financial Statement (F-SA-15A)	May 10th
Monthly Financial Statement (F-SA-15A)	June 10th

** Fund Raiser Worksheet(s) (FA-SA-2B) must be submitted to the school within fifteen (15) days of the end of the fundraising period or event.*

BOOSTER CLUB AGREEMENT

This agreement is entered into by and between Pikeville Junior High/High School (hereafter referred to as “school”), Pikeville Independent Schools (hereafter referred to as “district”) and an entity known as _____ (hereafter referred to as the “Booster Club”). Through this Agreement, the parties intend to set forth the Terms and Conditions under which the Booster Club may operate and associate with students, teachers, coaches and administrators at the school.

TERMS AND CONDITIONS

1. It is recommended the Booster Club have written by-laws that include the offices and their terms.
2. The Booster Club must submit the Booster Club's Federal Employee Identification Number (FEIN) to the school by August 1st.
3. The Booster Club officers are solely responsible for ensuring that the Booster Club is in compliance with school policies, district policies, Booster Club guidelines in the Redbook and state and federal regulations. The school, district, including any district employee, shall not be held responsible for any deficiencies of the Booster Club.
4. District employees may serve the Booster Club as a general member or as a member of its executive board. However, local board members may only serve the Booster Club as a general member and shall not serve as an officer of the Booster Club.
5. Neither local board members nor district employees shall serve the Booster Club as the treasurer or any other officer with check signing authority on the Booster Club's bank account.
6. The school activity fund shall not reimburse the Booster Club for any purchases.
7. The Booster Club shall not pay the fee for any referees or officials of athletic events. The Booster Club may, however, donate to the school for these purposes.
8. The Booster Club shall not pay or enhance salaries or stipends for any district employee. The Booster Club may, however, donate to the district for these purposes as long as the salaries paid are within the limits set by district.
9. The Booster Club must issue a Form W-2 (Wage and Tax Statement) or IRS Form 1099 MISC (Miscellaneous Income) to any non-district employed individual paid for services by the Booster Club.
10. Anything purchased by the Booster Club for the school, in the name of the school or for the group it supports, becomes the property of the district. If the district accepts the item, then the district will be responsible for maintaining and repairing it.
11. The school or district, with approval of the local board of education, may establish additional guidelines/requirements for the Booster Club.
12. The Booster Club acknowledges the school is responsible for the promotion of education and the general health and welfare of all students attending the school. In addition, the Booster Club acknowledges the school controls management of funds and all public school property in its school and may use its funds and property to promote public education (KRS 160.290).

13. The Booster Club shall, on or before August 1st of every school year, elect officers who shall communicate and provide true and accurate information to the school and district. The Booster Club must submit the names, addresses, email addresses and phone numbers of all officers and anyone who has check signing authority to the school by August 1st.
14. Booster Club checks must contain two signatures from individuals with check signing authority of the Booster Club checking account. The Booster Club shall not possess or use debit card(s) or credit card(s).
15. Upon request of the school and district, the Booster Club shall make available a full and complete list of all members.
16. It is recommended the Booster Club treasurer be bonded.
17. The Booster Club must provide receipts to anyone who pays or donates in cash.
18. The Booster Club is required to carry separate insurance for general liability with the appropriate coverage to operate their organization. The booster club is not covered by the district liability insurance.
19. The Booster Club must provide proof of liability insurance coverage to the school prior to commencing any fundraising activities.
20. The Booster Club must submit a Monthly/Annual Financial Report (F-SA-15A) and monthly bank statement(s) to the school. Both shall be submitted by the 10th of each month.
21. The Booster Club must submit an annual External Support/Booster Organization Budget worksheet (Form F-SA-4B) to the school by August 1st. The budget shall contain, at a minimum, estimated revenues from admissions, fundraisers, concession sales, and other categories and estimated expenditures by category.
22. The Booster Club must submit an annual financial report for the fiscal year ending June 30th to the school by July 15th. The annual financial report shall contain, at a minimum, cash beginning balance, cash ending balance, and revenues and expenditures by category (i.e. admission revenues, concession revenues, items for resale, supplies).
23. The Booster Club acknowledges that its activities may affect compliance with Title IX of the Educational Amendments of 1972 (Title 20, U.S.C. 1681-1687, et seq.) by school and the district. Likewise, the Booster Club acknowledges that, as a condition of membership in the Kentucky High School Athletic Association, representatives of the school and the district must verify the school complies with Title IX and 702 KAR 7:065, Section 2 (13). Accordingly, the Booster Club agrees to provide all information requested by the school, district, or the Kentucky High School Athletic Association for purposes of determining Title IX compliance. The Booster Club further agrees to refrain from engaging in any activity, which in the opinion of the school or district, adversely affect the school's or district's ability to comply with Title IX.
24. In addition to complying with the requirements of Title 702 of the Kentucky Administrative Regulations, Chapter 3:130 (internal accounting, and all other relevant statutes and regulations, the Booster Club shall, upon the request of school or district,

provide a full and complete accounting of all moneys raised, as well as a full and complete accounting of all moneys expended.

