

Second Edition **Booster Club/Parent
Organization Reference Guide**

PASADENA INDEPENDENT SCHOOL DISTRICT



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Pasadena Independent School District

"National Model School District 2008"

On behalf of the Pasadena Independent School District, I want to thank you for your continued support of our students and staff. Studies show that students achieve more when they are involved in extracurricular activities and when their parents are also involved in their schools. Booster Clubs and Parent Organizations are vital in the success of our students, both in and out of the classroom.

Our new Strategic Plan makes greater parental and community involvement major strategies because your support is crucial to the success of our students. We want to help you by keeping you informed of the District policies and guidelines, University Interscholastic League (UIL) guidelines, and state and federal regulatory guidelines that govern Booster Clubs and Parent Organizations.



Kirk Lewis, Ed. D.
Superintendent

You may notice that we are now including edition numbers on this handbook. Some years there are no legal changes, while in other years there may be many. Please check back on the web page regularly to see new editions as well as other information that may be posted there.

Unfortunately, there are many items that our budgets do not allow us to provide, so the help you provide, both financially and in your donation of time, makes a difference. Because of your continued support, our students have many opportunities that they could not otherwise experience. We are grateful for the partnership that the Booster Clubs and Parent Organizations enjoy with the District as we all work together to help our students.

The Board of Trustees and I thank you for all you do to ensure that our students have every opportunity to pursue their dreams and achieve success.

Sincerely,

A handwritten signature in black ink that reads "Kirk Lewis". The signature is fluid and cursive, with a long horizontal stroke at the end.

Kirk Lewis

Booster Club / Parent Organization Checklist



The Internal Auditors and individuals associated with the Pasadena Independent School District are not an authority on tax-related or accounting situations concerning Parent Organizations, Booster Clubs and Exempt Organization. Parent Organization, Booster Clubs, and Exempt Organizations should obtain competent independent counsel concerning tax and accounting-related circumstances.

Booster Club/Parent Organization Checklist

The following checklist serves as a guide to help ensure that your Booster Club/Parent Organization has complied with the District's Board Policies and guidelines and federal and state regulations governing Booster Clubs/ Parent Organizations. In addition, information you document here will help future officers continue your compliance efforts.

General

1. Provide the District's Internal Auditor and the School Principal or Administrator (*if the Booster Club is not located at a school*) with a list of Booster Club officers at the beginning of each school year and as officers change. The list should include:
 - Name
 - Office Held
 - Mailing Address
 - Home Phone Number
 - Cell Phone Number
 - Work Phone Number (*if applicable*)
2. Provide the School Principal or Administrator (*if the Booster Club is not located at a school*) with Booster Club's constitution, by-laws, and operating procedures when they are originated. In addition, provide updated copies as changes or amendments are made.
3. The Booster Club's official mailing address is:
 - Official Name:
 - P.O. Box / Street Address
 - City, State, and Zip Code

Fund-raiser

1. Provide the Sponsor and the School Principal or Administrator (*if the Booster Club is not located at a school*) with a list of fund-raisers planned for the current year by the deadline established by the School principal or Administrator, at least 30 days prior to any fundraisers being held.
2. The detailed fund-raising information sheet should include at least:
 - Purpose of the fund-raiser.
 - Type of fund-raising activity (ie, candy sale, car wash, BBQ, etc.).
 - Date(s), time(s), and place(s), of the activity.
 - Name of the sponsoring organization.
 - Name and phone number of the organizations representative.
 - Name and phone number of person(s) in charge of the fund-raiser.
 - Name and phone number of the person(s) who will be handling the money for the fund-raiser.
3. If your Booster Club has received a limited tax-exemption from the Texas State Comptroller's Office, your organization is entitled to two (2) "one-day, tax-free" sales/auction days per calendar year.

If you are entitled to the two “one-day, tax-free” sales days, indicate the “one-day, tax free” sales/auction that have been used or that are planned:

Calendar Year: _____

Date / Fund-raiser: _____

Date / Fund-raiser: _____

Calendar Year: _____

Date / Fund-raiser: _____

Date / Fund-raiser: _____

4. The Booster Club cannot require members or students to fund-raise or raise a certain amount. For example, a student’s ability to attend a trip cannot be based on raising a certain amount of money. **If your Club is currently requiring fund-raising, discontinue this requirement.**
5. The Booster Club cannot use individual accounts to credit an individual for funds raised. If your Club is using individual accounts currently, this practice should be discontinued.

Fund-raising is an opportunity to generate revenue for the Booster Club as a group, not individuals. Therefore, revenues should be recorded in a group account where all members or students have the same opportunity to **benefit equally** from the revenues.

One member or student should not receive a larger benefit from fund-raising than another. In addition, if a member or student chooses not to participate in the fund-raiser, that person still **receives an equal benefit** from the revenues generated.

Financial Matters

General

1. The Bank accounts used by the Booster Club include:

Bank Name

Account Number

2. Determine the identification number used for the bank accounts. The Booster Club’s Employee Identification Number (EIN) should be used. Do not use an individual’s Social Security Number, and **do not use the District’s EIN.**

The identification number used for the bank accounts is as follows:

- Update the authorized signers on your bank accounts as officer's change.

The current authorized signers include the following Booster Club officers:

	<u>Name of Person</u>	<u>Officer Position Held</u>	<u>District Employee? (Yes/No)</u>
Example:	<i>June Bugg</i>	<i>President</i>	<i>No</i>
	_____	_____	_____
	_____	_____	_____
	_____	_____	_____
	_____	_____	_____

IMPORTANT

The Sponsor cannot be an authorized signer on the Booster Club's bank accounts.

Employees of the District, including, but not limited to, administrators, administrators' secretaries, and bookkeepers, shall not have control or signature authority over booster club or parent organization funds at the school at which he or she works, including petty cash or miscellaneous discretionary funds. All individuals must have a child in the organization to have control or signature authority over booster club or parent organization funds, including petty cash or miscellaneous discretionary funds.

- Provide a copy of the written Booster Club/Parent Organization Financial Report for the applicable school year to the School Principal or Administrator (*if the organization is not located at a school*) and to the Internal Auditor's office by September 30th, of each year.

For example, a report for the 2010-11 school year should be submitted by September 30, 2011.

- Provide a copy of the Booster Club Review Committee Report that indicates the results of the review of the organization's financial information, including the Financial Report, to the School Principal or Administrator (*if the organization is not located at a school*) and to the Internal Auditor's office by September 30th, of each year along with the Financial Report. The Internal Auditor's mailing address is 1515 Cherrybrook Lane, Pasadena, TX 77502 Attn: Internal Audit.

State Regulatory Information

The following items need to be done only once since the origination of the Booster Club.

- Determine whether your organization has obtained a Texas Sales Tax Permit.

The Organizations Sales Tax Permit Number is: _____

- Determine whether your organization has obtained a limited tax-exemption from the Texas State Comptroller's Office.

The Organization has received a limited tax-exemption from Texas State Comptroller's Office:

YES

NO

Reminder: Only those organizations with a limited tax-exemption from the Texas State Comptroller's Office are entitled to the two (2) "one-day, tax-free" sales/auction days.

8. If the Organization is incorporated, determine whether your organization has obtained an exemption from Texas franchise tax from Texas State Comptroller's Office.

Organization is incorporated:

YES

NO

If the organization is incorporated, an exemption from Texas franchise tax was obtained from the Texas State Comptroller's Office:

YES

NO

The following item is applicable each school year or calendar year.

9. File the Organization's Texas State Sales Tax Report as required.

The Texas State Comptroller's Office determines whether the report needs to be filed quarterly or annually and is subject to change.

The Organization files its Texas State Sales Tax Report:

QUARTERLY

ANNUALLY

Federal Regulatory Information

The following items need to be done only once since the origination of the Organization.

10. Obtain an Employer Identification Number (EIN) from the Internal Revenue Service (IRS).

The EIN for the Organization is: _____

11. Determine whether the Booster Club has received tax-exempt status as a public 501(c)(3) organization from the IRS. If the IRS has approved the Organization's tax-exempt status, a Determination Letter would have been received from the IRS.

The Organization received its tax-exempt status as a public 501(c)(3) organization from the IRS:

YES

NO

If you have not applied for the tax-exempt status, complete the IRS Form 1023, Application for Recognition of Exemption, and Form 8718 User Fee for Tax-Exempt Organization Determination Letter Request. Submit these forms and the application fee to the IRS.

If you have applied for the tax-exempt status but you have not received your Determination Letter, you should receive an Acknowledgement of Your Request. Call the IRS to determine the status of your application.

12. If you have received a Determination Letter from the IRS approving your Organization as a public 501(c)(3) organization, determine whether your status as a public tax-exempt organization is temporary.

If the tax-exempt status is temporary, the "Advance Ruling Period" ends on:

____/____/_____

If the temporary status is about to expire or has expired, complete and submit the IRS Form 8734, Support Schedule for Advance Ruling Period, to IRS. The IRS should mail this form to the Organization's official mailing address.

The following items may be applicable during each school year or calendar year.

13. Determine whether your Organization is in good standing with IRS by calling the Exempt Organization Section of the IRS.
14. File the IRS Form 990-EZ or 990, Return of Organization Exempt from Income Tax, each year, if gross receipts are greater than \$25,000.

The return is due by the 15th day of the 5th month after the Organization's accounting period ends (due 4 ½ months after your official year-end).

Official Year-end: ____/____/_____ Due Date for Return: ____/____/_____

15. Issue 1099 forms to applicable individuals or business by January 31, of each year. If 1099 forms are issued, send information to the IRS by February 28, of each year.

Booster Club Guidelines

16. **As your Organization's President or Treasurer changes, give the applicable Booster Club/Parent Organization Guidelines handbook to the new officer(s).**

If you have any questions concerning the above items, please refer to the applicable sections of this handbook.

The Top Ten Reasons For Delays in Processing Exempt Organization Applications

10. Is there enough financial data?

Applications should include the income and expenses for the last three completed fiscal years, and a partial year for the year of application up to within 60 days of the application. If the organization has completed less than a full year, it should submit two years proposed budgets.

9. In what month does the annual accounting period end?

Applications should indicate the end of their fiscal year. It is a good idea to check for consistency. Does the fiscal year ending date stated on the application agree with the fiscal year ending date stated in the by-laws, on the financial statements, and on any prior returns filed?

8. Did you provide the required information on the principal officers and board of directors?

Applications should list the following information concerning the governing officials:

1. names,
2. addresses,
3. phone numbers,
4. titles and positions,
5. annual compensation.

7. Did you provide enough information on the activities to show us how your exempt purpose will be achieved?

Please don't restate your purpose, but explain the specific activities you will carry on to achieve that purpose. You should consider a "who, what, when, where and why" approach. You should explain past, present, and planned activities. If you haven't started an activity yet, develop your plans well enough that we can have a clear understanding of how it will operate.

#6. Did you complete all required schedules?

You should check the line items on the financial statements. Some lines require supporting schedules.

#5. Did you complete all required pages?

To make a determination, the information contained on the pages and schedules of Form 1023 and Form 1024 is necessary. On Form 1023, there are various schedules and pages that must be filled out for churches, schools, hospitals, private operating foundations, scholarships, supporting organizations, and child care organizations.

4. Did a principal officer sign page one of Form 1023 or Form 1024?

A principal officer such as the president, vice president, secretary, or treasurer should sign the application on page one. If anyone else signs the form, a completed Power of Attorney, Form 2848, should accompany the application.

3. Did you submit a copy of your by-laws?

You need to send a copy of the by-laws, code of regulations, or any other document that sets out the organization's rules of operation. If the organization has not adopted such rules, you need to check the box on page one of the application, Form 1023 or Form 1024.

2. Did you attach a complete copy of your organizing document and all amendments?

If the applicant is a corporation, this would be a copy of the articles of incorporation that shows it has been filed with and approved by the state. If the applicant is not incorporated, it should have a similar organizing document. This could be a constitution, articles of association, or by-laws. Whatever the document is called, it must at the minimum state: the legal name, the purpose(s), and the date of adoption. The document should be signed by at least two officers of the organization. A trust document must be signed by the trustees and show the date of formation.

1 reason for delays in processing exempt organization applications is . . .

INCORRECT OR NO USER FEE!

The payment required for a determination of exemption is \$400 or \$850. (See Form 8718, User Fee for Exempt Organization Determination Letter Request.) If your gross receipts are not expected to exceed \$10,000 annually, you can qualify for the lower user fee of \$400, but you must complete the Certification on Form 8718 in addition to sending the payment. The financial information sent with applications is checked to verify that the organization's gross receipts, activities, and user fee payment are consistent.

Now that you know the ten most common pitfalls in the Exempt Organization application process, we hope you can avoid them. If your application is completed correctly initially, and sent with all required documents and schedules, there is a good chance your organization could be recognized as exempt with no further contact. If there is contact, the agent can address the technical issues the need to be resolved without taking up your time trying to just get a complete application.

Do I Really Want a Booster Club?



- Questions to Answer Before You Commit
- Booster Club/Parent Organization Registration & Approval Form

The Internal Auditors and individuals associated with the Pasadena Independent School District are not an authority on tax-related or accounting situations concerning Parent Organizations, Booster Clubs and Exempt Organization. Parent Organization, Booster Clubs, and Exempt Organizations should obtain competent independent counsel concerning tax and accounting-related circumstances.

Questions to Answer Before You Commit

Booster Clubs and Parent Organizations provide an important support function to student groups; however, they also require a strong commitment from the members to work properly. Therefore, deciding whether or not to form a Booster Club or Parent Organization is a difficult decision that requires careful consideration of the pros and cons of formation. Interested parents should discuss these issues with each other as well as the Sponsor of the student group and the School Principal or Administrator (*if the organization is not located at a school*). **The appropriate School Principal must approve, in writing, the formation of the Booster Club or Parent Organization before the club or organization take any further action to create a unique identity.**

It is important to remember that parents do not have to form a Booster Club or a Parent Organization to support a student group. Parents may still support a student group as parents through fundraisers and other activities in which the students are involved if the student group has a Student Activity/Agency Fund set up through the District. All money generated would be considered the student group's money and would benefit only that group of students. In addition, the District would be responsible for all of the accounting and legal responsibilities of the Student Activity Fund.

The following are some questions to consider when deciding whether or not to form a Booster Club or Parent Organization:

1. *Why do I want a Booster Club or Parent Organization?*
2. *What can a Booster Club or Parent Organization accomplish that cannot be achieved through the use of a Student Activity/Agency Fund?*
3. *Do I have the time to commit to the Organization?*
4. *Are there enough parents with time to commit to the Organization?*
5. *Am I willing to perform the necessary research, training, and paperwork to be in compliance with all District, UIL, State and Federal regulations?*
6. *Have I read or will read the rest of this handbook to discover my responsibilities once an Organization is formed?*
7. *Have I spoken with other similar Organizations to determine what benefits/challenges they have experienced?*
8. *Have I spoken with the Sponsor to obtain support for the formation of the Organization?*
9. *Can we provide a plan for continuity of the organization?*

Once you have decided to form a Booster Club or Parent Organization.

1. You must then obtain the written approval of the School Principal or Administrator (*if the organization is not located at a school*) before proceeding with any other steps to create your identity as a Booster Club or Parent Organization. (***See Booster Club or Parent Organization Registration & Approval Form in this section***)
2. Establish the organization's mailing address. (You will have to list an official mailing address on several state and federal forms when creating your identity as a Booster Club or Parent Organization; therefore, it is better to get this step done first.) The IRS and the Texas State Comptroller's Office recommend that each Organization obtain a post office box (PO Box) or private mailing box (PMB) to use as the official mailing address of the Organization. The address and box keys can be given easily to the new officers at the beginning of each year.

Please understand the importance of maintaining a consistent mailing address for the Organization. First, you will save time since you will not have to update your address each year to the District, State Comptroller's Office, Texas Secretary of State, the IRS, and your bank as you would if you used someone's home address.

Second, Booster Club or Parent Organizations will 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. If the related school's address is used as the Organization's official address the Organization should be aware that they may not receive mail in a timely manner when the school is closed (i.e. summer vacation, and some holidays). The IRS mails forms and other correspondence to Organizations periodically. If these forms are not completed and returned to the IRS within a specific time period, an Organization could lose their tax-exempt status, thereby also losing their limited tax-exemption with the State of Texas and possibly face fines and penalties.

3. Begin the process of creating your identity with State of Texas and the Internal Revenue Service (IRS).

Pasadena Independent School District
Booster Club/Parent Organization Registration & Approval Form

To: _____ Location: _____
 (Principal or Administrator's Name) (School's or Department's Name)

Name of Organization: _____

Purpose of Organization: _____

Student Group to be Supported: _____

Faculty Sponsor for Organization: _____

Current Number of Parent Supporters: _____
(See Frequently Asked Questions – Nonprofit Organization Section)

I agree with the following statements:

- I have spoken with the faculty member who will serve as the Sponsor of the Organization and have received permission to submit this registration form.
- I have obtained a copy of the Booster Club/Parent Organization Guidelines at the Internal Auditor's website
 (<http://www1.pasadenaisd.org/education/components/scdirectory/default.php?sectiondetailid=79364&linkid=nav-menu-original-4-998>).
- I have read the Booster Club/Parent Organization Guidelines thoroughly and agree to abide by the rules and guidelines it contains.
- I understand that noncompliance with any District policy or criteria may result in the disbanding of the Organization by the Principal or the Administrator.
- I have included a current list of officers or representatives with names, titles, mailing addresses, and phone numbers with this registration form. (List of Officer form can be located in the Taking Care of Business section).

Submitted by:

_____/_____/_____
 (President/Representative # 1) Date (Vice-President/Representative # 2) Date

_____/_____/_____
 (Treasurer/Representative # 3) Date (Sponsor) Date

For District Use Only		
Received by:	Date Received	/ /

Pasadena Independent School District

Booster Club/Parent Organization Registration & Approval Form

APPROVAL OF BOOSTER CLUB/PARENT ORGANIZATION:

I, _____, _____ at
(Principal's or Administrator's Name) (Position)

_____ authorize _____
(School's or Department's Name) (Booster Club Name)

to conduct student and organizational related activities for the benefit of _____
(Student Group)

This registration approval is effective for the school year beginning _____ and will continue until such time as the Organization no longer exists or the approval is revoked by the District.

_____/_____/_____
(Principal's or Administrator's Signature) Date



REJECTION OF BOOSTER CLUB/PARENT ORGANIZATION:

I, _____, _____ at
(Principal's or Administrator's Name) (Position)

_____ **do not authorize** _____
(School's or Department's Name) (Booster Club Name)

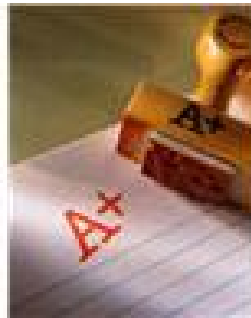
to become a Booster Club/Parent Organization.

_____/_____/_____
(Principal's or Administrator's Signature) Date

The original form should be sent to a representative of the Organization shown on the first page of the application.

- Please make copies of both forms for:
 - The Principal or Administrator
 - The Internal Auditor
 - The Sponsor

Following PISD Policies & Regulations



- Authoritative Guidelines Overviews
- District Board Policy GE (Local), CDC (Local), FJ (Local), CFD (Local), GKG (Legal), & CPAB (Legal)

The Internal Auditors and individuals associated with the Pasadena Independent School District are not an authority on tax-related or accounting situations concerning Parent Organizations, Booster Clubs and Exempt Organization. Parent Organization, Booster Clubs, and Exempt Organizations should obtain competent independent counsel concerning tax and accounting-related circumstances.

Authoritative Guidelines Overview

Booster Clubs are governed by various entities. The School District has Board Policies and guidelines that **must be followed** by Booster Clubs, as well as guidelines that the School Principal or Administrator (*if the Booster Club is not located at a school*) may implement.

The following information is included in this section:

- GE (Local) – Relations with Parent Organization
- CDC (Local) – Other Revenues: Grants from Private Sources
- FJ (Local) – Gifts and Solicitations
- CFD (Local) – Accounting: Activity Fund Management
- GKG (Legal) – Community Relations: School Volunteer Program
- CPAB (Legal) – Office Communications: Mail and Delivery

IMPORTANT

Booster Club officers are solely responsible for ensuring that their Booster Club is in compliance with District policies and guidelines, UIL guidelines, and state and federal regulations.

Therefore, the District, including any District employee, is not responsible for a Booster Club not complying with the various policies, guidelines, and regulations.

RELATIONS WITH PARENT ORGANIZATIONS

GE
(LOCAL)

PARENT OR
COMMUNITY
ORGANIZATIONS

Parent or community organizations may be formed to promote the school program or to complement a particular student group or activity. Examples of parent or community organizations include: parent-teacher organizations (PTO), booster clubs, and volunteer groups.

A parent or community organization shall not represent the District or bind the District or any of its employees to a third party with whom the organization conducts business. A parent or community organization shall not hold itself out as acting on the District's behalf, or that it has any authority to do so.

SUPERINTENDENT'S
DESIGNEE

The Superintendent's designee, who shall oversee the activities of parent and community organizations, shall be the principal of the campus where the organization is based.

As the responsible District employee, the principal or principal's designee shall:

1. Approve the formation of any such organization;
2. Approve the constitution and bylaws of the organization; and
3. Ensure that an organization's sole function is to support the educational activities of the designated program area.

The principal or designee shall also have the authority to disallow the continued association of any school program with a parent or community organization that has been determined by the principal to be disruptive to the educational activities or goals of the program or group, or fails to meet the requirements of this policy or other District policies applicable to such organizations. [See GKD, CFD]

FORMATION

All parent or community organizations shall obtain a unique tax identification number – an employer identification number (EIN). Such organizations shall not be permitted to use the District's tax identification.

All PTOs and booster clubs shall:

1. 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 that the organization is tax-exempt from federal taxes. If an organization is new, the organization shall apply for and receive tax-exempt status from the IRS within one year from the date the organization's constitution and bylaws are adopted. If an organization loses its public 501(c)(3) tax-exempt status or the tax-exempt status expires, the organization shall take the necessary steps to regain tax-exempt sta-

RELATIONS WITH PARENT ORGANIZATIONS

GE
(LOCAL)

tus as a public 501(c)(3) organization within one year from the date of notification from the IRS of the loss of exemption or within one year from the tax-exempt expiration date; and

2. Submit the organization's EIN and a copy of the IRS's Letter of Determination to the principal or principal's designee, who shall submit a copy to the District's internal auditor.

BOOSTER
ORGANIZATIONS

School-related booster organizations shall organize and function in a way that is consistent with the District's philosophy and objectives, within adopted Board policies, and in accordance with UIL guidelines, as applicable.

District booster clubs shall:

1. Be voluntary and provide unified support for student activities of the school.
2. Encourage involvement by all parents of students participating in the supported activity.
3. Use school facilities only with the prior approval of the principal or designee.
4. Have no involvement in decision- or policy-making activities for the student group.
5. Have no authority to and shall not attempt to direct or influence District employees in the administration of duties.
6. Comply with all UIL guidelines.
7. Comply with administrative regulations and Board policy when offering money/gifts to the District. [See CDC]
8. Submit a copy of current adopted bylaws and operating procedures to the principal or the principal's designee.
9. Prepare a written report of actual revenues and expenditures (financial report) for the school year. The treasurer of the booster club shall prepare the financial report.
10. Have an organization review committee conduct an annual review of the organization's financial report and the related financial activity for the school year and prepare a written report communicating the results of the committee's review to the organization.

