PARENT TEACHER ORGANIZATION GUIDELINES

2025-2026

CONROE INDEPENDENT SCHOOL DISTRICT

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PARENT ORGANIZATION OVERVIEW

To assist our schools and students in CISD, parents may form organizations to promote the school program or to complement a particular student group or activity.

Parent Teacher Organization (PTO), Parent Teacher Association (PTA), other similar organizations and Booster Clubs, (hereinafter referred to as "PTO") provide an important support function to schools and student groups. However, they also require a strong commitment from members to work properly. Therefore, deciding whether or not to form a parent organization is a difficult decision that requires careful consideration.

Parents may still support a school or student group as parents through fundraisers and other activities.

- The money raised for these groups is accounted for in a Student (Agency) Activity Fund set up through the District.
- This money would be considered the student group's money and would benefit only that group of students.
- The District is responsible for all of the accounting and legal responsibilities of these funds.

Parents interested in forming a parent organization should discuss the pros, the cons, and the responsibilities of having a parent organization with each other as well as the principal/sponsor of the student group.

The following are some questions to consider when deciding whether or not to form a parent organization:

- What can a parent organization accomplish that cannot be achieved through the school or student group?
- Do I have time to commit to a parent organization?
- Are there enough parents with time to commit to a parent organization?
- Am I willing to perform the necessary research, training, and paperwork to be in compliance with all District, UIL, State, and Federal regulations? (This includes submitting required information to the Texas Comptroller's Office and the IRS.)
- Have I read the Parent Teacher Organization Guidelines to discover my responsibilities once a parent organization is formed?
- Have I spoken with other parent organizations to determine what benefits/problems they have experienced?
- Have I spoken with the principal/sponsor to obtain support for the formation of a parent organization?

The principal must approve the formation of a PTO/Booster Club before the organization takes any further action to create a unique identity.

Each such organization must submit the following to the campus principal for approval:

- The Articles of incorporation and by-laws of the organization.
- A list of all activities and fundraisers, annually.
- The budget of the organization, annually.

A current list of officers of each organization will be kept on file in the principal's office of the school involved.

No employee of the District may serve as a treasurer or bank account signatory in a parent organization or booster club. Principals may not serve as board members for any campus related group at the school to which they are assigned.

Parent organizations must agree to abide by all applicable UIL, District, and campus rules.

The faculty sponsor of a student group will serve as the liaison between any organization formed with that student group and the District. If no specific group is involved, the principal will serve as the liaison.

Active members should include those individuals that are parents, guardians, step- parents, or grandparents of a student at the school and that are current in their dues.

- Active members may also include individuals from a business partner or community organization that is involved in the Adopt a School Program.
- Only active members should have the ability to vote or hold an office.
- Other individuals may volunteer for the parent organization, but cannot vote or hold an office. "Members" should be defined in the parent organization's bylaws.

Each parent organization must strive to remain in good standing with all state and federal agencies.

- Therefore, each parent organization is responsible for obtaining its own competent independent counsel on accounting and tax matters related to its specific circumstances.
- This counsel may include a Certified Public Accountant (CPA) or an attorney. The cost of these services would be the parent organization's responsibility.

Parent organization officers are solely responsible for ensuring that their organization is in compliance with all state and federal regulations.

- Therefore, the District, including any District employee, is not responsible for a parent organization not being in good standing with all state and federal agencies.
- However, the District provides information that assists the parent organization in complying with state tax and federal regulations.

Parent organizations have many responsibilities to the federal government, the state, the District, and to the students they support.

- Part of this responsibility is to keep accurate and updated records so that the organization may complete the necessary filing requirements with the state and the IRS.
- In addition, these records will help you prepare your annual Financial Report and Review Committee Report.

Most of the reporting requirements of a parent organization are dependent on the financial records kept; therefore, the office of parent organization treasurer is an extremely important and vital position that should not be taken lightly.

Even though the treasurer may assign certain duties to another person (i.e., Fundraiser Chairperson – Catalog Sales), the treasurer is ultimately responsible for assuring that all financial records are maintained accurately for the parent organization.

BECOMING AN EXEMPT 501(C) (3) ORGANIZATION

After receiving approval to form a parent organization there are steps that must be completed to create your own identity and to establish the organization.

CISD has a group exemption held by CISD Educational Support Groups, Inc. Your parent organization is not required to join the group exemption.

By participating, your parent organization shares in the benefits of its 501(c) (3) status and does not have to apply for its own federal tax exemption as a public 501(c) (3) organization with the IRS.

PLEASE SEE THE PTO INFORMATION SHEET IN THE APPENDIX

If your organization decides to take part in the CISD group exemption for parent organizations, instead of applying for individual exempt status, the Internal Audit Department will handle much of the work for you and will guide you in completing the required documents. Internal Audit will direct and assist your group to:

- Obtain your own EIN
- Prepare Articles of Incorporation
- File your Articles of Incorporation with the State of Texas
- Prepare By-Laws
- Obtain Sales & Use Tax, and Franchise Tax exemption
- Obtain a Sales Tax permit (if needed)
- Prepare reporting on sales tax and Form 990 (if needed)

Contact the CISD Internal Audit Department if you are interested in joining the group exemption. Those groups expressing interest in this exemption will be contacted and provided additional instructions.

The following are steps to follow when establishing your parent organization:

- Establish a parent organization initial board of directors to setup the organization. (Members of the initial board of directors cannot be considered as parent organization officers until they are elected at a general membership meeting.)
- Determine official mailing address of the parent organization. By maintaining a consistent mailing address, you will not have to update your address each year to the District, the Texas Secretary of State, the Texas Comptroller's Office, the IRS, and your bank.
- We recommend that a post office box (PO Box) or private mailing box (PMB) be used as the official mailing address. The school's address may be used as the parent organization's official address; however, the PTO/Booster Club may not receive mail timely when the school is closed (i.e., summer vacation and holidays).
- **Do not use home addresses since officers change frequently.**

Apply for an Employer Identification Number (EIN) with the IRS. You can apply for an EIN online, by fax, or by mail.

- When applying for your EIN, be sure to use the exact same parent organization name as you used in your Articles of Incorporation.
- If you choose to apply by fax or mail, you can obtain the SS-4 form at https://www.irs.gov/forms-pubs/about-form-ss-4.

You can file the form using one of the following methods:

- Apply online at IRS.gov
- Fax Form SS-4 to (855)641-6395
- Mail Form SS-4 to: Internal Revenue Service Attn: EIN Operation Cincinnati, OH 45999

All parent organizations must obtain a unique Employer Identification Number (EIN) if they do not already have one.

Parent organizations are not permitted to use the District's EIN or its Texas sales tax permit number.

After receiving an EIN, the parent organization can open a bank account. Use the EIN to open the bank account**. DO NOT OPEN A BANK ACCOUNT WITH A SOCIAL SECURITY NUMBER.**

If the bank account is opened prior to the election of officers, the board of directors may be signers on the account, as long as they are not CISD employees.

Draft and approve the parent organization's Articles of Incorporation. The board of directors may approve the articles to allow the group to proceed with filing the Articles of Incorporation with the state and applying for tax-exemption with the IRS.

If the group is concerned that the desired name of the parent organization is unavailable you may contact the Secretary of State's office. The Secretary of State can verify that the name is available and acceptable for your organization to use. The Secretary of State can be reached at (512) 463-5555.

Mail Articles of Incorporation and filing fee ($25) to:

Corporations Section Statutory Filings Division Office of the Secretary of State

P.O. Box 13697

Austin, TX 78711-369

Draft and approve the parent organization's bylaws. The board of directors may approve the bylaws to allow the group to proceed with applying for incorporation with the State and applying for tax exemption with the IRS.

- The CISD Internal Audit Department will provide a bylaws template if you need assistance drafting the document for your parent organization.

Note, if you are a part of the group exemption held by CISD Educational Support Groups, Inc., the following steps will not apply to you. You do not need to apply for your federal tax-exemption as a public 501(c) (3) organization with the IRS. This is covered under the group exemption.

- Organizations participating in the group exemption will not be required to complete a Form 1023 (Application for Recognition of Exemption) with the IRS or pay a user fee to obtain exempt status as this part of the process will be handled by the Internal Audit Department in applying for the group exemption.
- In addition, you do not need to apply for an exemption from Texas sales tax, hotel occupancy tax, and franchise tax.

APPLYING FOR TAX EXEMPT STATUS

Apply for federal tax-exemption as a public 501(c)(3) organization with the IRS using Form 1023, Application for Recognition of Exemption Under Section 501(c)(3) of the Internal Revenue Code. Complete Schedules A through H as required.

Mail Form 1023 checklist, Form 1023, check for filing fee, any required Schedules, copy of Articles of Incorporation with filing stamp and copy of signed bylaws to:

Internal Revenue Service

P.O. Box 192

Covington, KY 41012-0192

The IRS provides information, explanations, guides, forms, and publications about forming a 501(c) (3), see Life Cycle of a Public Charity

All parent organizations should obtain federal tax-exempt status as a public 501(c) (3) charitable organization by applying for and obtaining a Letter of Determination from the Internal Revenue Service (IRS) that states the organization is tax exempt.

If a parent organization is new, the organization should apply for and receive its tax-exempt status from the IRS on their own or through the CISD Organizational Support Groups.

- Read “Top Ten Tips to Shorten the Tax-Exempt Application Process” before you submit your application.
- Receive a Letter of Acknowledgement from the IRS indicating receipt of your application and payment.
- Correspond with the IRS if your bylaws need to be modified or if the IRS needs additional information to complete your approval process.
- Receive a Determination Letter (approximately 4-6 months later) stating you are a public 501(c) (3) tax-exempt organization.

- Send a copy of the Determination Letter to the CISD Internal Audit Department.

