

# **TECUMSEH LOCAL SCHOOL DISTRICT**

## **BOOSTER CLUB AND DISTRICT SUPPORT ORGANIZATIONS GUIDELINES**



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## **INTRODUCTION**

These guidelines were prepared to assist Booster Clubs in meeting District, State of Ohio, and Federal requirements. Therefore, it includes checklists, laws, regulations, policies, suggestions and examples for Booster Clubs to follow. These guidelines include some items that must be followed by all Booster Clubs, such as District policies and guidelines, and State and Federal regulations.

Booster Clubs are parent organizations established to promote school programs or complement student groups or activities. A Booster Club's purpose may be to support a student group or program at a particular school or various student groups or programs at various schools. Students enrich their education and expand their horizons when they participate in school activities and programs. Even though a Booster Club works very closely with the District, it is a separate entity from the District.

Therefore, the District greatly appreciates the time, effort and financial support that the Booster Clubs provide to our students.

In these guidelines the use of the terms "shall" and "should" are defined as:

1. Shall - used in laws, regulations, or directives to express what is mandatory.
2. Should - used in auxiliary function to express a request in a polite manner or to soften direct statement.

The reader will note that "shall" is used in the Board policies and therefore should be recognized by the reader as a *requirement* of the Board of Education. The word "should" is to be noted as a *recommendation* of the Board of Education.

***Important:*** *The Treasurer's Department of the Tecumseh Local School District prepared these Guidelines to assist Booster and District Support organizations in following various policies and regulations. The Treasurer's Department is not an authority on specific accounting situations or tax-related issues concerning individual organizations; therefore, Booster and other District Support organizations should obtain competent independent counsel on accounting and tax matters related to their specific circumstances.*

## **DISTRICT POLICY**

The Board's official policy is below. The policy was adopted in 2004 and last updated in November 2015. Updated policies of the Board can be found at:

<https://www.boarddocs.com/oh/tecumseh/Board.nsf/Public?open&id=policies>

### **Tecumseh Local School District Administrative Guidelines**

#### **9211 - DISTRICT SUPPORT ORGANIZATIONS**

The Board of Education appreciates the efforts of all organizations whose objectives are to enhance the educational experiences of District students, to help meet educational needs of students and/or provide extra educational benefits not provided for, at the time, by the Board.

District support organizations are defined as any non-profit entity, group, or other organization formed and operating for the purpose of supporting District programs.

Each support organization must maintain and provide proof of general liability insurance coverage. The Board shall offer the opportunity for any authorized school support entity to receive coverage under the District's liability insurance program to protect the entity against claims resulting from damage or injury resulting from any act or omission of any school-support entity. The entity shall pay for such coverage upon written notification from the Treasurer.

Because of the connection between support organizations and the School District programs and students, and because of the common use of the School District name in connection with the organization's activities, the public perception may be that the organizations and their activities are school-sponsored and approved by the Board, notwithstanding the fact that such organizations are independent entities, are not agents of the Board, and are not under the control or authority of the Board. In order to prevent disruption to the District's educational programs and injury to the District's reputation by conduct and activities of a support organization which are inconsistent with the District's mission, only organizations formally recognized by the Board will be permitted to use the School District name, as well as any logos or other insignia or emblems associated with and used to identify the District and/or school-sponsored programs and activities.

The following rules and procedures shall govern the working relationships between the Board, administration, and any District support organization. The Board may revoke formal recognition of any support group that fails to comply with these rules:

- A. School employees and Board-approved school volunteers may not be directly compensated in any manner by District support organizations.
- B. In addition to parents, membership should be made available to District staff and members of the community.

- C. Each District support organization shall work in cooperation with the Principal and other staff members and shall abide by the policies of the Board.
- D. It shall be the responsibility of each District support organization to monitor its activities to assure compliance with Board Policy.