All District-affiliated school-support or booster organizations shall provide an audit report to the principal or principal's designee by September 30 of each year. The principal or prin-

RELATIONS WITH PARENT ORGANIZATIONS

GE
(LOCAL)

principal's designee shall then submit a copy to the District's internal auditor.

11. Pay all taxes and other debts incurred by the organization.
12. Issue receipts for all money received.

LIAISON

The designated faculty sponsor of a student activity area shall serve as the liaison, under the supervision of the principal, between any parent organization formed in connection with a student organization and the District.

The designated faculty sponsor acting as the liaison shall assist such organizations with the following:

1. Reviewing and approving all student/school-related activities for consistency with District policy and goals;
2. Establishing approved goals and student-support activities;
3. Setting the budget and ensuring that expenditures are in direct support of the goals of the designated programs;
4. Filing lists of the officers with the school principal at the beginning of each school year, and revising the lists as officers change during the school year; and
5. Approving organization activities for the coming year with the principal or principal's designee by August 30 of each year. Requests for additional activities shall be submitted at least 30 days prior to the event in order to assist in the development of the master calendar for the year.

FINANCIAL
RESPONSIBILITY

Employees of the District, including, but not limited to, administrators, administrators' secretaries, and bookkeepers, shall not have control or signature authority over booster club or parent organization funds at the school at which he or she works, including petty cash or miscellaneous discretionary funds.

All individuals must have a child in the organization to have control or signature authority over booster club or parent organization funds, including petty cash or miscellaneous discretionary funds.

FUND-RAISING
ACTIVITIES

Fund-raising activities by parent organizations shall be approved by the principal or principal's designee and shall be conducted in accordance with FJ(LOCAL).

All community/school-support organization fund-raising efforts shall be within federal, state, and District guidelines and shall be for the purpose of supporting the school program or group activity for which the organization was formed. [See GKB]

RELATIONS WITH PARENT ORGANIZATIONS

GE
(LOCAL)

BENEFITS

According to the IRS, revenues generated from fund-raising activities by tax-exempt organizations shall benefit the organization, the sponsored student group, or the student activity area as a whole, not individuals. All members of the organization, the sponsored student group, or the student activity area shall receive an equal opportunity to benefit from the fund-raising activities, regardless of whether or not a person participated in the fund-raising activities. Individual accounts that credit individuals for their fund-raising efforts shall not be permitted.

In addition, according to the IRS, tax-exempt organizations shall not require people to participate in fund-raisers. Benefits given by a parent organization shall not be distributed disproportionately to students/members based on their participation in a fund-raiser or based on revenues individually generated in a fund-raiser. Therefore, a person cannot be denied the opportunity to receive a benefit because of a lack of participation in a fund-raiser or because a specified amount of revenue was not raised.

FINANCIAL
HARDSHIP

Financial hardship is an approved exception to receipt of individual benefits by the IRS to provide all members of an organization an equal opportunity to benefit from fund-raising activities. An organization is permitted to establish written criteria to provide certain benefits to an individual with a financial hardship. Criteria shall be established prior to a situation involving financial hardship arising. The criteria shall be applied consistently to all recipients and shall not be permitted to change in order to allow a particular individual to receive the benefit.

The District shall not permit a benefit to be in the form of a scholarship or financial incentive to attend the school to be a member of the organization. A student who pays a designated amount to attend a trip, and who meets the financial hardship criteria, may have the full amount of his or her trip paid for by the organization.

NOTICE OF FUND-
RAISING ACTIVITIES

All fund-raising activities involving students shall require the approval of the designated sponsor(s) and the principal prior to the event. If the need arises for a non-scheduled fund-raiser, forms shall be turned in no later than 30 days prior to the event.

A parent or community organization desiring to conduct a fund-raising activity for a school program shall submit the following information to the designated faculty sponsor on the appropriate District or campus form by August 30 of each year:

1. Purpose of the fund-raiser.
2. Type of fund-raising activity (candy sale, carnival, and the like).

RELATIONS WITH PARENT ORGANIZATIONS

GE
(LOCAL)

3. Date(s), time(s), and location(s) of the activity.
4. Name of sponsoring organization and representative.
5. Name and phone number of the organization and representative.
6. Name and phone number of the person(s) handling the money for the fund-raiser.

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.

PURCHASES FOR THE
SCHOOL

Before parent groups or other groups working with the school purchase equipment for the schools, including computer hardware and software, they shall notify the principal of their plans. In consultation with the Superintendent or designee, the principal shall determine the type or brand of equipment to buy to ensure compatibility with current District equipment.

OTHER REVENUES
GRANTS FROM PRIVATE SOURCES

CDC
(LOCAL)

GIFTS FROM THE
PUBLIC

The Board may accept any bequest or gift of money or property on behalf of the District. The gift shall become the sole property of the District for its use and disposition. All gifts shall be given to the District and not to a particular school. At the discretion of the Superintendent or designee, the gift may be used in a particular school.

CRITERIA FOR
ACCEPTANCE

The Superintendent shall examine and evaluate offers of gifts to the District and may recommend acceptance to the Board when the gifts:

1. Have a purpose consistent with District purposes.
2. Place no restrictions on the school program.
3. Do not require the endorsement of a business product.
4. Do not conflict with policies or actions of the Board or public law.
5. Do not require extensive District maintenance.

GIFTS AND SOLICITATIONS

FJ
(LOCAL)

SCHOOL-
SPONSORED

Fund-raising activities by charitable organizations, student groups, and/or for school-sponsored projects shall be allowed, with prior administration approval.

All fund-raising projects shall be subject to the approval of the principal.

Student participation in approved fund-raising activities shall not interfere with the regular instructional program. (See EMH)
Funds raised shall be received, deposited, and disbursed in accordance with CFD(L).

BY OUTSIDE
ORGANIZATIONS

No outside organizations, commercial enterprises, or individuals may solicit contributions from students within the school.

ACCOUNTING
ACTIVITY FUNDS MANAGEMENT

CFD
(LOCAL)

STUDENT ACTIVITY FUNDS	Each school shall have and maintain a student activities account to manage class funds, organization funds, and any other funds collected by students in the name of the school. All monies collected shall be receipted by the principal or a designee and deposited to the appropriate District account at the District depository(ies) on the same day, if possible.
FIDUCIARY RESPONSIBILITY	The principal of the school shall be responsible for the proper administration of each organization's funds in accordance with state and local law, District-approved accounting practices and procedures, and the TEA <i>Financial Accountability System Resource Guide</i> . Student activity funds shall be included in the annual audit of the District's fiscal accounts. [See CFC]
USE AND EXPENDITURE	Monies collected by student groups shall be disbursed only for purposes authorized by the organization or upon approval of the sponsor. The principal or designee shall approve all disbursements. All funds raised by student organizations must be expended for the benefit of the students. Deficit spending of activity funds shall not be allowed.
SALES TAX	The District shall collect and account for, as required by city and state taxing authorities, sales tax on student publications, pictures, ribbons, shop supplies, workbooks, and other tangible items sold by the District.
EXPENDITURE OF CAMPUS ACTIVITY FUNDS	Principals shall be authorized to expend campus activity funds for goods and services necessary for the administration of the school. Such expenditures must further an identifiable educational interest. Purchases made with campus activity funds shall be subject to District competitive bidding and purchasing requirements, [see CH and CHD] as well as District conflict of interest guidelines [see BBFA and DBD]. Campus activity funds may also be expended on campus stipends pursuant to DEA(LOCAL).
APPROVAL	Approval from the immediate supervisor or designee shall be obtained prior to a disbursement being made to the principal.
CARRYOVER FUNDS	All funds shall be left in the appropriate account and each sponsoring group shall retain the carryover funds for the next fiscal year. If an organization ceases to function or exist, the unexpended funds of the organization shall be credited to the appropriate administrative activity account.

COMMUNITY RELATIONS
SCHOOL VOLUNTEER PROGRAM

GKG
(LEGAL)

The District shall develop a volunteer program. In developing the program, the District shall consider volunteers a resource that requires advance planning and preparation for effective use. If practicable, the District shall include volunteers in addition to paid staff in planning the implementation of the program. *Gov't Code 2109.003*

PROGRAM
REQUIREMENTS AND
GUIDELINES

A volunteer program shall include:

1. An effective training program for paid staff and prospective volunteers.
2. The use of paid staff to plan and implement the volunteer program.
3. An evaluation mechanism to assess the performance of volunteers, the cooperation of paid staff with the volunteers, and the overall volunteer program.
4. Follow-up studies to ensure the effectiveness of the program.

Gov't Code 2109.004(a)

A volunteer program may:

1. Establish a program to reimburse volunteers for actual and necessary expenses incurred in the performance of volunteer services.
2. Establish an insurance program to protect volunteers in the performance of volunteer services.
3. Cooperate with private organizations that provide services similar to those provided by the District.
4. Purchase engraved certificates, plaques, pins, and/or other awards of a similar nature that do not exceed \$75 per person in value to recognize special achievement and outstanding service of volunteers.

Gov't Code 2109.004(b)

CRIMINAL HISTORY
RECORD

APPLICABILITY

This section applies to a volunteer or person who has indicated, in writing, an intention to serve as a volunteer with the District or shared services arrangement. [See DBAA for definitions and provisions regarding confidentiality, consumer credit reports, records retention, and criminal history record checks of employees]

EXCEPTION

This section does not apply to a person who volunteers or is applying to volunteer with the District or shared services arrangement if the person:

COMMUNITY RELATIONS
SCHOOL VOLUNTEER PROGRAM

GKG
(LEGAL)

1. Is the parent, guardian, or grandparent of a child who is enrolled in the District or school for which the person volunteers or is applying to volunteer;
2. Will be accompanied by a District employee while on a school campus; or
3. Is volunteering for a single event on the school campus.

The District may obtain all criminal history record information that relates to an individual listed in this subsection, however.

CRIMINAL HISTORY

A volunteer may not perform any volunteer duties until:

1. The volunteer has provided to the District a driver's license or another form of identification containing the person's photograph issued by an entity of the United States government; and
2. The District has obtained from the Texas Department of Public Safety (DPS) and may obtain from any other law enforcement agency, criminal justice agency, or private consumer reporting agency all criminal history record information that relates to a volunteer.

COSTS

The District may require a volunteer or volunteer applicant to pay any costs related to obtaining criminal history record information under this section.

Education Code 22.0835

[See DBAA(LEGAL) for confidentiality of criminal history record information obtained from DPS]

VOLUNTEER
IMMUNITY

GENERALLY

A volunteer who is serving as a direct service volunteer in the District is immune from civil liability to the same extent as a District employee under Education Code 22.0511. However, this section of law does not limit the liability of a person for intentional misconduct or gross negligence.

A "volunteer" is a person rendering services for or on behalf of the District on District premises or at a school-sponsored or school-related activity on or off school property who does not receive compensation in excess of reimbursement for expenses.

Education Code 22.053

EXTRACURRICULAR
ACTIVITIES

A person who volunteers to assist with an extracurricular activity is not liable for civil damages arising out of an act or omission relating to the requirements under Education Code 33.205 regarding safety precautions [see FM(LEGAL)] unless the act or omission is willfully or wantonly negligent. *Education Code 33.211*

COMMUNITY RELATIONS
SCHOOL VOLUNTEER PROGRAM

GKG
(LEGAL)

PHYSICAL
EXAMINATIONS

Subject to Civil Practices and Remedies Code 91.003 (liability insurance requirements), a health-care practitioner who, without compensation or expectation of compensation, conducts a physical examination or medical screening for the purpose of determining the physical health and fitness of the patient to participate in a school-sponsored extracurricular or sporting activity is immune from civil liability for any act or omission resulting in the death of or injury to the patient if:

1. The health-care practitioner was acting in good faith and in the course and scope of the health-care practitioner's duties;
2. The health-care practitioner commits the act or omission in the course of conducting the physical examination or medical screening of the patient;
3. The services provided to the patient are within the scope of the license of the health-care practitioner; and
4. Before the health-care practitioner conducts the physical examination or medical screening, the patient signs a written statement that acknowledges:
 - a. That the health-care practitioner is conducting a physical examination or medical screening that is not administered for or in expectation of compensation; and
 - b. The limitations on the recovery of damages from the health-care practitioner in connection with the physical examination or medical screening being performed.

If the patient is a minor or is otherwise legally incompetent, the patient's parent, managing conservator, legal guardian, or other person with legal responsibility for the care of the patient must sign the written statement.

Civil Practice & Remedies Code 91.002

IMMUNITY FOR
SHELTER
WORKERS

A District volunteer is not civilly liable for an act performed in the discharge of duty if the person is performing an activity related to sheltering or housing individuals in connection with the evacuation of an area stricken or threatened by disaster. *Gov't Code 418.006, 431.085*

VOLUNTEER
TRAINING –
CONCUSSION
OVERSIGHT TEAM

A licensed health-care professional who serves on a volunteer basis on the District's concussion oversight team [see FM] must have had training in the evaluation, treatment, and oversight of concussions at the time of appointment or approval as a member of the team. In addition, the professional shall, at least once every two years, take a course in the subject matter of concussions approved

by the University Interscholastic League (UIL), the Texas Department of State Health Services Advisory Board of Athletic Trainers, or the appropriate licensing authority for the profession.

The professional must submit proof of timely completion of an approved course to the Superintendent or designee. A licensed health-care professional who is not in compliance with these training requirements may not serve on a concussion oversight team in any capacity.

Education Code 38.154, .158

OFFICE COMMUNICATIONS
MAIL AND DELIVERY

CPAB
(LEGAL)

USE OF DISTRICT
MAIL SYSTEM

Unless it has been opened to the public, by policy or practice, a school mail system is not a public forum. The District may create a limited public forum in its campus mailboxes. *Perry Educ. Ass'n v. Perry Local Educators' Ass'n*, 460 U.S. 37, 103 S. Ct. 948 (1983) [See also GKD]

INTERCAMPUS MAIL
DELIVERY

The District is prohibited by the Private Express Statutes from carrying unstamped letters over postal routes unless:

1. The letters relate to the current business of the District to an extent sufficient to satisfy the "letters of the carrier" exception; or
2. The carriage of the letters is without any compensation, direct or indirect, to the District so as to satisfy the "private hands" exception.

Regents of the Univ. of Cal. System v. Public Employee Relations Board, 485 U.S. 589, 108 S. Ct. 1404 (1988); 39 U.S.C. 601-606; 18 U.S.C. 1693-1699

POLITICAL
ADVERTISING

No officer or employee of the District may knowingly use or authorize the use of an internal mail system for the distribution of political advertising unless the political advertising is delivered by the United States Postal Service. *Election Code 255.0031*

"Political advertising" means a communication supporting or opposing a candidate for nomination or election to a public office or office of a political party, a political party, a public officer, or a measure that:

1. In return for consideration, is published in a newspaper, magazine, or other periodical or is broadcast by radio or television;
2. Appears in a pamphlet, circular, flier, billboard or other sign, bumper sticker, or similar form of written communication; or
3. Appears on an Internet Web site.

Election Code 251.001(16); 1 TAC 20.1(13)(A)

"Political advertising" does not include a communication made by e-mail. *1 TAC 20.1(13)(B)*

University Interscholastic League Booster Club Guidelines



1701 Manor Road, Austin, TX 78722
Tel: (512) 471-5883 | Fax: (512) 471-5908
<http://www.uiltexas.org/>

- UIL Overview
- UIL Booster Club Guidelines

The Internal Auditors and individuals associated with the Pasadena Independent School District are not an authority on tax-related or accounting situations concerning Parent Organizations, Booster Clubs and Exempt Organization. Parent Organization, Booster Clubs, and Exempt Organizations should obtain competent independent counsel concerning tax and accounting-related circumstances.

University Interscholastic League Overview

Booster Clubs must follow the guidelines of the University Interscholastic League (UIL); the State of Texas; and the federal government, through the Internal Revenue Service (IRS).

The following information is included in this section:

- UIL Booster Club Guidelines

The UIL Booster Club Guidelines do not necessarily include all rules that may apply to your Organization. For specific questions, you should contact the UIL directly.

1701 Manor Road, Austin, TX 78722
Tel: (512) 471-5883 | Fax: (512) 471-5908
<http://www.uiltexas.org/>

IMPORTANT

Booster Club officers are solely responsible for ensuring that their Booster Club is in compliance with District policies and guidelines, UIL guidelines, and state and federal regulations.

Therefore, the District, including any District employee, is not responsible for a Booster Club not complying with the various policies, guidelines, and regulations.



Booster Club Guidelines



Be they music, fine arts, academic or athletic, booster clubs should exist to enrich students' involvement in extracurricular activities without endangering their eligibility.

| GENERAL GUIDELINES |

The role of competition

Participation teaches that it is a privilege and an honor to represent one's school. Students learn to win without boasting and to lose without bitterness.



Self-motivation and intellectual curiosity are essential to the best academic participants. Artistic commitment and a desire to excel are traits found in music participants. Physical training and good health habits are essential to the best athletes. Interscholastic competition is a fine way to encourage youngsters to enrich their education and expand their horizons.

Leadership and citizenship experiences through school activities help prepare students for a useful and wholesome life.

Plus, competition is fun!

Role of the Superintendent

Member schools make UIL rules and determine policies regarding penalties to schools, school district personnel and student participants. The superintendent is solely responsible for the entire UIL program. All school activities, organizations (including the booster club), events and personnel are under the jurisdiction of the superintendent. Booster clubs must recognize this authority and work within a framework prescribed by the school administration.



Role of Booster Clubs

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

Written Policies

Booster clubs should develop and annually review policies to cover:

- *how to obtain administrative approval before beginning projects;
- *how to plan and publicize meetings;
- *bookkeeping and fund administration including process to obtain superintendent's approval prior to raising or spending funds;
- *election of officers (suggestion: one president; one secretary; one treasurer; and three vice - presidents: one vice

president to oversee fall, winter and spring sports);

- *taking, distributing and filing minutes;

- *public communication;

- *proper interaction with fine arts directors and academic and athletic coaches through the lines of authority as established by the school board;

- *a sportsmanship code governing behavior of booster club members and fans at contests, treatment of officials, guests, judges, etc.; and

- *plans to support the school regardless of success in competition, keeping the educational goals of competition at the forefront of all policies.

Relationship with the school

The superintendent or a designee who does not coach or direct a UIL contest has approval authority over booster clubs and should be invited to all meetings. All meetings should be open to the public.

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

- *Minutes should be taken at each meeting and kept on file at the school.

- *School administration should apprise booster clubs of all school activities.

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

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

| CLUB FINANCES |

Fundraising | Spending | Stipends | Gifts to Coaches

Money given to a school cannot be earmarked for any particular expense. Booster clubs may make recommendations, but cash or other valuable consideration must be given to the school to use at its discretion.

- *Fund-raising projects are subject to state law. Nonprofit or tax-exempt status may be obtained from the Internal Revenue Service.

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

- *Sales campaigns should be planned carefully to insure that the projects provide dollar value for items sold, and that most of the money raised stays at home. Otherwise donations are often more rewarding than letting the major part of the

money go to outside promoters.

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

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

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

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

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



| ATHLETIC BOOSTERS |

Club restrictions

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

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

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

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

The penalty to a student-athlete is forfeiture of varsity

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

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

*The school may provide meals for contests held away from the home school. If the school does not pay for meals, the individual parents need to purchase their own child's food. Parents may purchase anything they wish for their own child but may not provide food for their child's teammates unless approved by the school. The school may also provide supplies for games and practices and transportation for school field trips. Students should pay admission fees during school field trips.

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

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

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

1. Pre-Season. School athletic teams may be given pre-season meals, if approved by the school.
2. Post-Season. School athletic teams may be given post-season meals if approved by the school. Banquet favors or gifts are considered valuable consideration and are subject to the Awards and Amateur Rules if they are given to a student athlete at any time.
3. Other. If approved by the school, school athletic teams and athletes may be invited to and may attend functions where free admission is offered, or where refreshments and/or meals are served. Athletes or athletic teams may be recognized at these functions, but may not accept anything, other than food items, that is not given to all other students.

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

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

1. meals, snacks or snack foods during or after practices;
2. parties provided by parents or other students strictly for an athletic team

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

| ACADEMIC BOOSTERS |

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



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

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

With prior administrative approval, you may also:

*Purchase equipment for programs such as computers or software for yearbook or computer science;

*Organize and chaperone trips and assist with expenses for travel to academic competitions or educational trips such as journalism conventions or speech tournaments. Booster club funds may be used to provide food and refreshments for students on these trips. A purely recreational trip to Six Flags

Over Texas would not meet the definition of an educational field trip and could be considered a violation of the Awards Rule;

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

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

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

| MUSIC BOOSTERS |

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

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

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



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

*Booster Clubs may also fund scholarships for private

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

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

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

What You Can Do!

Parents

- *Remember: The classroom comes first!
- *Help conduct fair and equitable competition: adhere to rules, uphold the law and respect authority.
- *Remember that officials are human. Respect their decisions.
- *Delegate authority to the school, then support its decisions.
- *Set standards by which you expect children to conduct themselves, and live by those standards yourself.
- *Be aware of capabilities and limitations of young people. Don't have unrealistic expectations.
- *Allow your children to live their own lives.
- *Be involved in areas in which your own child is not involved, thus contributing to school unity and spirit.
- *Show respect to the opponents of your children.
- *Praise. Don't criticize. Urge others to do the same.
- *Help your children and their friends develop integrity through the intensity of competitive activity.

Work with the administration

- *Positive and direct communication can prevent most problems. Keep the superintendent informed of all activities.
- *Make sure your local administration has a copy of all club publications.
- *Invite administrators to all booster club meetings.
- *Have an officer meet with the school administration regularly.
- *Have a chain of command for communication with the administration.
- *Clear all activities through your administration.

Coaches and Fine Arts directors

- *Be sure your booster club wish list has been approved by your supervisor before it goes to the booster club.
- *Work with your administration to determine what your club can provide.
- *Make your request to the club benefit as many students as possible.
- *Attend the booster club meetings and/or know what the club is doing.
- *Understand that your advisory role to the boosters is without vote.
- *Support other programs within your district.
- *Meet with parents regularly and make them aware of relevant rules.
- *Involve your staff with your booster club. Let the booster club know who your staff is and what duties they perform.

www.uiltexas.org

Definition of Officers & Committees



- Definition of Officers
- Definition of Committees
- Executive Committee Financial Checklist

The Internal Auditors and individuals associated with the Pasadena Independent School District are not an authority on tax-related or accounting situations concerning Parent Organizations, Booster Clubs and Exempt Organization. Parent Organization, Booster Clubs, and Exempt Organizations should obtain competent independent counsel concerning tax and accounting-related circumstances.

BOOSTER CLUB ORGANIZATION

Each booster organization must develop and maintain by-laws that are reviewed on an annual basis by all of the booster club officers.

The by-laws 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. Only active members in good standing shall be permitted to hold office or vote upon any matter of business of the organization.

