



Waxahachie ISD PTO and Booster Club Guidelines

Updated September 2025

INTRODUCTION

The Waxahachie Independent School District PTO and Booster Club Guidelines are intended to assist clubs by providing organizational and financial guidance. These guidelines also aim to assist the clubs in meeting District, State, and Federal requirements. Suggestions for improving the organization as related to the formation, day-to-day activities, governing boards, and best practices for accounting records are contained herein and may be used as a reference point for organizations supporting Waxahachie Independent School District.

PTOs and Booster Clubs are established to promote school programs or complement student groups or activities. A club's purpose may be to support a group, program, or activity at a particular school or a variety of programs at various schools (ex: Theater Booster Club supporting all high schools and junior high schools). The support these organizations provide by means of financial contributions and volunteerism are vital to the success of our students. However, a separation between these organizations and the District must be maintained so that third parties are not misled into believing that the organization is part of the District. This distinct separation protects both parties in case of litigation. PTOs and Booster Clubs may provide suggestions about particular activities; however, the principal or WISD group/organization's coach, sponsor, or director is responsible for the final decision of student involvement.

The overarching goal of WISD, PTO, and Booster Club partnerships should be to support students and staff by operating collaboratively yet as separate organizations.

All WISD Booster Clubs and PTOs are expected to follow UIL guidelines where applicable.

FORMATION OF A PTO OR BOOSTER ORGANIZATION

- 1) Establish a PTO/Booster Club Steering Committee to set up the organization. (Members of the steering committee cannot be considered as PTO/booster club officers until they are elected at a general membership meeting.)
- 2) Determine official mailing address of the PTO/booster club. By maintaining a consistent mailing address, you will not have to update your address each year with 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) be used as the official mailing address. The address and box keys can be given easily to the new officers at the beginning of each school year. Do not use home addresses since officers change frequently.
- 3) Draft and approve the PTO/booster club bylaws. The Steering Committee 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.
- 4) Supplemental language that should be added to bylaws: Booster Club/PTO will not partake in any advertisements or sponsorships from any political organizations, 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.
- 5) File for incorporation with the Texas Secretary of State by completing Form 202 (Certificate of Formation-Nonprofit Corporation) and submitting it to the Texas Secretary of State. As a corporation, individuals governing and operating a nonprofit organization are shielded from liabilities incurred by the organization, unless the individuals are grossly negligent in their duties. You should receive a copy of your Certificate of Formation from the Texas Secretary of State stamped with the date considered the beginning date of the organization.
- 6) 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. Then the general membership should approve the PTO/booster club bylaws that were approved by the Steering Committee including any revisions needed. Then elect officers in accordance with the bylaws. Once approved, send a copy of the bylaws to the WISD Business Office.
- 7) Apply for an Employer Identification Number (EIN) with the IRS. The EIN can be requested prior to the first membership meeting if the PTO/booster club bank account needs to be opened at an earlier time.
- 8) After receiving an EIN, the PTO/booster club can open a bank account. If the bank account is opened prior to the election of officers, the Steering Committee members may be signers on the account.

- 9) PTOs/Boosters – Apply for an exemption from Texas sales tax, hotel occupancy tax, and franchise tax by completing AP-207 for Educational Organizations. (Booster clubs cannot apply for an exemption until they have received their 501(c)(3) exemption from the IRS).
- 10) Apply for a Sales Tax Permit (if required) with the Texas Comptroller's Office. If the PTO/booster club will not be selling any taxable items or services, you do not need to obtain a Texas Sales Tax Permit.
- 11) Apply for federal tax exemption as a public 501(c)(3) organization with the IRS. The IRS provides information, explanations, guides, forms, and publications about forming a 501(c)(3). *Read "Top Ten Tips to Shorten the Tax-Exempt Application Process" before you submit your application.*
- 12) Receive a Letter of Acknowledgement from the IRS indicating receipt of your application and payment.
- 13) Correspond with the IRS if additional information is needed to complete your approval process.
- 14) Receive a Determination Letter (approximately 4-6 months later) stating you are a public 501(c)(3) tax-exempt organization.
- 15) Send a copy of the Determination Letter to the WISD Business Office.
- 16) Booster Clubs – Apply for an exemption from Texas sales tax, hotel occupancy tax, and franchise tax by completing AP-204 for Federal Exemptions and all others.
- 17) Put all of the documents related to these steps in a "Permanent File" in a safe place to be forwarded to the new officers each year. Also, save the information electronically and provide to several officers to help ensure that the information is safeguarded (flash drive, Google Drive, or the like is acceptable).