The organization shall permit the Board to review all financial books and documentation upon request, and shall conduct a financial audit upon request of the Board. In addition, organizations must produce the following documents to the Superintendent and/or Treasurer upon request:

1. A determination letter from the Internal Revenue Service that verifies the organization is a tax-exempt organization in good standing as described in Section 501(c)(3) of the Internal Revenue Code (if applicable).
  2. A copy of the Articles of Incorporation or amended Articles of Incorporation on file with the Ohio Secretary of State (if applicable).
  3. A copy of any filing with the Ohio Attorney General (if applicable).
  4. A copy of the support organization's Bylaws and any amendments.
  5. A current list of names, addresses and titles of each officer of the organization. No administrative employee of the School District may be an officer of the booster organization in order for the organization to obtain Board recognition. (See page 16, School Related Organization Registration)
  6. A description of the projects or activities the organization intends to undertake during the ensuing school year and the objective and goals of such projects or activities.
  7. The organization's balance sheet, together with an accounting of the organization's income and expenses for the preceding calendar year.
  8. Copies of State and Federal tax reports for the most recent year, as well as copies of any audit reports.
- E. Each District support organization is encouraged to set goals that are consistent with those of the particular programs, activities or sports being supported as articulated by the coach/advisor and/or athletic director of such program, activity or sport, to avoid duplication of effort and to maximize the benefit to the organization or group.
  - F. The activities of District support organizations shall not involve the use of public funds and the District shall not assume responsibility for any purchases made on behalf of any support organization governed by this policy. The school district tax identification number shall not be used for District support organization purchases.

- G. The time, date, purpose, location and conduct of all fund-raisers on District property shall have prior approval of the administration. District support organizations are encouraged to communicate their preferred activity dates to the administration as soon as possible as consideration for dates and facilities will be given on a first come, first served basis.
- H. Each District support organization must abide by the policies and guidelines established for the use of District facilities and grounds. Projects that require any modification or alteration to District property must be pre-approved by the Superintendent.
- I. All food items and beverages available for sale to students that will be consumed on the school campus (any area of property under the jurisdiction of the school that is accessible to students during the school day) during the school day (the period from the midnight before, to thirty (30) minutes after the end of the official school day) as fund-raisers, including items sold by student clubs and organizations, parent groups, or booster clubs, shall comply with the current USDA Dietary Guidelines for Americans and the USDA Smart Snacks in School nutrition standards. Fund-raisers also include giving away goods or services, but suggesting a monetary donation. All activities must be approved by the Principal, in advance. If approved, fund-raisers that involve the sale of food items or beverages to students on campus must be consistent with regulations established in Policy 8550, Competitive Foods.
- J. Proceeds from District support organization fund-raisers shall not be commingled with a student activity or other Board accounts. Board employees who commingle such proceeds with a student activity or other Board account shall be subject to discipline.
- K. The Superintendent shall implement administrative guidelines that require each District support organization's fund-raising activities to be in compliance with Board policies and that the funds generated by such fund-raising activities and donated to the District are used for school- related projects that have the approval of the Superintendent and Principal.
- L. District support organizations are encouraged to obtain 501(c)(3) status so that community members may properly take tax deductions for donations to the organization.

Donations from District support organizations must be made in accordance with Board Policy 7230 and any accompanying guidelines. Donations shall become the property of the Board and used in a manner determined by the Board, in accordance with its policies and administrative guidelines.

## **DISTRICT AND SUPERINTENDENT ADMINISTRATIVE GUIDELINES ON STUDENT FUND-RAISING**

### **District Administrative Guidelines**

#### **5830 - STUDENT FUND-RAISING**

The Board of Education acknowledges that the solicitation of funds from students by students must be limited since compulsory attendance laws make the student a captive donor and since such solicitation may disrupt the program of the schools.

For purposes of this policy "student fund-raising" shall include student solicitation and collection of money for any purpose including collection of money in exchange for tickets, papers, or any other goods or services.

The Board will permit student fund-raising in school, on school property, or at any school-sponsored event only when the profit therefrom is to be used for school purposes or for an activity connected with the schools.

Student fund-raising by approved school organizations, those whose funds are managed by the Treasurer, may be permitted in school by the principal. Student fund-raising by approved school organizations off school grounds may be permitted under administrative guidelines of the Superintendent.