At a minimum, the booster organization shall 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 regarding booster activities;
- Resolve problems in the membership;
- Regularly meet with the treasurer of the organization to review the organization's financial position;
- Select an officer as the designee to receive bank statements;
- Schedule annual audit of records or request an audit if the need should arise during the year;
- Perform any other specific duties as outlined in the by-laws of the organization.

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;
- Perform other specific duties as outlined in the by-laws of the organization.

Note: Larger booster organizations may find it necessary to elect several vice presidents with responsibility over differing areas. Such positions shall be clearly defined in the by-laws of the organization.

SECRETARY

The secretary is responsible for keeping accurate records of the proceedings of the association and reporting to the membership. The secretary must ensure the accuracy of the minutes of the meetings, and have a thorough knowledge of parliamentary law and the organization's by-laws. 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 by the by-laws;
- Maintain the records of the minutes, approved by-laws and any standing committee rules, current membership and committee listing;
- Record all business transacted at each meeting of the association as well as meetings of any executive board meetings in a prescribed format;
- Maintain records of attendance of each member;

- Conduct and report on all correspondence on behalf of the organization;
- Other specific duties as outlined in the by-laws of the organization;
- Provide end-of-year copy of minutes to the principal along with the name of new board members;
- Provide end-of-year financials to the Internal Auditor and principal by September 30th of each year.

TREASURER

The treasurer is the authorized custodian of the funds of the association. The treasurer receives and disburses all monies indicated in the budget and prescribed in the local by-laws or as authorized by action of the association. The major duties include, but are not limited to, the following:

- Serve as chairperson of the Budget and Finance Committee if prescribed within the by-laws of the organization;
- Issue a receipt for all monies received and deposit in a timely manner;
- Present a current financial report including bank statements, bank reconciliations, and financial statements to the executive committee within thirty days of the previous month end; Copies should be available for review by the general membership if requested;
- File current financial reports at the end of each semester (December and June) with the campus principal, campus bookkeeper, and the District Internal Auditor;
- 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 comptroller's office (monthly, quarterly, or annually);
- File annual IRS form 990 in a timely manner;
- Submit records to audit committee appointed by the organization upon request or at the end of the year;
- Other specific duties as outlined in the by-laws of the organization.

PARLIAMENTARIAN

The primary duty of the parliamentarian is to advise the presiding officer on parliamentary law and matters of procedure when requested. The president or presiding officer of the organization alone has the power to make decisions or rule on a point of order. Thus, after the parliamentarian has given his advice, the presiding officer must make the ruling to the organization – he is not obligated to follow the recommendation of the parliamentarian. The parliamentarian should be thoroughly familiar with the by-laws and any standing rules of the group on which he serves. A copy of Robert's Rules of Order Newly Revised should be maintained by the organization and referenced as needed.

SPECIAL COMMITTEES

Special committees are created for a specific purpose and voted upon by the membership. The committee is automatically dissolved as soon as that purpose is accomplished and the committee report is made. Special committees should complete their assignments within the current school year. If the objectives are not met at the end of the school year, officers will be required to reappoint members of the committee for the following year until the purpose of the committee has been achieved. Individuals who have a conflict of interest shall not be allowed to serve as members of the committee. For example, senior parents would not be included on a scholarship committee since their child is a potential recipient of the monies.

NOMINATING COMMITTEE

The nominating committee is formed from the organization's membership in the spring of each year. The purpose of the committee is to recommend various members of the organization for office in the coming school year. The nominating committee should be charged with soliciting recommendations for officer positions within the organization. The committee should then contact the potential candidate directly to ascertain their willingness and desire to serve. The nominating committee should report back to the membership on their results in the spring (typically by mid-April) so that elections may be held.

AUDIT COMMITTEE

At the end of the fiscal year, an audit of the booster club's financial records should be conducted. The audit should be performed by individuals who are independent from day-to-day financial activities. The primary objectives of the audit are to:

- Verify the accuracy of the Treasurer's financial reports;
- Ensure that the club's cash balances are accurate;
- Determine that established procedures for handling booster funds have been followed;
- Ensure that expenditures occurred in a manner consistent with the organization's by-laws;
- Ensure that all revenues have been appropriately received and recorded.

The audit committee shall make a report to the general membership upon completion of the audit. Any discrepancies noted shall be brought to the attention of the president of the organization and a resolution reached prior to presentation. All officers of the organization shall make records available as requested by the committee. Suggested audit procedures are included in a later section of this manual.

ELECTION OF OFFICERS

The election of officers of the organization will occur annually within the timelines and manner prescribed by the booster organization by-laws. Typically the election of officers should occur by May of each year so that the newly elected officers may be in place for the start of the next school year. The transfer of records and audit of the accounts should be complete no later than July 1st of each year. Officers may be elected in a variety of methods (simple majority, secret ballot) in accordance with the organization's by-laws. The election of officers should be from a slate of officers presented by the nominating committee in the spring of each school year. Recommendations may also be taken from the floor at the time of the vote in accordance with Robert's Rules of Order. At no time should officers be appointed without the input and approval of the membership.

EXECUTIVE COMMITTEE

Members of the Executive Committee of booster clubs have the responsibility to ensure the organization procedures and operating practices are fiscally, financially and legally sound. As a member of the Executive Committee, each individual is required to assure the organization's membership that the organization is operating in conformance with all the rules, regulations, laws, ordinances and statutes that govern the organization. As a board member, an individual is legally obligated to be prudent and reasonable in conducting himself to help preserve and protect the organization. The Executive Committee members must actively participate in the management of the organization including attending meetings, evaluating reports and reading minutes. Any signs of conflict of interest should be avoided. If a conflict arises, it should be reported immediately. The committee members may be required to prove that the transaction is fair, reasonable and in the best interest of the organization.

Executive Committee Financial Checklist

- ✓ Budget has been approved.
- ✓ Treasurer handles all funds.
- ✓ A blank check is never signed.
- ✓ All checks are required to have two signatures.
- ✓ Funds are always deposited into the authorized bank account.
- ✓ Funds are always kept separate from personal funds or school funds.
- ✓ Two people count the money and provide the treasurer with a signed proceeds receipt.
- ✓ Sales slips, receipts or invoices are provided for every expenditure.
- ✓ A Check Request Form is required to receive reimbursement.
- ✓ The monthly bank statement is reconciled immediately by the treasurer.
- ✓ The monthly bank statement is reviewed and initialed by the president.
- ✓ A written quarterly financial report is provided by the treasurer.
- ✓ A year-end financial report is completed by the treasurer and presented to the Campus by the established date.
- ✓ An annual audit is conducted and presented to the Internal Auditor by the established date.

Creating Your Own Identity



- State & Federal Regulatory Summary
- Creating Your Own Identity Overview
- Top Ten Reasons for Delays in Processing Exempt Organization Applications
 - Articles of Association
 - Articles of Incorporation
 - By-laws of an Association
 - By-laws of a Corporation
 - Conflicts of Interest Policy
 - State Regulatory Information
 - Federal Regulatory Information

The Internal Auditors and individuals associated with the Pasadena Independent School District are not an authority on tax-related or accounting situations concerning Parent Organizations, Booster Clubs and Exempt Organization. Parent Organization, Booster Clubs, and Exempt Organizations should obtain competent independent counsel concerning tax and accounting-related circumstances.

State & Federal Regulatory Summary

The state and federal regulatory information included on this page does not include all laws or Rules that may apply to your particular situation. This information is provided by the District's Internal Auditor; however, the Internal Auditor is not an authority on specific accounting situations or tax-related issues concerning individual Booster Clubs. Therefore, Booster Clubs should obtain competent independent counsel, such as a Certified Public Accountant (CPA) or an attorney, to address accounting and tax matters related to their specific circumstances. The cost of these services would be the Booster Club's responsibility. In addition, the IRS and the Texas State Comptroller's Office may be contacted for questions related to your organization's specific situation.

State and federal regulatory agencies such as the Texas State Comptroller's Office, the Texas Secretary of State, and the Internal Revenue Service (IRS) also govern Booster Clubs. New and existing Booster Clubs must abide by the regulations and guidelines set by these agencies. Booster Clubs should also maintain a current level of knowledge regarding law changes that affect them.

The next section contains information related to state and federal regulations that is current as of the date this handbook was published. Internal Audit strives to keep the Booster Clubs aware of new changes; however, it is the Booster Club's responsibility to remain updated on any recent law changes.

In addition, the reference of this section of the *Guidelines* contains important and helpful information downloaded from the Texas Secretary of State, the Texas State Comptroller's Office, and the IRS. Please review this information in detail in addition to the next section for a more complete coverage of the various issues related to 501(c)(3) organizations and booster clubs in general.

Creating Your Own Identity Overview

The next three sections of the *Guidelines* provide detailed information related to applying for permits and exemptions you will need. As a supplement to these pages, the following short summary lists the necessary steps in the order in which they should be completed. Some blank forms and examples of completed forms and other information are included in these Guidelines to assist you in completing the steps.

1. Decide if your Booster Club will be an association or a corporation and prepare the necessary organizing document.

An association will prepare and sign an “Articles of Association” as an organizing document; however, this document **will not be filed** with the Texas Secretary of State. The date the final document is signed by at least two officers or board members is considered the beginning date of the organization.

A corporation will prepare and sign an “Articles of Incorporation” as an organizing document **to be filed** with the Texas Secretary of State. The date the Articles of Incorporation is filed by the state is considered the beginning date of the organization. You should receive a copy of your Articles of Incorporation from the Texas Secretary of State showing the state’s “filed” stamp and/or you will receive a Certificate of Filing.

Both the IRS and State of Texas require that each Booster Club have an organizing document to establish the official formation of the organization. You will submit this document along with the appropriate forms when applying for federal tax exemption as a public 501(c)(3) organization and when applying for state sales, use, and franchise tax exemptions.

Benefits of Incorporation:

- Formalize organization and provide standardized operating procedures through Articles of Incorporation and By-laws.
 - Helps shield the individuals governing and operating the nonprofit organization from liabilities incurred by the organization, unless the individuals are negligent in their duties.
2. If Association, skip to Step 4. If Corporation, go to Step 3.
 3. For a corporation, file for incorporation with the Texas Secretary of State before proceeding with Step 4.
 4. Apply for an Employer Identification Number (EIN) with the IRS.
 5. Apply for a Sales Tax Permit with the Texas State Comptroller’s Office.

6. Apply for federal tax-exemption as a **public 501(c)(3)** organization with the IRS.

Read “Top Ten Reasons for Delays in Processing Exempt Organization Applications” on the following page before you submit your application!!

7. Receive a Letter of Acknowledgement from the IRS indicating receipt of your application and payment.
8. May correspond with the IRS if your by-laws need to be modified or if the IRS needs additional information to complete your approval process.
9. Receive a Determination Letter (approximately 6 – 8 months later) stating you are a public 501(c)(3) tax-exempt organization.
10. Send a copy of the Determination Letter to the campus Booster designee.
11. Apply for a limited exemption from Texas sales, excise, and use tax with the Texas State Comptroller’s Office.
12. If you are incorporated, file for franchise tax-exemption with the Texas State Comptroller’s Office.
13. 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.
14. **Pat yourself on the back for a job well done!!**

The Top Ten Reasons For Delays in Processing Exempt Organization Applications

10. Is there enough financial data?

Applications should include the income and expenses for the last three completed fiscal years, and a partial year for the year of application up to within 60 days of the application. If the organization has completed less than a full year, it should submit two years proposed budgets.

9. In what month does the annual accounting period end?

Applications should indicate the end of their fiscal year. It is a good idea to check for consistency. Does the fiscal year ending date stated on the application agree with the fiscal year ending date stated in the by-laws, on the financial statements, and on any prior returns filed?

8. Did you provide the required information on the principal officers and board of directors?

Applications should list the following information concerning the governing officials:

1. names,
2. addresses,
3. phone numbers,
4. titles and positions,
5. annual compensation.

7. Did you provide enough information on the activities to show us how your exempt purpose will be achieved?

Please don't restate your purpose, but explain the specific activities you will carry on to achieve that purpose. You should consider a "who, what, when, where and why" approach. You should explain past, present, and planned activities. If you haven't started an activity yet, develop your plans well enough that we can have a clear understanding of how it will operate.

#6. Did you complete all required schedules?

You should check the line items on the financial statements. Some lines require supporting schedules.

#5. Did you complete all required pages?

To make a determination, the information contained on the pages and schedules of Form 1023 and Form 1024 is necessary. On Form 1023, there are various schedules and pages that must be filled out for churches, schools, hospitals, private operating foundations, scholarships, supporting organizations, and child care organizations.

4. Did a principal officer sign page one of Form 1023 or Form 1024?

A principal officer such as the president, vice president, secretary, or treasurer should sign the application on page one. If anyone else signs the form, a completed Power of Attorney, Form 2848, should accompany the application.

3. Did you submit a copy of your by-laws?

You need to send a copy of the by-laws, code of regulations, or any other document that sets out the organization's rules of operation. If the organization has not adopted such rules, you need to check the box on page one of the application, Form 1023 or Form 1024.

2. Did you attach a complete copy of your organizing document and all amendments?

If the applicant is a corporation, this would be a copy of the articles of incorporation that shows it has been filed with and approved by the state. If the applicant is not incorporated, it should have a similar organizing document. This could be a constitution, articles of association, or by-laws. Whatever the document is called, it must at the minimum state: the legal name, the purposes, and the date of adoption. The document should be signed by at least two officers of the organization. A trust document must be signed by the trustees and show the date of formation.

1 reason for delays in processing exempt organization applications is . . .

INCORRECT OR NO USER FEE!

The payment required for a determination of exemption is \$400 or \$850. (See Form 8718, User Fee for Exempt Organization Determination Letter Request.) If your gross receipts are not expected to exceed \$10,000 annually, you can qualify for the lower user fee of \$400, but you must complete the Certification on Form 8718 in addition to sending the payment. The financial information sent with applications is checked to verify that the organization's gross receipts, activities, and user fee payment are consistent.

Now that you know the ten most common pitfalls in the Exempt Organization application process, we hope you can avoid them. If your application is completed correctly initially, and sent with all required documents and schedules, there is a good chance your organization could be recognized as exempt with no further contact. If there is contact, the agent can address the technical issues the need to be resolved without taking up your time trying to just get a complete application.

ARTICLES OF ASSOCIATION

Silent Night Choir Booster Club

Articles of Association of the undersigned, a majority of whom are citizens of the United States, desiring to form a Non-Profit Corporation under the non-profit association do hereby certify:

ARTICLE I

The name of the Association is: Silent Night Choir Booster Club

ARTICLE II

The principal office of the Association is located in the city of Jingle Bells, TX
Street address:

Silent Night Choir Booster Club
PO Box 1225
Jingle Bells, TX 00025

ARTICLE III

The period of its duration is perpetual.

ARTICLE IV

The purpose of this Association is to assist the directors of the Silent Night Choir in reaching the choir program goals. It shall provide financial support to the choir as deemed necessary by the Choir Director and provide assistance for choir activities as requested by the Choir Director.

These purposes are exclusively charitable and educational with the meaning of section 501 (c)(3) of the Internal Revenue Code of 1986 as now in effect or as it may hereafter be amended. In furtherance of these purposes, the Association is authorized to receive property by gift or bequest and to invest and reinvest the same, and to apply the income and principle thereof as determined by the Board of directors and Choir Director exclusively for charitable and educational purposes, to engage in any and all lawful activities incidental thereto as restricted herein.

The Activities of the organization shall not conflict with the policies of the Pasadena Independent School District and shall be sanctioned by school officials.

ARTICLE V

The names and addresses of the persons who shall serve as directors of the Silent Night Choir Booster Club until their successors have been elected and qualified, are as follows:

Joe Soeuff	2010-11 President	1025 Snowlane, Pasadena, TX 77503
Fred Frosty	2010-11 Vice President	8857 Freezing Blvd., Pasadena, TX 77503
Sann Tababe	2010-11 Treasurer	5589 Reindeer Run, Pasadena, TX 77503
Ruddy Rednose	2010-11 Secretary	3978 Manger Way, Pasadena, TX 77503

ARTICLE VI

No part of the net earnings of the association shall inure to the benefit of or be distributable to its members, trustees, officers or other private persons, except that the association shall be authorized and empowered to pay reasonable compensation for services rendered and to make payments and distributions in furtherance of the purposes set forth in Article IV hereof. No substantial part of the activities of the association shall be the carrying on of propaganda, or otherwise attempting to influence legislation, and the association shall not participate in, or intervene in (including the publishing or distribution of statements) any political campaign on behalf of or in opposition to any candidate of public office. Notwithstanding any other provision of these articles; the association shall not carry on any other activities not permitted to be carried on (a) by an association exempt from federal income tax under section 501 (c)(3) of the Internal Revenue Code, or the corresponding section of any future federal tax code, or (b) by an association, contributions to which are deductible under section 170(c)(2) of the Internal Revenue Code, or the corresponding section of any future federal tax code.

ARTICLE VII

These Articles of Association may be amended from time to time as provided by the statute of the by-laws of the association; provided, however, that no amendment shall be made which would alter the purposes for which the association is organized as set forth in Article IV, or would cause any benefit to inure to any officer, director, incorporator, or member.

ARTICLE VIII

In the event of voluntary or involuntary dissolution of this association, the assets, after payment of just debts, shall be distributed exclusively for the purposes set out in Article IV and to organizations organized and operated exclusively for such purposes and which are exempt from federal income taxation under section 501(c)(3) of the Internal Revenue Code of 1986, as amended from time to time, or the corresponding provisions of any subsequent revenue law or laws. The distribution shall be made by the Board of Directors, or pursuant to court order. In no event, however, shall such distribution inure to any person who has a personal and private interest in the activities of the association.

IN WITNESS WHEREOF, for the purpose of forming this association under the laws of the State of Texas, we, the undersigned constituting the Executive Board of the Association, have executed these Articles of Association on the 26th day of August, 2010.

Joe Soeuff	2010-11 President	_____
Fred Frosty	2010-11 Vice President	_____
Sann Tababe	2010-11 Treasurer	_____
Ruddy Rednose	2010-11 Secretary	_____

**ARTICLES OF INCORPORATION
ABC HIGH SCHOOL BOOSTER CLUB**

FILED
In the Office of the
Secretary of State of Texas
Oct 25 2010

Corporations Section

The undersigned natural person over the age of eighteen (18), acting as an incorporator, adopt the following Articles of Incorporation of ABC High School Booster Club:

ARTICLE ONE, NAME

The name of the corporation is ABC HIGH SCHOOL BOOSTER CLUB.

ARTICLE TWO, NON-PROFIT CORPORATION

The corporation is a non-profit corporation. When it dissolves, all of its assets will be distributed to the State of Texas or an organization exempt from taxes under the Internal Revenue Code Section 501(c)(3) for one or more purposes exempt under the Texas franchise tax.

ARTICLE THREE, DURATION

The duration of the corporation is perpetual.

ARTICLE FOUR, PURPOSES

The purposes for organizing the Corporation are to perform charitable activities within the meaning of Internal Revenue Code Section 501(c)(3) in Texas Tax Code Section 11. 18(c).

ARTICLE FIVE, POWERS

Except as these Articles otherwise provide, the Corporation has all of the powers provided in the Texas Non-Profit Corporation Act. Moreover, the Corporation has all implied powers necessary and proper to carry out its express powers. The Corporation may reasonably compensate directors or officers for services rendered to or for the Corporation in furtherance of one or more of its purposes.

ARTICLE SIX, RESTRICTIONS AND REQUIREMENTS

The Corporation may not pay dividends or other corporate income to its directors or officers, or otherwise accrue distributable profits, or permit the realization of private gain. The Corporation may not take any action prohibited by the Texas Non-Profit Corporation Act.

The Corporation may not take any action that would be inconsistent with the requirements for a tax exemption under Internal Revenue Code Section 501(c)(3), and related regulations, rulings, and procedures. Nor may it take any action that would be inconsistent with the requirements for receiving tax deductible charitable contributions under Internal Revenue Code Section 170(c)(2) and any related regulations, rulings, and procedures. Regardless of any other provision in these Articles of Incorporation, or state law, the Corporation may not:

1. Engage in activities or use its assets in manners that do not further one or more exempt purposes as set forth in these Articles and defined by the Internal Code and related regulations, rulings, and procedures except to an insubstantial degree.
2. Serve a private interest other than one clearly incidental to an overriding public interest.
3. Devote more than an insubstantial part of its activities to attempting to influence legislation by propaganda or otherwise, except as provided by the Internal Revenue Code and related regulations, rulings and procedures.

*Texas Secretary
of State's stamp
of filing date*

4. Participate in or intervene in any political campaign on behalf of or in opposition to any candidate for public office. The prohibited activities include publishing or distributing statements and any other direct or indirect campaign activities.
5. Have objectives characterizing it as an "action organization" as defined by the Internal Revenue Code and related regulations, rulings, and procedures.
6. Distribute its assets on dissolution other than for one or more exempt purposes. On dissolution, the Corporation's assets will be distributed to the state government for a public purpose, or to an organization exempt from taxes under Internal Revenue Code Section 501(c)(3) to be used to accomplish the general purposes for which the Corporation was organized.
7. Permit any part of the Corporation's net earnings to enure to the benefit of any private share holder or member of the Corporation or any private individual.
8. Carry on an unrelated trade or business, except as a secondary purpose related to the Corporation's primary, exempt purposes.

ARTICLE SEVEN, MEMBERSHIP

The Corporation will have one or more classes of members as provided in the By-laws.

ARTICLE EIGHT, REGISTERED OFFICE AND AGENT

The street address of the Corporation's initial registered office is 4548 Another Avenue, Pasadena, Harris County, Texas. The name of the initial registered agent at the office is John Black, 4548 Another Avenue, Pasadena, Harris County, Texas.

ARTICLE NINE, MANAGING BODY OF CORPORATION

The management of the Corporation is vested in its Board of Directors and such committees that the Board may from time to time, establish. The by-laws provide the qualifications, manner of selection, duties, terms, and other matters relating to the Board of Directors. The initial Board of Directors will consist of three (3) persons:

NAMES ADDRESSES

Jane Doe	2334 Someplace Road Pasadena, TX 77503
Katy Smith	557 Imsolost Avenue Pasadena, TX 77503
Mike Crosoft	100000 Andstillgoing Road Pasadena, TX 77503

The number of directors may be increased or decreased by amending the By-laws. The number of directors may not be decreased to fewer than three.

ARTICLE TEN, LIMITATION ON LIABILITY OF DIRECTORS

A Director is not liable to the Corporation or members for monetary damages for an act or omission in the Director's capacity as Director except as otherwise provided by Texas statute.

ARTICLE ELEVEN, INDEMNIFICATION

The Corporation may indemnify a person who was, is, or is threatened to be made a named defendant or respondent in litigation or other proceedings because the person is or was a Director or other person related to the Corporation as provided by the provisions of the Texas Non-Profit Corporation Act governing indemnification.

As the By-laws provide, the Board of Directors may define the requirements and limitations for the Corporation to indemnify directors, officers or others related to the Corporation.

