BOOSTER CLUB AND PTA GUIDELINES

Booster clubs and PTA's play a vital role in enriching student experiences by providing essential support. These guidelines are designed to help support organization members, parents, and school staff work together effectively, ensuring transparency, accountability, and alignment with district policies.

Release date:

November 2025

Introduction

Community support organizations for extracurricular activities—or external Booster Clubs—are a valuable complement to the school's athletic, music, and academic programs, as well as student class organizations (Student Activity accounts). Both external and internal activities often provide additional financial resources and enrichment for the programs they support. Every Booster organization and PTA at Pearsall Independent School District (PISD) must be familiar with and conduct all its activities in compliance with requirements and limitations set out by the University Interscholastic League (UIL), Federal laws (IRS), State Laws and PISD Board Policy/Regulations in its Organizations Guidelines.

Purpose of Booster Clubs/PTA

Booster Clubs exist to assist and support the sponsor with extra and co-curricular activities. A Booster Club is responsible for supporting a student group, activity, or program. Support may be as simple as providing refreshments for a particular event or support may be as complex as raising money for an out-of-state competition. The Booster Club works through Organization Sponsor to aid with the planned activities of the student group; however, the Booster Club does not have the authority to decide on the activities or trips in which the student group will participate. The parents and the Booster Club may provide suggestions about activities; however, the Sponsor is responsible for presenting the written request for the activity to the principal. The final decision and approval are the principals.

FORMATION OF ORGANIZATIONS

Organizations must prepare and adopt bylaws and operating procedures and provide copies to the Principal and Business Office.

All booster and parent organizations must obtain a unique tax identification number on Form SS-4, Application for Employer Identification Number (EIN). Such organizations may not use the district's tax identification number. (See GE Local and IRS website) www.irs.gov

Obtain federal tax-exempt status as a public 501(c)(3) charitable organization by applying on Form 1023, Application for Recognition of Exemption Under Section 501(c)(3), and obtaining a Letter of Determination from the Internal Revenue Service (IRS) that states the organization is tax-exempt from federal taxes. www.irs.gov.

A newly established organization should apply for tax-exempt status to the IRS and obtain approval within one year following the adoption of its constitution and bylaws.

Small tax-exempt organizations with annual gross receipts normally $50,000 or less, may submit Form 990-N, Electronic Notice (e-postcard) for Tax-Exempt Organizations Not Required to File Form 990 or 990-EZ, with the IRS each year. The organization MUST file Form 990 N, 990-EZ, or Form 990

annually. Whatever form chosen is due on the 15th day of the fifth month after the closure of the organization's tax year. Failure to file an annual report (Form 990 N, 990-EZ, or 990) for three consecutive years will automatically cause an organization to lose its tax-exempt status. To regain its exempt status, an organization will have to reapply for recognition as a tax-exempt organization. (IRS Publication 557) www.irs.gov

A nonprofit organization with an Internal Revenue Service (IRS) exemption under Section 501(c)(3), (4), (8), (10) or (19) is exempt from sales and franchise taxes. A booster club which has 501(c) federal exemptions should complete form AP-204 (www.window.state.tx.us/taxinfo/taxforms/ap-204.pdf) and submit it, along with a copy of its IRS complete exemption letter, to the Comptroller's office. After the Comptroller's office notifies the club of its exempt status, the club can hold two one-day tax-free sales or auctions each calendar year.

Background Checks

Texas Education Code 22.053, (d) and PISD Board Policy GKG (Local) requires all members of a booster club to be registered volunteers of the school district. Forms are available through the school office. The sponsor should ensure these completed forms are submitted to the school office.

Audit Committee

An annual audit of the Booster Club's financial records should be completed at fiscal year-end. The audit must be conducted by personnel who are independent of routine financial operations. The recommended best practice is to have an audit conducted by a team of three members. Nevertheless, if the group size is insufficient, two individuals may conduct the audit. Upon completion of the audit, the audit committee shall make a report to the general membership using the Audit Report (appendix A). Any differences identified should be reported to the president of the organization and resolved before presenting the report. All officers of the organization should make records available as requested by the committee.