Apply for an exemption from Texas sales tax, hotel occupancy tax, and franchise tax by completing the required form.

All parent organizations should also file with the State of Texas to obtain an exemption from state taxes.

After receiving your determination letter from the IRS, you can request exempt status from state sales and use taxes (to purchase items to be used in an exempt manner) and franchise taxes by filling out the appropriate application.

Parent organizations will need to complete AP-204, Application for Exemption-Federal and All Others (Booster Clubs cannot apply for an exemption until they have received their 501(c) (3) exemption from the IRS).

Visit the Texas State Comptroller's website and complete the form per instructions. Print the application and enclose copy of Articles of Incorporation and IRS Determination Letter and mail to:

Tax Policy Division

Exempt Organizations Section Texas State Comptroller's Office

P.O. Box 13528

Austin, TX 78711-3528

Apply for a Sales Tax Permit (if needed) with the Texas Comptroller's Office. If the parent organization will not be selling any taxable items or services, you do not need to obtain a Texas Sales Tax Permit.

Complete the Application for Sales and Use Tax Permit (AP-201), if needed for resale purposes, online or by mail. Mailing address is listed below:

Comptroller of Public Accounts 111 17th Street

Austin, TX 78774-0100

If your organization had a permit number before you became a 501(c) (3), indicate the old number on the form so that the old account can be closed when the new permit is issued.

A membership drive should occur to let parents know about the PTO / Booster Club and when the first membership meeting will be held. At the first meeting, have the general membership approve establishing the PTO / Booster Club.

The general membership should approve the PTO/Booster Club bylaws that were approved by the board of directors including any revisions needed. Then elect officers in accordance with the bylaws.

Send a list of the officers to the principal and the CISD Internal Audit Department.

Place all documents related to these steps in a "Permanent File" to be stored in a safe place in order to be forwarded to the new officers each year. Also, save the information electronically and provide to several officers to ensure that the information is safeguarded.

The officers of the parent organization will be responsible for completing and filing a form 990, a 990EZ, or a 990N, as well as, sales tax reports when they are due.

PLEASE SEE PTO TAX EXEMPT STATUS FORM IN THE APPENDIX

PTO INFORMATION, GUIDELINES, AND RESPONSIBILITIES

GENERAL INFORMATION

The purpose of this section is to provide general, not specific and/or all-inclusive, tax information to principals and officers as it relates to a parent organization.

1.0 The Conroe Independent School District (CISD), encourages the participation and involvement of parents in the education of their children. One of the ways parents can be involved is through participation in voluntary parent organizations such as PTOs and booster clubs

1.1 Parent organizations must agree to abide by all applicable UIL, District and campus rules.

1.2 Parent organizations should strive to remain in good standing with all federal and state agencies.

1.3 Each parent organization is responsible for obtaining its own competent independent counsel on accounting and tax matters related to its specific circumstances.

1.4 This counsel may include a Certified Public Accountant (CPA) or an attorney.

1.5 The cost of these services would be the parent organization's responsibility. It is each parent organization's sole responsibility to seek competent professional tax assistance for its own tax reporting requirements.

1.6 The responsibility for accounting, safeguarding, and disbursement of funds rests with PTO officers. The principal may act in an advisory capacity only.

1.7 A parent organization may not represent the District nor bind the District or any of its employees to a third party with which the organization may conduct business.

1.8 All meetings of parent organizations must be public meetings.

1.9 Minutes of all parent organization meetings should be kept in writing in the permanent records of the organization.

1.10 Each parent organization shall operate under bylaws and shall submit a copy to the school principal and Internal Audit Department.

1.11 Parent organization funds and/or assets that are donated to a school must be coordinated with the school's principal.

1.12 Property purchased with parent organization funds, and donated to the school, becomes the property of the District and should be used exclusively at the specified campus.

1.13 Payment from parent organization funds may not be made directly to any CISD employees for services rendered to/for that organization.

1.14 Parent organizations who wish to donate funds to a school's activity funds for the benefit of the school's teachers must either write on the check that the funds are for the General Teacher Fund or indicate that information in a cover memo included with the check.

1.15 If an organization loses its public 501(c) (3) tax exempt status, the organization should take the necessary steps to regain the tax-exempt status as soon as they receive notification from the IRS of the loss of exemption.

REQUIREMENTS FOR OPERATIONS

All parent organizations and booster clubs will:

1.16 Be voluntary and support student activities of the school.

1.17 Use school facilities only with prior approval by the superintendent or designee.

1.18 Not attempt to influence District employees in the administration of duties.

1.19 Comply with administrative regulations, Board policy, and any applicable UIL rules when offering money or gifts to the District. [See Board policy CDC in the Appendix]

1.20 Pay all taxes and other debts incurred by the organization.

1.21 Provide evidence of adequate insurance coverage for the club, if needed.

1.22 Submit to an annual audit and supply copies of its audited financial statements to the campus principal and Internal Audit Department annually.

1.23 Assume liability for any and all personal injuries or property damage arising from their activities.

RESPONSIBILITY GUIDELINES

1.24 The responsibility for the proper collection, disbursement, and safeguarding of all money and all other parent organization assets and the proper reporting of each parent organization's activities to the Internal Revenue Service, State Comptroller, and to Conroe ISD rests solely with each parent organization's officers, jointly and individually, not the school district or any of its employees.

1.25 Principals should encourage the use of parent organization funds in manners that benefit all students.

1.26 Each parent organization should publish a calendar of scheduled meetings, board meetings and general membership meetings, at the beginning of the school year.

- This will allow all members to reserve meeting dates and should increase attendance and participation.

- As soon as dates are selected for fundraisers and other activities, these should be added to the calendar.

1.27 The commingling of parent organization money with school money is not permitted.

1.28 School employees may not accept loans of funds from parent organizations.

1.29 A parent organization should be absolutely sure it has or will have the money necessary to meet its financial commitments. A parent organization does not have the authority to commit or to represent in any way that CISD is responsible for any of its obligations in the way of paying bills and/or fulfilling any other agreement.

1.30 Incoming officers should never accept financial records from the prior officers without having them audited or reviewed by a review committee.

1.31 Each parent organization should select a qualified individual or a review committee of members independent of the financial activities to conduct an annual review, which must be permanently maintained in the organization's records with a copy provided to the school principal and the Internal Audit Department.

1.32 Each parent organization should receive a monthly financial report and have it presented at the parent organization meetings. An annual financial report should also be prepared and submitted to the school principal and Internal Audit.

1.33 Parent organizations should seek competent tax and legal advice on their own and at their expense on an as-needed basis to assist and to advise them on legal and tax matters.

1.34 Each parent organization that has 501(c) (3) status must provide the school principal and Internal Audit with a copy of the appropriate completed IRS Form 990.

1.35 Almost all non-profit, tax-exempt organizations must file some form of the 990. Check the IRS web site or contact a tax advisor to determine the applicable form for your organization. The Internal Audit Department offers a tax seminar in May to assist parent organizations with their 990 completion.

1.36 Each parent organization must complete the “Parent Organization Information Sheet” annually and send to the school principal and Internal Audit.

OFFICER DUTIES

Listed below are general duties of the **president** of a parent organization.

1.37 Oversee the review committee or external person who will audit/review the financial records at year-end.

1.38 Review the year-end audit and ensure that all questions are answered by the treasurer before records are turned over to the new officers.

1.39 Provide copies of the year-end audit to the school principal and Internal Audit no later than September 1.

1.40 Ensure a year-end financial report is prepared by the treasurer and presented to the organization's board, with copies to the school principal and the Internal Audit Department, no later than September 1.

1.41 Responsible for all financial affairs of the organization and associated reporting thereof including any duties that may be delegated.

1.42 Review monthly bank statement before it is given to the treasurer to be reconciled.

1.43 Submit all fundraiser requests to the principal for his/her approval no later than October 1 of the fall semester and March 1 for the spring semester.

1.44 Preside at all meetings of the parent organization's officers/directors.

1.45 Coordinate the work of the directors and/or committees in order to promote the organization's objectives.

1.46 Coordinate the work so that the necessary reports are submitted in a timely manner to the appropriate state and Federal agencies.

1.47 Ensure the annual audit or review committee report, is performed.

1.48 Perform such other duties as deemed necessary by the directors.

Listed below are general duties of the **vice-president** of a parent organization.

1.49 Assume the duties of the president in the event of the president's inability to serve or resignation.

1.50 Chair organization committees.

1.51 Maintain a list of all members of the organization.

1.52 Co-sign organization checks as needed.

1.53 Perform such other duties as deemed necessary by the directors.

Listed below are general duties of the **secretary** of a parent organization.

1.54 Record the minutes of all meetings of the directors, and furnish a copy of such minutes to the president within one week following the meeting.

1.55 Coordinate all correspondence relating to the organization.

1.56 Catalogue and supervise the property of the organization.

1.57 Publish all notices of meetings or other matters.

1.58 Co-sign organization checks as needed.

1.59 Perform such other duties as deemed necessary by the directors.

Listed below are general duties of the **treasurer** of a parent organization.

1.60 Maintain financial records (keep an accurate record of receipts and expenditures).

1.61 Prepare the budget and provide financial reports to the board monthly and at other times as requested.

1.62 Receive all funds for the organization and promptly deposit money in a bank designated by the directors.

1.63 Pay out funds with proper approval and documentation in accordance with the approved budget.

1.64 NOT be an authorized signer on the bank account.

1.65 Prepare, or have prepared, all required tax returns (form 990/990EZ and sales tax) on behalf of the organization.

1.66 Establish good accounting procedures.

1.67 Establish permanent file for financial related records.

1.68 Present a year-end financial report to the board with copies to the school principal and Internal Audit no later than September 1.