ARTICLE TWELVE, CONSTRUCTION

All references in these Articles to statutes, regulations, or other sources of legal authority refer to the authority cited or their successors, as they may be amended from time to time.

ARTICLE THIRTEEN, INCORPORATORS

The name and address of the incorporator is TU EXPENSIVE a licensed attorney in the State of Texas, 999 Richman Road, Pasadena, TX 77503.

ARTICLE FOURTEEN, ACTION BY WRITTEN CONSENT

Action may be taken by use of signed written consents by the number of members, directors, or committee members whose vote would be necessary to take action at a meeting at which all such persons entitled to vote were present and voted. Each written consent must bear the date of signature of each person signing it. A consent signed by fewer than all of the member, directors, or committee members is not effective to take the intended action unless consents, signed by the required number of persons, are delivered to the Corporation within sixty (60) days after the date of the earliest dated consent delivered to the Corporation. Delivery must be made by hand, or by certified or registered mail, return receipt requested. The delivery may be made to the Corporation's registered office, registered agent, principal place of business, transfer agent, registrar, exchange agent, or an officer or agent having custody of books in which the relevant proceedings are recorded. If delivery is made to the Corporation's principal place of business, the consent must be addressed to the president or principal executive officer.

The Corporation will give prompt notice of the action taken to persons who do not sign consents. If the action requires documents to be filed with the Secretary of State, the filed documents will state that the written consent procedures have been properly followed. A telegram, telex, cablegram, or similar transmission by a member, or director, or committee member, or photographic, facsimile, or similar reproduction of the signed writing is to be regarded as being signed by the member, director, or committee member.

Tu Expensive, Incorporator

THE STATE OF TEXAS
COUNTY OF HARRIS

I, a Notary Public for the state of Texas, do hereby certify that on October 31, 2010 personally appeared before me, TU EXPENSIVE , who being by me first duly sworn, declared that he is the person who signed the foregoing document as incorporator, and that the statements contained therein are true.

Notary Public in and for the State of Texas

YEE-HAW BOOSTER CLUB ASSOCIATION BY-LAWS

AMENDED: November 28, 2010

ARTICLE I - NAME

The name of this organization shall be the YEE-HAW BOOSTER CLUB.

ARTICLE II – OBJECTIVES

Sec. 1. This organization is organized exclusively for charitable, religious, educational, and scientific purposes, including, for such purposes, the making of distributions to organizations that qualify as exempt organizations under section 501 (c) (3) of the Internal Revenue Code of 1954 (or the corresponding provision of any future United States Internal Revenue Law).

No part of the net earnings of the corporation shall inure to the benefit of, or be distributable to, its members, trustees, officers, or other private persons, except that the organization shall be authorized and empowered to pay reasonable compensation for services rendered and to make payments and distributions in furtherance of the purposes set forth in the paragraph above. No substantial part of the activities of the organization shall be the carrying on of propaganda, or otherwise attempting to influence legislation, and the organization shall not participate in, or intervene in (including the publishing or distribution of statements) any political campaign on behalf of any candidate for public office. Notwithstanding any other provision of these by-laws, the organization shall not carry on any other activities not permitted to be carried on (a) by an organization exempt from Federal Income tax under section 501 (c) (3) of the Internal Revenue Code of 1954 (or the corresponding provision of any future United States Internal Revenue Law) or (b) by an organization, contributions to which are deductible under section 170 (c) (2) of the Internal Revenue Code of 1954 (or the corresponding provision of any future United States Internal Revenue Law).

Sec. 2. This organization is organized to support the activities of the drill team members. Upon the dissolution of the organization, the Executive Committee shall, after paying or making provision for the payment of all of the liabilities of the organization, dispose of all of the assets of the organization exclusively for the purposes of the organization in such manner, or to such organization or organizations organized and operated exclusively for charitable, educational, religious, or scientific purposes as shall at the time qualify as an exempt organization or organizations under section 501 (c) (3) of the Internal Revenue Code of 1954 (or the corresponding provision of any future United States Internal Revenue Law), as the Executive Committee shall determine. Any such assets not so disposed of shall be disposed of by the Court of Common Pleas of the county in which the principal office of the organization is then located, exclusively for such purposes or to such organization or organizations, as said Court shall determine, which are organized and operated exclusively for such purposes.

ARTICLE III - MEMBERSHIP DUES

Membership becomes automatic upon payment of dues.

ARTICLE IV - OFFICERS AND THEIR ELECTION

Sec. 1. The Executive Board of this club shall consist of the following officers: President, 1st Vice-President, 2nd Vice-President, 3rd Vice-President, Secretary, Treasurer(s) and Parliamentarian.

Sec. 2. No person shall serve in the same office more than one consecutive year unless it is decided and voted upon to determine that it is the best interest of the club. Term of the office herein is defined as the period of May of current year until May of the following year at installation of Booster Club officers.

Sec. 3. Officers shall be elected by voice, unless there are nominations from the floor in which case the vote shall be by ballot. Nominations of officers shall be presented to the membership by a nomination committee at least one month prior to the election of the officers. The nomination committee shall consist of the club President as chairperson; the Yee-Haw Director; the Principal, at his or her discretion; and five other members appointed by the President. Two of the appointed members shall be from the Executive Committee and three from the membership at large, including one sophomore class representative, one junior class representative, and one senior class representative.

Sec. 4. These officers shall be elected annually in April and assume duty at the installation of officers at the May Booster Club meeting.

Sec. 5. Nominations from the floor may be made provided prior consent is obtained from the prospective nominee and these nominations are made at the time the nominating committee presents its slate to the membership.

Sec. 6. A vacancy occurring in an office shall be filled by a vote of the executive board.

Sec. 7. All officers are volunteers, and none are paid any compensation for services performed. As such, no officer shall incur any personal liability as a result of serving on this board.

ARTICLE V - DUTIES OF OFFICERS

Sec. 1. The President shall preside at all meetings of the club, Executive Board, and the Executive Committee and shall be a member ex-officio of all committees and shall perform other duties usually pertaining to the office.

Sec. 2. The 1st Vice-President shall act as aid to the President and shall perform duties of the President in the absence of that officer and serve as chairperson of membership and special events.

Sec. 3. The 2nd Vice-President shall be responsible for procuring chaperones for all football games, contest trips, or other events which take place.

Sec. 4. The 3rd Vice-President shall be responsible for organizing all fund raising projects.

Sec. 5. The Secretary shall keep a record of all meetings of the club and of the Executive Board meetings and shall conduct the general correspondence of the club.

Sec. 6. The Treasurer(s) shall be custodian of all Booster Club funds and all disbursements of these funds under guidelines listed below.

1. Expenditures in excess of budgeted amounts will not be expended without board approval.
2. Receipts must be presented to the Treasurer for reimbursement. No cash advances are allowed unless the item has already been budgeted for and funds are available.
3. The 3rd Vice-President (fund raising chairperson), the project chairperson, and the Treasurer shall be in charge of tabulating money at the end of each fundraiser. Duplicate receipts will be issued by the Treasurer with the Treasurer retaining the original and a copy given to the 3rd Vice-President.
4. The following signatures are to be maintained on the file at the financial institution in which the checking account is located:
 - a. President of the Booster Club; and
 - b. Treasurer(s) of the Booster Club.

All checks are to have these two (2) signatures.

5. The Treasurer will be required to keep current and accurate ledgers indicating all accounts payable. At the end of his/her term, the Booster Club shall have an organizational committee conduct an annual review of the organization's revenues/expenditures for the prior year. A copy of the report for the prior year will be submitted to the Principal's office and to the Internal Auditor by September 30th of each year.
6. A financial disposition of Booster Club funds shall be presented monthly, with a financial statement given at the May meeting.

Sec. 7. The Parliamentarian will insure that all meetings are conducted according to Robert's Rules of Order.

ARTICLE VI – MEETINGS

Sec. 1. A regular meeting of the Booster Club shall be held on the second Tuesday night of each school month unless otherwise provided by the club or the Executive Board with a seven-day notice.

Sec. 2. Fifty percent (50%) of the voting membership of the Booster Club, one of whom shall be authorized to open and preside over the meeting, shall constitute a quorum.

ARTICLE VII - EXECUTIVE COMMITTEE

The Executive Committee shall consist of the officers of the club and the Yee-Haw Director. Its duties shall be to transact necessary business between club meetings and such other business as may be referred to it by the club; to approve the plans of work of the standing committee chairpersons; and to present reports at the regular meetings. Special meetings of the Executive Committee may be called by the President or by a majority of the committee's members.

ARTICLE VIII - STANDING COMMITTEES

There shall be such standing committees created by the Executive Committee as may be required to promote the objectives and purposes of the club. The chairpersons of the standing committees shall be appointed or selected by the newly elected Executive Board. Their term of office shall be for one year.

Standing Committees

Scholarship	Mother/Daughter socials	Luncheon
Father/Daughters	Parent socials	Photo Historian
Sunshine (Thank You's)	Props	Costumes/Sewing

Standing Committees (continued)

Publicity	Telephone	Formal	P.A.C.E.	Spring Show
Banquet	Fundraising (ie.: Car Wash, Jazz Camp, Candy Sales, Christmas Wrap, Etc)			

ARTICLE IX - PARLIAMENTARY AUTHORITY

All meetings shall be governed by Robert's Rules of Order in cases where they are applicable and are not inconsistent with these by-laws.

The Booster Club has no authority to direct the Director, an employee of Totally Country High School, in any of her duties. The schedule of contest, rules of participation, method of earning letters, awards offices and all other criteria dealing with interschool programs are under the jurisdiction of the Director and the school administration.

ARTICLE X – AMENDMENTS

These by-laws may be amended at any regular meeting of the organization by two-thirds vote of the designated quorum, provided notice of proposed amendment shall be given at the previous regular meeting.

ARTICLE XI - STANDING RULES

Flowers or memorials shall be sent in case of death of a Yee-Haw member or immediate family member (mother, father, sister, brother). Cards are to be sent in all other instances.

All Booster Club projects must support the philosophy of the school administration.

ARTICLE XII – VOTING

Membership in the Yee-Haw Booster Club is by family with one vote per family.

ARTICLE XIII – AWARDS

Attendance awards shall be given only to the daughters of members who have missed no more than one (1) meeting during the year.

ARTICLE XIV –ACADEMIC

An academic scholarship will be given to needy or deserving Yee-Haws as the funds are available. The scholarship recipient(s) will be decided by the Totally Country Scholarship Committee. The amount to be awarded shall be determined by the Executive Board when creating the annual budget.

ARTICLE XV – FUNDRAISING

Sec. 1. All sales campaigns must be cleared through the Yee-Haw Director and the Totally Country Principal.

Sec. 2. All funds raised shall be for the purpose of supporting drill team activities by providing funds to cover costumes, uniforms, leotards, shoes, props, contest fees, contest travel expenses, refreshments, scholarships, or other necessary items required for participation on drill team and not being provided for drill team members by the high school or school district. Social events will be incidental to the purpose of fund raising activities, and drill team members are required to pay for participation in connection with same. Committee chairpersons, board members, and drill team director shall decide on the amount due from drill team members in connection with a social event.

ARTICLE XVI - RETURN CHECK POLICY

Sec. 1. If more than one insufficient funds check is presented to the Booster Club by the same party, no further checks will be accepted, only cashier's check or money order.

Sec. 2. The party issuing an insufficient funds check must reimburse the Booster Club for the amount of the check plus any applicable fees within thirty (30) days of notification of insufficient funds.

BY-LAWS

XYZ HIGH SCHOOL BOOSTER CLUB, INC.

ARTICLE I

1.1 Name. The name of this corporation is XYZ HIGH SCHOOL BOOSTER CLUB, INC. ("Corporation")

ARTICLE 11

2.1 Purposes. The Corporation is organized exclusively for educational and charitable purposes within the meaning of Section 501(c)(3) of the Internal Revenue Code of 1986, as amended ("Code"). The purpose or purposes for which the Corporation is organized are:

- a. To sponsor and promote a chemical free prom night for graduating seniors of XYZ High School;
- b. To educate high school students and the public about the benefits to themselves and others of a chemical free celebration of prom night;
- c. To solicit and disburse funds to be used to support the above purposes.

ARTICLE III

3.1 Principal Office. The principal office of the Corporation shall be located in Pasadena, Harris County, Texas.

3.2 Registered Office and Registered Agent. The Corporation shall have and contiguously maintain in the State of Texas a registered agent whose office is identical with such registered office, as required by the Texas Non-Profit Corporation Act. The registered office may be, but need not be identical with the principal office of the Corporation, and the address of the registered office may be changed from time to time by the Board of Directors.

ARTICLE IV

4.1 Administration. The Purposes of the Corporation shall be carried out through conferences, committees and projects. The Corporation shall not seek to direct the administrative activities of the school or to control their policies.

4.2 Non-Commercial. The Corporation shall be non-commercial, non-sectarian and nonpartisan. No commercial enterprise or any candidates shall be endorsed by it. The name of the Corporation or its officers in their official capacities shall not be used in any connection with a commercial concern or with any partisan interest or for any purpose other than the regular work of the Corporation.

ARTICLE V

5.1 Membership. The Corporation will have no members. The Corporation may, nevertheless, use the term "Members" to designate those persons having such privileges and status as the Board of Directors may determine. Such "Members" shall have no voting or other legal or equitable rights in the Corporation.

ARTICLE VI

6.1 General Powers. The affairs of the Corporation shall be managed by its Board of Directors.

6.2 Number and Qualifications. The Board of Directors shall consist of the individuals who hold the offices of President, Vice President, Treasurer and Secretary of the Corporation. Membership in the Board of Directors shall be held exclusively and indefinitely by the individuals holding such offices. The initial Members of the Board of Directors are as follows:

<u>NAME</u>	<u>ADDRESS</u>
Joe Smith	222 Some Road, Pasadena, TX 77503
Jane Doe	724 Aroad Avenue, Pasadena, TX 77503
John Black	345 Another Avenue, Pasadena, TX 77503
Mary Smith	889 Deadend Road, Pasadena, TX 77503

6.3 Duties. The duties of the Board of Directors shall be to transact necessary business.

6.4 Quorum. A majority of the Board of Directors shall constitute a quorum for the transaction of business at any meeting of the Board; but if less than a majority of the directors are present at the meeting, a majority of the Directors present may adjourn the meeting from time to time without further notice.

6.5 Manner of Acting. The act of a majority of the Directors present at a meeting at which a quorum is present shall be the act of the Board of Directors, unless the act of a greater number is required by law or by these by-laws.

6.6 Resolutions. No resolutions may be adopted except by the Board of Directors.

6.7 Informal Action by Directors. Any action required by law to be taken at a meeting of the Board of Directors, or any action which may be taken at a meeting of the Board of Directors, may be taken without a meeting if a consent in writing setting forth the action so taken shall be signed by all of the directors.

ARTICLE VII OFFICERS

7.1 Officers. The officers of the Corporation shall be a President, Vice President, Secretary and Treasurer. Officers shall take office at the first regular meeting and serve for a term of one year or until their successors are installed.

7.2 Designation of Officers. The officers of the Corporation shall be elected annually at the first regular meeting. Each officer shall hold office until his successor shall have been duly elected and shall have been qualified, or until his death, or until he shall resign or shall have been removed in the manner hereinafter provided.

7.3 Vacancies. Vacancies occurring during the term of office shall be filled by the Board of Directors.

7.4 President. The President shall be the principal executive officer of the Corporation and shall in general supervise and control all of the business and affairs of the Corporation. He or she shall preside at all meetings of the Corporation, the Board of Directors, and shall be exofficio member of all committees. He or she may sign, with the Secretary or any other proper officer of the Corporation authorized by the Board of Directors, any contracts or other instruments which the Board of Directors has authorized to be executed, except in cases where the signing and execution thereof shall be expressly delegated by the Board of Directors or by these By-laws or by statute to some other officer or agent of the Corporation; and in general he or she shall perform all duties incident to the office of President and such other duties as may be prescribed by the Board of Directors from time to time.

7.6 Vice President. In the absence of the President or in the event of his or her inability or refusal to act, the Vice President shall perform the duties of the President, and when so acting shall have all the powers of and be subject to all the restrictions upon the President. The Vice President shall be the Chairman of the Fundraising Committee.

7.7 Treasurer. If required by the Board of Directors, the Treasurer shall give a bond for the faithful discharge of his or her duties in such sum and with such surety or sureties as the Board of Directors shall determine. He or she shall have charge and custody of and be responsible for all funds and securities of the Corporation; deposit all such moneys in the name of the Corporation in such banks, trust companies, or other depositories as shall be selected in accordance with these By-laws; and in general perform all the duties incident to the office of Treasurer and such other duties as from time to time may be assigned to him or her by the President or by the Board of Directors. The Treasurer shall present a statement of account at every meeting of the Corporation and at other times when requested by the Board of Directors and shall make a report at the Spring and Fall meetings. The Treasurer's books shall be subject to an audit annually by a committee of three members appointed by the President at the spring meeting. The Treasurer's books shall be closed by July 31 of the fiscal year (end of the fiscal year).

7.8 Secretary. The Secretary shall keep the minutes of the meetings of the members of the Board of Directors in one or more books provided for that purpose; give all notices in accordance with the provisions of these By-laws or as required by law; be custodian of the corporate records; keep a register of the address of each member which shall be furnished to the Secretary by each member; and, in general, perform all duties incident to the office of Secretary and such other duties as from time to time may be assigned to him or her by the President or by the Board of Directors.

ARTICLE VIII CONTRACTS, CHECKS, DEPOSITS AND FUNDS

8.1 Contracts. The Board of Directors may authorize any officer or officers, agent or agents of the Corporation, in addition to the officers so authorized by these By-laws, to enter into contract or execute and deliver any instrument in name of and on behalf of the Corporation. Such authority may be general or confined to specific instances. All expenditures must be approved by the Board of Directors before they are made.

8.2 Checks and Drafts. All Checks, drafts, or orders for the payment of money, notes or other evidences of indebtedness issued in the name of the Corporation shall be signed by such officer or officers, agent or agents of the Corporation and in such manner as provided in these by-laws or as from time to time determined by the Board of Directors.

8.3 Deposits. All funds of the Corporation shall be deposited from time to time to the credit of the Corporation in such banks, trust companies, or other depositories as the Board of Directors may select.

8.4 Gifts. The Board of Directors may accept on behalf of the Corporation any contribution, gift, bequest or devise for the general purposes or for any special purpose of the Corporation.

8.5 Special Provision. At the close of the fiscal year in 2011, the Corporation shall remit \$500 to next year's Project Prom. In all succeeding years, at the close of the fiscal year, the Corporation shall remit \$ 1,000 for use for the succeeding Project Prom.

ARTICLE IX MISCELLANEOUS

9.1 Books and Records. The Corporation shall keep correct and complete books and records of account and shall also keep minutes of the proceedings of its members, Board of Directors, and committees having any of the authority of the Board of Directors, and shall keep at the registered or principal office a record giving the names and addresses of the members entitled to vote. All books and records of the Corporation may be inspected by any member or his or her agent or attorney for any proper purpose at any reasonable time.

9.2 Fiscal Year. The fiscal year of the Corporation shall begin on the first day of August and end on the last day in July.

ARTICLE X AMENDMENTS

10.1 Amendments. These By-laws may be amended at any regular or special meeting of the Board of Directors by a two-thirds vote of the members present and voting, following notices of the proposed amendment at a previous regular or special meeting of the Board of Directors.

**ARTICLE XI
RULES OF ORDER**

11.1 Rules of Order. Except as provided in these by-laws, the rules contained in Robert's Rules of Order Newly Revised shall govern the Corporation operation.

Adopted

IN WITNESS WHEREOF, we have hereunto set our hands this day and year shown below.

Dated: ____/____/____

Joe Smith

Dated: ____/____/____

Jane Doe

Dated: ____/____/____

Mary Smith

CONFLICTS OF INTEREST POLICY

Article I Purpose

The purpose of the conflict of interest policy is to protect this tax-exempt organization's (Organization) interest when it is contemplating entering into a transaction or arrangement that might benefit the private interest of an officer or director of the Organization or might result in a possible excess benefit transaction. This policy is intended to supplement but not replace any applicable state and federal laws governing conflict of interest applicable to nonprofit and charitable organizations.

Article II Definitions

1. **Interested Person**

Any director, principal officer, or member of a committee with governing board delegated powers, who has a direct or indirect financial interest, as defined below, is an interested person.

2. **Financial Interest**

A person has a financial interest if the person has, directly or indirectly, through business, investment, or family:

- a. An ownership or investment interest in any entity with which the Organization has a transaction or arrangement,
- b. A compensation arrangement with the Organization or with any entity or individual with which the Organization has a transaction or arrangement, or
- c. A potential ownership or investment interest in, or compensation arrangement with, any entity or individual with which the Organization is negotiating a transaction or arrangement.

Compensation includes direct and indirect remuneration as well as gifts or favors that are not insubstantial.

A financial interest is not necessarily a conflict of interest. Under Article III, Section 2, a person who has a financial interest may have a conflict of interest only if the appropriate governing board or committee decides that a conflict of interest exists.

Article III Procedures

1. **Duty to Disclose**

In connection with any actual or possible conflict of interest, an interested person must disclose the existence of the financial interest and be given the opportunity to disclose all material facts to the directors and members of committees with governing board delegated powers considering the proposed transaction or arrangement.

2. Determining Whether a Conflict of Interest Exists

After disclosure of the financial interest and all material facts, and after any discussion with the interested person, s/he shall leave the governing board or committee meeting while the determination of a conflict of interest is discussed and voted upon. The remaining board or committee members shall decide if a conflict of interest exists.

3. Procedures for Addressing the Conflict of Interest

- a. An interested person may make a presentation at the governing board or committee meeting, but after the presentation, s/he shall leave the meeting during the discussion of, and the vote on, the transaction or arrangement involving the possible conflict of interest.
- b. The chairperson of the governing board or committee shall, if appropriate, appoint a disinterested person or committee to investigate alternatives to the proposed transaction or arrangement.
- c. After exercising due diligence, the governing board or committee shall determine whether the Organization can obtain with reasonable efforts a more advantageous transaction or arrangement from a person or entity that would not give rise to a conflict of interest.
- d. If a more advantageous transaction or arrangement is not reasonably possible under circumstances not producing a conflict of interest, the governing board or committee shall determine by a majority vote of the disinterested directors whether the transaction or arrangement is in the Organization's best interest, for its own benefit, and whether it is fair and reasonable. In conformity with the above determination, it shall make its decision as to whether to enter into the transaction or arrangement.

4. Violations of the Conflicts of Interest Policy

- a. If the governing board or committee has reasonable cause to believe a member has failed to disclose actual or possible conflicts of interest, it shall inform the member of the basis for such belief and afford the member an opportunity to explain the alleged failure to disclose.
- b. If, after hearing the member's response and after making further investigation as warranted by the circumstances, the governing board or committee determines the member has failed to disclose an actual or possible conflict of interest, it shall take appropriate disciplinary and corrective action.

Article IV
Records of Proceedings

The minutes of the governing board and all committees with board delegated powers shall contain:

- a. The names of the persons who disclosed or otherwise were found to have a financial interest in connection with an actual or possible conflict of interest, the nature of the financial interest, any action taken to determine whether a conflict of interest was present, and the governing board's or committee's decision as to whether a conflict of interest in fact existed.
- b. The names of the persons who were present for discussions and votes relating to the transaction or arrangement, the content of the discussion, including any alternatives to the proposed transaction or arrangement, and a record of any votes taken in connection with the proceedings.