25. On or before August 1st of every school year, the Booster Club must submit to the school fundraising request forms (F-SA-2A) for all fund raising activities planned for the upcoming school year. Additional fundraising requests can be submitted to the SBDM Council for approval on a monthly basis.
26. Within fifteen (15) days of completion of a fundraiser, the Booster Club must submit to the school a completed Fundraiser Worksheet (F-SA-2B).
27. The school and district expressly reserve the right to reject any fundraising activity for any reason. The Booster Club agrees that it shall not engage in any fund raising activity which has not been approved or which has been rejected by school or district.
28. The school's approval of all fundraisers proposed by the Booster Club, including the use of funds, is required. The Fundraiser Approval (Form F-SA-2A) shall be completed and approved before the fundraiser begins.
29. The Booster Club must ensure funds are expended in accordance with only the purpose and intended use stated on the Fundraiser Approval (Form F-SA-2A). The Fundraiser Approval shall be obtained prior to commencing the fundraising activity.
30. Booster Club fundraising must benefit the members of the group as a whole; no fundraising monies shall be applied to individual student accounts. Accounting by student places the external support/booster organization tax status in jeopardy as stated in the Internal Revenue Service document called Compliance Guide for 501(c)(3) Public Charities, on Page 2 under the heading "Private Benefit and Inurement". The document can be found at <http://www.irs.gov/pub/irs-pdf/p4221pc.pdf>.
31. The IRS prohibits tax-exempt organizations from requiring participation in fundraisers. Likewise, the Booster Club shall not require an amount be "donated" in lieu of participating in a fundraiser.
32. Individuals choosing not to participate in a fundraiser shall not be excluded from benefitting from the fundraiser and shall not be penalized in any way.
33. All fees levied by the Booster Club must be approved by the school and district before July 1st. The school and district reserves the right to deny any fee.
34. District employees shall not be involved with the Booster Club by ordering or receiving goods, receipting, depositing funds, paying vendors, or otherwise disbursing funds. Booster Club funds remaining on school property must be kept in a secure location, which cannot be accessed by any school personnel.
35. Students may handle funds during a fundraiser conducted by the Booster Club.
36. If a fundraiser involves stations (carnival or fall festival, for example), tickets shall be sold at a central ticket booth. Patrons purchase tickets from the central ticket booth and remit a ticket at each station.
37. Booster Clubs may provide financial support to student groups by donating funds to the school for expenditure or by expending the funds directly.

38. If the Booster Club donates funds to the school for expenditure, the external Booster Club writes a check to the school where the student group is located. The school deposits the funds into the student group's activity account, as long as the district has given the school authority to maintain donations at the school level. The funds then belong to the members of the student group, to be spent at their discretion (under the supervision of the sponsor). All accounting and safeguarding of the funds is the responsibility of the school, once the school has received the funds and all "Redbook" guidelines must be followed.
39. If the Booster Club expends the funds directly, the Booster Club writes checks to the individual vendors for the expenses related to the student group through the Booster Club's bank account. All accounting and safeguarding of the funds is the responsibility of the external support/booster organization.
40. The Booster Club must pay annual CPA fees to summarize Title IX requirements.
41. The district/school may disassociate with any external support/booster organization that does not comply with the External Support/Booster Organization section in the Redbook. If the district/school disassociates with the Booster Club, the Booster Club shall not use the district/school name for its activities, conduct any fundraising in the name of the district/school or group within the district/school and shall not use the district/school facilities to conduct such activities.
42. If the district/school disassociates with the booster club, the district/school will determine the distribution and usage of treasury monies and other assets of the Booster Club before disassociation. In order to comply with Internal Revenue Service guidelines, care must be taken to ensure that excess funds are distributed within the framework of the Booster Club's original purpose – i.e., band booster funds would remain with the musical program.

By executing this document through its designated representative, all members, officers, and representatives of the Booster Club agree to abide by the terms and conditions set forth below as well as those additional terms and conditions which may be required by the school or district. The designated representative of the Booster Club represents and agrees that he/she will provide a copy of this agreement to all members of the Booster Club.

I hereby acknowledge that I am a representative of the _____ Booster Club and that I am authorized to act on its behalf. I further agree the Booster Club and its members shall abide by the Terms and Conditions set forth above. I further agree to immediately report to the school and district any violation or breach of this agreement.