1.69 Cooperate with the review committee or person assigned to audit/review financial records at year-end.

1.70 Turn over all financial records to the new treasurer.

1.71 Perform such other duties as deemed necessary by the directors.

SALES TAX

1.72 Parent organizations that plan on selling any taxable items as fundraisers will need to apply for a sales tax permit. They also need to download a sales tax report from the Comptroller's web site and file it as instructed on the form.

1.73 Sales taxes are due to the State and must be collected when taxable items (i.e. wrapping paper, candles, etc.) are sold to others.

- Sales taxes are due regardless of whether a parent organization has obtained tax-exempt status from the IRS and regardless of whether sales taxes were charged as part of the sales price when the items were sold.

1.74 If a parent organization has obtained an exemption from the State for Texas sales and use taxes, it simply means that the parent organization can purchase items for the organization's exclusive use or for resale (once the items are sold, they are taxable) without paying sales taxes.

1.75 There is a requirement to file at least one sales tax report per calendar year with the State Comptroller's office.

- The State Comptroller will inform the parent organization after filing their first sales tax report if sales taxes must be remitted more frequently (based on taxable sales in one year).
- The State Comptroller's office will generally mail the required reporting forms and information to a parent organization after it has obtained a Sales Tax Permit.

1.76 If a parent organization has a Sales Tax Permit, the State requires that a sales tax report be filed annually even if the parent organization did not sell anything taxable (zero sales tax report).

1.77 The sales tax report can be completed online, if preferred, by going to the State Comptroller's website. Select either "File Tax Due" or "File No Tax Due" (zero tax report).

1.78 Annual sales tax reports are due January 20th each year.

1.79 Since sales tax payments may vary from year to year, the frequency of reporting can also change. The Texas Comptroller's Office will generally communicate changes in filing requirements to the parent organizations in writing.

1.80 In addition, the Texas Comptroller's Office will generally mail the required reporting form and information to organizations that have obtained a Sales Tax Permit.

1.81 For fundraisers in which sales tax must be collected, the parent organization can sell items at a certain price plus sales tax or sales tax may be included in the price. Including sales tax in the price and having the price an even amount such as $10.00 or $10.50 is an easy method to use.

1.82 Your customer must be informed that you are charging sales tax. A posted sign or a statement on a receipt indicating that tax is included in the sales price may be used.

1.83 When a PTO / Booster Club raises funds by acting as a sales representative / agent for a for-profit retailer (i.e., catalog sale) the PTO / Booster Club is not responsible for reporting and paying sales tax.

- The PTO / Booster Club is not considered to be the seller and cannot use a tax-free sale day for these types of sales.
- These types of sales are taxable; therefore, sales tax must be collected for items sold unless they are tax-exempt by law.

SALES TAX CALCULATION

If your sales price included sales tax, you need to do the following calculation to determine your correct amount of sales and sales tax:

Total Sales Amount divided by (1.0 + Tax Rate) = Sales Amount Excluding Tax

EXAMPLE:

Total sales are $1,000 including tax. Tax rate is 8.25% or .0825.

$1,000 ÷ 1.0825 = $923.79 Taxable Sales

$923.79 x .0825 = $76.21 Sales Tax

$923.79 + $76.21 = $1,000.00 Gross Amount Collected Two (2) "One-Day, Tax-Free" Sales Days

Below is a list of some items that are taxable and tax-exempt.

Taxable	Tax-Exempt
• Auctions and Silent Auctions (Unless the item is tax-exempt by law) • Calendars and Day Planners • Candles • Catalog Sales (Unless the item is tax-exempt by law) • Clothing • Flowers and Plants • Gift Wrap Paper, Balloons, etc. • Magazines - when sold individually • Magazine Subscriptions sold for less than 6 months • Pennants • Garage Sales • School Store Items • Spirit Items • Stationery • Yard Signs	• Advertisement Sales • Admissions • Discount / Entertainment Cards and Books • Food sold as a fundraiser with proceeds to be used by the organization • Magazine Subscriptions greater than 6 months • Services - Car Wash, Cleaning • Yearbooks-tax-exempt if sold by the parent organization and not the school.

TAX FREE DAYS

1.84 PTOs / Booster Clubs with the sales tax exemption are entitled to two (2) "one-day, tax-free" sales or auctions per calendar year.

- One day is counted as 24 consecutive hours and a calendar year is the 12-month period from January through December.
- Either the date on which the items are delivered by the vendor to the PTO / Booster Club or the day on which the PTO / Booster Club delivers the items to its customers may be designated as the one-day tax-free sale day.

1.85 The criteria for a one-day tax-free sale have to do with when possession of the items sold goes from the parent organization (which is tax exempt) to the buyer (who is not tax exempt).

1.86 Orders and/or collections could be taken over an extended period before delivery is made. The delivery should be conducted on one 24-hour day (the tax-free day).

1.87 It is recommended that parent organizations use one of these tax-free days during the fall semester and one in the spring semester (unless the nature of a particular parent organization is to have all fundraisers in the same semester).

- This practice ensures that next year's parent organization still have one tax-free day for that calendar year. It is important to communicate this information to next year' officers.

1.88 Orders and/or collections could be taken over an extended period before delivery is made. The delivery has to be conducted on one designated 24-hour day (the tax-free day).

ACCOUNTING AND CONTROL PROCEDURES

1.89 Accounting records should be limited at all times to only those persons whose duties require access.

There should be written instructions on the recording of accounting transactions, preferably in the organization's by-laws.

1.90 All transactions should be recorded in the organization's financial records.

1.91 The parent organization's books should be reconciled to the bank statement monthly.

1.92 There should be adequate separation of duties for as many of the following duties as possible:

- Cash receipting.
- Cash disbursements.
- Authorization of disbursements.
- Accounting records and entries.
- Bank statement reconciliation.
- Deposits.
- Petty cash fund.
- Receiving purchased goods.

1.93 Bank statements should be mailed to the official mailing address of the parent organization, not the home of a parent organization member. This could be the school's address or a PO Box.

- **The parent organization president should review the bank statement before it is given to the treasurer to be reconciled**

1.94 Monthly, the board should receive a financial report prepared by the treasurer, plus a copy of the bank statement and the bank reconciliation.

- The board should set time aside at each meeting to review these reports and ask the treasurer any questions that may arise.
- It is a good idea to review reports monthly. Missing one month's review would require a much longer meeting in the following month to cover possible questions over the financial report.

1.95 Annually, the parent organization should prepare a financial report that includes the following information and submit it to the school's principal and the Internal Audit Office by September 1st:

- Financial report that cover the parent organization's fiscal year.
- A review committee report.
- Submit a copy of the 990 that was filled out and submitted to the IRS.
- Provide a list of the newly elected officers for the parent organization.
- Form 802 Filing confirmation, if applicable

1.96 PTOs / Booster Clubs may provide support to their school in two manners:

- PTO / Booster Club members raise funds for the school.
- Funds are deposited into the organization's bank account.
    - The PTO / Booster Club writes a check to the school.
    - The school deposits the funds into an activity fund at the school.
    - The funds then belong to the school, to be spent at their discretion.
    - All accounting and safeguarding of the funds are the responsibility of the school, once the school has received the funds.
- The IRS prefers that 501(c) (3) organizations use this method, since it provides the "cleanest" procedure to track how the PTO/Booster Club spends its revenues.
    - Using this method, the PTO's / Booster Club's financial report would show a clear path of revenues generated and expended exclusively for its purpose, to support the school.
    - In addition, this method reduces the amount of paperwork and responsibility for the PTO / Booster Club related to the accounting for the revenues and expenses of the school.
- PTO / Booster Club members raise funds for the school. Funds are deposited into the organization's bank account.
    - The PTO / Booster Club writes checks to the individual vendors for the expenses related to the school through their bank account.
    - All accounting and safeguarding of the funds are the responsibility of the PTO / Booster Club.

BANK ACCOUNTS

2.0 Once an EIN has been received, use it to open a bank account. Each parent organization must have a separate bank account at a facility in proximity to the school.

2.1 Banks cannot open an account using the District's EIN or its Texas Sales Tax Permit Number. DO NOT USE the social security number of a parent organization officer to open your bank account.

2.2 A basic checking account would be the best type of account to open.

- It is recommended that no debit or credit cards should be issued for the bank account and that no funds should be wired from the account or transferred from this account to any other account. This prevents money from being removed without the proper board member's approval and two authorized signatures on each check.

2.3 The District recommends that at least two authorized signatures be required for each check written to assist in establishing good internal controls over check disbursements.

- The PTO/Booster Club should designate at least one or two back up signers in the event one of the regular signers is unavailable. **All authorized signers must be organization members and may not be school district employees.**

2.4 The parent organization's treasurer should not be an authorized check signer since he/she prepares the checks and maintains the financial records.

*****Please note that the treasurer or check signer CANNOT be an employee of Conroe ISD in any capacity. This means that they cannot have a Conroe ISD employee number.**

2.5 Each month, the bank statement should be received, opened, and reviewed by an officer without signature authority (that is not a signer) on the organization's bank account.

- This person should review checks written to signers, check that all activity (deposits and expenditures) seems normal, and balance seems reasonable.
- Then the bank statements would be given to the treasurer to be reconciled.

2.6 Bank account(s) should be reconciled monthly.

2.7 Each month the treasurer should present a financial report, bank statement, and bank reconciliation to the principal and the board for their review.

CARRY OVER BALANCES

3.0 No rule or regulation exists concerning the amount of funds that a parent organization can have in their account. The parent organization should have a minimum amount that would be carried over to the new officers so they have funds to start the new school year.

- While not required, it is recommended that each parent organization carry over approximately $2,500 from year-to-year.
- Excess money should be "earmarked" for specific purposes, and designated as such in the treasurer's records. No special forms need to be filed with the IRS or the District for this "earmarked" money.