Article V
Compensation

- a. A voting member of the governing board who receives compensation, directly or indirectly, from the Organization for services is precluded from voting on matters pertaining to that member's compensation.
- b. A voting member of any committee whose jurisdiction includes compensation matters and who receives compensation, directly or indirectly, from the Organization for services is precluded from voting on matters pertaining to that member's compensation.
- c. No voting member of the governing board or any committee whose jurisdiction includes compensation matters and who receives compensation, directly or indirectly, from the Organization, either individually or collectively, is prohibited from providing information to any committee regarding compensation.

Article VI
Annual Statements

Each director, principal officer and member of a committee with governing board delegated powers shall annually sign a statement which affirms such person:

- a. Has received a copy of the conflicts of interest policy,
- b. Has read and understands the policy,
- c. Has agreed to comply with the policy, and
- d. Understands the Organization is charitable and in order to maintain its federal tax exemption, it must engage primarily in activities which accomplish one or more of its tax-exempt purposes.

Article VII
Periodic Reviews

To ensure the Organization operates in a manner consistent with charitable purposes and does not engage in activities that could jeopardize its tax-exempt status, periodic reviews shall be conducted. The periodic reviews shall, at a minimum, include the following subjects:

- a. Whether compensation arrangements and benefits are reasonable, based on competent survey information, and the result of arm's length bargaining,
- b. Whether partnerships, joint ventures, and arrangements with management organizations conform to the Organization's written policies, are properly recorded, reflect reasonable investment or payments for goods and services, further charitable purposes and do not result in inurement, impermissible private benefit or in an excess benefit transaction.

Article VIII
Use of Outside Experts

When conducting the periodic reviews as provided for in Article VII, the Organization may, but need not, use outside advisors. If outside experts are used, their use shall not relieve the governing board of its responsibility for ensuring periodic reviews are conducted.

State Regulatory Information

This section has been prepared to provide general, not specific or all-inclusive, information to Booster Clubs regarding state tax regulations. Steps have been documented to aid a Booster Club in abiding by the regulations; however, these steps are only general guidelines and do **not** ensure that a Booster Club will remain in compliance with all state tax regulations.

Each Booster Club should strive to remain in good standing with all state agencies. **Therefore, each Booster Club 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 Booster Club's responsibility.

General State Regulatory Information

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

This information is organized as follows:

- Obtaining an Employer Identification Number
- Obtaining a Texas Sales Tax Permit
- Qualifying for Exemption from Texas Limited Sales, Excise, and Use Tax
- Booster Clubs with the Limited Exemption
- Booster Clubs with No Exemption
- "Tax-exempt" Organizations
- Reporting Requirements
- Franchise Tax
- Change in Address
- Further Questions

Obtaining an Employer Identification Number

To sell any taxable items within the State of Texas, a company, organization, or person must apply for a Sales Tax Permit. Before obtaining a Sales Tax Permit, a Booster Club must **first** obtain an Employer Identification Number (EIN) from the Internal Revenue Service (IRS) to establish its identity as an organization. ***(See the Federal Regulatory Information for these instructions.)***

Obtaining a Texas Sales Tax Permit

Booster Clubs should obtain a Texas Sales Tax Permit if you intend to sell goods or taxable services in Texas. The sale of goods **does include** fund-raisers, such as catalog sales, candy sales, and sales of other items. In addition, some Booster Clubs sell services that may be taxable. Booster Clubs may obtain a Texas Sales Tax Permit by submitting the completed applications to the Texas State Comptroller's Office.

Note: A blank Texas Application for Sales Tax Permit is included in the section "Forms Available to Use" for your convenience.

A Texas Sales Tax Permit will be issued to the Booster Club along with a Sales Tax Permit Number. The Texas Sales Tax Permit Number has 11 digits and begins with a 1, 2, or 3. The permit numbers beginning with a "1" are based on an entity's EIN. Those permit numbers beginning with a "2" are based on a person's social security number. The permit numbers beginning with a "3" are assigned by the Texas State Comptroller's Office.

IMPORTANT
Booster Clubs cannot use the District's Sales Tax Permit Number.

Qualifying for Exemption from Texas Limited Sales, Excise, and Use Tax

The Texas limited sales, excise, and use tax exemption allows approved organizations an exemption from sales tax when purchasing items to further the organization's exempt purpose. Therefore, this limited exemption allows the approved Booster Club to make sales tax-exempt purchases of items intended for resale for a fund-raiser. **This exemption process is separate and in addition to applying for federal tax-exemption from the IRS.**

Only those Booster Clubs that have obtained tax-exempt status from the IRS may apply for the state exemption from Texas limited sales, excise, and use tax.

IMPORTANT
If the IRS considers a Booster Club a **taxable organization**, the Booster Club **CANNOT** receive an exemption from the Texas limited sales, excise, and use tax.

Booster Clubs may request exemption from the Texas limited sales, excise, and use tax by submitting the following to the Texas State Comptroller's Office:

1. Cover letter with the organization's name, mailing address, and Sales Tax Permit Number. Specifically request an exemption from "sales and use tax." Include the name and daytime phone number of the organization's contact person in case the Texas State Comptroller's Office has any questions.
2. Written statement detailing the nature of the activities conducted or to be conducted.
3. Copy of the by-laws.
4. Copy of the Articles of Incorporation, if the Booster Club is incorporated.
5. Copy of the Determination Letter from the IRS granting the Booster Club tax-exempt status.

6. Copy of the Booster Club's constitution or any applicable trust agreement.

The Texas State Comptroller's Office may require a Booster Club to furnish additional information including, but not limited to, documentation showing:

1. all services performed by the organization and
2. all income, assets, and liabilities of the organization.

Note: No fee is required to apply for this exemption. In addition, exemption from franchise tax may be requested within this letter.

The information should be mailed to:

Exempt Organizations
PO Box 13528
Austin, TX 78711

IMPORTANT

Do not use "Texas State Comptroller's Office" in this address, per their instructions, due to the mail routing system. Please use the address as listed above.

After a review of the information, the Texas State Comptroller's Office will notify the Booster Club in writing if the organization qualifies for the exemption. This review process may take about 2 to 3 weeks.

IMPORTANT

If a Booster Club loses its federal tax-exempt status, the IRS notifies the Texas State Comptroller's Office. Upon notification, the Texas State Comptroller's Office will immediately revoke the exemption from the Texas limited sales, excise, and use tax.

Therefore, all subsequent purchases by the Booster Club would be taxable. In addition, the Booster Club must notify its vendors of the loss of exempt status concerning the Texas limited sales, excise, and use tax.

Booster Clubs with the Limited Exemption

The exemption from the Texas limited sales, excise, and use tax (limited exemption) allows the approved Booster Clubs to make tax-exempt purchases of items intended for resale for a fundraiser. The Booster Club must present the vendor with a Texas Resale Certificate in order to purchase the items for resale tax-free. In addition, the certificate must state the Booster Club's Sales Tax Permit Number to be valid. Booster Clubs may request the Texas Resale Certificate from the Texas State Comptroller's Office.

The Booster Clubs with the limited exemption are entitled to two (2) "one-day, tax-free" sales or auctions per calendar year. A fund-raiser qualifies for the "one-day, tax-free" sale/auction if all items are to be delivered on one day. Each "one-day" sale/auction may not exceed 24 consecutive hours.

Remember: You must be granted the limited exemption first to be entitled to the two (2) "one-day, tax-free" sales or auctions per calendar year.

Sales of items such as T-shirts, candles, cups, etc. are subject to sales tax when sold on days other than the two (2) "one-day, tax-free" sale/auction days.

Booster Clubs with No Exemption

Booster Clubs that are taxable organizations or Booster Clubs that have not received approval for the limited exemption from the Texas State Comptroller's Office must pay sales tax on all applicable purchases and must collect sales taxes on all taxable items sold.

Booster Clubs that do not have an exemption are not entitled to any "one-day, tax-free" sales/auctions.

"Tax-exempt" Organizations

Some organizations may be extended a "tax-exempt" status by the Texas State Comptroller's Office. The organizations receiving this status may buy, lease, or rent taxable items without paying sales and use tax if those items are necessary to their function as a tax-exempt organization.

Historically, the Texas State Comptroller's Office has not extended "tax-exempt" status to Booster Clubs.

Reporting Requirements

The Texas State Comptroller's Office requires that Booster Clubs file at least one sales tax report per calendar year. The frequency of filing the sales tax report is determined by the Texas State Comptroller's Office. The amount of anticipated sales tax payments affects the frequency of reporting as follows:

- If projected yearly sales tax payments are \$1,000 or less, sales tax reports are filed annually.
- If projected yearly sales tax payments are more than \$1,000, sales tax reports are usually filed quarterly.

Since sales tax payments may vary from year to year, the frequency of reporting can also change. The Texas State Comptroller's Office will generally communicate changes in filing requirements to the Booster Clubs in writing. In addition, the Texas State Comptroller's Office will generally mail the required reporting form and information to organizations that have obtained a Sales Tax Permit.

Franchise Tax

The franchise tax serves as Texas' primary business tax. The tax is levied on corporations, including bank corporations, and limited liability companies that are chartered in Texas for the privilege of doing business in Texas. Non-corporate organizations, such as partnerships, associations, and proprietorships are excluded from the tax. Therefore, if a Booster Club is incorporated, they are subject to franchise tax.

However, Booster Clubs that have received their Determination Letter from the IRS granting 501(c)(3) tax exemption may also request exemption from the Texas franchise tax through the Texas State Comptroller's Office.

Although a nonprofit corporation that is exempt from federal income tax under Internal Revenue Code 501(c)(3) is exempt from franchise tax, the exemption is **not automatically granted**. Booster Clubs must write to the Texas State Comptroller's Office requesting franchise tax exemption by submitting the following:

1. Cover letter with the organization's name, mailing address, and Sales Tax Permit Number. Specifically request an exemption from "franchise tax." Include the name and daytime phone number of the organization's contact person in case the Texas State Comptroller's Office has any questions.
2. Written statement detailing the nature of the activities conducted or to be conducted.
3. Copy of the by-laws.
4. Copy of the Articles of Incorporation, if the Booster Club is incorporated.
5. Copy of the Determination Letter from the IRS granting the Booster Club tax-exempt status.
6. Copy of the Booster Club's constitution or any applicable trust agreement.

The Texas State Comptroller's Office may require a Booster Club to furnish additional information including, but not limited to, documentation showing

1. All services performed by the organization and
2. All income, assets, and liabilities of the organization.

Note: **No fee is required to apply for this exemption. In addition, exemption from sales and use tax can be requested within the same letter.**

The information should be mailed to:

Exempt Organizations
PO Box 13528
Austin, TX 78711

IMPORTANT

Do not use "Texas State Comptroller's Office" in this address, per their instructions, due to the mail routing system. Please use the address as listed above.

Change in Address

If the mailing address for the Booster Club changes, immediately notify the Texas State Comptroller's Office. Failure to do so may result in important correspondence being lost. To avoid frequent mailing address changes, the Texas State Comptroller's Office recommends that each Booster Club obtain its own post office box (PO Box) or private mailing box (PMB) to be used for official Booster Club mail. In addition, the post office box address and keys can be given easily to the new officers at the beginning of each new year.

Further Questions

If you have additional questions regarding the information discussed above, you may contact:

Texas State Comptroller's Office

Houston Office	713-266-4063
Austin Office	1-800-252-5555 (toll-free)
Exempt Organizations Department	1-800-531-5441 ext. 34142

Website addresses

Texas State Comptroller's Office	<u>www.window.state.tx.us</u>
Sales Tax Information	<u>www.window.state.tx.us/taxinfo/salestax.html</u>

Federal Regulatory Information

This section has been prepared to provide general, not specific or all-inclusive, information to Booster Clubs regarding federal tax regulations. Steps have been documented to aid a Booster Club in abiding by the regulations; however, these steps are only general guidelines and do **not** ensure that a Booster Club will remain in compliance with all federal tax regulations.

Each Booster Club should strive to remain in good standing with all federal agencies, including the Internal Revenue Service (IRS). **Therefore, each Booster Club 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 Booster Club's responsibility.

General Federal Regulatory 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 not being in good standing with all federal agencies. However, the District has provided the following information that includes detailed steps Booster Clubs should take to comply with federal tax regulations.

This information is organized as follows:

- Obtaining an Employer Identification Number
- Why Do I Want To Be Tax-exempt?
- Why Do I Want To Be a Public 501(c)(3)?
- Becoming a Public 501(c)(3) Tax-exempt Organization
- Applying for Public 501(c)(3) Tax-exempt Status
- Obtaining Tax-exemption through National Affiliation
- Advance Ruling Period (Temporary Tax-exempt Status)
- Filing Requirements for Tax-exempt Organizations
- Taxable Organizations
- Change in Address
- Further Questions

Obtaining an Employer Identification Number

The IRS requires that **all organizations** obtain a unique Employer Identification Number (EIN) for identifying itself as a unique entity. The IRS prohibits Booster Clubs from using their central organization's EIN; therefore, **Booster Clubs should not use the District's EIN.**

IMPORTANT

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 non-profit organization does **not** indicate that it is exempt from federal tax. "Nonprofit" is a state law concept and is **not** recognized by the IRS.

1. Completing IRS Form SS-4 (Application for Employer Identification Number) and
2. Either: mailing it to the IRS (4 to 5 week wait),
faxing it to 512-460-8000 (5 day response),
calling the IRS at 512-460-7843 (immediate assignment),
or online at <http://www.irs.gov/businesses/small/article/0,,id=102767,00.html>.

Note: No fee is required for obtaining an EIN.

After receiving your EIN, you 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.

Why Do I Want To Be Tax-exempt?

The IRS Tax Code provides for special treatment of certain organizations identified as "tax-exempt." Some benefits to becoming tax-exempt as a public 501(c)(3) organization include:

1. Taxes are not paid to the IRS for revenues raised,
2. Contributions to certain tax-exempt organizations [501(c)(3)] are tax-deductible by the contributor, and
3. Tax-exempt organizations are not required to file an information return (Form 990) unless the organization's annual gross receipts exceed \$25,000.

However, the following are restrictions placed on tax-exempt organizations that Booster Clubs **must follow** to receive tax-exempt status and to retain that status:

- **Tax-exempt organizations must benefit a group as a whole instead of benefiting individual members of a group.** Since Booster Clubs usually assist student groups, all members of the student group sponsored are to be treated equally and receive the same opportunity to benefit from the Booster Club's assistance. Therefore, one student cannot receive a greater benefit than another unless the criteria for financial need discussed below is met.

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 should not change every year.

- **Tax-exempt organizations cannot use individual accounts.** "Individual accounts" are those accounts used by a Booster Club to credit *an individual* with revenues raised. The Booster Clubs would use these accounts to benefit *the individual* by offsetting *that individual's expenses* with the amount credited to *that individual* from the revenues raised.

Please note that individual accounts do not refer to bank accounts.

The purpose of a tax-exempt organization is to benefit an entity as a whole instead of benefiting individuals. Therefore, the use of individual accounts could result in denial of the application for tax-exempt status by the IRS or the loss of existing tax-exempt status. In addition, the individual benefits received by people would result in taxable income to them.

- **Tax-exempt organizations cannot require a person to participate in fund-raising activities.** Normally, Booster Clubs raise funds for a student group through the efforts of the Booster Club members; however, sometimes the students of the group being assisted participate in the fund-raising activities. A Booster Club cannot require its members or the students in the related student group to participate in a fund-raiser. Furthermore, members of the student group who do not participate in fund-raising activities would receive the same opportunity to benefit as those members of the student group who participated.
- **Tax-exempt organizations cannot require that a certain amount be raised or sold per person.** For example, a Booster Club cannot require that each Booster Club member or student of the assisted group sell \$20 worth of candy or sell 10 candy bars in a fund-raiser.

The following is an illustration of the above concepts:

A dance team is attending a summer dance camp that costs \$2,000 for its 10 members (\$200 each). The Dance Team Booster Club decides to have a catalog fund-raiser to help defray some of the cost of the summer dance camp. The catalog sale generates a total of \$200 of revenue. Of the 10 total members of the dance team, only 2 participate in the catalog sale that generates the \$200, which is deposited into the Dance Team Booster Club's bank account.

*Since revenues from the catalog sale were to be used to defray some of the dance camp expense, the tax-exempt Dance Team Booster Club must give all 10 dance team members an equal opportunity to benefit from the catalog sale, even though only 2 members participated. This means that **each member's cost** would be reduced by \$20 ($\$200 / 10$ members). Therefore, each member's cost for attending the summer camp would be \$180 ($\200 cost - $\$20$ fund-raiser benefit).*

Why Do I Want To Be a Public 501(c)(3)?

When applying for tax-exempt status with the IRS, Booster Clubs should apply for the **public 501(c)(3) tax-exemption**. This type of exemption means that the organization is tax-exempt; the majority of its income is from the public; and all donations, subject to certain individual restrictions, are deductible on the contributor's tax return. In addition, 501(c)(3) organizations are eligible for state tax benefits (***See the State Regulatory Information***) and reduced postal rates.

The IRS has several other tax-exempt categories; however, the 501(c)(3) status is the **ONLY** category that allows any donations to be deductible on the contributor's tax return. All other categories allow for tax-exemption, but do not allow for deductible donations under any circumstances.

With a 501(c)(3) tax-exempt status, an organization may be public or private. A private 501(c)(3) organization has additional requirements and constraints that a public 501(c)(3) organization does not have.

Therefore, all Booster Clubs should apply for tax-exempt status as a public 501(c)(3) organization.

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

Tax-exempt status is not automatic once an EIN has been issued; **organizations must apply for tax-exempt status**. According to the IRS, an organization is either a taxable organization or a tax-exempt organization. Furthermore, organizations may **not** represent themselves as tax-exempt until they have obtained notification from the IRS stating they are a tax-exempt entity.

According to Board Policy GE (Local), **all Booster Clubs should seek tax-exempt status with the IRS as a public 501(c)(3) organization**. The Booster Club officers should take the necessary steps to ensure they follow the regulations regarding that type of entity.

Applying for Public 501(c)(3) Tax-exempt Status

1. Complete IRS Package 1023 (Application for Recognition of Exemption) seeking tax-exempt status as a **public 501(c)(3)** organization.
2. Complete IRS Form 8718 (User Fee for Tax-exempt Organization Determination Letter Request) and pay the required fee of \$400 or \$850.
3. Mail Package 1023, Form 8718, and a check for the filing fee to:
Internal Revenue Service
PO Box 192
Covington, KY 41012-0192

The filing fee is \$400 if your annual gross receipts averaged **no more than \$10,000** during the last 4 years or if you are a new organization that does not anticipate annual gross receipts exceeding \$10,000 during your first 4 years.

The filing fee is \$850 if your annual gross receipts averaged **more than \$10,000** during the last 4 years or if you are a new organization that anticipates annual gross receipts exceeding \$10,000 during your first 4 years.

Annual gross receipts: The total amount of revenue collected by an organization during its reporting year from any source. Sources may include, but are not limited to, membership fees, donations, fund-raising revenues, amounts collected for the payment of expenses (e.g., uniforms, trips), and any other amounts received.

To determine annual gross receipts:

- **Add** all deposits made to the Booster Club's bank account(s),
- **Add** cash on hand that was not deposited by the end of its reporting year,
- **Less** transfers from one bank account to another, and
- **Add** expenses paid with money collected that was not deposited in the Booster Club's bank account(s).

When completing the IRS Package 1023, Booster Clubs will establish their fiscal year-end (*also known as the accounting period year-end or official year-end*). Once this date is established, the IRS does not easily allow an organization to change it. Changes are usually only allowed for extreme circumstances. The date established will determine when the Booster Club has to file their informational return (Form 990) to the IRS. The return is due 4 ½ months after the end of a fiscal year (*the 15th day of the 5th month after the organization's accounting period ends*).

When considering a fiscal year-end date, you may wish to align your year-end with the school's year-end date of August 31. This way, the financial activity of the Club can relate easily to a given school year. Second, the current officers can prepare the annual Financial Report and have it audited before the new school year begins. Third, the Club's Form 990 would not be due to the IRS until November 15; therefore, the new officers would have time to prepare it after beginning the new school year.

The IRS approval process for tax-exempt status usually takes several months.

The IRS will send the organization an Acknowledgement of Your Request letter that indicates your application and fee were received and are being processed.

Upon approval by the IRS of the tax-exempt status, the organization will receive a Determination Letter stating that the organization is considered to be tax-exempt as of a certain date. Only then can the organization represent itself as a federally tax-exempt organization.

Likewise, donations to the organization are only deductible on the contributor's tax return as of the effective date on the Determination Letter received by the Booster Club granting **501(c)(3)** tax-exempt status and within set guidelines that apply to 501(c)(3) organizations.

Therefore, if the Booster Club receives tax exemption under any other code [i.e., 501(c)(4), 501(c)(7)], donations received are **not deductible on the contributor's tax return**. Furthermore, Booster Clubs should clearly state in all advertisements that donations to the organization are "**not tax-deductible**" so that a contributor is not misled and does not incur penalties levied by the IRS for taking the deduction erroneously.

If the IRS does not grant tax-exempt status, the organization will receive a Letter of Denial stating the organization is not considered tax-exempt.

Send a copy of the Acknowledgement of Your Request and a copy of the Determination Letter to the Campus Designee when each is received.

Obtaining Tax-Exemption through National Affiliation

Some organizations may become affiliated with a national organization that has already received tax-exempt status as a public 501(c)(3) organization from the IRS (e.g., PTAs). The national organization may have a Group Exemption Number (GEN) assigned to it by the IRS. The GEN may be used by local affiliates to avoid having to file their own Form 1023.

Each local affiliate, however, must obtain an Employer Identification Number (EIN).

Advance Ruling Period
(Temporary Tax-Exempt Status)

Some Booster Clubs may receive a temporary approval of tax-exempt status as a public 501(c)(3) organization for sixty (60) months known as an “advance ruling period.” The temporary status is usually granted for newly-formed Booster Clubs and is stated in the Determination Letter as “Advance Ruling Period Begins/Advance Ruling Period Ends.”

The 60-month grace period is considered a trial period by the IRS to determine if granting the **public 501(c)(3)** status is appropriate for a particular organization. Ninety days prior to the end of the 60 months, IRS Form 8734 (Support Schedule for Advanced Ruling Period) is required to be submitted by the Booster Club to maintain the **501(c)(3) tax-exempt status as a public organization**.

Failure to submit this form results in the organization automatically being reclassified as a private foundation, which has additional requirements and constraints that a public organization does not have. Some of these requirements and constraints include the reduced deduction of donations by a donor, the payment of excise taxes, and the annual filing of IRS Form 990-PF (Return of Private Foundation).

The IRS usually sends a notice to these organizations prior to their expiration date to remind them to submit the Form 8734; however, Booster Clubs should not rely on the IRS. Instead, the Booster Clubs should monitor their own temporary status expiration date.