(Name of Booster Club)

(President Signature)

Date

(Treasurer Signature)

Date

School Activity Funds

School activity funds may be expended for purposes which contribute generally to the benefit of the students, provided expenditures are consistent with requirements set out in Accounting Procedures for Kentucky School Activity Funds. Based on a schedule developed by the Superintendent, the Board shall review the status of school activity funds at least twice each fiscal year.

UNIFORM ACCOUNTING

All personnel shall comply with the uniform financial accounting system¹ and activity fund accounting procedures set out in Kentucky Administrative Regulation.²

TWO SIGNATURES REQUIRED

The Principal, or school councils in SBDM schools, shall be responsible for the manner in which accounts are kept and preserved. Two (2) signatures shall be required on each check drawn against school activity funds, neither of which may be a signature stamp. The two (2) signatures shall be the manual signatures of the Principal/designee and the school treasurer.

PURCHASE ORDERS

Activity funds may only be expended as authorized in the Accounting Procedures for Kentucky School Activity Funds.

Activity fund purchases must be supported by a properly executed purchase request and authorization for payment by the Principal.

Because no school activity fund is permitted to end the fiscal year with a deficit balance, the school shall not expend or commit to expend any activity fund in excess of revenue received for the fiscal year. Should this occur, the employee(s) responsible shall be subject to appropriate disciplinary action, and the Superintendent may require the school/council to present for Board approval a plan for reimbursement of any deficit amount.

FINANCIAL REPORTS

Each month the Principal shall provide the District Finance Officer with a financial report for activity fund accounts. On or before July 25, following the end of the fiscal year, the Principal shall submit to the District Finance Officer an annual financial report for those accounts.

DEFINITION OF SCHOOL ACTIVITY FUNDS

School activity funds refer to all school funds including funds derived from fund-raising activities sponsored under the auspices of the school. Funds raised or received by organizations that do not come under the direct supervision of school authorities shall not be considered activity funds.

AUDIT OF FUNDS

All school activity funds shall be audited annually by a certified public accountant. All audit reports shall be reviewed and appropriate action taken as required by Kentucky Administrative Regulation.¹

School Activity Funds

SUPPORT/BOOSTER CLUBS

Parent-teacher associations and booster club funds are not subject to deposit and accounting procedures as school activity funds.³ However, each year the Principal shall be provided the following from all support/booster club organizations as required by state activity fund accounting procedures:

1. Within the first thirty (30) days of the school year or within thirty (30) days of the first transaction for the group:
 - a. Names of club officers;
 - b. Federal Employer Identification Number (FEIN); and
 - c. A copy of the annual budget.
2. An annual financial report by July 15 for the year ending June 30 reporting receipts, expenditures, and beginning and ending balances;¹ and
3. All other information required by Accounting Procedures for Kentucky School Activity Funds.

All booster groups wishing to be recognized by and/or affiliated with the District shall comply with the following:

- Adhere to applicable state and federal laws, including taxable income reporting requirements, when conducting fund-raising activities to benefit the school or District; and
- Conduct fund-raising activities to benefit the entire group and not permit credit to be earned through fund-raising for an individual student in lieu of participation fees or related activity costs.

Each year the Superintendent shall report to the Board when all booster organizations have been informed of requirements from the Accounting Procedures for Kentucky School Activity Funds that apply to them.

External support/booster organizations shall obtain prior Board approval to establish and lend support, seek assistance, and/or raise funds in the name of the District or school or students or a District or school program.

Although they may be general members, Board members and employees shall not serve as the treasurer or any other officer with check-signing authority on a bank account for an external support/booster organization. Employees may serve as a member of the executive board of an organization.

FUND-RAISING PROJECTS

Schoolwide fund-raising projects must be approved by the Board.⁴

Proof of general liability insurance for external support/booster organizations must be submitted to the Principal prior to commencing any fund-raising activities.

All fund-raising activities conducted by school-sponsored groups shall be for the benefit of the entire school or group.

School Activity Funds

REFERENCES:

¹[702 KAR 003:130](#); Accounting Procedures for Kentucky School Activity Funds

²[702 KAR 003:120](#)

³[OAG 79-556](#)

⁴[KRS 158.290](#)

[KRS 139.497](#); [KRS 156.070](#); [KRS 160.290](#); [KRS 160.340](#)

RELATED POLICY:

09.33

Adopted/Amended: 07/16/2013

Order #: 1225

Fund-Raising/Booster Club Activities

APPROVAL REQUIRED

All schoolwide fund-raising activities, including the proposed use of the funds, must be approved by the Board.¹ Requests must be channeled through the Principal and Superintendent.

All other fund-raising activities, including the proposed use of the funds, shall be approved by the Principal or a designee.

All funds raised for a specific purpose shall be used for that purpose.