3.1 The parent organization should spend the funds raised during the year that it raised the funds. This allows current students and parents to see the benefits from the funds raised.

3.2 The parent organization may save the money raised over a couple years for a large item or trip. Be sure to inform the membership of why an excess in funds exist and explain how the funds will be used.

COLLECTIONS FOR SPECIFIC INDIVIDUALS OR FAMILIES

4.0 Although staff, students, and parents want to assist individuals and families in times of need, service projects or fundraisers may not be held by PTOs, Booster Clubs, student groups, schools, or the District for individuals or families for death or injuries in tragic accidents, major illnesses, fires, or any other reason.

4.1 Collecting or raising funds for these situations must be done by the family who may set up a special account at a financial institution. Donations can be made by individuals or businesses by sending checks to the financial institution for the particular individual or family. Also, individuals or families may set up online accounts to receive funds.

- For donors, contributions to individuals or families are not tax deductible for income tax purposes.
- For the individuals or families, the money received is taxable.

CONFLICT OF INTEREST

5.0 Officers and members must avoid any conflict between their personal interests and the interest of the parent organization.

5.1 Officers and members must avoid actual conflicts of interest and the appearance of conflicts of interest.

5.2 Officers and members must perform the day-to-duties with integrity and in an ethical manner.

CONTRIBUTIONS/DONATIONS

6.0 Contributions Received

- Parent organizations may receive monetary or non-monetary contributions from individuals or businesses.
- In addition, those parent organizations that have received a Determination Letter from the IRS granting 501(c) (3) tax exemption are allowed to receive **tax-deductible contributions** in accordance with IRS Regulation 170.
- To allow the individuals or businesses to deduct these contributions on their tax returns, the parent organization must provide them the organization's EIN and indicate that the parent organization is a 501(c) (3) organization.
- If your organization is not a 501(c) (3), contributions or **donations are not tax-deductible**. In addition, you must inform the individual or business that the contributions or donations are not tax-deductible.
- For contributions received, the parent organization may want to send a thank you note that includes the EIN number for your organization. For contributions of $250 or more, a note is required.
- For cash contributions, the thank you note should indicate the name of your organization, the date of the contribution, and the amount of the contribution.
- For non-cash contributions, the thank you note should indicate the name of your organization, the date and location of the contribution, and a reasonable detailed description of the property. The estimated value should not be included in the thank you note. It is the responsibility of the individual or business that provided the gift to determine the value that they would report on their tax return.
- If contributor/donor requests a copy of the parent organization donation letter, provide a copy to them.
- Even though contributions or donations received will ultimately support the student group at a school, the gift is still considered to be a gift to the parent organization and not to the school or to the District.

6.1 Quid Pro Quo Contributions Received

- According to the IRS, a charitable organization, such as a parent organization that is a 501(c) (3) organization, must provide a written disclosure statement to donors who make a payment, described as a "quid pro quo contribution," in excess of $75.

- A quid pro quo contribution is a payment made partly as a contribution and partly for goods or services provided to the donor by the charitable organization.
    - An example of a quid pro quo contribution is where the donor gives a parent organization $100 in consideration for a concert ticket valued at $40.
    - In this example, $60 would be deductible. Because the donor's payment (quid pro quo contribution) exceeds $75, the disclosure statement must be furnished, even though the deductible amount does not exceed $75.
- Separate payments of $75 or less made at different times of the year for separate fundraising events should not be aggregated for the purposes of the $75 threshold.
- The required written disclosure statement must:
    - Inform the donor that the amount of the contribution that is deductible for federal income tax purposes is limited to the excess of any money (and the value of any property other than money) contributed by the donor over the value of goods or services provided by the charitable organization, and
    - Provide the donor with a good-faith estimate of the value of the goods or services that the donor received.
- The parent organization must furnish the statement in connection with either the solicitation or the receipt of the quid pro quo contribution.
- If the disclosure statement is furnished in connection with a particular solicitation, it is not necessary for the organization to provide another statement when the associated contribution is actually received.

6.2 Direct Contributions

- When the parent organization contributes directly to the school, the parent organization should receive a Contribution Acknowledgment Form from either the school or the District. A District employee should complete the form and give the original copy to the parent organization for their records.
- Example: Intermediate School PTO is funding a portion of the 5th grade's field trip. The trip costs $5,000 and the PTO has agreed to pay $3,500 of the expense. Therefore, the students or school must pay the remaining
- $1,500. The $3,500 that the PTO donated is considered a contribution to the District and should be documented on the Contribution Acknowledgment Form.
- The school may request that a parent organization provide a list of contributions made to the school.

- The Contribution Acknowledgment Form may reference this list; thus, eliminating the need to have a form completed for each contribution.
    - The schools are required to report contributions received at the end of each semester; therefore, your school may request the list of contributions from parent organizations twice a year.
- The Contribution Acknowledgment Form should be kept with the parent organization's financial records. The form can be used as substantiation to the IRS that the parent organization is using the funds raised in the manner approved by the IRS as a 501(c) (3) organization.
- If students from the parent organization's school are being transferred to a new school, the parent organization may donate funds to the feeder school's parent organization. The amount donated may be calculated based on the amount of students transferring to the feeder school. The total amount donated is up to the parent organization.

CORPORATION REPORTING

7.0 A nonprofit corporation is required by law to file an informational report not more than once every four years upon request by the Secretary of State.

7.1 The report provides the following:

- Information regarding the corporation's registered agent and registered office (preferably the principal / sponsor and school address), and
- The names and addresses of its current officers
- The report is required regardless of the corporation's tax status.

7.2 Once requested, the report must be completed and filed with the Secretary of State to avoid termination of the corporation.

EXPENSES

8.0 For expenses of the parent organization, the appropriateness of an expense depends on the purpose of the organization. A PTO would focus on the school as a whole; whereas, a booster club would focus on a particular student activity.

8.1 The parent organization funds cannot be used for:

- Gifts to principals / sponsors
- Gifts to the president / officers
- Alcohol
- Software/Applications
- Books

9.0 Tax-exempt organizations must benefit a group as a whole instead of benefiting individual members of a group.

9.1 Since parent organizations usually assist schools / student groups, all students of the school / student group are to be treated equally and receive the same opportunity to benefit from the parent organization's assistance.

- **Therefore, one student cannot receive a greater benefit than another unless the criteria for financial need discussed below is met.**

9.2 In some instances, individuals may not be able to afford to pay the amount owed to participate in a particular event.

- The IRS has indicated that a group or club may establish criteria that could be used to determine if a person is in financial need.
- If the criteria are met, the group or club could provide the necessary funds to allow the individual to participate.
- The criteria should be established in writing prior to a particular situation arising. In addition, the criteria should be used consistently for all people, and the criteria remains consistent and should not change each year based on a particular student or family.

FINANCIAL AND REVIEW REPORTS

10.0 At each parent organization meeting that includes its general membership, the treasurer must present a written treasurer's report of the money received and expended since the last report.

10.1 If monthly parent organization meetings are not held, then a treasurer's report should be prepared monthly. With the principal's approval, a copy of the treasurer's report should be kept at the school's front office for review.

10.2 Each year parent organizations are required to submit a written report of actual revenues and expenditures for that school year to the principal, sponsor and the Internal Audit Department by Sept. 1st, of the following year. The Financial Report and Review Report are not audited by the District.

10.3 The Financial Report and the Review Report must be presented at a parent organization meeting that includes its general membership by Oct. 31, of each year, or a copy should be available at the school's front desk for review.

10.4 The Financial Report should include:

- Name of school, name of the parent organization, and the time period covered in the report.
- Actual revenues and expenditures for the reporting period. The current year report should start at the point in time where the prior year report ended. For example, if the 2025-26 report ended on May 31, 2026, then the 2026- 27 report will begin as of June 1, 2026.

10.5 Since parent organizations may start their new year at various times, the time period used for reporting actual revenues and expenditures may vary from organization to organization; however, the individual parent organizations should be consistent in the time period they use from year to year.

- It is helpful to provide a breakdown of the source of revenues and reason for expenditures.
- Name, title, and signature of person who prepared the report.
- Date the report was prepared.

10.6 The parent organization may want the time period used for reporting purposes to coincide with the school year and with the election of new officers.

10.7 Parent organizations participating in the CISD Educational Support Groups, Inc. must use May 31 as their year-end.

FINANCIAL REPORT

10.8 There are three types of Financial Reports that may be used

- **Type 1** - This example is a cash basis financial report that includes the beginning and ending cash balances for the year. Money received is shown as income and money paid is shown as an expense.
  - The beginning cash balance for the current year should agree to the ending cash balance from the prior year.
- **Type 2** – This example is an accrual basis financial report that includes assets, liabilities, equity, income, and expenses.
  - This report would include the cash transactions, but would also show amounts to be received or amounts to be paid in which money has not yet been exchanged, prepayments of expenses that have not yet been incurred, or receipt of amounts in which income is not yet recognized
  - The retained earnings amount should agree to the total equity amount from the prior year.
- **Type 3** – These statements (Fundraising Summary Statement and an Activity Summary) were prepared by a CISD PTO Treasurer whose board has approved the detail these statements provided about fundraisers, revenues and expenses. This type of statement helps simplify preparation of the IRS Form 990.

Examples of Financial Reports are included in the Appendix

REVIEW REPORT

10.9 Each parent organization is required to have an organizational committee conduct an annual review of the organization's Financial Report and the related financial activity for the school year.

- The review may be internal or external. An internal review committee includes officers and organization members; however, the committee should have at least one non-officer member review the information.
- A CPA or other outside party may perform an external review at the parent organization's expense. The organizational review committee, whether internal or external, should prepare a written Review Committee Report that communicates the results of the review to the organization.