After the IRS reviews the Form 8734 information, the IRS may grant a permanent public tax-exempt status to the organization. The tax-exempt status would remain in effect as long as all regulations concerning public tax-exempt organizations are followed.

Filing Requirements for Tax-exempt Organizations

The IRS requires that either Form 990 (Return of Organization Exempt from Income Tax) or Form 990-EZ (Short Form of Return of Organization Exempt from Income Tax) **be filed annually** for public organizations recognized as tax-exempt with gross receipts of more than \$25,000. ***(See definition of “annual gross receipts” in this section.)***

Contact the IRS at 1-800-829-3676 to order forms.

The return is due by the 15th day of the 5th month after the accounting period ends (due 4½ months after the Booster Club’s official or fiscal year-end). Please refer to your Determination Letter for confirmation of your accounting period year-end.

Booster Clubs must use Form 990-N if:

Gross receipts are less than \$25,000.

Booster Clubs must use Form 990-EZ if:

1. Gross receipts are more than \$25,000 but less than \$100,000 **AND**
2. Total assets are less than \$250,000 at year-end.

Booster Clubs must use Form 990 if:

1. Gross receipts are \$100,000 or more **OR**
2. Total assets are \$250,000 or more at year-end.

Taxable Organizations

If a Booster Club has not obtained tax-exempt status from the IRS, that Booster Club is a taxable entity. Taxable organizations operate under different guidelines than tax-exempt organizations and are required to submit Form 1120 (U.S. Corporation Tax Return) annually. Form 1120 must be filed each year no matter the amount of the gross receipts.

Since the District Booster Clubs should be public 501(c)(3) organizations, the IRS guidelines concerning taxable organizations are not included in this handbook. Taxable organizations should obtain their own competent independent counsel, such as a CPA, on accounting and tax matters related to their specific circumstances. The cost of the counsel would be the Booster Club's responsibility.

Change in Address

Immediately notify the IRS if the Booster Club's mailing address changes. Failure to do so may result in important correspondence being lost. To avoid frequent mailing address changes, the IRS recommends that each Booster Club obtain its own post office box (PO Box) or private mailing box (PMB) to be used for official Booster Club mail. In addition, this address and box keys can be given easily to the new officers at the beginning of each new year.

Further Questions

If you have additional questions regarding the information discussed above, you may contact:

Internal Revenue Service

Main Number	1-800-829-1040 (toll-free)
Tax-exempt Organizations	1-877-829-5500 (toll-free)
Tax Forms & Publications	1-800-829-3676 (toll-free)

Website addresses

IRS Home Page	www.irs.gov
Tax-exempt Information	www.irs.gov/prod/bus_info/eo/index.html
Tax Forms & Publications	www.irs.gov/prod/forms_pubs/index.html

Frequently Asked Questions



- Nonprofit Organization – Frequently Asked Questions
- Texas Franchise Tax – Frequently Asked Questions
 - Texas Sales Tax – Frequently Asked Questions
 - IRS Stay Exempt – Frequently Asked Questions

The Internal Auditors and individuals associated with the Pasadena Independent School District are not an authority on tax-related or accounting situations concerning Parent Organizations, Booster Clubs and Exempt Organization. Parent Organization, Booster Clubs, and Exempt Organizations should obtain competent independent counsel concerning tax and accounting-related circumstances.

Nonprofit Organizations – Frequently Asked Questions

Texas Comptroller of Public Accounts

The following excerpts were downloaded from the Texas State Comptroller’s website. The information documented below is subject to change by the Texas State Comptroller’s Office. Therefore, for the most up-to-date version of this information, please go to:

<http://www.sos.state.tx.us/corp/nonprofitfaq.shtml>

1. What is a nonprofit corporation?

A “nonprofit corporation” is a corporation no part of the income of which is distributable to members, directors, or officers. A nonprofit corporation is created by filing a certificate of formation with the secretary of state. See Form 202 (available on website). A nonprofit corporation may be created for any lawful purpose, which purpose must be stated in its certificate of formation.

2. Is a nonprofit corporation a tax-exempt entity? If not, how do I become tax-exempt?

A Texas nonprofit organization—whether a corporation or an unincorporated association—is not automatically exempt from federal or state taxes. To become exempt, the organization must meet certain requirements and apply with both the IRS and the Texas Comptroller of Public Accounts.

To learn more about the rules and procedures for obtaining federal tax-exempt status, read IRS Publication 557, “Tax-Exempt Status for Your Organization.” Questions about federal tax-exempt status can be directed to:

IRS
Exempt Organizations Section
(877) 829-5500

To learn more about the rules and procedures for obtaining state tax-exempt status, read the FAQs published by the Texas Comptroller of Public Accounts. Exemption from Texas state taxes is determined by the Texas Comptroller of Public Accounts. Questions about state tax-exempt status can be directed to:

Texas Comptroller of Public Accounts
Exempt Organizations Section
(800) 531-5441 or (512) 463-4600
email

3. How do I form a “501(c)(3)” corporation?

The designation “501(c)(3)” refers to a specific federal tax provision only. If you need information regarding a federal tax provision or a tax provision impacts your certificate of formation, you should contact your own tax counsel, attorney, or the IRS. The secretary of state’s Form 202 meets minimum state law requirements but does *not* include any additional statements that the IRS might require for tax-exempt status.

4. I'm filing a certificate of formation for a nonprofit corporation, and I have to decide whether the corporation will have members. What is a member?

Many nonprofits use the term "member" synonymously with "supporter" or "donor." Separate from this fundraising use, however, the Texas Business Organizations Code provides for a nonprofit corporation with a formal membership structure. Pursuant to section 1.002(53) of the Texas Business Organizations Code, a "member" of a nonprofit corporation is "a person who has membership rights in the nonprofit corporation under its governing documents." Members of a nonprofit corporation are similar to shareholders of a for-profit corporation in that both members and shareholders may have significant rights with respect to internal corporate governance. Unlike shareholders, however, members of a nonprofit corporation are typically not owners and are not issued stock. When forming a nonprofit corporation, you must determine whether the corporation will have members, and if so, who will govern the corporation—the members, a board of directors, or both.

A nonprofit corporation is presumed to have members. If you are forming a nonprofit corporation without members, the certificate of formation must include a statement to that effect.

5. Can one person be the sole director and officer of a nonprofit corporation?

No. The Texas Business Organizations Code requires a nonprofit corporation to have at least three directors, one president, and one secretary. The same person cannot be both the president and secretary. Officers and directors must be natural persons, but may be known by other titles.

6. Can a nonprofit corporation pay a salary to its officers, directors and/or employees?

Yes. Any corporation may pay reasonable compensation for services rendered to the corporation.

7. Can a nonprofit corporation give political contributions?

There are restrictions on political contributions by nonprofit corporations. For information, on this topic, you may wish to contact your private attorney, the Texas Ethics Commission, (512) 463-5800, the Federal Election Commission, and the IRS. You may also wish to review Title 15 of the Texas Election Code.

8. Who has authority to investigate the activities of a nonprofit corporation?

The Texas Attorney General has statutory authority to (1) investigate charities that operate as nonprofit corporations, and (2) inspect the books and records of all corporations, including nonprofit corporations. The secretary of state has no such authority. Additionally, the IRS can revoke a nonprofit corporation's tax exemption for violations of federal tax laws.

9. Are the books and records of a nonprofit corporation available for inspection?

Section 22.351 of the Texas Business Organizations Code gives a member of a nonprofit corporation, on written demand, the right to examine and copy the corporation's books and records. The member, or the member's agent, accountant, or attorney, may examine and copy these records at any reasonable time and for a proper purpose. Section 22.352 also requires a nonprofit corporation to maintain financial records in

accordance with generally accepted accounting principles; the board of directors is required to prepare or approve an annual financial report for the preceding year. Additionally, section [22.353](#) requires certain nonprofit corporations to make all records, books, and annual reports of financial activity available to the general public for inspection and copying. However, section [22.353](#) does not apply to (1) corporations that solicit funds only from their members; (2) corporations that do not intend to solicit and do not actually receive contributions in excess of \$10,000 during a fiscal year from sources other than their members; (3) proprietary schools; (4) religious institutions; (5) trade associations or professional associations whose principal income is from dues and member sales and services; (6) insurers; or (7) alumni associations of public or private institutions of higher education.

Under certain circumstances, a nonprofit corporation's books and records are also available to the public under the [Texas Public Information Act](#) (chapter 552 of the Government Code). Section [552.003\(1\)\(A\)](#) of the Public Information Act defines "governmental body" to include the "part, section, or portion of an organization, corporation, commission, committee, institution, or agency that spends or that is supported in whole or in part by public funds." For more information on the Public Information Act, please contact the [Attorney General](#); the secretary of state cannot provide advice regarding the application of the Public Information Act to a particular nonprofit corporation.

10. Can I obtain a copy of a nonprofit corporation's IRS Form 990 from the secretary of state?

No. Although organizations filing Form 990-PF must submit a copy to certain state attorneys general, nonprofit corporations are generally not required to file Form 990 with the Texas attorney general or the secretary of state. The IRS provides information about how to obtain copies of Forms 990, exemption applications, and related tax filings on its [Form 990 Resources and Tools for Researchers](#) page. For more information about registrations and filings with the Texas attorney general, please visit the [Charities and Nonprofits](#) section of the attorney general's website.

11. Does a foreign nonprofit corporation have to register to transact business in Texas if its only contact with the state is solicitation of funds or donations?

A nonprofit corporation that actively solicits funds in Texas may be "transacting business" in Texas and should file an Application for Registration (See Form 302 available on website); however, if the corporation's contacts with Texas are only through interstate commerce (for example, by mail or by telephone) or independent contractors, then the corporation is probably not "transacting business" in Texas. However, regardless of the manner of solicitation, an out-of-state nonprofit corporation may be required to register with the secretary of state in order to participate in a state employee charitable campaign under [subchapter I, chapter 659](#) of the Government Code.

12. How can I obtain a copy of the by-laws, tax exempt filings or other documents for a nonprofit organization?

If the entity is organized as a Texas nonprofit corporation, you may obtain a copy of the certificate of formation or other filing documents maintained by the secretary of state

by contacting our records team at corpcert@sos.state.tx.us or 512-463-5578. The documents may also be viewed and copies ordered through [SOSDirect](#).

The secretary of state does not maintain the by-laws or tax exempt filings of any nonprofit organization. Some organizations that have obtained tax-exempt status from the Internal Revenue Service are required to make certain documents available to the public. By-laws may be available if included as part of the organization's application for exemption. For more information, please visit the [IRS website](#). The secretary of state's office cannot assist you in obtaining these documents.

FAQs for Unincorporated Nonprofit Associations

1. What is an unincorporated nonprofit association?

An unincorporated nonprofit association is an unincorporated organization consisting of three or more members joined by mutual consent for a common nonprofit purpose. Unlike nonprofit corporations, unincorporated nonprofit associations do not file certificates of formation with the secretary of state. For more information, see Form 208 (available on website).

2. Does an unincorporated nonprofit association have to file anything with the secretary of state?

No. An unincorporated nonprofit association may, but is not required to, file an appointment of an agent for service of process. See Form 706 (available on website). In addition, the association may, but is not required to, file a statement of authorization as to real property with the county clerk.

3. Is an unincorporated nonprofit association a tax-exempt entity? If not, how do I become tax-exempt?

A Texas nonprofit organization—whether a corporation or an unincorporated association—is not automatically exempt from federal or state taxes. To become exempt, the organization must meet certain requirements and apply with both the IRS and the Texas Comptroller of Public Accounts.

To learn more about the rules and procedures for obtaining federal tax-exempt status, read [IRS Publication 557](#), "Tax-Exempt Status for Your Organization." Questions about federal tax-exempt status can be directed to:

[IRS](#)
Exempt Organizations Section
(877) 829-5500

FAQs for Nonprofit Corporation Periodic Reports

1. I received a notice from the secretary of state about filing a "periodic report." What is this report? Is this required annually?

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. The report provides information regarding the corporation's registered agent and registered office, and the names and addresses of its current officers and directors, and is required regardless of the corporation's tax status. BOC [§ 22.357](#).

Once requested, the report must be completed and filed with the secretary of state to avoid involuntary termination of a domestic corporation or revocation of the registration of a foreign corporation. BOC [§ 22.364](#).

2. Why am I receiving notices about filing a periodic report? I am no longer affiliated with this corporation.

The secretary of state sends official notices to the corporation through the current registered agent and registered office address. If a periodic report notice was addressed to you, it is because your name and address appear as the corporation's registered agent and registered office and the corporation has not designated or appointed a new registered agent.

3. The report I received contains inaccurate pre-printed information. How can I change it?

Although you cannot change the entity's name, file number, or jurisdiction of formation, you can change or update the following pre-printed information on the report by simply crossing it out and filling in the correct information:

- The registered agent name;
- The registered office address; and
- The names, addresses, and titles of persons named as officers and directors of the corporation

To change its legal name, the corporation must file a certificate of amendment with the secretary of state or an amendment to its registration. See Form 424 (available on website) or Form 406 (available on website), as applicable.

4. Can I file a periodic report even if the secretary of state has not requested one?

Yes. Although a nonprofit corporation is not required to notify the secretary of state of changes to officer or director information at the time of the change, a nonprofit corporation may file a periodic report even if the secretary of state has not asked for one. However, filing a voluntary report does *not* affect your duty to timely file a report when one is requested by the secretary of state.

5. What happens if I don't file the periodic report?

A nonprofit corporation that fails to file the periodic report within 30 days from the date that the report is sent by the secretary of state forfeits its right to transact business in Texas. BOC [§ 22.360](#). A nonprofit corporation that has forfeited its right to transact business cannot maintain any action, suit, or proceeding in any Texas court; however, the corporation may still defend any action or suit. The forfeiture does not impair the validity of any contract. The corporation may relieve itself of the forfeiture by simply filing the periodic report within 120 days of the date of mailing of the notice of forfeiture. If the corporation fails to file the report within this 120-day period, the

secretary of state will involuntarily terminate the existence of the Texas nonprofit corporation or revoke the foreign nonprofit corporation's registration to transact business in Texas, as applicable. BOC § 22.364.

6. If a nonprofit corporation has been involuntarily terminated or had its registration revoked for failure to file its periodic report, can it be reinstated?

Yes. So long as the entity would otherwise continue to exist, the entity can reinstate at any time by filing the required report together with the maximum filing fee of \$25. See Form 802 (available on website). Please note, however, that the secretary of state must determine whether the corporation's name is still available before the required periodic report can be filed and the entity reinstated. Consequently, additional filings and fees may need to be submitted together with the periodic report when the name of the corporation is the same as, deceptively similar to, or similar to the name of any existing domestic or foreign filing entity, or any name reservation or registration on file with the secretary of state.

7. Is a nonprofit entity formed under a special statute—such as an electric cooperative formed under the Texas Utilities Code—required to file a periodic report?

Yes. The Texas Business Organizations Code (the "Code") provides that a nonprofit corporation created under a special statute is subject to Title 1 and Chapter 22 of the Code, to the extent not inconsistent with the special statute.

Texas Franchise Tax – Frequently Asked Questions

Texas Comptroller of Public Accounts

The following excerpts were downloaded from the Texas State Comptroller's website. The information documented below is subject to change by the Texas State Comptroller's Office. Therefore, for the most up-to-date version of this information, please go to:

www.window.state.tx.us/taxinfo/franfaq.html

1. What is franchise tax?

The Texas franchise tax is a privilege tax imposed on corporations, including banking corporations and limited liability companies that are chartered in Texas. The tax is also imposed on Non-Texas Corporations that do business in Texas.

2. Where do I go for help with my Texas franchise tax report?

The Comptroller's office maintains a toll-free number to answer your franchise tax questions. Call us at (800) 252-1381, visit the field office nearest you, or email us at <tax.help@cpa.state.tx.us>. You can also write to us at Comptroller of Public Accounts, 111 E. 17th Street, Austin, Texas, 78774.

3. Who has to report the Texas franchise tax?

The franchise tax is imposed on each corporation that is chartered in Texas. Non-Texas corporations doing business in Texas are also liable for the tax. See Franchise Tax Rule 3.546 for a list of some activities considered to be "doing business in Texas."

For franchise tax purposes, the term "corporation" also includes a bank, state limited banking association, savings and loan association, limited liability company, professional limited liability company, a corporation that elects to be an S corporation for federal income tax purposes, and a professional corporation. However, professional associations and partnerships are not subject to the franchise tax.

4. How is the franchise tax calculated?

Corporations pay the greater of the tax on net taxable capital or net taxable earned surplus. The rates and computations discussed below are effective for reports originally due on or after January 1, 1994.

Taxable capital is a corporation's stated capital (capital stock) plus surplus. Surplus means the net assets of a corporation minus its stated capital. For a limited liability company, surplus means the net assets of the company minus its members' contributions. For more details on surplus, see Rule 3.551. Taxable capital is apportioned using a single gross receipts factor.

Taxable capital for an annual report is based on the end of the corporation's last accounting period in the calendar year prior to the calendar year in which the report is due. The tax rate on taxable capital is 0.25 percent per year of privilege period.

Earned surplus basically includes the corporation's federal net taxable income, plus compensation paid to officers and directors of the corporation. S corporations and corporations with fewer than 36 shareholders are generally exempt from the compensation add-back. For the earned surplus calculation, unitary income is apportioned using a single gross receipts factor. In addition, non-unitary income is allocated to Texas if Texas is the corporation's commercial domicile. For more information on the computation of earned surplus, see [Rule 3.555](#).

Earned surplus for an annual report should be reported beginning with the day after the ending date on the previous franchise tax report and ending with the end of the corporation's last federal accounting period in the calendar year prior to the calendar year in which the report is due. The tax rate on earned surplus is 4.5 percent.

5. Is there a minimum tax?

No. Corporations that owe less than \$100 do not have to pay any tax, but they must file a report. Also, corporations will not owe any tax if the gross receipts from their entire business for both taxable capital and taxable earned surplus are each less than \$150,000 during the period upon which the tax is based.

6. What are the franchise tax filing requirements?

A corporation's first (initial) report is due one year and 89 days after the corporation's beginning date. After the initial report is filed, the corporation will file annual reports each May 15.

7. Who can sign the Texas franchise tax report?

An officer, director, or any other person authorized by the corporation can sign the report.

8. What is a Public Information Report?

The Public Information Report is a listing of the officers and directors of the corporation, and information about "owned" and "owning" companies related to the reporting entity. Public Information Reports must be filed with the initial and annual franchise tax reports. An officer, director, or other authorized person, must sign the Public Information Report.

9. How are changes to the officers and directors of a corporation reported to the state?

Officer and director information is filed with the Comptroller once a year on the Public Information Report. The Public Information Report is mailed to the corporation with the annual franchise tax report packets. When you are filing the Public Information Report, simply cross out any incorrect preprinted information and enter the correct information. If a person's name is listed on the Public Information Report and that person is not an officer or director of the corporation on the date the report is filed, the person may file a sworn statement with the Comptroller, disclaiming their status as an officer or director as shown on the report. The statement will be made available on request in the same manner as other public information.

10. Because the franchise tax is a privilege tax, what privilege periods are covered by these reports?

The privilege period for the initial report extends from the corporation's beginning date through the day before the corporation's first anniversary date (first privilege period); and from the anniversary date through December 31 of that calendar year (second privilege period). Corporations with a beginning date of October 4 through December 31 pay the first annual privilege period (i.e., the calendar year following the second privilege period) as part of their initial report.

The privilege period for the annual report is the calendar year in which the report is due.

11. How do you compute the accounting year ending date for the initial return?

To determine the "ending date" for the taxable capital component (Schedule A), enter the last accounting period ending date that is at least 6 months after the beginning date and at least 60 days before the original due date of the initial report. If your normal accounting period ending date does not fall between 6 months after the beginning date and at least 60 days before the original due date, enter the end of the month closest to the first anniversary of the beginning date.

To determine the "ending date" for the earned surplus component (Schedule B), enter the last accounting period ending date used for federal income tax purposes that is at least 60 days before the original due date of the initial report.

12. What is a Final Franchise Tax Report?

A corporation that for any reason (e.g., dissolution, merger, withdrawal) becomes no longer subject to the earned surplus component of the tax must file a final franchise tax report. The final report must be filed within 60 days of the date the corporation is no longer subject to the earned surplus component. This requirement also applies to a Non-Texas corporation that is no longer subject to the earned surplus component of the tax. For more information about the final report, see Sec. 171.0011 of the Texas Tax Code.

13. Are non-profit corporations subject to franchise tax?

Yes, but some non-profit corporations may qualify for an exemption from the franchise tax.

Texas Tax Code Sec. 171.063 recognizes that certain corporations qualifying for a federal exemption may qualify for exemption from the franchise tax. A corporation will qualify for exemption from the franchise tax if it has been granted an exemption from federal taxation under Internal Revenue Code (IRC) Section 501(c) (2), (3), (4), (5), (6), (7), (8), (10), (16), (19) or (25) and submits a copy of its Internal Revenue Service determination letter with a completed Form AP-204 (available on website), Application for Exemption - Miscellaneous. See Form AP-204, for details about the required documentation to be submitted.

If the corporation has not obtained a federal exemption under IRC Section 501(c) as mentioned above, it may qualify for exemption from the franchise tax under another provision of the Tax Code. See Tax Code Secs. 171.051 through 171.087 for more information about franchise tax exemptions. To apply for exemption from the Texas franchise tax based on one of the other provisions available under Texas law, submit a completed Form AP-204, identifying the section that applies to the corporation, along with all required documentation as explained in Publication 96-1045, Guidelines to Texas Tax Exemptions.

14. How do we maintain the corporate charter for a corporation with no activity?

To keep the corporation active and in good standing, the corporation must file a franchise tax report and a signed Public Information Report annually. If the corporation has no activity, it can file a Franchise No Tax Due Information Report (Form 05-141) available on website).

15. How do we "dissolve" a corporation?

The corporation must be current in all franchise tax requirements, including the final franchise tax report. The corporation must also have closed all its accounts for all taxes administered by the Comptroller under Title 2 of the Tax Code. Corporations chartered in Texas must file Articles of Dissolution with the Texas Secretary of State to end the corporation's legal existence. A Certificate of Account Status must be filed with Articles of Dissolution.

To get a Certificate of Account Status, file Form 05-359 (available on website), or visit one of our field offices, or write to the Account Maintenance Division. There is no charge for the Certificate.

The Comptroller does not maintain Secretary of State forms such as Articles of Dissolution. Secretary of State dissolution forms can be downloaded from their website at <http://www.sos.state.tx.us>.

Because Articles of Dissolution are filed with the Secretary of State, questions about the actual filing requirements and fees should be addressed to them. See their website or call (512) 463-5555.

16. How do Non-Texas corporations legally terminate their existence in Texas?

If the corporation has dissolved or merged out of existence in its home state, the corporation simply needs to send a copy of the document filed in the home state to the Texas Secretary of State. The Secretary of State's office will notify the Comptroller and we will close out the franchise tax account as of the date of termination. If the corporation does not have a Certificate of Authority, send a copy of the document filed in the home state to the Comptroller's Office.

