



Booster Club and Parent Organizations Workshop

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Booster Club and Parent Organizations

- Booster clubs and parent organizations are formed by parents, community members, and staff members to support school activities (e.g. music groups, athletics teams, clubs).
- Booster clubs and parent organizations must have their own separate Employer Identification Number (EIN)
- The primary role of a booster club or parent organization is to enrich students' participation in extracurricular school activities.
- Parent organizations and booster clubs are often referred to as “School Connected Organizations”

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Relationship TRUSD & Outside Organizations

- Booster clubs and parent organizations:
 - Are legally separate from the district
 - Are not under the legal control of the district superintendent, board of education, site administrators, other district staff or students
 - Must remain completely separate from district's Associated Student Body (ASB) organizations
 - Must not administer or supervise ASB organizations
 - Must never commingle funds with ASB or district funds
 - Cannot keep funds in ASB, School Safe, or on District Property

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District's Responsibility for Booster Clubs and Parent Organizations

If booster clubs and parent organizations operate separately from the district and are not controlled by district officials or students, why should the district care about their operations?

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District's Responsibility for Booster Clubs and Parent Organizations

Education Code Defines District Responsibility

Education Code Section 51521 states:

“No person shall solicit any other person to contribute to any fund or to purchase any item of personal property, upon the representation that the money received is to be used wholly or in part for the benefit of any public school or the student body of any public school, **unless such person obtains the prior written approval of either the governing board of the school district in which such solicitation is to be made or the governing board of the school district having jurisdiction over the school or student body represented to be benefited by such solicitation, or the designee of either of such boards.**”

Education Code Section 51521 means that an outside organization may not legally operate unless and until it obtains the prior written approval of the district's governing board or its designee.

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TRUSD Board Policy 1230

Twin Rivers Unified School District Board Policy 1230 states:

The Board of Trustees recognizes that parents/guardians and community members may wish to organize parent organizations and/or booster clubs for the purpose of supporting the district's educational and extracurricular programs. The Board appreciates the contributions made by such organizations toward the Board's vision for student learning and for providing all district students with high-quality educational opportunities.

Persons proposing to establish a school-connected organization shall submit a request to the Board for authorization to operate within the district or at a district school.

A school-connected organization, including a booster club, parent-teacher association or organization, or other organization that does not include an associated student body or other student organization, shall be established and maintained as a separate entity from the school or district. Each school-connected organization shall be subject to its own bylaws and operational procedures or to the rules or bylaws of its affiliated state or national organization, as applicable.

In addition, activities by school-connected organizations shall be conducted in accordance with law, Board policies, administrative regulations, and any rules of the sponsoring school.

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TRUSD Board Policy 1230, cont.

The Superintendent or designee shall establish appropriate rules for the relationship between school-connected organizations and the district.

A school-connected organization shall obtain the written approval of the Superintendent or designee prior to soliciting funds upon the representation that the funds will be used wholly or in part for the benefit of a district school or the students at that school. (Education Code [51521](#))

Education Code 51521: No person shall solicit any other person to contribute to any fund or to purchase any item of personal property, upon the representation that the money received is to be used wholly or in part for the benefit of any public school or the student body of any public school, unless such person obtains the prior written approval of either the governing board of the school district in which such solicitation is to be made or the governing board of the school district having jurisdiction over the school or student body represented to be benefited by such solicitation, or the designee of either of such boards.

The prohibitions of this section shall not apply with respect to any solicitation or contribution the total proceeds of which are delivered to a public school, nor to a solicitation of a transfer to be effected by a testamentary act.

(Enacted by Stats. 1976, Ch. 1010.)

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Operating in TRUSD

- Booster clubs and parent organizations must be authorized to operate within the district through an application process.
- All booster clubs and parent organizations are subject to revocation by the superintendent or designee if deemed necessary.

To operate in the district, each booster club or parent organization must:

- Read the TRUSD Booster Club/Parent Organization Memo
- Submit the TRUSD Booster Club/ Parent Organization Application
 - An annual renewal application must follow at the beginning of the new fiscal year

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Operating in TRUSD, cont.

- Submit a signed Booster Club/Parent Organization Workshop Power Point Acknowledgement Form.
- Provide evidence of California state and federal 501 © (3) tax-exempt status (IRS Determination Letter and while waiting for the IRS letter, Form 1023 should be presented)
- Provide proof that each parent organization or booster club has its own EIN (Form SS-4)
- Submit a copy of the booster club/parent organization's constitution, or bylaws.