10.10 This report should be presented to the parent organization board, the school principal and the Internal Audit Department on an annual basis no later than September 1 for the prior school year.

10.11 **The treasurer(s) and Assistant Treasurer(s), if applicable, should not be on the Review Committee. Since they are reviewees, they cannot also be the reviewers. However, they may meet with the committee or external reviewer to explain their records or answer questions.**

10.12 An internal Review Committee should use the examples of Review Reports included in the appendix).

- However, an external party should show the results of the review in their own report format with their signature and date included.
- Although the examples included show spaces for four (4) members, the parent organization may have more or fewer committee members. However, the same information must be documented for each committee member, as opposed to the group, regardless of the size of the committee.

10.13 There are three types of reports that may be used (Example in Appendix)

- **Option A –Review was performed with no exceptions noted**; therefore, the Financial Report appears proper and correct.
- **Option B - Review was performed with immaterial exception(s) being noted.** The Financial Report was either corrected, or exceptions did not have a material effect. Except for these minor exceptions, the Financial Report appears proper and correct.
- **Option C -Review was performed with material exception(s) being noted.** Because of the material exception(s), the Financial Report is not proper and correct.

10.14 In some instances, due to material exception(s), the committee may not be able to determine whether the Financial Report is proper and correct.

- When this situation occurs, the committee may state that the status of the Financial Report cannot be determined because of material exception(s).

10.15 Have the treasurer prepare the written report of revenues and expenditures (Financial Report) for your Parent Organization. The report should include information for the twelve months after the ending date of the previous year's Financial Report.

10.16 The review must cover the period beginning with the reconciled cash balance from the previous written Financial Report and ending with the reconciled cash balance from the last day of the time period reported by the parent organization.

10.17 If the parent organization is using a retained earnings account, then the beginning retained earnings should equal the prior year's ending retained earnings balance.

10.18 Review the reconciled bank statements and canceled checks to determine that:

- Disbursements have been properly documented with an invoice or receipt,
- Disbursements have been properly approved,
- Checks have been properly signed by two authorized signers,
- Checks have been deposited or cashed by the payee indicated and that no information on the face of the check has been altered, and

- Checks have been accounted for in the proper sequence (no missing checks).

10.19 Check addition and subtraction on cash receipts and deposits.

10.20 Compare cash receipts and deposits to the bank statement. Note if there is a delay from the time the checks were written until they are deposited.

10.21 Verify that receipts and disbursements were recorded to the correct account category.

10.22 Review the treasurer's monthly reports and check them for accuracy. Review the beginning and ending balances on reports to verify that correct ending balances were carried forward as beginning balances on subsequent reports.

10.23 Determine that only applicable parent organization officers are authorized signers on the bank account(s). Former officers should not remain on the account(s) as authorized signers.

10.24 In addition, the principal, the principal's secretary, or the financial secretary cannot be an authorized signer on the parent organization's bank account(s). Other District employees also cannot be authorized signers on the parent organization's bank account(s).

10.25 Obtain proof that all applicable sales tax reports were submitted to the Texas Comptroller's Office and that related taxes were paid.

10.26 Determine which two fundraisers were chosen to be the "one-day, tax-free" sales/auctions, if applicable. Only parent organizations that have received an exemption from the Texas Comptroller's Office are allowed two (2) "one-day, tax- free" sales/auctions per calendar year.

10.27 Review the tax-exempt status of the parent organization to determine that the organization has received and maintained its federal tax-exempt status as a public 501(c) (3) charitable organization or other tax-exempt status deemed by the IRS.

10.28 Determine that-

- The appropriate Form 990 has been filed properly with the IRS for the prior school year if the parent organization is a tax-exempt charitable organization. Almost all non-profit organizations must file one of the 990 forms. or
- Form 1120 has been filed properly with the IRS for the prior school year if the parent organization is not tax-exempt.

10.29 Determine that the parent organization has not used individual accounts, which credit funds raised to individual students or parents.

10.30 Verify that 1099s were issued, if applicable. In general, you may have to issue a 1099-MISC (Miscellaneous Income) for each person to whom you have paid at least

10.31 $600 in rents, services, prizes & awards, attorney fees, and other similar situations within a calendar year.

Example: High School Booster Club hires a consultant during the spring of the 2025-26 school year for a $300 fee. The consultant is hired again in the fall of 2026- 27 school year for a $300 fee. The Booster Club should issue a 1099-MISC form to this person since the total paid within the 202-calendar year is $600.

10.32 If exceptions are noted during the review, consult with the organization's treasurer and president (if necessary) to resolve the exception(s). The treasurer is responsible for making any corrections to the records, checkbook, and Financial Report.

10.33 If material exceptions have been noted, prepare recommendations to prevent the future occurrence of these exceptions.

10.34 The organization's treasurer and president are responsible for acting upon the recommendations made by the PTO / Booster Club Review Committee.

10.35 After the review is complete, prepare the applicable Review Report (only one report type may be used per review):

10.36 The Review Report includes reviewer's name, title, and signature. The time period stated in the Review Report, should agree with the time period covered in the Financial Report.

10.37 Retain the original parent organization Financial Report and the original parent organization Review Committee Report on file with the treasurer of the parent organization.

PLEASE SEE EXAMPLES OF REVIEW REPORTS IN THE APPENDIX

FUNDRAISING

11.0 A parent organization or booster club desiring to conduct a fundraising activity in a District school must submit to the campus principal or designee a request containing the following information:

- Purpose of the fund raising.
- Type of activity.
- Date(s) and time(s) of the activity.
- Name of the person who will be handling the money.
- Name of sponsoring organization and representative.
- Estimated amount of money to be raised.

11.1 Each request for approval of a fundraising activity must be made separately.

11.2 All fundraisers must be submitted to the school principal for approval prior to being scheduled by a parent organization.

11.3 The school principal will set the number of fundraisers allowed by each parent organization on his/her campus.

11.4 Fundraiser information should be submitted to the principal no later than October 1 for the fall semester and March 1 for the spring semester.

- Requests not submitted by these dates may be discussed with the principal, but may not receive approval for preferred dates or fundraiser items if those have already been granted to another parent organization.

11.5 Fundraiser requests must be submitted at least 30 school days prior to the proposed activity.

11.6 After the fundraiser is over, completing a Financial Recap within two weeks is a helpful way to determine if the fundraiser was profitable.

11.7 Any items unsold after the fundraiser is completed should be inventoried and monitored by one of the officers.

11.8 Parent organizations that are tax-exempt organizations may not require individuals to participate in its fundraising efforts even though those individuals, or their children/students, may benefit from those efforts.

11.9 These organizations may not require individuals to "donate" or otherwise pay any money in lieu of participation in fundraising efforts.

11.10 If an individual chooses not to participate in fundraising, that individual, or their child/student, may not be denied any benefit resulting from the funds raised nor can that individual be penalized for choosing not to participate.

11.11 Benefits resulting from fundraising efforts may not be based on participation in fundraising efforts or on revenues raised individually. All revenues raised must be shared equally among the group regardless of individual fundraising efforts.

> **Example:** Junior High PTO is having a fundraiser to help pay for a field trip. The trip costs $5,000 for 100 students, or $50 per student.
>
> Only 75 of the 100 students participate in fundraising. A total of $1,500 is raised by these 75 students, and each student raised a different amount. The $1,500 must be allocated equally among all 100 students ($15/student), and the remaining $3,500 cost of the trip will be born equally by all 100 students ($35/student).

11.12 The IRS considers fundraiser proceeds that are credited to individual student accounts to be personal taxable income to the student and/or student's family.

11.13 One benefit of tax-exempt status for a parent organization is that individual donations will be deductible by the donor as charitable contributions. These donations are not deductible if the funds were recorded in individual accounts.

11.14 Parent organizations that use individual accounts can lose their tax-exempt status since they no longer meet the criteria set forth in IRS Publication 557 for non-profit organizations, "No part of the net earnings of the organization shall inure to the benefit of, or be distributable to, its members, trustees, officers or other private persons…"

FUNDRAISING: IMPROVEMENTS TO CAMPUS FACILITES

11.15 Booster/Support organizations may donate improvements to local campus facilities under certain conditions. The following restrictions apply to all such improvement request:

- All improvements to District facilities become the property of the District.
- All proposals for athletic facility improvements must first be approved by the campus principal and the District Athletic Director.
- In addition, proposals for improvements to athletic facilities must be reviewed and approved by the Planning and Construction Department for compliance with safety, handicap access, school facility code requirements, local building code requirements, permit issues, quality standards, unanticipated utility impacts and improvements, parking impacts, etc.
- Improvements which will require substantial or significant ongoing operational costs may not be approved.
- Improvements which create a Title IX obligation for the District to correct will not be approved. Such improvement plans should take this into consideration and address equity issues as part of the proposal.
- When the improved facilities must be replaced as part of the lifecycle program, the District will replace the facility at the District standard. For example, baseball and softball chain link fences are replaced by wood fences. After years of use, the fences rot and need to be torn down. The District will rebuild the fence at the current standard for that facility.
- Athletic facility improvements which provide what is deemed to be a significant competitive advantage for teams (as deemed by the Athletic Director) will not be approved.

12.0 If your parent organization does not have a tax-exempt status, Form 1120, U.S. Corporation Income Tax Return should be properly filed with the IRS for the prior school year. The return is due by the 15th day of the 3rd month after the end of your tax year.

12.1 If your parent organization has an active tax-exempt status, each parent organization must file an exempt organization information return Form 990-N, 990-EZ, or 990, Return of Organization Exempt from Income Tax. The return is due by the 15th day of the 5th month after the end of your tax year. For example, if your tax year ended on June 30, the Form 990 is due Nov. 15. The IRS will automatically revoke your tax-exempt status if you fail to file the appropriate 990 form for three consecutive years.