SUBSCRIPTION SALE OF PRINTED MATERIAL

The Superintendent shall provide written approval to the county clerk for all subscription sales of printed materials. This approval shall identify the product(s) being sold, the students involved as solicitors and the duration of sales.²

GAMING ACTIVITIES LICENSE

Charitable gaming activities, as defined by law and Accounting Procedures for Kentucky School Activity Funds, are discouraged. Any request for approval of charitable gaming shall be presented to the Board well in advance, and will be considered on a case-by-case basis. No request will be considered where the activity has already been commenced. Any organization in any way connected or affiliated with the District or its schools, which is required to file application(s) and/or periodic report(s) with the Kentucky Department of Charitable Gaming shall also simultaneously file copies of all such application(s) report(s).³

PUPIL NOT COMPELLED

No student shall be compelled to participate in or meet any kind of quota in a fund-raising activity.¹ Students choosing not to participate in a fund-raiser shall not be excluded from benefitting from the fund-raiser or otherwise penalized in any way.³

BOOSTER CLUBS

The District realizes that booster clubs can and do make a valuable contribution to the student activity(ies) that they promote and boost, and these organizations through their independent activities benefit and enhance the experience of students. Booster clubs provide a meaningful opportunity for community members to be involved with their schools.

Booster clubs are independent organizations, usually comprised of parents, faculty, staff, alumni, and/or interested community members. These organizations are not ordinarily subject to the day-to-day management of the District. Booster clubs do, however, enjoy an affiliation with the District and its schools. Because of this affiliation, it is appropriate that the District establish guidelines for:

- Compliance with applicable laws, regulations, and policies
- Fiscal responsibility and management
- Proper identification to the public (vendors/providers)
- Athletic concessions management/participation

Booster clubs as independent organizations are not subject to the same budgetary/fiscal constraints as the District. District funds can neither be used to carry on activities of booster clubs, nor to pay their obligations, past or present.

Fund-Raising/Booster Club Activities

BOOSTER CLUBS (CONTINUED)

The purpose of this policy and the guidelines established by it are not punitive, but are enacted to promote appropriate and continued independent booster clubs. Full implementation of booster club provisions shall begin July 1, 2001.

COMPLIANCE WITH APPLICABLE LAWS, REGULATIONS, AND POLICIES

Booster club activities reflect on the District and its schools. Violations of laws, regulations, or rules by boosters have the possibility of damaging the reputation and good standing of the District, its schools, and programs.

Every booster club or organization shall comply with the laws and regulations, whether federal, state, or local, and, in addition, shall comply with this and other applicable District policies.

The coach or sponsor of the respective team/sport shall be the contact or liaison between the Booster Club and the District.

FISCAL RESPONSIBILITY AND MANAGEMENT

Because booster clubs are affiliated with the District, it is vital that the financial affairs of the club be carried out in a responsible, solvent, and prudent manner.

The treasurer, or financial officer, of every booster club shall submit to the Principal of the school for the activity(ies) promoted, not later than July 25th of each year, a signed financial report, which shall include, at a minimum, the following information.

- Total receipts, itemized by category, (i.e., individual contributions, business contributions, ad sales, program sales, etc.)
- Total disbursements, itemized by vendor or provider, to include type of goods and services provided, and the vendor/provider's current mailing address, with the total amount disbursed for the year (i.e., Sporting Goods, Ind., P. O. Box 000, Anywhere, KY 41502, General sporting goods and trophies, \$1,224.)
- Assets/Debts, itemized by type. If the booster club has unpaid debts as of June 30th, detailed information concerning the amount owed, to whom, interest and penalties being incurred, if any, why the debt was incurred and not repaid, whether the club agrees with the vendor/provider as to the amount owed, and the plan and budget for repayment shall all be provided.
- Names, addresses, telephone numbers, e-mail address, and office held, for the current officers of the booster club.
- Copies of bank statements for the twelve (12) preceding months.

The Principal of each school, in consultation with the Site-Based Decision Making Council (SBDM), may develop forms for reporting this information, as well as additional information determined by the Principal/SBDM Council to be appropriate.

The above information shall be presented to the Board of Education at its regular August meeting, by the school principals.

Failure of booster club to timely, fully, and accurately report the information required hereinabove, or if a booster club as of June 30th has an unpaid debt or deficit balance, or if the

booster club is otherwise in violation of this policy, then the Board of Education may, at its discretion, take action, including, but not limited to the following:

Fund-Raising/Booster Club Activities**FISCAL RESPONSIBILITY AND MANAGEMENT (CONTINUED)**

- Require the direct management and fiscal control (without assuming the debts and obligations) by the school or the appropriate department, for example, the high school athletic department for booster clubs of a high school sports team, until such time as the booster club is in compliance with this policy.
- Require more frequent or quarterly reports on financial status and debt repayment.
- Terminate the District's affiliation with the offending booster club.