FUNDRAISING AND ACCOUNTING

Fundraising:

Financial assistance from Booster Clubs for the purchase of additional equipment, instruments, senior prom, or supplies related to the programs the Clubs support is one of the most valuable roles which Booster Clubs provide. When a Booster Club makes a direct cash contribution to the school, the final decision on how the money will be used is up to the school. The school welcomes suggestions or recommendations regarding the allocation of funds; however, final decisions will rest solely with the school's administration and are not bound by submitted feedback. Before beginning any fund-raising activity, the president or designated representative of a Booster Club must submit a written proposal along with the form entitled **Activity Fund Fundraising Application and Financial**

Recap (appendix B) to the campus administrator which details the time period for the fund drive, the method by which the funds will be raised, whether or not students will be directly involved in the fund-raising and if so, how much student time will be involved as well as if it is a tax-exempt sale. The campus administrator will review the proposal and meet with the Booster Club sponsor or representative to discuss any questions or concerns, including suggestions or recommendations for changes to the proposal. The campus administrator will review all fundraising proposals. The administration ordinarily will authorize Booster Club fund-raising activities which occur at school and potentially interfere with or detract from instructional time or will require excessive student time outside of school. Pearsall ISD owns school names and related logos. Prior authorization from Pearsall ISD is required for any organization or individual seeking to use its names or logos.

It is the practice of the district that funds received from Booster Club fundraising activities is used to benefit the student and school in an appropriate way. Individual accounts are prohibited for members of District groups, Booster Clubs, or any other clubs. According to UIL, Board Policy, and IRS regulations, establishing, monitoring individual participation, or fundraising activities by any method **is prohibited**. Booster Clubs desiring to conduct a fundraising activity for a school program shall submit the completed "Activity Fund Fundraising Application (Appendix B) to the principal at least 10 days prior to the event. No fundraising activities may begin until the Booster Club obtains approval from the principal. Requests involving District employees or facilities require approval from the relevant administrator.

- Community-wide sales campaigns should be coordinated through the school administration to minimize simultaneous sales campaigns.

  Careful planning is essential for sales campaigns, so that each project delivers good value for the products sold and ensures most funds raised remain local. Otherwise, donations are often more rewarding than letting a major part of the money go to outside promoters.

- Fund-raising activities should support the educational goals of the school and should not exploit students. Activities and projects should be investigated carefully before committing the school's support.

- Individuals who actively coach or direct a UIL activity should serve in an advisory capacity to the booster club and should not have control or signature authority over booster club funds, including petty cash or miscellaneous discretionary funds. Coaches wish-lists should have received prior approval from school administration before submission to boosters.

- Coaches and directors of UIL academics, athletics and fine arts may not accept more than $500 in money, product, or service from any source in recognition of or appreciation for coaching, directing or sponsoring UIL activities. The $500 limit is cumulative for a calendar year and is not specific to any one gift.

- The district may pay a stipend, fixed at the beginning of the year, as part of the annual employment contract. The amount of the stipend cannot depend on the success of a team or individual. In other words, a coach cannot receive more money if a team or individual qualifies to region or state.

- Funds are to be used to support school activities. To provide such funding for non-school activities would violate UIL rules and the public trust through which funds are earned.

Accounting:

A Booster Club must establish and maintain a bank account in its own name and keep track of all revenues and expenses related to the Booster Club's activities. This account is not a school account and is not subject to audit by the district's internal or independent auditors. However, each Booster Club must file a financial statement annually in July with the Business Office. These statements are available for inspection or copying to any person who submits a written request to the principal.

Banking Information:

To open a bank account, the Booster Club must first obtain an Employer Identification Number (EIN) from the IRS. The Booster Club shall not use just the school's name on its checks or on its literature; it must include the name of the Booster Club. The Booster club cannot deposit any check made out to the school or District. If a Booster club receives a check made to the School or District without the Booster club name, it must be returned to the maker and reissued to the Booster Club. **DO NOT CASH OR DEPOSIT A CHECK MADE PAYABLE TO THE SCHOOL OR DISTRICT.**

The use of the school's name might imply that the school or the district is responsible for any obligations entered into by the club. It must include the Booster Club's name in the bank account. It is suggested that at least two officers sign each disbursement. Both signers should be parents or guardians with children in the affiliate Booster Club. **School district employees may not be the signer on Booster Club bank accounts for their own campus or programs they are the sponsor for.** All funds received should be receipted and deposited on a weekly basis. Commingling of Booster Club funds and school activity funds is prohibited. School employees may not accept loans of funds from parents and student organizations. The Treasurer should reconcile the bank statement monthly and prepare a monthly financial report.