Below is a summary identifying which form your organization should use:

Use Form	If your gross receipts for the year…	AND / OR	…Total Assets for the year
990	were $200,000 or greater	OR	are $500,000 or more at year end
990EZ	were more than $50,000 but less than $200,000	AND	less than $500,000 at year end
990N	were $50,000 or less	N/A	N/A

12.2 For more information regarding documents or regulations your PTO / booster club might need, please go the view How to stay exempt on IRS.gov. Publications on this site include Form 990, 990-N and 990-EZ Filing Tips.

IRS REINSTATEMENT OF 501(C) (3) TAX-EXEMPT STATUS

12.3 An exempt parent organization that does not file the appropriate 990 form for three consecutive years automatically lose their tax-exempt status.

- A revocation is effective on the original filing due date of the third annual return or notice.
- If an organization's tax-exempt status is automatically revoked, it is no longer exempt from federal income tax. Therefore, it may be required to file a Corporate Income Tax Return and pay applicable income taxes.

12.4 A PTO / booster club whose tax-exempt status is revoked is not eligible to receive tax-deductible contributions.

12.5 Organizations that were eligible to file Form 990-EZ or 990-N (ePostcard) may have their tax-exempt status retroactively reinstated to the date of revocation if they:

12.6 Have not previously had their tax-exempt status revoked.

12.7 Complete and submit Form 1023 with the appropriate user fee not later than 15 months after the later of the date of the organization's revocation letter, or the date the organization appeared on the revocation list on the IRS website.

RETROACTIVE REINSTATEMENT PROCESS (WITHIN 15 MONTHS)

12.8 Organizations that cannot use the Streamlined Retroactive Reinstatement Process (such as those required to file Form 990 or those that were previously auto-revoked) may have their tax-exempt status retroactively reinstated to the date of revocation if they:

12.9 Complete and submit Form 1023 with the appropriate user fee not later than 15 months after the later of the date of the organization's revocation letter, or the date the organization appeared on the Revocation List on the IRS website.

12.10 Include a statement establishing that the organization had reasonable cause for its failure to file a required annual return for at least one of the three consecutive years for which it failed to file.

12.11 Include a statement confirming that it has filed required returns for those three years and for any other taxable years after that period and before the post-mark date of the application for which required returns were due and not filed.

12.12 For additional information regarding on how to reinstate your organization, please go to the IRS website.

MAILING ADDRESS

13.0 If the mailing address for the parent organization changes, immediately notify the District, the Texas Secretary of State, the Texas Comptroller's Office, and the IRS.

13.1 To avoid frequent mailing address changes, the IRS and the Texas Comptroller's Office recommend that each parent organization obtain its own post office box (PO Box) or private mailing box (PMB) to be used for official parent organization mail. This address and box keys can be given easily to the new officers at the beginning of the year.

13.2 The school's address may be used as the parent organization's official address. The parent organization should be aware that it may not receive mail in a timely manner when the school is closed (i.e., summer vacation and some holidays).

13.3 Please understand the importance of maintaining a consistent mailing address for the parent organization.

13.3.1 First, you will save time since you will not have to update your address each year to the District, the Texas Secretary of State, the Texas Comptroller's Office, the IRS, and your bank as you would if you used someone's home address.

13.3.2 Second, parent organizations receive several important documents from these agencies throughout the year, and if the address changes frequently, some of these documents could be lost or misplaced. The IRS mails forms and other correspondence to parent organizations periodically. If these forms are not completed and returned to the IRS within a specific time period, a parent organization could lose their tax-exempt status and possibly face fines and penalties.

13.4 The District does not recommend using a home address since officers change frequently.

13.5 Form 8822-B is available to you for reporting a change of address to the IRS.

MEMBERSHIP DUES

14.0 Parent Organizations may charge dues to their members (the parents and teachers); however, parents and teachers do not have to be members of the parent organization for their child(ren) or students to receive benefits from parent organization activities.

- Membership dues are separate from the expenses incurred by a student for an activity (i.e., trip expense).
- Membership dues are associated with the parents being part of the parent organization and are in no way associated with student expenses.
- The amount is decided and voted upon by the parent organization board.

MONEY HANDLING PROCEDURES

15.0 Money refers to cash, checks, money orders, or cashier's checks. The following are suggestions related to handling money to assist in ensuring proper accountability.

RECEIVING MONEY

15.1 The cashing of checks out of cash receipts or petty cash should be prohibited.

15.2 The person receiving the money while in the presence of the person turning in the money should count all money received (face-to-face verification).

15.3 The person receiving the money should give a receipt to the person delivering the money (both parties should retain their copy of the receipt).

15.4 Multi-part cash receipts should be written for all money received.

- One copy should be given to the payee and another copy maintained in the cash receipt book. A third copy (if available) should be attached to any deposit documentation and filed with a copy of the deposit slip. These procedures may change if you use an online receipting system.

15.5 Incoming checks should be restrictively endorsed immediately upon receipt with an endorsement stamp that has the parent organization's name, the bank's name, and the bank account number.

15.6 Post-dated checks should not be accepted from any source.

15.7 Receipts should indicate whether cash, check, money order, or cashier's check was received; date of the receipt; and signature of person receiving the money.

15.8 All copies of voided cash receipts should be retained in the cash receipts book.

15.9 If a money order or cashier's check is received, the receipt should indicate the total check amount; brand name of the money order or the issuing bank's name of the cashier's check; and the complete check or money order number.

- If a copy of the money order or cashier's check is made, the inclusion of this additional information on the receipt is not necessary.

15.10 Copies or a list of checks, money orders, and cashier's checks received should be made to assist in recovery of money if these items are lost, stolen, or returned due to insufficient funds.

15.11 Money collected should not be spent for needed items, but deposited. Checks should be written for all items purchased.

15.12 Post-dated checks should never be accepted. A post-dated check is a check that has been dated after the date the check is given to the payee.

15.13 If a student or parent owes money to a parent organization, the amount owed can be included on the school's Student Fines and Fees List.

- The money owed should be paid to the parent organization and not to the school.
- The parent organization should keep the school updated on money received related to the parent organization items included on the Student Fines and Fees List.

ACCOUNTING FOR RETURNED/HOT CHECKS

15.14 Returned checks should be redeposited immediately or otherwise promptly collected. Only accept cash or a cashier's check in repayment for a returned check.

15.15 Remember to add the bank charge for returned checks to the amount you request as repayment when a check "bounces". Ex: A check for $10 is returned. The bank fee is $30 for returned checks. You should request $40 from the payee to cover this returned check.

15.16 When notified by the bank of a returned check, a phone call from the Treasurer or the President to the payer is the quickest way to notify them of their "bad check" and request their repayment.

- If they do not repay within one-to-two weeks, send a letter notifying them of the returned check and requesting repayment.
- Remember to document all collection efforts and keep a copy of all notes and letters you mail requesting payment.

15.17 Accounting entries for each returned (hot) check should be made upon receipt of the returned check from the bank.

RECORDING AND DEPOSITING MONEY

15.18 **All monies received for deposit should be counted and receipted in the presence of the individual turning in the money.**

15.19 Any monies received should be deposited promptly. Money received in a school can be secured in a locking bank bag and locked in the school safe until it can be deposited. Money stored in the safe should not be held over weekends or school holidays.

15.20 Prior to depositing money, at least two people should count the money. The money should be counted at the school. Do not take any money home.

15.21 All money should be delivered to the parent organization treasurer to deposit funds daily.

- When face-to-face verification cannot be done at the time the money is turned in, the money should be put in a sealed tamper-proof bag or a sealed envelope with the name of the person turning in the money, date, and the reason money was collected.
- The treasurer should also sign and date the sealed bag or envelope and then secure it in the safe until a face-to-face count can be done.

15.22 Receipts should be reconciled with all money turned in and deposited.

15.23 Money received should only be deposited in the parent organization's account(s).

15.24 All checks for deposit should be listed separately on a deposit slip or supported by an adding machine tape.

- A minimum of two adding machine (calculator) tapes should be run to ensure accuracy.
- A good practice is to write the number of checks deposited on the deposit slip when the checks are too numerous to list.

15.25 Receipt numbers and/or range of receipt numbers should be written on all deposit slips.

15.26 Deposit slips should be retained and reconciled monthly to the account.

15.27 The bank validated deposit slip should be returned to the treasurer to verify each deposit.

DISBURSING MONEY

15.28 Require two signatures on each check.

15.29 "Blank" checks should never be issued and checks should never be pre-signed.

15.30 Original invoices or cash register tapes should be attached to the file copies of all checks as support for the payment.

- If several invoices or register tapes are submitted for reimbursement, an adding machine tape should be run and attached. This total should agree to the check total.

15.31 Boards should include in their by-laws the approvals required for check disbursements and the steps to follow when members submit receipts for reimbursement.

SAFEGUARDING MONEY

15.32 Have people that handle money bonded. This protects against embezzlement, but not theft.

15.33 Do not keep any money in an unlocked drawer, unlocked filing cabinet, vehicle, or other unsecured place. Consider purchasing a safe for the parent organization (see Safe section below).

15.34 Do not store the records of the money received (i.e., receipts, copies of checks) in the same place as the money.

15.35 If records and money are stored together and a theft occurs, the record of the money may be taken along with the money.

15.36 Subsequently, determination and recovery of losses would be more difficult.

15.37 Money received and not yet deposited should not be used for purchases, check cashing, loans, advances, reimbursements, or for any other purpose.

15.38 All unused checks should be kept safe and secure at all times.

15.39 The sequence of check numbers should be accounted for when reconciling the bank statement to the parent organization's books.

15.40 Issuing checks payable to "Cash" or to the "Sponsor" should be avoided. The IRS may examine these transactions in more detail than other transactions. If a check must be payable to "Cash" or to the "Sponsor," keep detailed documentation of the expense or use of the funds.