PROPER IDENTIFICATION TO THE PUBLIC BY VENDORS AND PROVIDERS

Booster clubs shall clearly identify their organization as being an independent booster club, and not the District, school or department of the school.

From the information provided by the booster organizations, the Principal of each school shall by August 10th of each year send by mail to each vendor/provider identified in the herein required filing, notification that the booster club(s) have identified them as a vendor/provider, and that the organization they have been providing goods and/or services to is an independent organization, and not the school or District itself. The notice shall warn the vendor/provider that the extension of credit to any booster organization should be carefully considered and that District funds cannot and will not be used to satisfy the debts of independent organizations.

ATHLETIC CONCESSIONS MANAGEMENT/PARTICIPATION

Booster clubs that desire to operate concession stands at athletic contests shall negotiate with the Athletic Department and shall reach an agreement that shall address the division of net proceeds between the Booster Club and the Athletic Department. The Athletic Department shall give preference to the traditional Booster Club(s) that have operated concessions at athletic contests.

The proposed agreement shall be submitted to the school Principal, who shall review and approve the agreement if acceptable. Any disagreement between the Booster Club and Athletic Department shall be referred to the Superintendent, whose decision shall be final.

CONDUCT OF ACTIVITIES

All school-sponsored groups and any booster group wishing to be recognized by and/or affiliated with the District shall conduct fund-raising activities to benefit the entire group and shall not permit credit to be earned through fund-raising for an individual student in lieu of participation fees or related activity costs.

REFERENCES:

¹[KRS 158.290](#); ²[KRS 367.515](#) (3)

³[KRS 238.505](#); [KRS 238.535](#); [KRS 238.540](#); Accounting Procedures for Kentucky School Activity Funds

[KRS 156.160](#); [KRS 158.854](#); [OAG 78-508](#); [OAG 79-330](#); [OAG 79-556](#)

RELATED POLICY:

04.312

Adopted/Amended: 07/16/2013
Order #: 1225

Advertising in the Schools

PROHIBITION

No advertising shall be allowed in the facilities or on the grounds of school property, except as expressly approved by the Board.

EXCEPTION

Nothing herein shall be construed to prevent advertising in publications which are published by student organizations, PTA/PTO, booster club, or other parent groups.

REFERENCE:

[OAG 68-452](#)

Adopted/Amended: 05/08/1989

Order #: 190

EXCERPT FROM 2013 REDBOOK

EXTERNAL SUPPORT/BOOSTER ORGANIZATIONS

External support/booster organizations are adult/parent organizations established to promote school programs or complement student groups or activities, (i.e., PTA, PTO, booster organizations, etc.). An external support/booster organization's purpose may be to support a student group or program at a particular school or various student groups or programs at various schools. Even though an external support/booster organization works very closely with the district, it is a separate legal entity and is responsible for adherence to IRS guidelines and Title IX regulations.

General Guidelines

1. Created by the parents, external support/booster organizations provide support for school programs. Generally, fundraising efforts are planned and carried out by the parents.
2. External support/booster organizations must receive local board approval to establish, lend support, seek assistance, or fundraise in the name of the district, school, students, or a district or school program.
3. An external support/booster organization must use external bank accounts and shall obtain its own [Federal Employer Identification Number](#) (FEIN) specifically and only for its use. External support/booster organizations shall not use the FEIN of the school or district.
4. An external support/booster organization is exempt from state sales tax on purchases only if it obtains its own [state tax exempt number](#). External support/booster organizations shall not use the state tax exempt number of the school or district. Sales made by external support/booster organizations may be subject to the collection and remittance of sales tax.
5. An external support/booster organization is exempt from federal tax, and donations made to the organization are tax-deductible to donors, only if it obtains its own [federal tax exempt status](#).
6. It is recommended that each external support/booster organization have written by-laws which include the offices and their terms.
7. Each external support/booster organization must submit the FEIN and the names of the organization's officers to the principal at the beginning of the school year or within thirty days of the first transaction of the organization.
8. External support/booster organization officers are solely responsible for ensuring that their group is in compliance with district policies, external support/booster organization guidelines in the Redbook, and state and federal regulations. A district, including any district employee, shall not be held responsible for any deficiencies by the external support/booster organization.
9. District employees may serve external support/booster organizations as a general member or as a member of its executive board. However, local board members may only serve external support/booster organizations as a general member and shall not serve as an officer of the organization.
10. Neither local board members nor district employees shall serve external support/booster organizations as the treasurer or any other officer with check signing authority on the external support/booster organization's bank account.