*Fund raising by students on behalf of school-related organizations whose funds are not managed by the Treasurer may be permitted on school grounds in accordance with the Superintendent's administrative guidelines.*

*These administrative guidelines should:*

- A. specify the times and places in which funds may be collected;*
- B. describe permitted methods of solicitation which do not place undue pressure on students;*
- C. limit the kind and amount of advertising for solicitation.*

Advisors for approved school organizations shall not accept any form of compensation from vendors that might influence their selection on a vendor that will provide a fund-raising activity or a product that will be sold as a fund-raiser. Furthermore, advisors for approved school organizations shall not accept any compensation from a vendor after a decision has been made regarding a fund-raising activity or a product that will be sold as a fund-raiser. In addition, advisors for approved school organizations who make the selection of a vendor that will provide a fund-raising activity or a product that will be sold as a fund-raiser shall not enter into a contractual arrangement whereby an advisor receives compensation in any form from the vendor that provides a fund-raising activity or a product that will be sold as a fund-raiser.



Such compensation includes, but is not limited to, cash, checks, stocks, or any other form of securities, and gifts such as televisions, microwave ovens, computers, discount certificates, travel vouchers, tickets, passes, and other such things of value. In the event that an advisor of an approved school organization receives such compensation, albeit unsolicited, from a vendor, the individual shall notify the Treasurer, in writing, that s/he received such compensation and shall thereafter properly transmit said compensation to the Treasurer at his/her earliest opportunity.

The Superintendent shall distribute this policy and the guidelines which implement it to each student organization granted permission to solicit funds.

### **Superintendent Administrative Guideline – Fund-raising by Students for School Related Organizations**

The Board of Education and the Superintendent expect that most of the fund-raising activities of school support organizations should be organized and carried out by the officers and volunteers (non-students) of the organization. With that in mind, the Board and superintendent also realize that student participation in school support organization fund-raising can be beneficial to the overall school experience of our students. Student participation is defined as students actively selling goods, participating in an event to raise funds (i.e., selling cookie dough), and/or collecting funds. Students merely distributing fund-raising brochures or other information to parents, friends, relatives, etc. is not considered to be participation in a fund-raiser.

The Superintendent shall approve all fund-raising activities where students participate in the fund-raising. A Board approved, school related organization may utilize the student population in one fund-raising activity per school year. The Superintendent may, in certain circumstances, approve more than one fund-raiser where students participate if he/she feels it is in the best interest of the students.

## **INTERNAL REVENUE SERVICE REGULATIONS**

### **Tax Exempt Status – 501(c)(3) Organizations**

The IRS requires organizations that intend to do charitable work (PTOs, booster clubs, etc. of a school district) to apply for tax exempt status. Tax exempt status allows for donations made to the charitable organization to be deductible for individual tax payers. No donations made to an organization that has not obtained a formal letter from the IRS (known as a determination letter) is tax deductible.

### **Annual Filing Requirements**

In general, exempt organizations are required to file annual returns, although there are exceptions. If an organization does not file a required return or files late, the IRS may assess penalties. In addition, if an organization does not file as required for three consecutive years, it automatically loses its tax-exempt status. The IRS returns Form 990 series returns filed on paper – and rejects electronically filed returns – when they are materially incomplete or the wrong return. The most common errors causing the return of a Form 990 series returns are missing or incomplete schedules.

### **Inurement/Individual Fundraising Accounts (IFA)**

District support organizations should be aware of the term “inurement”. In the IRS 501(c)(3), it is prohibited to receive "private **inurement**" within non-profit entities meaning that individuals within that organization may not receive excessive compensation or benefit from their employment or association, because such arrangements would contravene the supposed mission of the organization. Similarly, the IRS prohibits Individual Fundraising Accounts whereby the sales of an individual benefits only that individual. An example of inurement would be a cheerleading booster club holding fundraisers and tallying the total sales for each member and then giving that member a corresponding discount on travel/equipment expenses based upon that member’s total profit. The IRS requires that all profits from all sales be equally applied as a discount for all members.

### **Other Requirements**

There are other federal tax laws that may affect your organization depending up your size, operations, and/or amount of activity. The Internal Revenue Service (IRS) has a dedicated web page for nonprofit organizations at <https://www.irs.gov/charities-non-profits>

*As stated before, these guidelines are not meant to be an authoritative document for any particular club, group, or organization. We recommend, based upon your business experience, that you seek competent counsel on the definitive requirements for your organization.*

## **STATE OF OHIO REGULATIONS**

### **Secretary of State**

Ohio requires all corporations (for profit and nonprofit) to register with the Ohio Secretary of State. Depending upon your organization's operations there may be other requirements.