SAFES

15.41 Do not keep money in the school's safe. Safes are available for Parent Organizations to purchase.

- The school/District is not responsible for any damage or loss of a parent organization's money kept at the school whether it is held in a PTO safe located at the school or not.

15.42 If your parent organization would like to purchase a safe that would be located at your school, you need to receive your principal's / sponsor's approval.

- The principal / sponsor would also need to approve of the safe's location.
- Some schools may not have space available to allow a safe to be installed.

15.43 Features recommended include having a drop feature (top, front, rear) and an electronic lock (keypad).

- The drop feature allows people to put items in the safe without needing the combination.
- The electronic lock versus the dial combination would allow the parent organization to change the combination as needed.
- The dial combination would have to be changed by a safe technician resulting in a fee for the change in combination.

15.44 A safe may be purchased from any vendor that the parent organization chooses.

- Some parent organizations may want to have the safe bolted to the slab versus having the safe just sitting on the floor.
- If you would like the safe bolted to the slab, only certain companies are authorized to perform that type of work in our District because of certain qualifications and insurance that the vendor must have.
- Contact the District's Purchasing Department at (936) 709-7705 to determine which vendors may install safes that are bolted to the slab.
- In addition, the school may need to submit a building modification form as discussed in Section 4, Expenditures and Purchasing, of these guidelines.

15.45 In deciding whether to install a safe at a school or if a parent organization already has a safe located at a school, parent organizations should consider the following:

- The District's insurance does not cover the property of others, such as the parent organization's safe and its contents.
- Therefore, if a parent organization would like to have their safe and contents insured, the parent organization would need to contact an insurance company to purchase this insurance.
    - If no insurance is purchased or available, the parent organization is still solely responsible for any of these losses.
- If a parent organization does purchase a safe, changing the safe combination as officers' change is recommended.
- The safe combination should be known only by a limited number of people. No school personnel should be given the combination to the safe.

PAYING AND REPORTING OF WORKERS

16.0 Any individual, including a District employee who is hired by the parent organization must be paid directly by the parent organization and not through the District.

- There are many technical and legal issues that arise if they are paid by the District.
- These issues include overtime pay; use of weighted average hourly rates; payment of TRS, taxes, and other benefits; and the advancing of District funds that is prohibited by law.

16.1 In some situations, parent organizations that hold events at District facilities may be charged for staff that must be on hand for the event or to clean up after an event.

- The pay is appropriately is processed through the District through the facilities use charges.
- These employees are doing work for the District and not the parent organization.

16.2 Remember that federal law requires that a parent organization paying $600 or more to an individual during any calendar year must account for this income through the issuance of a 1099 form.

- This includes an individual who is paid $600 or more for "cultural arts events."
- The parent organization will need to get social security numbers from all workers.
- This can be done by having them complete a W-9 form. It is best to have the W-9 completed before paying the worker.

16.3 Also remember that the parent organization is responsible for its volunteers and workers during parent organization events or activities, including injury or theft.

Certain District employees cannot be hired by a parent organization to perform work that includes the handling of money. These positions include principals, financial secretaries, and principal secretaries.

PROJECT PROM INCENTIVES

17.0 Booster clubs may give "bonus bucks," "coupons," or "points" as an incentive to get parents to participate in project prom events and earn extra chances for their senior to win a prize or prizes at their after-prom event.

- If the following three (criteria) are met, then these incentives may be used:
- Every student attending the after-prom event receives some incentives for just attending the event.
- Incentives are used to only have chances to win prizes.
- Everything at the after-prom event is free.

17.1 **The incentives cannot be used towards the purchase of a prom ticket.** The incentives can be earned for volunteering for various project prom activities including fundraisers.

17.2 The use of incentives is only approved for project prom. The incentives are very similar to individual accounts that are not allowed. However, individual accounts are used normally to offset personal costs for a student for an event or trip.

RECORD RETENTION

18.0 Parent organizations 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.

18.1 The record file should contain at least the following items on a permanent basis:

- Certificate of Formation (formerly called "Articles of Incorporation") Articles of Association
- Bylaws/Charter/Constitution
- Minutes from meetings
- Sales Tax Permit Application (if applicable)
- Sales Tax Permit
- Certificate of Formation of Nonprofit Corporation from the State of Texas (if applicable)
- State Sales Tax Exemption Notification
- State Franchise Tax Exemption Notification (if incorporated)
- **Federal Records:**
- Copy of IRS Form SS-4, Application for Employer Identification Number
- Copy of IRS Form 1023, Application for Recognition of Exemption, with all attachments
- Copy of IRS Form 8718, User Fee for Exempt Organization Determination
- Letter Request, and copy of check sent to IRS with this form
- Determination Letter

18.2 Before discarding any records, confirm with the Texas Comptroller's Office and the IRS that your organization is in good-standing and that no open items or issues exist related to the period involving the records that you would like to discard.

18.3 According to IRS disclosure requirements, if someone requests to view any of your tax applications, forms filed, or tax returns, you must provide complete copies of the material.

You may charge a nominal fee for copying, not to exceed the current governmental rate.

SUSPENDING A PTO/BOOSTER CLUB

19.0 Some parent organizations may have insufficient support to maintain an organization. Another significant event such as the organization's 501(c)(3) tax-exempt status revoked by the IRS may occur.

- In these instances, suspending the operations of the parent organization may be needed. The suspension may be voted on by organization or the decision may be made by the principal. The suspension must be noted in the records of the organization.
- In suspending a parent organization, the organization may resume activity once parent support is sufficient or once significant events have been rectified.

19.1 Before suspending the operations of a parent organization, discuss the situation with the principal / sponsor. Then contact the Internal Audit Department for further guidance since certain steps must be taken related to the District, the State, and the IRS to properly suspend the organization.

APPENDIX

PTO INFORMATION SHEET

Send updated copy of this form to your school principal and to Internal Audit as new officers are elected or as information changes.

1. **Organization Name** _____
2. **School Name:** _____
3. **Employer Identification Number (EIN):** _____
4. **Official Mailing Address:**

   PO Box / Street Address: _____

   _____

   City, State, Zip: _____
5. **Date of Change:** _____/_____/_____
6. **Current Organization Officers for the**_____ _____**School Year**
7. **Club Sponsor (If PTO/PTA, please list school Principal)**

   Name: _____ Email: _____
8. **Current Organization Officers:**

Office Held:		
Printed Name:		
Phone Numbers:	**Home:**	**Other:**
Email Address:		

Office Held:		
Printed Name:		
Phone Numbers:	**Home:**	**Other:**
Email Address:		

Office Held:		
Printed Name:		
Phone Numbers:	**Home:**	**Other:**
Email Address:		

Current Organization Officers (continued):

Office Held:		
Printed Name:		
Phone Numbers:	**Home:**	**Other:**
Email Address:		

Office Held:		
Printed Name:		
Phone Numbers:	**Home:**	**Other:**
Email Address:		

Office Held:		
Printed Name:		
Phone Numbers:	**Home:**	**Other:**
Email Address:		

Office Held:		
Printed Name:		
Phone Numbers:	**Home:**	**Other:**
Email Address:		

Office Held:		
Printed Name:		
Phone Numbers:	**Home:**	**Other:**
Email Address:		

By law, the information on this page is public information and must be released to the public as requested.

DUE DATE CHECKLIST

Due Date	Report	Due To
As Soon as Available	Meeting & Activity Calendar	Principal & Post for all
September 1 Update for any changes after date passes	PTA/PTO Booster Club Information Sheet	Principal Internal Audit Department
September 1	Year-End Financial Report prepared by Treasurer	Principal Internal Audit Department
September 1	Year-End Financial Audit or Review Committee Report	Principal Internal Audit Department
September 1	Send Form 990, 990EZ, 990N to IRS no later than 4 ½ months after your fiscal year ended. Please note that if you file Form 990N, this form is to be completed online and filed electronically. **We strongly suggest filing these documents as soon as possible after the fiscal year- end, before turning books over to new officers.**	IRS 4 ½ months after fiscal year-end Internal Audit Department by September 1
October 1 IRS 4 ½ months after fiscal year-end	IRS 4 ½ months after fiscal year-end (If **not** a member of CISD Educational Support Groups, Inc.)	Principal Internal Audit Department
October 1	Fundraiser information for Fall fundraisers	Principal
March 1	Fundraiser information for Spring fundraisers	Principal

PTO TAX-EXEMPT STATUS

Please indicate below your booster club or PTO's preference regarding tax exempt status.