11. The school activity fund shall not reimburse external support/booster organizations for any purchases.
12. No booster club shall pay the fee for any referees or officials of athletic events. External support/booster organizations may, however, donate to the district/school for these purposes.
13. Booster clubs shall not pay or enhance salaries or stipends for any district employee. External support/booster organizations may, however, donate to the district/school for these purposes as long as the salaries paid are within the limits set by the local board.
14. Anything purchased by an external support/booster organization for the school, in the name of the school or for the athletic group it supports, becomes the property of the school district. If the district accepts the item, then the district will be responsible for maintaining and repairing it.
15. The school or district, with approval of the local board of education, may establish additional guidelines/requirements for the external support/booster organizations.
16. The school may disassociate with any external support/booster organization that does not comply with the External Support/Booster Organization section in the Redbook. If the school disassociates with the external organization, the external organization shall not use the school name for its activities, conduct any fundraising in the name of the school or athletic group within the school and shall not use the school facilities to conduct such activities.

Additional resources for external support/booster organizations can be found in [Appendix C – External Support/Booster Organization Resources](#).

Insurance

1. It is recommended that treasurers of external support/booster organizations be bonded.
2. All external support/booster organizations are required to carry separate insurance for general liability with the appropriate coverage to operate their organization. External support/booster organizations are not covered by the district liability insurance.
3. Proof of liability insurance coverage must be submitted to the principal prior to commencing any fundraising activities.

Fundraising

1. The local board's approval of all school-wide fundraisers proposed by external support/booster organizations, including the use of funds, is required. The Fundraiser Approval (Form F-SA-2A) shall be completed and approved before the fundraiser begins.
2. The principal or a designee's approval of all other fundraisers proposed by external support/booster organizations, including the use of funds, is required. The Fundraiser Approval (Form F-SA-2A) shall be completed and approved before the fundraiser begins.
3. The external support/booster organization must ensure funds are expended in accordance with only the purpose and intended use stated on the Fundraiser

Approval (Form F-SA-2A). The Fundraiser Approval shall be obtained prior to commencing the fundraising activity.

4. External support/booster organization fundraising must benefit the members of the group as a whole; no fundraising monies shall be applied to individual student accounts. Accounting by student places the external support/booster organization tax status in jeopardy as stated in the Internal Revenue Service document called Compliance Guide for 501(c)(3) Public Charities, on Page 2 under the heading "Private Benefit and Inurement". The document can be found at <http://www.irs.gov/pub/irs-pdf/p4221pc.pdf>.
5. The IRS prohibits tax-exempt organizations from requiring participation in fundraisers. Likewise, support/booster organizations shall not require an amount be "donated" in lieu of participating in a fundraiser.
6. Individuals choosing not to participate in a fundraiser shall not be excluded from benefitting from the fundraiser and shall not be penalized in any way.
7. District employees shall not be involved with an external support/booster organization by ordering or receiving goods, receipting, depositing funds, paying vendors, or otherwise disbursing funds. External support/booster organization funds remaining on school property must be kept in a secure location which cannot be accessed by any school personnel.
8. Students may handle funds during a fundraiser conducted by an external support/booster organization.
9. If a fundraiser involves stations (carnival or fall festival, for example), tickets shall be sold at a central ticket booth. Patrons purchase tickets from the central ticket booth and remit a ticket at each station.
10. External support/booster organizations may provide financial support to student groups by donating funds to the school for expenditure or by expending the funds directly.
11. If the external support/booster organization donates funds to the school for expenditure, the external support/booster organization writes a check to the school where the student group is located. The school deposits the funds into the student group's activity account, as long as the board has given the school authority to maintain donations at the school level. The funds then belong to the members of the student group, to be spent at their discretion (under the supervision of the sponsor). All accounting and safeguarding of the funds is the responsibility of the school, once the school has received the funds and all "Redbook" guidelines must be followed.
12. If the external support/booster organization expends the funds directly, the external support/booster organization writes checks to the individual vendors for the expenses related to the student group through the organization's bank account. All accounting and safeguarding of the funds is the responsibility of the external support/booster organization.

Reporting

1. Each external support/booster organization must submit an annual External Support/Booster Organization Budget worksheet (Form F-SA-4B) to the principal within the first thirty days of the school year or within thirty days of the first transaction of the group. The budget shall contain, at a minimum, estimated revenues from admissions, fundraisers, dues, concession sales, and other categories and estimated expenditures by category.

2. Each external support/booster organization must submit an annual financial report for the fiscal year ending June 30 to the principal by July 15. The annual financial report shall contain, at a minimum, cash beginning balance, cash ending balance, and revenues and expenditures by category (i.e. admission revenues, concession revenues, items for resale, supplies).

Title IX

1. External support/booster organizations must ensure compliance with [Title IX](#). Title IX of the Educational Amendments of 1972 is a federal law that prohibits sex discrimination in educational programs which receive federal funding. Since all public schools in Kentucky receive federal funding, Title IX applies to all programs in the public schools.
2. Benefits provided by boosters are viewed under [Title IX](#) as being provided by the school and the school's administration is responsible for ensuring equity.
3. Expenditures made by external support/booster organizations must be reported to the principal annually by July 15.