Financial Reporting:

At a minimum, the organization's membership should be provided with a financial statement and bank reconciliation at each meeting. The financial statement should provide a comparison of budgeted versus actual expenditures and receipts. Cash receipts and disbursement reports should

be available for review when needed and at the annual audit. District GASB Statement No. 39 of the Governmental Accounting Standards Board requires the district to obtain and review financial performance information of supporting organizations to determine whether these organizations should be considered a component unit. To this end, Booster Clubs are required to submit to their Executive Board mid-year and end-of-year financial statements. End-of-year financial statements should be submitted to the District's Business Office and a copy to the principal.

Audit:

An audit is an examination of the financial records of the Booster Club. It assures that all income and expenditures are accounted for and consistent with the budget and goals for the year. It also verifies that the bank balance and ledger balance are reconciled. The audit is to protect the Booster Club officers and the organization. An audit should be conducted at the end of the organization's fiscal year, or when there is a change in treasurer, and a change in any officer who signs Booster Club checks. An audit may be conducted by an outside party, such as a CPA or an audit committee. The audit committee should be comprised of at least two members of the Booster Club (not the President, Treasurer, or a School Employee).

Sales Tax:

Booster Clubs are not exempt from state sales tax laws. A Booster Club can sell tickets to an annual banquet or food sale without collecting sales tax, provided the members prepare, serve, and sell the food. Booster Clubs may also sell meals and food products (including candy and soft drinks) without collecting sales tax when all the net proceeds of the sale go to the Booster Club for its use in supporting school activities. Booster Clubs are responsible for obtaining necessary information from the Texas Comptroller of Public Accounts to make sure they are collecting and accounting for state sales tax when collection is required.

Sales Tax Exemption:

A Booster Club may apply for a Sales Tax Exemption from the Texas Comptroller of Public Accounts. A nonprofit organization with an Internal Revenue Service (IRS) exemption under Section 501(c)(3), (4), (8), (10) or (19) is exempt from sales and franchise taxes. A booster club that 501(c) federal exemptions should complete form AP-204 (www.window.state.tx.us/taxinfo/taxforms/ap-204.pdf) and submit it, along with a copy of its IRS complete exemption letter, to the Comptroller's office. After the Comptroller's office notifies the club of its exempt status, the club can hold two one-day tax-free sales or auctions each calendar year.

Financial and Legal Responsibility:

The school and/or district are not liable or responsible for any contracts or expenditures made by a Booster Club. Agreements for the purchase of goods or services to be resold for fundraising are the

responsibility of the Booster Club entering the agreement, including snack foods and drinks purchased for re-sale at concession stands during athletic events. **We strongly encourage any Booster Club to obtain legal assistance before authorizing or signing any agreement or contract in the Booster Club's name.**

The district will not expend school district funds, including student activity funds, to pay any amounts due under such agreements or to represent a Booster Club in any legal action which may arise from the Club's activities. Booster Clubs are support organizations. Coaches and sponsors of extracurricular activities are school employees. Coaches and sponsors are answerable only to their immediate supervisors and to the Superintendent, who has sole and final authority in the district for all non-UIL activities. The Superintendent and the Board of Trustees have final authority in matters related to extracurricular activities.

501(c)(3) organizations are legal entities independent of the Pearsall ISD and as a result they are not afforded the protection of any insurance by the Pearsall ISD and are not afforded immunity under the law like school districts. The officers or directors of those entities will want to consult their own attorneys or insurance agents to discuss what insurance is best suited for their organization. Insurance considerations may include directors' and officers' liability coverage, theft or loss of funds coverage, medical coverage, and unique events coverage. For example, consideration should be given to situations where someone may be hurt or injured during a fund-raising event. Again, the Pearsall ISD cannot give insurance advice and cannot assist with the processing of insurance claims on behalf of the support organization.

