

PTO & Booster Club Informational Meeting Notes

September 17, 2024

PTO and Booster Club Guidelines were distributed & discussed throughout the meeting. These guidelines are new to WISD and should be used as a resource in establishing a successful partnership between the district and parent organizations.

Friends & Fans! WISD is proud to offer passes to WISD retired personnel, military (veterans & active duty), and Waxahachie residents aged 65 and older good for free admission to all junior high and high school games played within Waxahachie ISD. *passes are not valid at “away” games.

General Guidelines:

- PTO & Booster Clubs are individual organizations, separate from WISD.
- One item to note is that each PTO and Booster Club should at the very least have their own EIN.
- Additionally, WISD recommends that these organizations also submit an application for 501(c)3 nonprofit designation from the IRS.
- Without the designation of 501(c)3 nonprofit organization, your club should not be advertising donations as being “tax deductible.”
- Having a tax ID number from the IRS does NOT automatically designate your organization as a not for profit organization. In order to have the designation as non-profit, you must submit the Form 1023 along with requested documentation from the IRS.
- As a NEW entity, the IRS will grant 23 months in “good faith” as a nonprofit status, even without the application on file. Ex: Jimmie Ray Elementary PTO is beginning the process of incorporation, they have completed Form 202 with the

Texas Secretary of State (Certificate of Formation-Nonprofit Corporation) then applied for an Ein with the IRS, and applied for Sales Tax Permit with the Texas Comptroller's office. After completing these documents the PTO does not choose to submit Form 1023 to apply for federal tax exemption as a 501(c)3 organization due to cost & waits until up to the 23rd month of incorporation before submitting. This is an acceptable practice for NEW organizations. This would not be possible for an existing PTO or Booster Club that has been functioning and just chose not to apply until years after incorporation.

Reporting Requirements:

-Each Booster Club/PTO must report officers, most current bylaws and proposed budget at the beginning of the school year to the District's Business office & Community Outreach Coordinator. All documents should be received no later than September 1st, annually. As part of UIL guidelines, bylaws, budget, and officers should be submitted annually to the ISD to ensure there are no items that may cause potential conflicts of interest or cause ineligibility for students.

-IRS designated nonprofit organizations are responsible for and required to complete Form 990 tax return annually. This return must be completed by the 15th day of the 5th month after the close of the organization's tax year according to their bylaws. (Ex. Your bylaws state that the club's fiscal year runs from June to May; return would be due by the 15th of October.)

-Organizations are responsible for filing their own W-2's and 1090's if necessary (accountant, lawyers, tax services, etc.)

-Sales tax returns, if applicable are the responsibility of the organization.

Fundraising:

-Non-profit organizations within the State of Texas may utilize two (2) 24 hour periods tax free for fundraising efforts throughout the calendar year. The day you choose to claim exemption may be the day the taxable materials are delivered to you OR delivered to the customer. (for example: take pre-orders for product and then have it all delivered during the same 24 hour period tax free period) Outside of the 2 tax free periods during the year, the organization is responsible for collecting and remitting sales tax to the State of Texas for taxable items i.e. shirts, hats, mattresses, artwork, etc. The exemption is for a 24 hour period, not based

fundraiser by fundraiser; feel free to use this to your advantage. You might conduct a shirt pre-order, water bottle pre-order, and mattress pre-order fundraisers all over the course of 2 months and schedule delivery during the same 24 hour timeframe to bypass the taxes owed on these products.

-WISD asks that organizations conducting fundraisers complete a Fundraising Application 30 days prior to the event. The Fundraising application can be found in the PTO/Booster guidelines as well as on the Business Office website, under fundraising.

-PTO & Booster clubs are NOT asked to complete the operating report. This report is only required of campuses or student groups holding their own fundraiser.

-Fundraising Applications are not submitted to be “approved or denied,” but instead held as a record of activity, tracking for Title IX, success of fundraising efforts, and transparency.