_____We are interested in a group tax exemption

_____We are interested in individual tax exemption

_____We have already obtained tax-exempt status

Name of Booster Club/PTO	Contact Person
Office Held	Address
Phone Number	Campus Name
Email Address	Booster Club/PTO fiscal year ends

Return to the Internal Audit Department, 3205 W. Davis Street, Conroe, TX 77304

TYPE 1
Page 1 of 1

Elementary School PTO
Cash Basis Financial Report
From June 1, 2025 through May 31, 2026

Beginning Cash Balance as of June 1, 2025		$2, 235.46
INCOME		
Memberships Dues	$2,875.00	
Yearbook Sales	$5,625.00	
Wrapping Paper Sales	19,502.25	
Entertainment Book Sales	$19,540.00	
School Store Sales	$3,569.50	
Total Income		$51,111.7
EXPENSES		
Yearbooks	3,589.10	
Wrapping Paper	$11,701.35	
Entertainment Books	$9,770.00	
Miscellaneous Expenses	$650.77	
Postage	$356.29	
Field Trips	$2,355.77	
School Store Items	$2,645.00	
Field Day	$684.75	
Printers for Computer Lab	$1,500.00	
D.A.R.E.	$1,465.00	
5th Grade Day	$889.00	
AR Parties	$1,849.50	
School Contribution (Playground Equipment)	$7,000.00	
Total Expenses		$44,456.53
Net Income (Loss) for Current Year		$6,655.22
Ending Cash Balance as of May 31, 2026		$8,890.68

Cash Basis Financial Report prepared by:

Printed name:	Title:
Signature:	Date:

TABLE OF CONTENTS

ELEMENTARY PTO
BALANCE SHEET
AS OF MAY, 31, 2026

ASSETS	
BankOne Checking Account	$2,154.25
BankOne Savings Account	$5,112.77
Accounts Receivable	$3,758.00
TOTAL ASSETS	**$11,025.02**
LIABILITIES & EQUITY	
Liabilities	
Accounts Payable - Catalogs	$3,524.75
Accounts Payable - Cookie Dough	$1,000.00
Deferred Membership Income	$500.00
Total Liabilities	$5,024.75
Equity	
Retained Earnings	$1,135.12
Net Income (Loss) From Current Year	$4,865.15
Total Equity	$6,000.27
TOTAL LIABILITIES & EQUITY	$**11,025.02**

Elementary School PTO
Income Statement
For the Period of June 1, 2025 through May 31, 2026

Catalog Sales	$9,129.18
Cookie Dough Sales	$2,300.00
School Store Income	$770.00
Membership Dues	$2,000.00
Interest Income	$38.00
Total Income	$14,237.18
EXPENSES	
Catalog Sale Expense	$3,752.68
Cookie Dough Expense	$1,388.13
School Store Expenses	$600.00
Field Trips	$770.00
Postage	$32.66
Supplies	$328.56
Contribution to the School	$2,500.00
Total Expenses	$9,372.03
Net Income (Loss) For Current Year	**$4,865.15**

Balance Sheet and Income Statement prepared by:

Printed name:	Title:
Signature:	Date:

Elementary School PTO
Activities Summary
For the Period of June 1, 2025 through May 31, 2026

Year Ended 5/31/26	Revenues	Expenses	Net Proceeds	Notes
Opening Balance			**$21, 052**	Surplus from previous year
Fundraising				
Fall Fundraiser				Held in September, Average 11+ items sold per child
EZ Fund Cookie Dough	$81,023	($45,584)	$35,439	Approx. 580 students participated
Spring Fundraiser				March Catalog Sale
Double Good	$33,347	($16,881)	$16,466	
Breakfast with Santa	$5,510	($1,028)	$4,482	Breakfast and Raffle of donated items grouped into baskets
Membership Drive	$1,595	_	$1,595	$5 per family
Spaghetti Supper	$1,252	_	$1,252	$2 per student participating
Logo Sales	$1,389	($1,064)	$325	Sold at Back-to-School Night - pens, pencils, shoe laces, wristbands
PTO Sponsored Events				Not necessarily fundraising, we just try to at least break even
Yearbook				Price books at $1 above est. cost, additional funds from dedications
Donuts with Dad				Held in October
Directory				Sold for $1 each to cover printing
Muffins with Mom				Held in April
School Supply Kits				364 Sold
Other Contributions	$166	_	$166	Individual Donations, Kroger's
Other Expenses	_	($466)	($466)	PTO Expenses, paper, supplies, bank fees, Sam's membership fees etc.
Total	$159,443	($97,289)	$62,154	
Net Funds Available for Distribution			$83,206	Opening Balance plus Net Proceeds

Elementary School PTO
Activities Summary
For the Period of June 1, 2025 through May 31, 2026

Year Ended 5/31/26	Revenues	Expenses	Net Proceeds	Notes
Charitable Distributions				
AR Carnival				Moonwalks, Games & Supplies for AR Carnival
Art Department				Art Supplies
Donation to School				$20,000 for library, $500 for counselor
Equipment				See Below
Field Trip Bus				For 2 grades
Fourth Grade Program				Cookies & T-Shirts
Kindergarten Fun Day				Moonwalks
Misc. Distributions				Recognition Awards Etc.
Nurse's Supplies				Ice packs, bandages
HS Operation Graduation				Donation To CHS
Snack Requests				Dad's day, popcorn for attendance,
Staff Christmas Luncheon				Luncheon
Teacher Appreciation - Spring				Luncheon & Teacher gifts (gift bags)
Teacher Appreciation - Fall				Breakfast & Teacher gifts ($50/teacher)
Weekly Readers/ Scholastic Readers				First through Fourth grade
Total Charitable Distributions			$41,495	
Funds Remaining -PTO Balance at 5/31/26			$41,712	
Elementary PTO Opening Balance at 6/1/2025				
Non-Financial Activities				**Detail of Equipment**
Dad’s Day Volunteers				Shelves, computer desk, supplies
Back to School Breakfast				Playground sand box

Source: Fictitious data, for illustration purposes only

OPTION A

(NO EXCEPTIONS)

Name of Organization: _____

Review Committee Report
For the time period
_____through _____

The Review Committee members named below have reviewed the attached Financial Report and related financial activity for the time period of June 1, 2025 through May 31, 2026, in detail. These members agree that the Financial Report and the related financial activity are proper and correct to the best of their knowledge. **No exceptions were noted during the review.**

Printed Name	Officer Title/Member	Signature	Date
Printed Name	Officer Title/Member	Signature	Date
Printed Name	Officer Title/Member	Signature	Date
Printed Name	Officer Title/Member	Signature	Date

Note: If a reviewer is a non-officer, their title (second column) should be “Member”.

(PROPER & CORRECT WITH IMMATERIAL EXCEPTIONS)

Elementary Parent Organization

Review Committee Report

For the time period June 1, 2025 through May 31, 2026

The Review Committee members named below have reviewed the attached Financial Report and related financial activity for the time period of June 1, 2025 through May 31, 2026, in detail. These members agree that the Financial Report and the related financial activity are proper and correct to the best of their knowledge. **No exceptions were noted during the review.**

- Check #12586 cleared the bank for $25.20 instead of $2.52.
- Check #12688 did not have two authorized signatures as required by the parent organization bylaws. The check only contained one authorized signature.
- The Supply Expense account contains six expenses that did not have the related invoices as documentation for the expense. The undocumented expenses totaled $42.87.

Printed Name	Officer Title/Member	Signature	Date
Printed Name	Officer Title/Member	Signature	Date
Printed Name	Officer Title/Member	Signature	Date
Printed Name	Officer Title/Member	Signature	Date

Name of Organization:_____

Review Committee Report

For the time period

_____through_____

The Review Committee members named below have reviewed the attached Financial Report and the related financial activity for the time period of _____through _____ in detail. These members agree that the Financial Report and the related financial activity are proper and correct, except for the following exceptions:

- _____
- _____
- _____
- _____
- _____
- _____

Printed Name	Officer Title/Member	Signature	Date
Printed Name	Officer Title/Member	Signature	Date
Printed Name	Officer Title/Member	Signature	Date
Printed Name	Officer Title/Member	Signature	Date

Elementary Parent Organization
Review Committee Report
For the time period June 1, 2025 through May 31, 2026

The Review Committee members named below have reviewed the attached Financial Report and related financial activity for the time period of June 1, 2025 through May 31, 2026, in detail. These members agree that the Financial Report and the related financial activity are not proper and correct, due to the following material exceptions:

- No documentation of cost existed for the 100 new books purchased.
- Checking and savings accounts were not reconciled during the year.
- Only one authorized signature appeared on all checks written instead of the two required authorized signatures as indicated in the parent organization bylaws.
- No documentation exists for the Christmas Cards sale to determine whether the amount recorded in the Financial Report is correct.

To prevent the above exceptions from occurring in the future, the following steps should be taken:

- Documentation of all expenses, such as an invoice, should be received prior to payment of expense. Documentation should be kept with the other parent organization records.
- All bank accounts should be reconciled on a monthly basis.
- All checks issued should be signed by at least two authorized officers.
- For all fundraisers, a record should be kept of the sales and the money deposited.
- All payments should be approved, per the By-laws, before checks are prepared.

Printed Name	Officer Title/Member	Signature	Date
Printed Name	Officer Title/Member	Signature	Date
Printed Name	Officer Title/Member	Signature	Date
Printed Name	Officer Title/Member	Signature	Date

GE (LEGAL) Relations with Parent Organizations

PARENT-TEACHER ORGANIZATIONS	A board shall cooperate in the establishment of ongoing operations of at least one parent-teacher organization at each school in the District to promote parental involvement in school activities. Education Code 26.001(e)

GE (LOCAL) Relations with Parent Organizations

	District-affiliated school-support or District-affiliated school-support organizations and booster organizations, and other parent groups, shall organize, fundraise or solicit donations, and function in a way that is consistent with the District's philosophy and objectives, Board policies, District administrative regulations, applicable UIL or other governing association guidelines, and financial and audit regulations. [See also CDC and CFC] Before engaging in fundraising or soliciting gifts, an organization or group shall notify the principal or other appropriate administrator identified in administrative regulations. [See CDC(LOCAL) for District acceptance of gifts and solicitations]
USE OF DISTRICT FACILITIES	District-affiliated school-support or booster organizations may use District facilities with prior approval of the appropriate administrator. Other parent groups may use District facilities in accordance with policy GKD.

INTERNAL AUDIT CONTACT INFORMATION

INTERNAL AUDIT DEPARTMENT

Conroe Independent School District

3205 West Davis St. Conroe, TX 77304

Tel 936-709-7680

Fax 936-709-9653

conroeisd.net/page/internal-audit

AMY BEHRNES INTERNAL AUDIT MANAGER	LAURA DAVIDSON INTERNAL STAFF AUDITOR
Tel 936-709-7653	**Tel** 936-709-7680
Email abehrnes@conroeisd.net	**Email** ldavidson@conroeisd.net