UIL GENERAL GUIDELINES

www.uiltexas.org

The role of competition

Participation teaches it is a privilege and an honor to represent one's school. Students learn to win without boasting and to lose without bitterness. Self-motivation and intellectual curiosity are essential to the best academic participants. Artistic commitment and a desire to excel are traits found in music participants. Physical training and good health habits are essential to the best athletes. Interscholastic competition is a fine way to encourage youngsters to enrich their education and expand their horizons. Leadership and citizenship experience through school activities help prepare students for a useful and wholesome life.

Role of the Superintendent

Member schools make UIL rules and determine policies regarding penalties to schools, school district personnel, and student participants. The superintendent is solely responsible for the entire UIL program. All school activities, organizations (including the booster club), events, and personnel

are under the authority of the superintendent. Booster clubs must recognize this authority and work within a framework prescribed by the school administration.

Role of Booster Clubs

Neighborhood patrons form booster clubs to help enrich the school's participation in extracurricular activities. The fund-raising role of booster clubs is particularly crucial in today's economic climate.

Written Policies

Booster clubs should develop and annually review policies to cover:

- How to obtain administrative approval before beginning projects.
- How to plan and publicize meetings.
- Bookkeeping and fund administration include processes to obtain superintendent's approval prior to raising or spending funds.
- Election of officers (suggestion: one president; one secretary; one treasurer; and three vice - presidents: one vice president to oversee fall, winter, and spring sports).
- Taking, distributing, and filing minutes.
- Public communication.
- Proper interaction with fine arts directors and academic and athletic coaches through the lines of authority as established by the school board.
- A sportsmanship code governing behavior of booster club members and fans at contests, treatment of officials, guests, judges.
- Plans to support the school regardless of success in competition, keeping the educational goals of competition at the forefront of all policies.

Relationship with the school

Booster clubs need approval from the superintendent or a non-coaching designee, who should be invited to every meeting. All meetings should be open to the public.

Booster clubs do not have authority to direct the duties of a school district employee. The scheduling of contests, rules for participation, methods of earning letters and all other criteria dealing with inter-school programs are under the authority of the local school administration.

- Minutes should be taken at each meeting and kept on file at the school.
- School administration should inform booster clubs of all school activities.

- Booster clubs should apprise school administrators of all club activities.

- Periodic financial statements itemizing all receipts and expenditure should be made to the general club membership and kept on file at the school.

Booster clubs cannot give anything to students, including awards. Check with school administrators before giving anything to a student, school sponsor, or coach. Schools must give prior approvals for any banquet or get-together given for students. All fans, not just members of the booster club, should be aware of this rule. It affects the entire community.

- Unlike music and academic booster clubs, athletic booster club funds shall not be used to support athletic camps, clinics, private instruction, or any activity outside of the school.

- Booster groups or individuals may donate money or merchandise to the school with prior approval of the administration. These kinds of donations are often made to cover the cost of commercial transportation and to cover costs for out-of-town meals. It would be a violation for booster groups or individuals to pay for such costs directly.

- Individuals should be informed of the seriousness of violating the athletic amateur rule.

- The penalty to a student-athlete is forfeiture of varsity athletic eligibility in the sport for which the violation occurred for one calendar year from the date of the violation. Student athletes are prohibited from accepting valuable consideration for participation in school athletics - anything not given or offered to the entire student body on the same basis which is given or offered to an athlete. Valuable consideration is defined as tangible or intangible property or service including anything that is usable, wearable, salable or consumable. Local school districts superintendents have the discretion to allow student athletes to accept, from their fellow students, small 'goodie bags' which contain candy, cookies or other items which have no intrinsic value and are not considered valuable consideration.

- Homemade "spirit signs" made from paper and normal supplies a student purchases for school use may be placed on the students' lockers or in their yards. Trinkets and food items cannot be attached. Yard signs made of commercial quality wood or plastic if not purchased or made by the individual player's parent, must be returned after the season.

- The school may provide meals for contests held away from the home school. If the school does not pay for meals, the individual parents need to purchase their own child's food. Parents may purchase anything they wish for their own child but may not provide food for their child's teammates unless approved by the school. The school may also provide supplies for

games and practices and transportation for school field trips. Students should pay admission fees during school field trips.