EXCERPT FROM 2013 REDBOOK

Appendix C - External Support/Booster Organization Resources

Life Cycle of a Public Charity

The following excerpts have been copied from the IRS website. The information documented below is subject to change by the IRS. Therefore, for the most up-to-date version of this information, please go to <http://www.irs.gov/Charities-&-Non-Profits/Charitable-Organizations/Life-Cycle-of-a-Public-Charity>.

Organizations that meet the requirements of Internal Revenue Code section 501(c)(3) are exempt from federal income tax as charitable organizations. In addition, contributions made to charitable organizations by individuals and corporations are deductible under Code section 170 (26 U.S.C. 170).

During its existence, a public charity has numerous interactions with the IRS – from filing an application for recognition of tax-exempt status, to filing the required annual information returns, to making changes in its mission and purpose. The IRS provides information, explanations, guides, forms and publications on all of these subjects – they are available through this IRS web site. The illustration below provides an easy-to-use way of linking to the documents most charities will need as they proceed through the phases of their “life cycle.”

The IRS web site includes examples of various documents found in the following sections.

Starting Out

- 1) Organizing Documents
 - a) Required Provisions
 - b) Sample Organizing Documents
 - c) Governance and related topics

2) Bylaws

State law requirements

- 3) Employer Identification Number
 - a) Application Form
 - b) Online EIN Application

- 4) Charitable Solicitation
 - a) Initial State Registration
 - b) Periodic State Reporting
 - c) State Charity Offices

5) Help from the IRS

Applying to IRS

- 1) Requirements for Exemption
- 2) Application Forms
 - a) Exemption Application
 - i) Group exemption
 - b) User Fee
 - c) Power of Attorney

- d) Disclosure of Applications
- 3) IRS Processing
 - a) While You Wait
 - b) Rulings and Determination Letters
- 4) Help from the IRS
 - a) Application Process Step by Step
 - b) Customer Account Services
 - c) Publication 4220, *Applying for 501(c)(3) Tax-Exempt Status*
 - d) Publication 557, *Tax-Exempt Status for Your Organization*

Required Filings

- 1) Annual Exempt Organization Return

Requirements for Filing

- 2) e-File for Exempt Organizations
 - e-Postcard for Small Exempt Organizations
- 3) Unrelated Business Income Tax
 - a) Requirements for Filing
 - i. Form 990-T
 - ii. Form 990-T instructions
 - iii. Form 990-W
 - iv. Estimated Tax
 - b) Exceptions and Exclusions
 - c) Publication 598, *Tax on Unrelated Business Income for Exempt Organizations*
- 4) Help from the IRS
 - a) Customer Account Services
 - b) Publication 4221-PC, *Compliance Guide for 501(c)(3) Public Charities*
 - c) Publication 557, *Tax-Exempt Status for Your Organization*

Ongoing Compliance

- 1) Jeopardizing Exemption
 - a) Inurement/Private Benefit
 - b) Intermediate Sanctions
 - c) Lobbying/Political Activity
 - d) Not Filing Annual Return or Notice
- 2) Employment Taxes
 - a) Requirement to Pay
 - b) Exceptions and Exclusions
 - c) Worker Classification
 - d) Forms and Publications
- 3) Retirement Plan Compliance
- 4) Substantiation and Disclosure

Charitable Contributions

- a) Publication 1771, *Charitable Contributions Substantiation and Disclosure Requirements*
- b) Written acknowledgments
- c) Quid pro quo contributions
- d) Charity auctions

5) Noncash Contributions

- a) Donor (Form 8283)
- b) Donee (Form 8282)
- c) Publication 561, *Determining the Value of Donated Property*

6) Public Disclosure Requirements

7) Help from the IRS

- a) Customer Account Services
- b) Publication 4221-PC, *Compliance Guide for 501(c)(3) Public Charities*
- c) Publication 557, *Tax-Exempt Status for Your Organization*

Significant Events

- 1) Reporting Changes to IRS
 - a) Termination of an Exempt Organization
- 2) Private Letter Rulings and Determination Letters
- 3) Audits of Exempt Organizations
 - a) Potential Examination Consequences
 - b) Examination Procedures
 - c) Power of Attorney

4) Help from the IRS

(This ends the information copied from the IRS website.)