If the corporation wants to withdraw its Certificate of Authority in Texas, Applications for Withdrawal must be filed with the Texas Secretary of State. The corporation must be current in the payment of all taxes administered by the Comptroller under Title 2 of the Tax Code. Otherwise, the withdrawal will not be approved. A Certificate of Account Status must be filed with Applications for Withdrawal.

To get a Certificate of Account Status, file Form 05-359, or visit one of our field offices, or write to the Account Maintenance Division. There is no charge for the Certificate. Because Terminations and Applications for Withdrawal are filed with the Secretary of State, questions about the filing requirements and fees should be addressed to them. See their website at <http://www.sos.state.tx.us> or call (512) 463-5555.

17. How does a corporation in charter or Certificate of Authority forfeiture status reinstate the charter or Certificate of Authority?

If the forfeiture was caused by failure to satisfy franchise tax requirements, the corporation must bring its franchise tax account into current status before filing an Application for Reinstatement with the Texas Secretary of State.

Once the franchise tax requirements have been met, the corporation must obtain a Certificate of Tax Clearance from the Comptroller's office. This is a statement that must be filed along with the Application for Reinstatement with the Secretary of State's office. A Certificate of Account Status (certificate of good standing) cannot be obtained until the reinstatement has been approved by the Secretary of State.

Because Applications for Reinstatement are filed with the Secretary of State, questions about the filing requirements, non-tax forfeitures, and fees should be addressed to them. See their website at <http://www.sos.state.tx.us> or call (512) 463-5555.

18. How is a change to the registered agent or registered office of a corporation reported to the state?

Registered agent and registered office information is maintained at the Secretary of State's office, and changes must be filed with them. You can download the forms you need from their website, <http://www.sos.state.tx.us>. Once the changes have been filed, the Secretary of State will notify the Comptroller of the corrected information. Changing the registered agent's address does not necessarily change the corporation's mailing address that the Comptroller's Office uses to mail forms and other information to the corporation. Notify the Comptroller's Office separately if you are trying to change the master mailing address for the corporation by calling (800) 252-5555.

Texas Sales Tax – Frequently Asked Questions

Texas Comptroller of Public Accounts

The following excerpts were downloaded from the Texas State Comptroller's website. The information documented below is subject to change by the Texas State Comptroller's Office. Therefore, for the most up-to-date version of this information, please go to:

<http://www.window.state.tx.us/taxinfo/sales/questions.html>

Obtaining a Sales Tax Permit

1. Who is required to hold a Texas sales and use tax permit?

You must obtain a Texas sales and use tax permit if you are engaged in business in Texas and you:

- sell tangible personal property in Texas;
- lease tangible personal property in Texas; or
- sell taxable services in Texas.

Please see Rule 3.286 and publication 96-259 Taxable Services for more information.

The requirement to obtain a Texas sales and use tax permit applies to individuals as well as corporations, firms, partnerships, and all other legal entities.

2. What is tangible personal property?

The statutory definition for "tangible personal property" is "personal property that can be seen, weighed, measured, felt, or touched or that is perceptible to the senses." See Sec. 151.009.

3. What is engaged in business?

A person or a retailer is engaged in business in Texas if any of the following criteria are met:

- (A) maintains, occupies, or uses an office, place of distribution, sales or sample room, warehouse or storage place, or other place of business;
- (B) has any representative, agent, salesperson, canvasser, or solicitor who operates in this state under the authority of the seller to sell, deliver, or take orders for any taxable items;
- (C) promotes a flea market, trade day, or other event that involves sales of taxable items;
- (D) uses independent salespersons in direct sales of taxable items;
- (E) derives receipts from a rental or lease of tangible personal property that is located in this state;
- (F) allows a franchisee or licensee to operate under its trade name if the franchisee or licensee is required to collect Texas sales or use tax; or
- (G) conducts business in this state through employees, agents, or independent contractors.

See Rule 3.286.

4. How do I get a permit?

Apply for a sales tax permit using our [Texas Online Sales Tax Registration System](http://www.window.state.tx.us/taxpermit/) (<http://www.window.state.tx.us/taxpermit/>). An application can also be downloaded from our [Tax Forms Online](http://www.cpa.state.tx.us/taxinfo/taxforms/00-forms.html) (<http://www.cpa.state.tx.us/taxinfo/taxforms/00-forms.html>) page. You can also obtain an application by calling (800) 252-5555 or by visiting one of our [enforcement field offices](#).

5. Is there a fee charged for a Texas sales and use tax permit?

There is no fee for the Texas Sales and Use tax permit. However, based on your application, you could be required to post a security bond. For more information on security bonds, please refer to [Rule 3.327](#) or contact your [local enforcement field office](#).

6. If my business doesn't have a federal identification number yet, can I still apply for the sales and use tax permit?

Yes. If a business applies for a sales tax permit prior to obtaining a federal employer's identification number, we will issue a permit under a temporary number. When the federal employer's identification number is provided to the Comptroller's office, we will then issue a new permit, based on the federal number.

7. Do I need more than one permit?

Each seller must have a tax permit for each active place of business. A place of business is an established outlet, office, or location that the seller, or the seller's agent, or employee operates for the purpose of receipt of orders for taxable items. A warehouse, storage yard, or manufacturing plant is not a "place of business of the seller" for tax permit requirement purposes unless the seller receives three or more orders in a calendar year at the warehouse, storage yard, or manufacturing plant. If you have multiple places of business you will receive separate permits for each business location displaying the same taxpayer identification number, but with separate outlet or sequence numbers.

8. Can I use the sales tax permit number from my old business or from an existing business that I purchased?

No. A permit is valid only for the person to whom it was issued and only for the business at the address shown on the permit. It cannot be transferred from one owner to another. See [Buying, Selling, or Discontinuing a Business](#) (http://www.cpa.state.tx.us/taxinfo/sales/faq_buy_sell.html).

9. If the ownership of my business changes, is a new permit needed?

Yes. The new owner must obtain a permit if there are any changes in ownership of your business. Incorporating a business or forming a partnership or limited liability company is considered a change of ownership and must be reported. For example, if you operate a business as a sole proprietor, but decide to incorporate, the corporation will have to obtain a new permit for the business, even though you may operate the business as an officer of the corporation.

10. If I am no longer in business, can I keep my sales tax permit?

Your permit is valid only as long as you are actively engaged in business as a seller. If you are no longer conducting business, you should return your permit to the Comptroller for cancellation. Likewise, the Comptroller may cancel your permit if it finds that you are no longer engaged in business as a seller.

11. Should I notify the Comptroller's office if I change my business address or mailing address?

Yes. We need to update our records to ensure that your tax returns are mailed to the correct address. You can make the changes in these ways:

- Use "webchange" (<http://www.cpa.state.tx.us/taxinfo/sales/index.html>)
- Use the address change block on your Texas sales and use tax return.
- Email us at tax.help@cpa.state.tx.us.

12. Am I required to register to pay other taxes?

When you apply for a sales and use tax permit, we may be able to inform you of other taxes, licenses, or fees that your business might be responsible for, but you have the obligation to determine what taxes, licenses, or fees (federal, state or local) your business is responsible for reporting and/or paying.

13. Are my business records subject to audit?

Yes. Your records may be audited to determine whether you have paid the correct amount of tax. The audit may determine that you owe tax, that you are entitled to a refund, or that you have paid the correct amount. In general, you may be audited in four years intervals; thus, you are required to keep records for a minimum of four years. See [Keeping Records](http://www.cpa.state.tx.us/taxinfo/sales/faq_records.html) (http://www.cpa.state.tx.us/taxinfo/sales/faq_records.html).

14. Once I have obtained a Texas sales and use tax permit, what are my obligations as a permit holder?

As a permit holder, you are required to

- Post your permit at your place of business;
- Collect sales tax on all taxable sales;
- Pay sales and use tax on all taxable purchases;
- Timely report and pay sales and use taxes; and
- Keep adequate records.

Sales Tax Collection

1. What is taxable?

Texas tax law refers to tangible personal property and taxable services as taxable items. Each sale of a taxable item is taxable unless a specific exemption applies.

2. How much sales tax do I collect from my customers?

You should calculate the amount of sales tax by multiplying the tax rate by the sales price of the taxable item. Tax charts are located on the [Sales Tax forms page](http://www.window.state.tx.us/taxinfo/taxforms/01-forms.html) (<http://www.window.state.tx.us/taxinfo/taxforms/01-forms.html>).

Sales tax = sales price of a taxable item multiplied by the tax rate.

If you sell multiple taxable items on one invoice, then you must compute the tax on the total sum of the sales prices of the taxable items sold. For example, if you sell three T-shirts for \$10, \$25, and \$50, then the total sum of the sales prices is \$85. You would apply the tax rate to \$85 to calculate the sales tax.

3. What tax rate do I use?

The Texas state sales and use tax rate is 6.25%, but local taxing jurisdictions (cities, counties, special purpose districts, and transit authorities) may also impose sales and use tax up to 2% for a total maximum combined rate of 8.25%. You will be required to collect both state and local sales and use tax. For information about the tax rate for a specific area, see [Local Sales and Use Tax Rate Information](#).

For information on collecting and reporting local sales and use tax, ask for publication [94-105 "Guidelines for Collecting Local Sales and Use Tax"](#) For a list of local tax rates ask for publication [96-132 "Texas Sales and Use Tax Rates."](#) We also provide [tax rate cards](#) for all combined tax rates.

The tax rate for sales and use taxes are the same. See [Purchases/Use Tax](#) for additional information.

4. Am I required to separately state the sales tax amount to my customers?

Yes. You must separately state the sales tax amount on your invoice or receipt unless you provide a written statement to the customer that the sales price includes sales tax. The "tax included" statement must be displayed where people would normally be advised of the terms of the sale (e.g., brochures, invoices, contracts, and signage). If you use a written statement that sales tax is included in the sales price, you have collected sales tax and must report the collected tax by backing it out of the total amount received.

For example, you sell T-shirts. You are located in Austin and are required to collect 8.25% tax on your sales. You charge a customer \$50 for a T-shirt and your invoice contained a written statement that the price included sales tax. Your sales price for that T-shirt was \$46.19, and you collected \$3.81 in tax.

Out-of-state sellers that are permitted to collect Texas sales and use tax must identify the sales and use tax as "Texas sales and use tax" on invoices to their customers. Please refer to [Rule 3.286](#).

5. Is rounding permitted when computing sales tax?

When you compute the sales tax by multiplying the tax rate against the sales price, you should go out to the third decimal place. If the third decimal place is equal to or greater than 5, you should round up to the next cent. If the third decimal place is 4 or less, then you should round down to the next cent. For example, you sell a taxable item for \$250 and must charge 8.25% tax. If you multiply the tax rate against the sale price, it is \$20.625. Because the third decimal place is a 5, you would round up and charge \$20.63. You can also use a [rate chart](#).

6. If I do not collect the sales tax or collect an incorrect amount, who is responsible for paying sales tax to the Comptroller's office?

As a seller, you are responsible for collecting and remitting the correct amount to the Comptroller's office. If you do not collect and remit the correct amount, you can owe any additional tax plus you may be assessed penalties and interest.

7. Are barter and exchanges taxable?

Yes. Barter or exchanges are considered the same as making sales or purchases. The retail value of the property or services received is the amount to which tax will apply. For example, assume that you are a retailer of electronic equipment and owe \$500 for dental care. In place of cash, you provide a television set from your inventory as full payment. The transfer of the television is considered a taxable sale, and you must collect tax on the \$500.

8. Are delivery or shipping charges taxable?

Shipping and handling charges are taxable if the charges are associated with the sale of taxable goods or service.

For example, you sell a sofa to a customer for \$500. You agree to deliver the sofa and charge separate fee of \$50 for delivery. Because your sale of the sofa is taxable, your \$50 delivery charge is also taxable. You should collect sales tax on \$550.

In contrast, if you sold a similar sofa for \$500 to another customer who issues you a properly completed resale or exemption certificate, then your sale and the delivery charge are exempt. If you deliver the sofa for a fee of \$50, the delivery charge is not taxable. You do not collect sales tax on the \$550.

Note: "Delivery," "shipping," or "postage" on an invoice represents delivery charges. Please refer to [Rule 3.303](#). Please note that separately stated charges for postage are not taxable when billed by the seller to a client if the cost of the postage was incurred by the seller at the request of the client to distribute tangible personal property to third party recipients designated by the seller's client.

9. Where can I get more information?

It is not possible to explain what is taxable for every type of business. You are encouraged to use any of the resources listed below to obtain answers to your questions. You may:

- Call our toll-free line at (800) 252-5555.
- Look at any of our [publications](#) (<http://www.window.state.tx.us/taxinfo/taxpubs/index.html#sales>) designed to explain what is taxable for your type of business.
- Look at our [Administrative Rules](#) ([http://info.sos.state.tx.us/pls/pub/readtac\\$ext.ViewTAC?tac_view=4&ti=34&pt=1&ch=3](http://info.sos.state.tx.us/pls/pub/readtac$ext.ViewTAC?tac_view=4&ti=34&pt=1&ch=3)) or [Tax Code](#) (<http://www.statutes.legis.state.tx.us/Docs/TX/htm/TX.151.htm>).
- Write to us for advice regarding the taxability of a particular sale or transaction. Our mailing address is P.O. Box 13528, Austin, Texas 78711-3528 and our email address is: tax.help@cpa.state.tx.us

Note: For your protection, it is best to get the advice in writing. You may be relieved of tax, penalty, and interest charges that are due on a transaction if the Comptroller's office determines that you reasonably relied on written advice that was erroneous and were harmed by that reliance. For this relief to apply, a request for advice must be in writing, identify the taxpayer to whom the advice applies, and fully describe the facts and circumstances of the transaction.

Reporting and Remittance

1. What is a sales and use tax return?

A sales and use tax return is a form used by a Texas sales and use tax permit holder to report the collection and remittance of sales and use taxes to the Comptroller's office. Returns can be downloaded from our [Tax Forms Online](#) page.

2. When do I file the tax return form?

When you obtain your Texas sales and use tax permit, you will be instructed to file your tax return on a monthly, quarterly, or yearly basis (the determination is based on the volume of sales expected for your business). This filing requirement will be adjusted based on the amount of taxes that you actually collect.

Most businesses will file monthly returns, but depending on how much tax your business collects, you might qualify to file quarterly or yearly returns.

Monthly: Taxpayers who collect \$500 or more in state sales or use tax in a month must file monthly. Monthly sales and use tax returns are due on or before the 20th day of the month following the month in which the taxes were collected. For example, the July return must be filed on or before August 20th.

Quarterly: Taxpayers who collect less than \$500 state sales and use tax per month (or less than \$1500 per calendar quarter) may file quarterly. Quarterly sales and use tax returns are due on or before the 20th day of the month after the end of the quarter in which the taxes were collected. For example, the first quarter covers January, February, and March, and the return must be filed on or before April 20th.

Yearly: Taxpayers who collect less than \$1,000 in state sales and use tax per year may file yearly. Yearly sales and use tax returns are due on or before January 20th.

If the due date falls on a Saturday, Sunday, or legal holiday the next business day is the due date. We send preprinted tax returns to almost all businesses that hold a Texas sales and use tax permit. Preprinted monthly tax returns are mailed the first week of the following month. For example, the July return will be mailed the first week of August. Preprinted quarterly tax returns are mailed the first week of the month following the end of the quarter. For example, the first quarter return will be mailed the first week of April.

We will not send preprinted tax returns to a business if the post office has notified us that the mailing address is undeliverable, or if you are required by state law to file your tax returns electronically. Texas law requires every taxpayer or licensee who paid a total of \$100,000 or more in a payment category during the preceding state fiscal year (September 1 through August 31) to pay by [EFT](#).

Preprinted yearly returns are mailed in November prior to the due date in January.

If the business does not receive a preprinted form, it is the taxpayer's responsibility to file a tax return and remit taxes on time. To receive a blank return, a taxpayer can download a blank return at our [Tax Forms Online](#), call us at (800) 252-1389, or visit the nearest [enforcement field office](#). Some sales tax forms are also available via Fax on Demand. You can request a fax when you call (800) 252-5555.

3. If I cannot file my return or pay the tax on time, can I request an extension?

No, unless a disaster has been declared in your area or the Comptroller specifically grants an extension. See [Rule 3.1](#) in General Rules for more details. The Comptroller rarely approves an extension unless there's been a natural disaster declared by the Texas Governor or the President of the United States.

4. What happens if I file a late tax return or my tax payment is overdue?

If you file a late return and/or make a late tax payment, you are liable for interest and penalty charges. If you file a sales tax return after the due date, the discount is not allowed. Taxpayers are required to file sales tax returns by the due date. By law, taxpayers are assessed a \$50 late filing penalty after more than two returns are received with a postmark date later than the due date. Once a taxpayer has filed late three or more times, the penalty is automatically assessed on every subsequent late filing. The late filing penalty is assessed even if there is no tax due during the period covered by the report.

If the tax liability is paid 1-30 days late, there is a 5% (.05) penalty applied to the amount of sales tax paid after due date. If the tax liability is paid 31-60 days late, there is a 10% (.10) penalty applied to the amount of sales tax due. If the payment is over 60 days late, the penalty is 10% of the amount of sales tax due plus interest. Calculate interest at the rate published [online](#). Additionally, delinquent taxpayers may be referred to an outside collection agency which subjects them to a collection fee. If you pay your full tax liability on time but do not file your return on time, you may still be liable for a penalty for filing a late return as noted above. If you fail to file a sales tax return timely, you may receive a Notice of Tax/Fee Due that estimates the amount of sales tax due for the filing period. This is an estimate only. The estimated figure will be replaced with the actual amount of tax due once a return is filed. A return must be filed even if you had no sales. If you do not file and pay your sales tax on or before 20 days after we issued this estimate, you are also liable for an additional 10% penalty on the outstanding tax. So you could be assessed a twenty (20) percent penalty on the tax due plus any applicable collection fees and interest.

5. If I don't owe taxes, do I still file a return?

Yes. You must file a tax return even if you have no sales for the reporting period or if all your sales are nontaxable.

6. How do I pay the taxes that are due?

For most taxpayers, there are several payment choices. You can:

- Pay by check or money order through the mail or at any enforcement field offices. Make your payment payable to the Texas Comptroller of Public Accounts
- Pay by [electronic fundtransfer](http://www.window.state.tx.us/taxinfo/etf/eft.html) (<http://www.window.state.tx.us/taxinfo/etf/eft.html>)
- Pay through [webfile](http://window.state.tx.us/webfile/index.html) (<http://window.state.tx.us/webfile/index.html>) with a credit card or bank draft.

Texas law requires every taxpayer who paid a total of \$100,000 or more in sales and use taxes during the preceding state fiscal year (September 1 - August 31) to pay by EFT. The Comptroller will annually review the payments made during the previous fiscal year to determine who meets this criterion. We will inform these taxpayers at least 60 days prior to the effective date that they must remit payment(s) by EFT.

Reminder: Regardless of how you pay, you must make your payments on time and file a timely return.

7. What happens if I do not file a tax return?

If you fail to file a required sales tax report, the Comptroller's office will send you an estimated billing, with instructions to file a report providing your actual sales data for the estimated period. Please be aware that failure to file or pay a sales tax report may result in collection actions, including, but not limited to, additional late filing penalties, liens, and criminal charges.

8. What are prepayment discounts?

Prepayments may be made by taxpayers who file monthly or quarterly returns. Prepayers are entitled to an additional 1.25% (one and one quarter percent) discount. The amount of the prepayment must be a reasonable estimate of the state and local tax liability for the entire reporting period. "Reasonable estimate" means at least 90% of the total amount due or an amount equal to the actual net tax liability due and paid for the same reporting period of the immediately preceding year. See [Rule 3.286](#) "Seller's and Purchaser's Responsibilities" for additional information.

9. What are vendor's discounts?

Taxpayers who file their returns on or before the due date are entitled to a .5% (one half of one percent) discount. Instructions on calculating the timely filing discount are included on the Texas sales and use tax returns.

10. If a customer pays after the tax reporting period, or pays in installments, when is the tax due?

If a retailer is on the accrual basis of accounting, tax is due based on the date the sale takes place. A retailer on the cash basis of accounting will report a sale when payment is received from the customer. See [Rule 3.302](#).

If you report and pay tax on a credit sale and later find you cannot collect payment for it, you may be able to take a "bad debt" deduction on your sales and use tax return. See [Rule 3.302](#).

11. What if I made a mistake on my return and need to make changes?

Make a copy of the original return you filed or download a blank form from our website. Write "amended return" on the top of the form.

If you're using a copy of your original return, cross out the amounts that are wrong and write in the correct amount. If you're using a blank form, enter the amounts as they should have appeared on the original return.

Sign and date the return.

If the amended return shows you overpaid your taxes, attach a letter requesting a credit and let us know how you would like to receive your refund. We can either send you a check for the overpaid amount or let you take a credit on a future return.

If the amended return shows you underpaid your taxes, please send the additional tax due plus any penalties and interest that may apply.

Mail the signed and dated amended return to:
Comptroller of Public Accounts
111 E. 17th Street
Austin Texas 78774-0100

Keeping Records

1. Am I required to keep business records?

Yes, you are required to keep business records so that an auditor from the Comptroller's office can verify the accuracy of your sales and use tax liabilities.

2. What type of records do I keep?

Please refer to Rule 3.281 "Records Required; Information Required."

3. How long do I keep my business records?

You must keep sales and use tax records for at least four years unless the Comptroller gives written authorization for earlier destruction. This applies to all records that pertain to transactions involving sales or use tax liability. In addition, if your records are being audited by the Comptroller, you should retain all records for the period being audited until the audit is completed (or-if you appeal the findings or file a claim for refund-until your case is resolved).

4. Should I keep resale or exemption certificates that I have accepted?

Yes. You need to keep the certificates to document claimed nontaxable sales. If you do not keep these records, you are subject to tax, interest, and penalty charges. Comptroller certificates are the only proof of exempt sales.

IRS Stay Exempt– Frequently Asked Questions

Texas Comptroller of Public Accounts

The following excerpts were downloaded from the IRS website. The information documented below is subject to change by the IRS. Therefore, for the most up-to-date version of this information, please go to:

<http://www.stayexempt.org/FrequentlyAskedQuestions.aspx>

1. Where can I get technical help with this web-based training?

Refer to the Help button at the bottom of the screen at <http://www.stayexempt.org/FrequentlyAskedQuestions.aspx>.

2. Will I receive official CPE or CLE credit for taking this course?

No. However, upon completing the feedback survey at the end of each course, you can print out a personalized Certificate of Completion.

3. What is the difference between nonprofit, tax exempt, and charitable?

The term “nonprofit,” as well as “not-for-profit” and “nonstock,” describe the way an organization incorporates under **state law**. These terms all describe organizations that are not organized to make a profit, and that typically do not issue stock.

The term “tax exempt” refers to the status granted by the IRS to qualifying organizations. To receive tax-exempt status, an organization must meet a specific description and, for 501(c)(3) status, complete and submit an application. 501(c)(3) tax exemption applies to Federal income tax and Federal unemployment tax. States also grant tax exemption, but the process and types of exemption vary from state to state.

The term “charitable” refers to a type of organization that is recognized as tax exempt under section 501(c)(3) of the Code. 501(c)(3)s, which also include religious and educational organizations, receive certain benefits not conferred on other tax-exempt organizations; for example, contributions to them are tax deductible by the donor.