The Ohio Secretary of State's office provides guidance on registering a charitable, nonprofit organization in the State of Ohio. Below is a link to their office brochure "How to Create a Nonprofit in the State of Ohio".

<https://www.sos.state.oh.us/globalassets/publications/busserv/nonprofit.pdf>

### **Attorney General**

The Ohio Attorney General's (OAG) office requires nonprofit organizations to file an annual report with the OAG. They maintain a dedicated web page for nonprofits with guidance and a "how to" guide to file the annual report.

<https://www.ohioattorneygeneral.gov/Business/Services-for-Charities/Charitable-Registration>

### **Ohio Department of Taxation**

Organizations that receive their 501(c)(3) determination letter from the IRS do not have to pay sales tax (nor are they required to collect sales tax). They can fill out a sales tax exempt certificate (included in this guideline, see page 17) and list the reason for tax exemption as a nonprofit 501(c)(3) organization. Note that a sales tax exemption certificate shelters an organization from State of Ohio Sales Tax but does not shelter groups from gas taxes, hotel/motel tax, out of state tax, etc.

### **Local and Out of State Regulations**

There may be local regulations such as permits, vendor registration, etc. that may be required. If a tax exempt organization does business in another state, there may be requirements that your organization is subject to at the state and local levels.

## **BOOSTER CLUB REFERENCES**

There are many organizations that provide guidance and/or services to school support organizations. The Board of Education and the administration have not evaluated nor do we endorse the following organizations. It is up to your district support organization to evaluate the information and/or determine if the services provided by the organizations described below meet the goals/mission of your district support organization.

1. The National Boosters Club Training Council (NBCTC) is an excellent source that provides comprehensive guidance, training, fundraising ideas, booster club insurance (general liability, property, etc.), and other resources. <http://www.boosterclubs.org>
2. The Ohio High School Athletic Association provides guidance for booster organizations. The link to their guidance is <https://ohsaa.org/School-Resources/BoosterClubResources>
3. The Better Business Bureau offers a charity seal program which is further explained at <https://www.bbb.org/globalassets/local-bbbs/dayton-oh-51/charities-and-donors/accredited-charity-seal-program-benefits.pdf>
4. The Ohio Association of Nonprofit Organizations is another excellent source at <https://www.oano.org/>
5. BoardSource is designed for nonprofit board members and is also a good source of information for other members/officers of nonprofit organizations. Their website is <https://boardsource.org/>
6. The Ohio Auditor of State's office published "Guidelines for Student Activity Programs" which is intended for use by school district officials, however, the publication's guidelines can be helpful in developing policies and procedures for nonprofit organizations.  
  
[https://ohioauditor.gov/publications/Guidelines\\_Student%20Activity%20Updated%20June\\_2018.pdf](https://ohioauditor.gov/publications/Guidelines_Student%20Activity%20Updated%20June_2018.pdf)
7. Parent Booster USA provides start up and reporting services to nonprofit organizations. They can be reached at <https://parentbooster.org>

## **GENERAL GUIDELINES**

### **Financial Guidelines**

Booster clubs are responsible for ensuring that proper internal controls exist for all of their financial activities. In accordance with its bylaws, each booster club should elect a treasurer who is assigned responsibility for recording, documenting and organizing all financial activities.

Booster clubs should adhere to sound business practices and maintain adequate systems of control. These include, but are not limited to, the following:

#### Financial statements and treasury

The treasurer or designated officer should prepare monthly financial statements that are presented to the organization along with a copy of the most current bank statement and reconciliation. Financial statements may include cash receipts, cash disbursements, checking account beginning and ending balances, balance sheets, income statements and other relevant items. A budget should be developed at the beginning of the year to project expected revenues and expenses and should be revised as needed. An auditor who is independent of the treasurer should be appointed and should report directly to the booster club board. The auditor should review all of the financial records, journals, check registers, receipts, invoices, bank statements, and other financial information at least annually.