Record Retention

Booster Clubs should establish a record file that is passed to the new officers each year. Some items need to be kept indefinitely while other items only need to be kept for a certain length of time. The record file should contain at least the following items on a permanent basis:

Permanent Record

- 1) Internal Records
 - a) Booster Club Registration & Approval Form
 - b) Articles of Incorporation/Articles of Association
 - c) Bylaws/Charter/Constitution
 - d) Minutes from meetings
- 2) State Records
 - a) Sales Tax Permit Application
 - b) Sales Tax Permit
 - c) Certificate of Incorporation from State of Kentucky (if applicable)
 - d) State Sales Tax Exemption Notification
 - e) State Franchise Tax Exemption Notification (if incorporated)

Federal Records

- 1) Copy of IRS Form SS-4, Application for Employer Identification Number
- 2) Copy of IRS Form 1023, Application for Recognition of Exemption, with all attachments
- 3) Copy of IRS Form 8718, User Fee for Exempt Organization
- 4) Determination Letter Request, and copy of check sent to IRS with this form
- 5) Acknowledgement of Your Request
- 6) Determination Letter
- 7) Copy of IRS Form 8734, Support Schedule for Advance Ruling Period
- 8) IRS's notice granting a permanent exempt status to the organization, if applicable

According to the IRS, Booster Clubs must keep each annual information return (i.e., Form 990, Form 990-EZ, or Form 990-N) for 3 years from the date the form is required to be filed or from the date the form is actually filed, whichever is later. However, if fraud is suspected or if returns have not been filed as applicable, the IRS could request information prior to the 3-year period discussed above.

Non-permanent Records

- 1) Internal Records
 - a) Financial Reports and Review Committee Reports
 - b) All financial backup including checkbook and banks records
 - c) Information related to contributions received by a Booster Club from individuals or businesses
 - d) Financial Aid Guidelines
- 2) State Records
 - a) Sales Tax Forms Filed
 - b) Copy of correspondence with the Kentucky Department of Revenue
- 3) Federal Records
 - a) Copy of IRS Forms 990, 990-EZ, or 990-N filed
 - b) Copy of correspondence with the IRS

Before discarding any records, confirm with the Kentucky Department of Revenue and the IRS that your organization is in good-standing and that there are no open items or issues.

SCHOOL ACTIVITY FUND FUNDRAISER APPROVAL

School
Activity Account
External Support/Booster Organization
Name of Fundraiser
Sponsor
Date Submitted

Purpose of fundraising activity:

Items to be sold:

Beneficiary of fundraising activity:

Date(s) scheduled:

Names of adult supervisors of activity (chaperones, custodians, etc.):

Athletic Fundraiser	Yes <input type="checkbox"/>	No <input type="checkbox"/>
If yes, sport involved:		
Corresponding sport participating in fundraiser?	Yes <input type="checkbox"/>	No <input type="checkbox"/>
Coach's signature (corresponding sport)	Date	

Circle One: **Approved** **Disapproved** **Date:** _____

Principal

Date

SBDM Council (If council policy)

Date

Superintendent as directed by Board
(If School-Wide fundraiser)

Date

SCHOOL ACTIVITY FUND FUNDRAISER WORKSHEET

School
Activity Account
Fundraiser

1. Total Count of Items to be sold

2. Item	Count x	Sales Price =	Budget Sales
Total count must equal line 1.			

Total Budgeted Sales

3. Receipts Date	Amount

Receipts Date	Amount

Total Receipts

4. Expenses

Date	Check #	Amount

Date	Check #	Amount

Total Expenses

5. Total Count of Unsold Items

6. Item	Count x	Sales Price =	Unsold Items
Total count must equal line 5.			

Total Value of Unsold Items

7. Anticipated Profit (Line 2 - Line 4)	
8. Value of Unsold Items (Line 6)	
9. Subtotal (Line 7 - Line 8)	
10. Actual Profit (Line 3 - Line 4)	
11. Cash Over/Short (Line 9 - Line 10)	

Disposition of Unsold Items:

	Returned
	Held for Next Fundraiser
	Other (Please explain)

12. Explain Over/Short	
------------------------	--

Investigate significant differences immediately.

Sponsor _____
Date of Fundraiser _____

Principal _____
Date Submitted _____

* Must be turned in to principal within one week of the end of the fundraising period or event.

SCHOOL ACTIVITY FUND MONTHLY / ANNUAL FINANCIAL REPORT

School	Month
	Year

Activity Account	Beginning Balance	Receipts	Expenditures	Ending Balances

Reconciliation			
Beginning Balance	_____	Balance Per Bank Statement	_____
Add: Receipts	_____	Add: Investment Balance	_____
Subtotal:	_____	Add: Deposits in Transit	_____
Less: Expenditures	_____	Subtotal	_____
Ending Ledger Balance	* _____	Less: Outstanding Checks	_____
		Other Adjustments (Explain)	_____
		Actual Cash Balance	* _____
		Add: Accounts Receivable	_____
		Less: Accounts Payable	_____
		Add: Petty Cash	_____
		Total Balance	_____
June Report is considered the Annual Financial Report			

The above information is a true statement of the financial condition of the various activity fund accounts of this school.

Principal

School Treasurer

Date

Date