• Parties for athletes are governed by the following State Executive Committee interpretation of Section 441 of the UIL Constitution & Contest Rules.

Official Interpretation of the UIL Athletic Amateur Rule, section 441 of the UIL Constitution and Contest Rules:

(a) VALUABLE CONSIDERATION SCHOOL TEAMS AND ATHLETES MAY ACCEPT:

1. Pre-Season. School athletic teams may be given pre-season meals, if approved by the school.

2. Post-Season. School athletic teams may be given post-season meals if approved by the school. Banquet favors or gifts are considered valuable consideration and are subject to the Awards and Amateur Rules if they are given to a student athlete at any time.

3. Other. If approved by the school, school athletic teams and athletes may be invited to and may attend functions where free admission is offered, or where refreshments and/or meals are served. Athletes or athletic teams may be recognized at these functions but may not accept anything other than food items that is not given to all other students.

(b) ADDITIONAL VALUABLE CONSIDERATION THAT SCHOOL TEAMS AND ATHLETES MAY ACCEPT

Examples of additional items deemed allowable under this interpretation if approved by the school, include but are not limited to:

1. meals, snacks, or snack foods during or after practices.

2. parties provided by parents or other students strictly for an athletic team

Local school district superintendents continue to have the discretion to allow student athletes to accept small “goodie bags” that contain candy, cookies or other items that have no intrinsic value and are not considered valuable consideration.

ACADEMIC BOOSTERS

The rules for athletics are different than the rules for academics and music. Athletes are restricted by the Athletic Amateur Rule, which states that athletes cannot accept money or valuable consideration for participating in a UIL sport or for allowing their names to be used in promoting a product, plan or service related to a UIL contest. Academics has no amateur rules. Journalism participants may work for a newspaper and be paid. Actors may work summer stock and be paid. Students may win calculators and software for participating in invitational math contests.

UIL academic students are restricted by the Awards Rule. So, as a general practice, booster clubs should not give gifts or awards to students for their participation in UIL contests that count toward district, region or state standing. School booster clubs may raise money to purchase letter jackets, provided the funds are given to the school without designation to buy jackets for students and the school determines criteria for awarding the jackets. Parents may purchase jackets for their own children provided the school designates the student as being qualified to receive the jacket.

Booster Clubs may raise money to provide an annual banquet for academic participants and coaches.

With prior administrative approval, you may also:

- Purchase equipment for programs such as computers or software for yearbook or computer science.

- Organize and chaperone trips and assist with expenses for travel to academic competitions or educational trips such as journalism conventions or speech tournaments. Booster club funds may be used to provide food and refreshments for students on these trips. A purely recreational trip to Six Flags over Texas would not meet the definition of an educational field trip and could be considered a violation of the Awards Rule.

- Run tournaments, organize fund-raising efforts, recruit corporate donors, raise money for scholarships, and arrange for tutors and professional trainers to work with students.

- Fund academic workshop scholarships provided selection of the recipients is not based solely on their success in interscholastic competition. Selection could be based on grade point average or the student's selection of high school courses. All students meeting the conditions for scholarship assistance should be notified and eligible for financial assistance. Funds should be monitored to ensure that they are expended for camp or workshop purposes.

We wish we had more academic booster clubs, whether they cover UIL academic competitions in general or specific programs such as theatre, speech/debate, journalism, or math/science. A great need exists for parental involvement and support.

MUSIC BOOSTERS

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

- Occasionally music booster clubs assist with expenses for travel to various music-related activities such as UIL contests and performances at away athletic events. Such financial support violates no UIL rules if it is approved and coordinated by the local school district.

• Music groups schedule educational field trips with the approval of the local school administration and under local school district policies. For such trips, specific educational components must be included such as performing for a music festival, an adjudicated contest, or a concert tour. Marching performances such as the Macy's Thanksgiving Day Parade, the Rose Bowl Parade and other similar ceremonial appearances also qualify. However, educational components need not be limited to performance. Concert attendance, visiting university/conservatory music facilities and other music related, nonperforming opportunities would also be appropriate if approved by the local school district.

• A recreational trip, on the other hand, would not meet the definition of an educational field trip as provided in Section 480 of the UIL Constitution and Contest Rules. Students receiving the benefits of a purely recreational trip would be in violation of the Awards Rule.