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Operating in TRUSD, cont.

- Submit complete, up-to-date financial statements (Balance Sheet and Income Statements) to the school site principal or designee twice each year.
- Ensure that the school connected organization's officers review the district provided Booster Club/Parent Organization Workshop Power Point.
- Not imply any form of responsibility for or sponsorship of its fundraising events by the district, school site or ASB unless authorized by the district, school principal or principal's designee.

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Operating in TRUSD, cont.

- Be responsible for maintaining its own tax-exempt status, accounting, financial records and income tax reporting to both the federal and state government.
- Never be allowed to use the district's EIN
- Not use the ASB or district funds as a pass-through account.
- Maintain a Seller's Permit if selling merchandise or goods, because booster clubs and parent organizations are not sales tax exempt.
 - California Department of Tax and Fee Administration
 - <https://www.cdtfa.ca.gov/>

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Operating in TRUSD, cont.

- Annually submit a Certificate of Liability from its insurance company to the principal or designee and carry liability insurance in an amount equal to or exceeding the minimum coverage amounts determined by the district.
- Annually submit a member roster of names and a contact list of officers to the principal or designee complete with addresses, phone numbers and email addresses.

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Operating in TRUSD, cont.

- Have its own bank account in the name of the organization separate from the district and/or ASB.
 - A copy of the bank account statement and list of authorized signers must be annually submitted to the principal or designee.

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Operating in TRUSD, cont.

- Not allow any individual to personally benefit from the booster club or parent organization's activities.
- Upon termination, provide through the school connected organization's constitution for the distribution of any excess funds and assets to another nonprofit organization; e.g., the booster club's or parent organization's school site, the ASB or the district.

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Operating in TRUSD, cont.

- The booster club or parent organization must submit a proposed budget and list of proposed fundraising activities to the school site principal or designee at the beginning of each school year for a determination to be made that there are not fundraising conflicts with other school activities, including ASB.
- Booster clubs' or parent organizations' ability to use school district facilities is regulated by California Education Code 38130-38139, otherwise known as the Civic Center Act.
- All fundraising activities at any district school site, including booster club and parent organizations, must be approved in advance per the district's Facility Use Policy.

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Operating in TRUSD, cont.

- Students may volunteer for or assist booster clubs or parent organizations when it does not interfere with students' other school site obligation.
- A booster club or parent organization may never discriminate against students on the basis of a family's membership in, contributions to, or fundraising for the booster club or parent organization, or the family's time spent on booster club or parent organization activities.

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Operating in TRUSD, cont.

- When a booster club or parent organization donates or raises funds for a school site, ASB or the district, it should state on all applicable literature.
 - Once funds are donated and accepted by the district, the funds are the property of the district and may not be returned to the parent organization or booster club.

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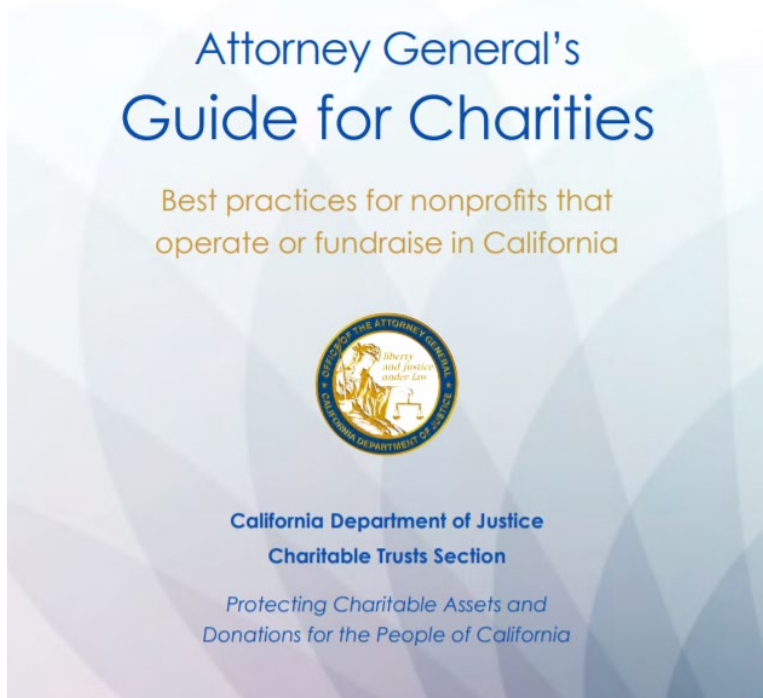
Operating in TRUSD, cont.