ANNUAL UPDATES AND REVIEW

- 1) Upon conclusion of a term, outgoing officers should ensure that all documentation related to club business is accounted for and passed on to the incoming officers. This should include but is not limited to: financial statements, banking information, P.O. Box information, Google Drive and/or email log on information, EIN, tax exemption designation letters, outstanding debts, upcoming projects, etc.
- 2) After elections are completed and a transition meeting has occurred, the incoming Booster/PTO President will submit the names, email address, and telephone numbers of all newly elected officers no later than August 15th.
- 3) Bylaws should be reviewed annually and amended as deemed necessary and as outlined in the club's bylaws. Ensure that the process listed within the organization's bylaws regarding amendments is followed when updating and amending. Once reviewed and/or amendments are complete, send a copy (print or digital) to WISD Business Office and Community Outreach Office no later than September 1st.

- 4) Officers/Board members should determine a budget for their organization for the upcoming school year. Once approved by the organization, a copy of said budget should be sent (print or digital) to WISD Business Office and Community Outreach Office no later than September 1st.
- 5) Board members are responsible for ensuring that all club members have completed the necessary background check and are registered on the Volunteer Portal in order to accurately track volunteer hours. This may be a shared responsibility of the Board or assigned to a specific officer. Only individuals who have submitted to and passed a complete criminal history background check may be considered volunteers.

FEDERAL AND STATE REPORTING INFORMATION

General Information:

Booster club officers are solely responsible for ensuring that their booster club is in compliance with all federal regulations. Therefore, the District, including any District employee, is not responsible for a booster club to be in good standing with all federal agencies. However, the District has provided the following information that includes steps booster clubs should take to comply with federal tax regulations.

Obtaining an Employer Identification Number (EIN)

Every organization must have an EIN, even if it will not have employees. The EIN is a unique number that identifies the organization to the Internal Revenue Service. Since booster clubs are separate entities from the District, booster clubs and PTOs cannot use the District's EIN.

As a reminder, an organization is not automatically considered tax-exempt by acquiring an EIN. All organizations must first apply for an EIN to be recognized as a unique entity and then apply for tax-exempt status. Likewise, the mere fact that an entity is organized as a nonprofit organization does not indicate that it is exempt from federal tax. Booster clubs may obtain an EIN by applying online, by phone (800) 829-4933, by completing Form SS-4 and faxing to (855) 641-6935 or by mailing the completed Form SS-4 to: IRS, Attn: EIN Operation, Cincinnati, OH 45999. No fee is required for obtaining an EIN. After receiving an EIN, booster clubs may use it to then open a bank account and obtain a State Sales Tax Permit. Booster clubs should not use an individual's social security number to conduct the business of the organization. Copies of the completed SS-4 form and the IRS response documenting the assigned EIN number should be kept in the booster club's permanent records from year to year.

Becoming a Public 501(c)3 Tax-Exempt Organization

Formation of a non-profit corporation or obtaining an EIN does not necessarily entitle the organization to exemption from federal taxes; organizations must apply for tax-exempt status. In order to be exempt from federal taxes, the booster club must first complete IRS Form 1023 or

Form 1023-EZ. Please visit www.irs.gov for additional information, necessary forms, eligibility worksheets, and FAQs.

Sales Tax

All Booster Clubs must apply for their own sales permit number. They may not use the number of another Booster Club or the District sales permit number. Sales by a Booster Club are generally taxable. Booster Clubs are not tax-exempt unless they have filed the proper application forms with the Texas Comptroller of Public Accounts and have been given tax-exempt status. Each Booster Club can have two tax free sale days per calendar year according to Texas State Sales Tax Law. Qualifying items can be sold during the tax-free weekend in August without collecting sales tax. For any questions regarding sales tax, you can call the Texas Comptroller of Public Accounts at 1-800-531-5441 or visit www.comptroller.texas.gov for further information.