-Be aware that both WISD’s PTO & Booster Guidelines as well as UIL Guidelines state that all funds raised must be used to support school activities/school or organization related activities. (ex. No gifts totaling more than \$500 per director for the year; paying for admission to competitions related to the club, but not purchasing new matching outfits for upcoming prom to have student match)

Bylaws:

-Supplemental language to be added/incorporated into your bylaws:

-Booster Club/PTO will not partake in any advertisements or sponsorships from any Political, Social Media Belief Groups, or Tobacco/Drug/Alcohol companies.

-Booster Club/PTO will respect our Community, Students, and Parents and will not partake in activities or sponsorships based on race, ethnicity, gender, disability, age, religion, or any other legally protected classification.

-Booster Club/PTO shall operate in alignment with Waxahachie ISD’s Vision and Core Values while focusing on their unique ability to support Choices, Collaboration, Belonging and Community

-To maintain the highest financial integrity of both WISD and PTO/Booster organizations, employees of the District shall not serve in a financial capacity of a booster or other parent organization. Financial capacity includes holding positions of treasurer, fund-raising chairperson, or serving as a check signer.

-Ensure that your bylaws have instructions on what to do if/when the organization dissolves. Typically, bylaws have instructions or a dissolution clause of some sort. Easiest and most common dissolution practice would be to name another nonprofit organization to donate all assets to.

-Along the lines of dissolution, if your organization runs into legal problems along the way, the answer is not to allow dissolution and then reestablish as a new entity doing the same thing. IRS likely will find the link between the two and the new organization will be held responsible for the former's issues. Ask for guidance from the district, a lawyer, an accountant, etc. if you find the organization wading into troubled waters.

-Define member vs. member in good standing.

-Specify that there is a consecutive term maximum for board members. (You could have a max of 2 years per office with a year off in between serving in that capacity) Maximums on board terms lessen the probability (and appearance of) of impropriety.

-Principals, coaches/directors of the school organization the club is in support of, and certain members of the ISD (Superintendent, CFO, Director or Accounting, Community Outreach) may not serve as officers in PTOs or Booster Clubs. These individuals are welcome to serve in an advisory capacity or as ex officio members, but not as member of the Board.

-At a minimum, your organization should have the following board members: President, Vice President, Secretary, and Treasurer. Additional board members you may consider: Volunteer Coordinator, Social Media Director, Fundraising Coordinator, or any other position you see fit for your organization. It is advisable to have an odd number of board members to make ties easier to break.

Best Practices:

- Spouses or family members may not hold office in the same organization simultaneously.
- Annual budget should be presented & voted on by membership. Once accepted, this should also be sent to dkruger@wisd.org for recordkeeping.
- Cash should always be counted by two non-related organization officers or members & deposited promptly—3 business days at a maximum.
- Do not write a blank check to ANYONE. Require documentation for all purchases (P.O., invoice, proposal, etc.)
- Campus safes should NOT be a safekeeping spot for PTO/Booster cash, checkbooks, bylaws, etc. (Don't mingle district money with your organization's money)
- Dual signatures on your organization's checks is preferred, but not a requirement. Dual signatures ensures highest level of integrity.
- Organization's debit cards should NOT be given to the district employee overseeing your supported campus/club/extracurricular (director, teacher, principal, etc.). Encourage the district employee to give a list, build an order online and allow PTO to purchase, do research and then give info to boosters to purchase instead of giving the district employee the debit card with free reign to spend.

Communication:

- Each PTO is set up at the beginning of the school year with a PTO group on ParentSquare. Group admin access is granted to the Board, if contact information has been provided to the district. Your PTO/Booster is able to communicate via Band, Facebook, GroupMe, etc., however, the District's preferred method of communication is ParentSquare.
 - You can use functions within PS to have people sign up, communicate times/dates for meetings, complete surveys, and more.
- When communicating, ensure that communication aligns with the standards of the organization. Be mindful when communicating and ensure that initial

communication as well as responses/engagements on posts are thoughtful, polite, concise, informative, and inclusive. Customer service and positivity in communication is important to ensure you foster a sense of belonging for parents/guardians serving with you.

Raptor:

-All active volunteers were imported into the Raptor system on August 12, 2024.