#### Cash receipts and bank reconciliation

Use pre-numbered receipt books, and maintain supporting backup documentation. Ensure preparation of duplicate deposit, cash count, and fund-raising forms. Bank deposits should be made intact and in a timely manner. Someone other than the individual(s) responsible for depositing funds and writing checks should perform bank reconciliations monthly.

Booster clubs should create its own bank accounts. Funds should not be co- mingled with personal funds and/or deposited into personal bank accounts.

#### Cash disbursements

Checks should require a minimum of two signatures. Ensure preparation of duplicate forms such as purchase orders. All expenditures should be approved by the booster board and the approval noted in the board meeting minutes. Fund-raising activities should be conducted for a specific goal and not simply to raise money for the organization. All fund-raising activities conducted on school premises must adhere to the guidelines established by the Board of Education. Only organizations that have scheduled fund-raising activities and have obtained prior written approval from the superintendent will be authorized to conduct such activities on district or school premises.

### **School District Employees and Interaction**

School employees are not employees of the booster club, and the booster club should be aware of the following:

- While serving as district employees, they have no authority to work for the booster club during their district work schedule. A district employee acting in his or her official capacity and during work hours may interact with booster club officials when this is a required part of his or her duties as a district employee. For example, an athletic director working with the sports booster to discuss funding for an upcoming sporting event.
- A district employee who acts in their personal capacity and on their own personal time is free to participate in a booster club. The employee must ensure that participation in the booster club does not present a conflict of interest with their duties as a school employee.

### **Retention of Records**

Since voluntary organizations often suffer from the constant turnover of officers and members, it is important that the activities of the organization be clearly documented and that a procedure for retaining those documents be established. Among the documents that should be retained by the organization are:

- Articles of Incorporation
- By-Laws
- 501(c)(3) determination letter
- Cash Receipts
- Cash disbursements and general ledger
- Bank records
- Financial Reports
- Income tax returns
- Minutes of meetings as defined by the organization by-Laws
- Copies of any and all insurance policies procured by the booster

It is recommended that the organization obtain a safety deposit box or a similar storage facility to ensure the security of important documents.

# **SAMPLE FORMS SECTION**

**TECUMSEH LOCAL SCHOOL DISTRICT**

SCHOOL RELATED ORGANIZATION REGISTRATION

SCHOOL YEAR \_\_\_\_\_

ORGANIZATION NAME \_\_\_\_\_

CONTACT OFFICER \_\_\_\_\_

OFFICERS \_\_\_\_\_

Name

Address

Phone

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

Faculty or Administration Representation \_\_\_\_\_

Purpose of Organization \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

Please define types and degree of student involvement \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

What procedures are used for bookkeeping and financial records? \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

Statement of Assurances:

On behalf of the above named organization, I certify that we will use funds within the organization and the funds will not be considered public moneys; that any sponsored activity will be in the best interest of the students of the School District; will guarantee that at least seventy percent (70%) collected will be spent on student activities; will obtain permission to use school property; will use teacher, staff, or student volunteers to conduct it's activities only if approved by the administration; and will be willing to pay for any or all additional expenses incurred by the activity.

\_\_\_\_\_  
Certified by Authorized Officer





### Sales and Use Tax Unit Exemption Certificate

The purchaser hereby claims exception or exemption on all purchases of tangible personal property and selected services made under this certificate from:

\_\_\_\_\_  
(Vendor's name)

and certifies that the claim is based upon the purchaser's proposed use of the items or services, the activity of the purchase, or both, as shown hereon:

***Purchaser must state a valid reason for claiming exception or exemption.***

\_\_\_\_\_  
Purchaser's name

\_\_\_\_\_  
Purchaser's type of business

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

\_\_\_\_\_  
City, state, ZIP code

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Title

\_\_\_\_\_  
Date signed

\_\_\_\_\_  
Vendor's license number, if any

Vendors of motor vehicles, titled watercraft and titled outboard motors may use this certificate to purchase these items under the "resale" exception. Otherwise, purchaser must comply with either Administrative Code Rule 5703-9-10 or 5703-9-25.

This certificate cannot be used by construction contractors to purchase material for incorporation into real property under an exempt construction contract. Construction contractors must comply with Administrative Code Rule 5703-9-14.