Taxable Status of Sales

School and school related organizations need **not** collect sales tax on the following:

- Admission tickets
- Club memberships
- Food and drinks sold at school functions

However, state and local sales tax **shall be** imposed and collected on all sales for:

- Items sold by the school store
- Any type of booster club materials
- Any other item sold as personal property (i.e. school pictures, uniforms, etc.)
- All sales of items such as handicrafts, T-shirts, candles, cups, books, and school supplies sold by a school associated organization during a fundraising drive
- All other personal property except for those items specifically excluded above

Annual Federal Filing Requirements

Every Booster Club organization exempt from federal income tax under section 501(a) is required to either file an annual Form 990 Return of Organization Exempt from Income Tax, Form 990-N Electronic Notice (e-Postcard) for Tax-Exempt Organizations Not Required To File Form 990 or 990-EZ or Form 990-EZ, Short Form Return of Organization Exempt From Income Tax. The return is due by the 15th day of the 5th month after the close of the organization's tax year or fiscal year. According to the IRS, small tax-exempt organizations, such as small booster clubs, are required to file an annual electronic notice Form 990-N (e-Postcard). The e-Postcard is required to be filed on-line. The e-Postcard is due every year by the 15th day of the 5th month after the close of the organization's tax year. A Booster Club cannot file the e-Postcard until after its tax year ends. Whether or not a Booster Club has filed for exemption status with the IRS, it should still file the appropriate 990 form as required by exempt organizations.

IRS regulations affect not-for-profit organizations and their requirements for financial reporting.

Booster Clubs must use Form 990-N, normally known as the e-Postcard if:

1. Gross receipts are \$50,000 or less.

Booster Clubs must use Form 990-EZ if:

1. Gross receipts are more than \$50,000 but less than \$200,000 AND
2. Total assets are less than \$500,000 at year-end.

Booster Clubs must use Form 990 if:

1. Gross receipts are \$200,000 or more OR
2. Total assets are \$500,000 or more at year-end.

These provisions may change, so consult with a tax professional or the IRS for additional assistance. Even though booster organizations are recognized as tax exempt, they may be liable for Federal tax on the portion of income deemed to be unrelated business income (“UBI”). UBI is income from a trade or business activity, regularly carried on that is not substantially related to the charitable, education or other purposes that are the basis for the organization’s exemption. An organization that has \$1,000 or more gross income from UBI must file Form 990-T, Exempt Organization Business Income Tax Return. This form is filed in addition to Form 990, 990-EZ, or 990-N and is required regardless of the level of the income received. If the booster club’s address has changed a notification must be sent to the IRS to ensure that any IRS refund or correspondence is received. To change an address with the IRS, complete Form 8822, Address Change Request, and send it to the address shown on the form.

FUNDRAISING

Fundraising activities should support the educational goals of the District. District procedures require a 30-day notice for all fundraising activities that are to occur on campus, utilizing or benefiting WISD students, or involving booster club/PTO organizations. Advance notice of fundraising activities is given through the fundraising application found at www.wisd.org/Page/1080 and on page 14-15 of this document.

The following are some important reminders from the University Interscholastic League (UIL) to keep in mind whether the fundraising activities are performed by students or booster clubs:

- Funds are to be used to support school activities. Providing such funding for non-school activities would violate UIL rules and the public trust through which funds are earned.
- Fundraising projects are subject to state law. The non-profit status may be obtained from the IRS.
- Sales campaigns should be planned carefully to ensure that the projects provide a dollar value for items sold and that most of the money raised stays at home.

While fundraisers sponsored by faculty or staff are limited to two (2) per school year, PTO and Booster Clubs do not have a limit imposed upon them. With this in mind, please know that monies raised from multiple fundraisers could potentially impact the filing requirements, UBI, and overall complexity of the fiduciary responsibilities of the club.

FINANCIAL GUIDELINES:

The following guidelines have been developed as a minimum standard for support organizations regarding financial transactions. Each organization is independent and can set their own standards, but are strongly encouraged to maintain these standards at a minimum.

The purpose of these guidelines is to promote fiscal transparency, public awareness and confidence in the actions and activities of all district support organizations.

Cash Handling

Each organization should ensure adequate controls are established to safeguard the resources entrusted to them. Specific controls include:

- Separation of duties – one individual should not be entrusted to perform all financial duties without oversight or corroboration.
- Perform monthly bank reconciliation – organization officer should perform monthly bank reconciliation of all accounts.
- Independent review of bank reconciliation – someone who does not prepare bank reconciliation should review it and indicate their review with initials and date of review.
- Books subject to open inspection by membership at every meeting.

Cash Collection

Specific controls include:

- Reconciliation of funds collected – two people should verify funds collected before deposit, prepare deposit slip, and complete an accounting report for the treasurer.
- Issuance of receipts – receipts should be issued for all transactions.
- Organizations should be prepared to properly acknowledge donations received.