- If a booster club or parent organization wants to operate bingo or raffle fundraising events, the organization must understand that these events are strictly regulated by California Penal Code Sections 326.5 and 320.5, and by county and city ordinances.
 - Operation of bingo games, raffles, or poker night fundraisers without legal authorization to do so is considered gambling under California law and can be charged as a crime by the District Attorney.

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Forming a Nonprofit Booster Club or Parent Organization



- Great Resource
<https://www.oag.ca.gov/system/files/media/Guide%20for%20Charities.pdf>

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Checklist: Forming a Booster Club or Parent Organization – The Basics

STEP ONE

- Determine the name of the booster club or parent organization. (See details on slide 26)
- Elect booster or parent organization officers.

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Checklist: Forming a Booster Club or Parent Organization – The Basics, cont.

STEP TWO

- Prepare a constitution and bylaws.

STEP THREE

- Prepare and file Articles of Incorporation.
- File a Statement of Information with the California Secretary of State.

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Checklist: Forming a Booster Club or Parent Organization – The Basics, cont.

STEP THREE, cont.

- Obtain an Employer Identification Number (EIN).

<https://www.irs.gov/businesses/small-businesses-self-employed/apply-for-an-employer-identification-number-ein-online>

- Apply for federal tax exemption with the Internal Revenue Services (IRS).

<https://www.irs.gov/pub/irs-pdf/f1023.pdf>

- Apply for California tax exemption with the California Franchise Tax Board (FTB). Form 3500 or 3500A

<https://www.ftb.ca.gov/forms/misc/3500.pdf>

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Checklist: Forming a Booster Club or Parent Organization – The Basics, cont.

STEP THREE, cont.

- REMEMBER – Parent organizations and booster clubs need both federal and state tax exemptions to conduct certain fundraisers (e.g., raffles).
- File the initial registration form with the California Attorney General's Registry of Charitable Trusts.

<https://oag.ca.gov/charities>

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Checklist: Forming a Booster Club or Parent Organization – The Basics, cont.

STEP FOUR

- Obtain district site principal or designee approval.

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Naming Your Booster Club or Parent Organization

- A booster club or parent organization's name may not imply any form of responsibility of the district, school site, or ASB.
- Do not use the school's name or district name in your organizations name. If you use the school's mascot name it must officially have the word Booster or Parent Group (PTA -PTC-PTSC) in the title. Organizations established prior to the merge in 2008 have been grandfathered in and do not have to change their name.
- Must not use the school or district address on its letterhead or any correspondence.

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Naming Your Booster Club or Parent Organization, cont.

- All booster club or parent organization events need to be clearly advertised as such as to not be confused with a school sponsored event or fundraiser.
- Should create a unique logo/mascot, separate and distinct from the school logo or district logo.

AR 1230 – The organization shall use a separate name and logo. Any use of a name or logo affiliated with the district, a district school, or a school team shall require the prior consent of the Superintendent or designee.

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Membership in Booster Clubs or Parent Organizations

- Membership fees may not be required for membership in the parent organization or booster club. However, donations may be accepted.
- **Fees must never be required from students or from parents of students for the student to participate in *school activities*.**
- A booster club or parent organization may not unlawfully discriminate against any parent, community member, or staff who wish to participate in the booster or parent organization's activities.

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Protect Against Conflict of Interest Allegations

- District school staff members **CANNOT** sign booster club or parent organization checks or invoices for clubs located at the site at which they work.
- Any district employee, coach, or teacher whose own children may benefit from the operations of a booster or parent organization may not serve as an officer in that booster club or parent organization.

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Payments to District Employees

- Booster clubs and parent organizations **MAY NOT make direct payments** to any district employee for services performed for the booster club or parent organization.
 - This prohibition includes payments in the form of gift cards.
- If a booster club or parent organization wishes to compensate a district employee (e.g., a coach for services provided at a summer camp), the booster club or parent organization must consult with the school site principal or designee for the appropriate steps to do so through the district payroll.

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Questions? Please contact:
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Acknowledgement

I, _____ the representative

Organization Representative First and Last Name

for _____ have received and

Name of Booster Club or Parent Organization

read the TRUSD Booster Clubs and Parent Organization
Workshop Power Point.

X

Signature of Organization Representative

Date

NOTE: A copy of the signed Acknowledgement page must be kept on file with the Booster Club or Parent Organization's Application.

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