• Booster Clubs may also fund scholarships for private lessons and summer music camps provided the selection of the recipients is not based on success in interscholastic competition. Funds for such activities should be carefully monitored to ensure that they are expended for educational rather than recreational activities.

• The awarding of patches, T-shirts, or other items for achievement in interscholastic competition would be subject to the UIL Awards Rule. To protect all music students' eligibility, such awards should be approved and administrated by the local school district in accordance with school district policies.

• Be mindful of the fact that there is no Music Amateur Rule. Therefore, limitations established in athletics intended to ensure compliance with the Athletic Amateur Rule do not apply to music programs and related activities.

URBI UNRELATED BUSINESS INCOME TAX

In most cases the sale of advertising for the purpose of generating income is unrelated to an organization's exempt purposes and would, if not otherwise excluded, generate unrelated business taxable income. Most booster clubs rely heavily on volunteer labor which may result in the exclusion of this activity from the definition of unrelated trade or business under IRC 513(a)(1). For a more detailed discussion of the volunteer workers exception, see the 1982 CPE beginning on page 124.

The sale of grocery store coupons, coupon books, and other discount promotions as well as casino nights and auctions may raise questions concerning the taxability of the income produced, as may the presence of charitable gambling and bingo. For further discussion regarding charitable gambling, see page 292 of the 1990 CPE. Organizations conducting such fund-raising events should be aware of not only the unrelated business income tax consequences of their activities but also their obligation to assist their donors in determining the proper tax treatment of their contributions. Such

organizations, in advance of the sale or event, should determine the fair market value of the benefit received and state it in their fund-raising materials such as solicitations, tickets, and receipts, in such a way that donors can determine how much is deductible and how much is not.

CONTACT INFORMATION

LOCAL

Pearsall ISD
www.pearsallisd.org
830-xxx-xxxx

STATE OF TEXAS

OFFICE OF THE ATTORNEY GENERAL (OAG)
www.oag.state.tx.us
Public Information & Assistance 800-252-8011

TEXAS SECRETARY OF STATE
www.sos.state.tx.us 512-463-4600

TEXAS STATE COMPTROLLER'S OFFICE
www.window.state.tx.us 512-463-4000
Exempt Organization Department 800-252-5555

UNIVERISTY INTERSCHOLASTIC LEAGUE (UIL)
www.uiltexas.org 512-471-5883

FEDERAL

INTERNAL REVENUE SERVICE (IRS)
www.irs.gov 800-829-1040
Tax Exempt Organizations 877-829-5500
Tax Forms and Publications 800-829-3676

Pearsall ISD — Booster Club Audit Report Form

Deliver to Principal's Office

Organization:

Audit Period **From:** **To:**

Section 1: Financial Summary

Beginning Balance ($)	
Total Income ($)	
Total Expenses ($)	
Ending Balance ($)	0

Outstanding invoices (unpaid)	

Section 2: Supporting Documentation Reviewed

Bank Statements Reviewed:	☐ Yes ☐ No
Check Register / Ledger Reviewed:	☐ Yes ☐ No
Receipts for Deposits & Expenditures Reviewed:	☐ Yes ☐ No
Monthly Financial Reports Reviewed:	☐ Yes ☐ No
Previous Audit Report Reviewed:	☐ Yes ☐ No

Section 3: Audit Findings / Comments

Auditor Signature:	_____	**Date:** _____
Treasurer Signature:	_____	**Date:** _____
President Signature:	_____	**Date:** _____
Principal/Designee Signature:	_____	**Date:** _____

Pearsall ISD — Activity Fund Fundraising Application and Financial Recap Form

Deliver to Principal's Office

Section 1: Fundraising Application

Campus

Organization/Club Name	
Fundraiser Title & Purpose	
Description of Activity	
Start Date	
End Date	
Estimated Income ($)	
Estimated Expenses ($)	
Estimated Profit ($)	0

Section 2: Financial Recap (After Fundraiser)

Actual Income ($)	
Actual Expenses ($)	
Actual Profit ($)	0
Explanation for Variance (if any)	
Date Recap Submitted	

Advisor Signature: _____ **Date:** _____

Principal Signature: _____ **Date:** _____

Forward approved forms to Business Office