Cash Disbursement

Specific controls include:

- Two members reviewing and approving all invoices before payment is prepared.
- Use of checks for organization purchases/transactions.
- Recall of all debit and gift cards, specifically those issued to District staff (in any capacity).
- Recommend two signatures for significant disbursement amounts (“significant amount” to be predetermined by organizations).

Disclosure of Nonprofit Status

The general public assumes that all support organizations affiliated with Waxahachie ISD are tax exempt entities and that their donations are tax deductible, therefore organizations who do not meet this expectation need to be very forthcoming with that fact. Entities that do not currently hold registered 501(c)(3) status with the Internal Revenue Service must disclose as much on all materials distributed to the general public. For organizations that hold 501(c)(3) status, every effort should be made to maintain this status, including filing of annual Form 990 returns.

Under no circumstances will any support organization be authorized to utilize the District's federal tax identification number, or status as a governmental entity, to represent themselves as a nonprofit entity.

INFORMATION FOR WAXAHACHIE ISD EMPLOYEES

Waxahachie ISD employees are encouraged to participate in the support organizations that provide so many resources to benefit our students. With your participation, please remember:

- Support organization business should not interfere with your assigned District duties.
- You are not to maintain any forms of payment for a support organization in your possession. All payment methods should be in the possession of the appropriate organization officers.
- Staff members who receive direct benefit from the operations of the support organization are limited to an advisory capacity within the organization. For example, the Director of Band serves in an advisory capacity with the band boosters and the head baseball coach serves in an advisory capacity to the RBI Club. In an advisory capacity, the staff member can provide the organization with a listing of "need/want" items, request support for specific actions/activities, and work with the organization in any capacity outside of being an officer.
- Staff who directly benefit from booster club operations should not be in a position to have access to organizational funds. The collection, counting, depositing, and reconciliation of funds should be handled according to organization guidelines and controls and not directly involve staff who directly benefit from the organization's operations.
- 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 or fundraising chairperson, or serving as a check signer.

Waxahachie ISD reserves the right to verify tax exempt status, request copies of information to support information submitted, and/or any other supporting documentation deemed necessary for any stated purpose.

BYLAWS AND OFFICERS

Each booster organization must develop and maintain bylaws that are reviewed on an annual basis by the PTO/Booster club officers. Copies of the organization's bylaws must be on file with WISD no later than September 1 annually. In addition, an exempt organization must report name, address and structural and operational changes to its bylaws to the IRS. If an organization files an annual return (Form 990), it must report the changes on its return. The bylaws should contain the detail of the rules of membership. This document must address the organization's fiscal year, organizational structure, and the method used to elect officers. Active members should include those individuals that are parents or guardians of a student active in the sponsored program. Only active members in good standing shall be permitted to hold office or

vote upon any matter of business of the organization. Other individuals may volunteer for the Booster Club but cannot vote or hold an office. “Members” and “Members in good standing” should be defined in the Club’s bylaws.

Your organization’s bylaws should specify that there is a consecutive term maximum that members may serve in roles as the President or Treasurer; however the organization may state that exceptions may be made on an as needed basis. In addition, the bylaws should address the restriction that only one member of a family may serve as an officer at the same time, unless parents are serving as co-chairs in the same office, which limits the family’s vote to one. No officer shall be permitted to hold more than one officer position at the same time. PTO/Booster organizations that have incorporated should also include document retention, conflict of interest, and whistle blower policies in their bylaws.

Supplemental language that should be added to bylaws: Booster Club/PTO will not partake in any advertisements or sponsorships from any political organizations, 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.

At a minimum, each PTO/Booster Club should elect the following officers on an annual basis:

President

Typically, the president of a booster organization is an individual who has previously been active in the organization. The major duties include, but are not limited to, the following:

- Preside at all meetings of the organization.
- Regularly meet with the designated campus representative/coach/director regarding PTO and booster activities.
- Regularly meet with the treasurer of the organization to review the organization’s position.
- Schedule annual audit of records or request an audit if the need should arise during the school year.

Vice-President

The vice-president acts as the president’s representative in his/her absence. They must remain familiar with the organization. The major duties include, but are not limited to, the following:

- Preside at meetings in the absence or inability of the president to serve.
- Perform administrative functions delegated by the president.

Secretary

The secretary is responsible for keeping accurate records of the proceedings of the booster club and reporting to the membership. The secretary must ensure the accuracy of the meeting minutes and have a thorough knowledge of parliamentary law and the organization’s procedures. The major duties include, but are not limited to, the following:

- Report on any recommendations made by the executive board of the booster organization if such a governing board is defined.

- Maintain the records of the minutes and any standing committee rules, current membership, and committee listing.
- Record all business transacted at each meeting.
- Maintain records of attendance and volunteer hours of each member. *This may be a shared or passed along responsibility, dependent on if the organization chooses to elect a Volunteer Coordinator position. *
- Conduct and report on all correspondence on behalf of the organization.

Treasurer

The treasurer is the authorized custodian of the funds of the booster club. The treasurer receives and disburses all monies indicated in the budget or as authorized by action of the booster club. The District recommends that all persons authorized to handle funds of the booster club should be covered by a fidelity bond in an amount based on the organization's annual income and determined by the executive board. Responsibilities of the Treasurer may be shared with a PTO/Booster Club employed accountant, if the organization votes to employ one.

The major duties include, but are not limited to, the following:

- Issue a receipt of monies received and deposit said amounts on a weekly basis.
- Present/Maintain a current financial report including bank statements, bank reconciliations, and financial statements. Copies should be available for review by the general membership as requested.
- Ensure that the organization's checkbook is not housed on school district property, nor is it in the possession of a District staff member. This practice ensures a strict separation of the District from the organization.
- Maintain an accurate and detailed account of all monies received and disbursed.
- Reconcile all bank statements as received and resolve any discrepancies with the bank immediately.
- File sales tax reports as required by the State Comptroller's office (monthly, quarterly, or annually).
- File annual IRS form 990 in a timely manner.
- Submit records to the audit committee appointed by the organization upon request or at the end of the year.

Additional Optional/Recommended Officers

Volunteer Coordinator

The volunteer coordinator is responsible for ensuring all volunteers working as members of the organization have submitted to and passed a background check through the WISD screening service. The volunteer coordinator recruits volunteers, makes sign up sheets, creates "Batches" in the Volunteer Management system, and assists volunteers accurately reporting volunteer hours throughout the school year. The major duties include, but are not limited to the following:

- Help to create a positive attitude toward volunteer work to assist in recruiting new volunteers and/or club members.

- Ensure that all PTO/Booster Club members have been vetted and approved to volunteer, aka “P.I.E. Approved,” by submitting to and passing a complete criminal background check.
- Create attractive and informative flyers, emails, and sign-ups using resources available to you (Canva, Google Forms, ParentSquare, etc.) to recruit volunteers for specific events.
- Support District-wide volunteer events and recruit additional volunteers to ensure a positive experience for students. (D.E.A.R. Day, Grandfriends Week, Great Give Back, Adopt-a-Class, UIL activities, Destination Imagination, etc.)
- Become familiar with the Raptor system and utilize the “Batch” function to create badges for on-campus volunteers and assist in recordkeeping of volunteer hours.
- Assist volunteers in learning how to enter hours and track their earned hours throughout the year to accurately represent the value brought to the organization and WISD through said volunteers.

Fundraising Coordinator

The fundraising coordinator is responsible for seeking out and securing fundraising opportunities in-line with District policies, while ensuring the appropriate reporting to the Treasurer. The major duties include, but are not limited to the following:

- Research possible fundraisers and present to the officers or fundraising committee for a vote prior to entering into an agreement with a company.
- File the Fundraising Activity Application with the WISD Business Office a minimum of 30 days ahead of the start date of the fundraising activity.
- Maintain accurate records of fundraising activities and ensure funds are given to the Treasurer with accounting documentation within 10 business days of the conclusion of the fundraiser.

UIL GUIDELINES

While these guidelines are intended to assist in establishing and operating a successful PTO/Booster Club within WISD, in the case of any disagreement between these guidelines and those of the Texas UIL Guidelines, Texas UIL Guidelines and/or UIL Rules, as applicable will control. UIL Guidelines may be found on page 11-13 of this document as well as on their website: <https://www.uil texas.org/policy/guidelines-for-booster-clubs>

CONCLUSION

The District hopes these guidelines will assist each organization’s management and operations. Each organization is encouraged to contact their own financial professional and have annual audits or reviews done by an outside accounting firm. Comments or questions are welcome. Please contact the Community Outreach Coordinator or Business Office at 972-923-4631.