4. What is the difference between section 501(c)(3) and section 170?

All of the 501(c) sections, including 501(c)(3), describe particular types of organizations that qualify for tax exemption. Section 170 provides that contributions to certain types of organizations—primarily 501(c)(3)s and a few others—are deductible by the donor as itemized deductions. Section 501(c)(3) governs tax exemption of organizations, while section 170 governs deductibility of contributions by individuals.

5. Why would an organization file Form 1023, Application for Recognition of Exemption, when it is not required to do so?

Usually a church or very small organization files to be recognized as tax exempt—even though it doesn’t have to—for the peace of mind such recognition provides their donors. Most donors want to be able to prove, if the IRS examines their return, that their contribution is deductible by showing that the organization to which they

contributed is in IRS Publication 78, *Cumulative List of Organizations Described in Section 170(c) of the Internal Revenue Code of 1986*. Being able to demonstrate that an organization is a recognized 501(c)(3) may have other benefits, such as qualifying for lower postal rates.

6. Are contributions to these organizations (tax exempt, but without a determination letter) tax deductible?

A donation to a church or an organization with less than \$5,000 in annual gross receipts is deductible by the donor as a charitable contribution whether or not the organization has applied for and received tax-exempt status from the IRS.

7. When is an organization's tax-exempt status effective?

If an organization files its application for recognition as a tax-exempt organization within 27 months of the date of its incorporation or formal organization, then exemption, if granted, will be effective as of the date of its incorporation or formal organization.

If an organization files for exemption after 27 months from the date of incorporation or formal organization, then exemption, if granted, will be effective from the postmarked date of the application for exemption.

8. What is the difference between a public charity and a private foundation?

All 501(c)(3) organizations have what is called a "foundation classification." The terms "public charity" and "private foundation" are ways of referring to an organization's foundation classification. Because of the way the law is written, any organization that qualifies for tax-exempt status under section 501(c)(3) is presumed to be a private foundation, **unless** it can show that it qualifies for one of the exceptions to private foundation status. Any organization qualifying for such an exception is sometimes called a *public charity*.

Some types of organizations, such as churches and schools, are defined as public charities by law. But most organizations qualifying for public charity status do so because they can show that their financial support comes from a broad cross-section of the public. Organizations that receive their support from a very narrow base, or that were set up by a wealthy individual or family, will typically be classified as private foundations.

Although both types of organizations are tax exempt under section 501(c)(3), private foundations are subject to certain excise taxes and reporting requirements that do not apply to public charities.

9. During my first five years of existence when I'm automatically deemed a public charity by the Service, do I still need to file an annual return for those years?

You will still need to comply with the normal annual return filing requirements during your first five years of existence, including Form 990-N, unless you are otherwise not required to file a return. However, you will still be a public charity regardless of the public support information reported in the Schedule A to your annual return.

10. What can I do to help ensure that my organization does not unexpectedly lose its public charity classification?

An organization will lose its public charity status starting in its sixth year of existence if it cannot pass the public support test for two consecutive years. If the organization cannot meet the public support test for two consecutive years, it will be reclassified as a private foundation as of the start of the second consecutive year. In order to avoid unexpectedly losing your public charity classification, you should keep careful track of your public support information throughout the year instead of waiting until the end of the tax year when you are preparing your Schedule A.

11. What happens if an organization is reclassified as a private foundation?

The organization is still exempt as a 501(c)(3) organization, but it will be subject to the excise taxes that apply to private foundations. It will also file a Form 990-PF, *Return of Private Foundation*, instead of a Form 990, *Return of Organization Exempt from Income Tax*.

12. What activities can jeopardize tax-exempt status?

For 501(c)(3)s, the four main activities that can jeopardize the organization's tax-exempt status are:

- activity that results in private benefit or inurement;
- lobbying activity, if it constitutes a substantial part of the organization's overall activities or if it exceeds a predetermined dollar amount;
- any political campaign activity; and
- unrelated business activity that is substantial when compared with the organization's exempt-function activities.

13. What is private benefit?

Private benefit occurs when an individual or organization receives a benefit—monetary or nonmonetary—from a 501(c)(3) organization. A tax-exempt organization that provides a substantial amount of private benefit may risk losing its tax-exempt status. (This does not include paying reasonable salaries or providing services to individuals as part of an organization's exempt-function activities.)

14. What is inurement?

Inurement occurs when an "insider" of an exempt organization receives **any** of an organization's net income or inappropriately uses **any** of its assets for personal gain. An insider is a person who has a personal and private interest in the activities of an organization. Examples are officers, directors, and key employees. Any amount of inurement, no matter how small, can jeopardize an organization's tax-exempt status. (This does not include paying reasonable salaries or providing services to individuals as part of an organization's exempt-function activities.)

15. What is the difference between private benefit and inurement?

Inurement is a subset of private benefit and deals specifically with insiders, while private benefit can be to both insiders and outsiders. Both terms describe situations in which an exempt organization's income or assets are inappropriately diverted for private gain rather than used for a public purpose.

16. What is lobbying?

Lobbying is defined as “the attempt to influence legislation.” Legislation includes actions by Congress or any state legislature, local council, or other similar governing body. Actions by these bodies include acts, bills, or resolutions. If an exempt organization contacts, or urges the public to contact, a member or employee of a governing body in order to advocate for or against an action by the body, it is lobbying.

17. What are the consequences of lobbying?

If a 501(c)(3) organization conducts substantial lobbying, it risks losing its tax-exempt status. Loss of exemption would result in the organization’s income becoming subject to income tax. In addition, taxes may apply to the organization and to managers who knew that the lobbying expenditures were excessive.

18. How does the IRS determine if lobbying activities are substantial?

The IRS uses one of the following two methods to determine whether the lobbying activities of a 501(c)(3) are substantial:

- the “substantial part test,” or
- the “expenditure test.”

The first test is a subjective test based on the facts and circumstances. The IRS considers a variety of factors, including the time devoted to the lobbying activity by both compensated and volunteer workers, as well as the money spent on it. If the activity as a whole is determined to be substantial, the organization’s exempt status may be jeopardized.

The second test is an objective, mathematical test that applies a dollar limit for lobbying expenditures based on the organization’s total expenditures. As long as the organization’s total annual lobbying expenditures are under this limit, its lobbying is considered insubstantial. An organization must elect to have its lobbying activities measured by this test by filing Form 5768, *Election/Revocation of Election by an Eligible Section 501(c)(3) Organization to Make Expenditures to Influence Legislation*. This election, governed by section 501(h) of the Code, must be made during the tax year for which it is to be effective.

19. What is political campaign activity?

Political campaign activity is directly or indirectly participating or intervening in any political campaign on behalf of or in opposition to any candidate for elective public office. This includes making contributions to political campaign funds or making public statements in favor of or in opposition to any candidate for public office.

20. What are the consequences of participating in political activity?

For a 501(c)(3), violating the political campaign prohibition may result in revocation of tax-exempt status, and imposition of certain excise taxes.

21. What is the difference between lobbying and political activity?

Lobbying is activity in support of or in opposition to **legislation**. (Think “L & L”—Lobbying & Legislation.) Political activity is about supporting or opposing a **candidate** for elective office.

22. What is UBI?

“UBI” stands for “unrelated business income,” which is income that an exempt organization receives from conducting activities that are **not** related to its exempt purpose. Even if an organization uses the income from an unrelated activity to help pay for its exempt activities, that income is still UBI.

23. What are the consequences of conducting UBI-generating activities?

Conducting UBI-generating activities is not necessarily a bad thing. An organization might just have to pay tax on those activities. However, for 501(c)(3)s, if the conduct of UBI-generating activities becomes substantial in comparison with the organization’s exempt-function activities, then the organization’s tax-exempt status could be jeopardized.

24. How do I report an organization that is violating its tax-exempt status?

To tell the IRS about an organization that you suspect may not be complying with any or all aspects of its tax-exempt status, write to EO Classification, Mail Code 4910, 1100 Commerce Street, Dallas, TX, 75242.

25. Who must file an annual information return?

Any exempt organization (public charity) whose gross receipts for its taxable year exceed \$25,000 must file a Form 990, *Return of Organization Exempt from Income Tax*, or Form 990-EZ (Short Form) for that year. Private foundations must file Form 990-PF, *Return of Private Foundation*, even if their gross receipts are less than \$25,000 for the year. An organization’s original determination letter granting exemption will include information about the organization’s filing requirements.

For annual periods beginning after 2006, a tax-exempt organization that is not required to file Form 990 because its gross receipts are less than \$25,000 must file an annual electronic postcard (e-postcard). The e-postcard must include:

- Name
- “Doing Business As” (dba) names
- Address
- Taxpayer Identification Number (TIN)
- Name and address of principal officer
- Evidence of continued basis for exemption from filing requirements
- See Internal Revenue Code section 6033(i).

For annual periods beginning after 2006, failure to file Form 990, Form 990-EZ, or an e-postcard for three consecutive years will result in revocation of exempt status as of the filing due date for the third return. An organization revoked under this Code section must apply for reinstatement and pay a user fee, whether or not the organization was originally required to file for exemption. Reinstatement of exemption may be retroactive if the organization shows that the failure to file was for a reasonable cause.

Additional information with respect to section 6033(i) will be available at www.irs.gov/eo as procedures are finalized.

26. When is Form 990, Return of Organization Exempt from Income Tax, due?

An organization's Form 990 is due by the 15th day of the fifth month following the end of its tax year. So, for a calendar-year organization, Form 990 is due on or before May 15. An organization can file for an automatic three-month extension of time to file Form 990. Organizations can also request an additional three-month extension if the original three months was not enough time, but this extension is not automatic. You must show reasonable cause for the additional time requested.

27. Can returns of tax-exempt organizations be e-filed?

Yes. E-file is available for:

- Form 990;
- Form 990-EZ, *Short Form Return of Organization Exempt from Income Tax*;
- Form 8868, *Application for Extension of Time to File an Exempt Organization Return*;
- Form 1120-POL, *U.S. Income Tax Return for Certain Political Organizations*; and
- Form 7004, *Application for Automatic 6-Month Extension of Time To File Certain Business Income Tax, Information, and Other Returns*

All you have to do is use IRS-approved software. You can find a list of IRS-approved software, including those offering free e-file, at <http://www.irs.gov/efile>, and then click on "e-file for Charities and Nonprofits."

E-filing is required for certain large tax-exempt organizations. For details, see the website.

28. Do I really have to show my return to anyone who asks?

Yes. In fact, you have to show your three most recent returns to anyone who asks. You also have to provide a copy of the return if the person asks for one, but you can charge a reasonable amount for making the copy. Or, if your return is "widely available," which these days means it's posted on the Internet, you can refer the requester to the Internet address without providing a copy. However, you still have to have a copy of the return available for the requester to see.

You do not have to show anyone information about your contributors, even if asked.

29. What happens if I do not permit someone to examine my return?

If your organization does not comply with the public inspection requirements, it—and the individuals responsible for the failure to comply—could be penalized. The penalties will continue to accrue until the public inspection requirement is satisfied.

30. What if I have a question that this training doesn't answer?

Visit the Exempt Organization pages on irs.gov, or call Customer Account Services toll-free at 877-829-5500 during normal business hours

Taking Care of Business



- Taking Care of Business Overview
 - Booster Club Information Sheet
 - List of Officers
 - Financial Report Information & Formats
- Review Committee Report Information & Formats
 - Day-to –Day Responsibilities

The Internal Auditors and individuals associated with the Pasadena Independent School District are not an authority on tax-related or accounting situations concerning Parent Organizations, Booster Clubs and Exempt Organization. Parent Organization, Booster Clubs, and Exempt Organizations should obtain competent independent counsel concerning tax and accounting-related circumstances.

Taking Care of Business Overview

Booster Clubs 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 due to the Principal and the Internal Auditor by September 30th, of each year.

With this in mind, this section has been prepared to assist you in establishing a general recordkeeping system and a general system of internal controls, and to guide you in preparing the Financial Report and related Review Committee Report. Establishing a good record-keeping system is an essential step in creating a successful organization.

Most of the reporting requirements of a Booster Club are dependent on the financial records kept; therefore, the office of Booster Club 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., Fund-raiser Chairperson – Catalog Sales), the Treasurer is ultimately responsible for assuring that all financial records are maintained accurately for the Booster Club.

Booster Club officers also have day-to-day responsibilities to the club, as well as the students they support. Some of these responsibilities include:

- Setting up a bank account properly,
- Accounting properly for fund-raiser income and expenses,
- Analyzing the outcome of each fund-raiser to determine its financial success/failure,
- Establishing and maintaining money handling procedures, and
- Becoming knowledgeable of District policies concerning using District buildings and distributing flyers.

In addition, Booster Clubs should submit certain information to the Internal Auditor and to the Principal as soon as the information changes. This information is included on the following **Booster Club Information Sheet**.

Parent Organization/Booster Club Information Sheet

Send an updated copy of this form to the Internal Auditor and to your School Principal or Administrator as new officers are elected or as information changes.

- 1. Official Booster Club Name: _____
- 2. School Name: _____
- 3. Sponsor's Name: _____
- 4. Employer Identification Number (EIN): _____
- 5. Official Mailing Address:
 - PO Box / Street Address: _____
 - City, State, Zip: _____
- 6. Date of Change: ____/____/____
- 7. Current Booster Club Officers for the _____ School Year:

Office Held:			
Printed Name:			
Mailing Address:			
Phone Numbers:	Home:	Work:	Cell:
E-mail Address:			

Office Held:			
Printed Name:			
Mailing Address:			
Phone Numbers:	Home:	Work:	Cell:
E-mail Address:			

By law, information on this page is public information and must be released to the public at such requests.

Parent Organization/Booster Club Tax-Exempt Status

Send an updated copy of this form to the Internal Auditor by September 30 of each year or as information changes

For the _____ School Year

Federal Tax-exempt Status:

- Determination Letter* from IRS granting 501(c)(3) status is already on file with the Internal Audit Department.
- Received *Determination Letter* from IRS granting 501(c)(3) status.
(Send a copy of the Determination Letter to the Internal Auditor with this form.)
- Received *Acknowledgement of Your Request* from IRS stating approval in progress.
(Send a copy of the Acknowledgement of Your Request to the Internal Auditor with this form.)
- Mailed completed Form 1023 & payment to IRS on ____/____/____, but have not received any documentation from them yet.
- Currently completing Form 1023 and will mail to IRS by ____/____/____.

Contact person for further information on status is:

Printed Name: _____

Phone Number _____

- Have not started the federal tax-exempt process.

Submitted by:

Printed Name

Officer Title

Signature

_____/_____/_____
Date

Thank you for your responses!!

Financial Report Information & Formats

Each year Booster Clubs are required to submit a written report of actual revenues and expenditures (Financial Report) for that school year to the School Principal and to the District's Internal Auditor by September 30th, of the following year.

The Treasurer of the Booster Club should prepare the Financial Report and should ensure that the Financial Report includes:

- Name of school, name of Booster Club, and the time period covered in the report.
- Actual revenues and expenditures for the applicable school year. The current year report should start at the point in time where the prior year report ended. For example, if the 2009-10 report ended on June 30, 2010, then the 2010-11 report will begin as of July 1, 2010. Since clubs may start their new year at various times, the time period used for reporting actual revenues and expenditures may vary from club to club; however, the individual Booster Clubs should try to be consistent in the time period they use from year to year.
- Name, title, and signature of person who prepared the report.
- Date the report was prepared.

The Booster Club may want the time period used for reporting purposes to coincide with the election of new officers. If new officers normally come into office May 1, of each year, the time period for the Financial Report may be from May 1, to April 30, of the following year.

The following examples of Financial Reports are included in this handbook:

Type 1 - This example is a cash basis financial report that includes the beginning and ending cash balances for the year. Money received is usually shown as income and money paid is usually shown as an expense.

The beginning cash balance for the current year should agree to the ending cash balance from the prior year.

Type 1 report format is the simplest to prepare

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.

XYZ High School Spirit Booster Club
CASH BASIS FINANCIAL REPORT
From July 1, 2010 through June 30, 2011

Beginning Cash Balance as of July 1, 2010 \$ 5,235.46

INCOME

Concession Stand Sales	\$ 3,569.50	
Fall Dance	\$ 2,875.00	
Membership Dues (225 members)	\$ 5,625.00	
Program Ad Sales	\$ 9,502.25	
Uniform Income (212 new uniforms ordered)	<u>\$ 9,540.00</u>	
Total Income		\$ 31,111.75

EXPENSES

Competition Trip Expense	\$ 8,320.03	
Concession Stand Supplies	\$ 1,355.77	
Fall Dance Expense	\$ 2,589.10	
Miscellaneous Supplies	\$ 650.77	
Postage	\$ 236.29	
Program Ad Expenses	\$ 1,242.88	
School Donation (Sound System)	\$ 4,328.00	
Uniform Expense	<u>\$ 9,540.00</u>	
Total Expenses		<u>\$ 28,262.84</u>

Net Income (Loss) for Current Year \$ 2,848.91

Ending Cash Balance as of June 30, 2011 **\$ 8,084.37**

Cash Basis Financial Report prepared by:

_____	_____
Printed Name	Title
_____	_____/_____/_____
Signature	Date

XYZ High School Spirit Booster Club
BALANCE SHEET
As of June 30, 2011

ASSETS

BankOne Checking Account	\$ 2,154.25
BankOne Savings Account	\$ 5,112.77
Accounts Receivable	\$ 3,458.00
Prepaid Storage Rent	\$ 300.00

TOTAL ASSETS

\$11,025.02

LIABILITIES & EQUITY

Liabilities

Accounts Payable	\$ 3,524.75
Deferred Membership Income	\$ 500.00
Scholarship Payable	\$ 1,000.00

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

Balance Sheet and Income Statement prepared by:

_____	_____
Printed Name	Title
_____	_____/_____/_____
Signature	Date

XYZ High School Spirit Booster Club
INCOME STATEMENT
For the Period of July 1, 2010 through June 30, 2011

INCOME

Catalog Sales	\$9,129.18	
Donations	\$2,300.00	
Interest Income	\$ 38.00	
Membership Dues (100 members)	\$2,000.00	
Uniform Income (22 new uniforms ordered)	<u>\$ 770.00</u>	
Total Income		\$14,237.18

EXPENSES

Banquet	\$1,388.13	
Catalog Sale Expense	\$3,752.68	
Postage	\$ 32.66	
Scholarships	\$2,500.00	
Storage Rental	\$ 600.00	
Supplies	\$ 328.56	
Uniform Expense	<u>\$ 770.00</u>	
Total Expenses		<u>\$ 9,372.03</u>

Net Income (Loss) For Current Year **\$ 4,865.15**

Review Committee Report Information & Formats

Each Booster Club 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 committee may be two types: internal or external. An internal review committee includes officers (not the President or Treasurer) and club members; however, the committee should have at least half non-officer members review the information. A CPA or other legal counsel may perform an external review at the Club's expense. The organizational review committee, whether internal or external, must prepare a written Review Committee Report that communicates the results of the review to the organization.

IMPORTANT

- 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.
- The audit committee should not be made up of the same people every year.
- The Sponsor, Sponsor's spouse, or Officer's spouse can not be the designated "non-officer" member of the Review Committee. They may be part of the Review Committee; however, they would not be considered non-officers for the purpose of the review.

The audit committee should include **at least** the following number of members, based on the membership in the Booster Club organization:

Less than 50:	Two Members
50-99:	Three Members
100-199:	Four Members
200-299:	Five Members
300+:	Six Members

An internal Review Committee should use the examples of Review Committee Reports included on the next few pages. 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 space for four (4) members, the Club may have more or fewer committee members. However, the same information must be documented for **each committee member** (*as opposed to the group as a whole*), regardless of the size of the committee.

The Booster Club Review Committee Report examples include:

- **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.

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 could not be determined because of material exception(s).

Suggested Review Committee Guidelines

The following suggested guidelines are designed to assist the Booster Club Review Committee in conducting a thorough review of the Booster Club's Financial Report and the financial activity for the applicable school year.

- Have the Treasurer prepare the written report of revenues and expenditures (Financial Report) for your Booster Club. The report should include information for the **full applicable year**.
- 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 Booster Club. If the Club is using a retained earnings account, then the beginning retained earnings should equal the prior year's ending retained earnings balance plus/(minus) net income/(loss).
- Review the reconciled bank statements and canceled checks to determine that:
 1. Disbursements have been properly documented with an invoice or receipt,
 2. Disbursements have been properly approved,
 3. Checks have been properly signed,
 4. Checks have been deposited or cashed by the payee indicated and that no information on the face of the check has been altered, and
 5. Checks have been accounted for in the proper sequence (no missing checks).
- Check addition and subtraction on cash receipts and deposits.
- Compare cash receipts and deposits to the bank statement.
- Verify that receipts and disbursements were recorded to the correct account category.
- 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.
- Determine that only applicable Booster Club officers are authorized signers on the bank account(s). Former officers should not remain on the account(s) as authorized signers. **Employees of the District, including, but not limited to, administrators, administrators' secretaries, and bookkeepers, shall not have control or signature authority over booster club or parent organization funds at the school at which he or she works, including petty cash or miscellaneous discretionary funds. All individuals must have a child in the organization to have control or signature authority over booster club or parent organization funds, including petty cash or miscellaneous discretionary funds.**

Determine that the coaches and directors of UIL academics, athletics, and fine arts were not given more than \$300 in money, product(s), or service(s) in recognition for coaching, directing, or sponsoring UIL activities during a calendar year.

- Obtain proof that all applicable sales tax reports were submitted to the Texas State Comptroller's Office and that the related taxes were paid.
- Determine which two fund-raisers were chosen to be the "one-day, tax-free" sales/auctions, if applicable. **Only Booster Clubs that have received a limited exemption from the Texas State Comptroller's Office are allowed two (2) "one-day, tax-free" sales/auctions per calendar year.**

- Review the tax-exempt status of the Booster Club to determine that the Club 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.
- Determine that either
 1. Form 990 or 990-EZ has been filed properly with the IRS for the prior school year if the Club is a tax-exempt charitable organization with at least \$25,000 in gross revenues, or
 2. Form 1120 has been filed properly with the IRS for the prior school year if the Club is not tax-exempt.
- Determine that a tax-exempt Booster Club has not used individual accounts, which credit funds raised to individual students or parents.
- 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 \$600 in rents, services, prizes & awards, attorney fees, and other similar situations **within a calendar year**.

Example: *High-Kick Drill Team Booster Club hires a consultant during the Spring of the 2009-10 school year for a \$300 fee. The consultant is hired again in the Fall of 2010-11 for a \$300 fee. The Booster Club should issue a 1099-MISC form to this person since the total paid within the 2010 calendar year is \$600.*

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

Option A	No Exceptions (i.e., errors, irregularities)	Financial Report appears proper and correct
Option B	Immaterial Exceptions	Financial Report appears proper and correct, except for some immaterial exceptions
Option C	Material Exceptions	Financial Report does not appear proper and correct because of material exception(s) or Financial Report status cannot be determined because of material exception(s)

- 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.
- If material exceptions have been noted, prepare recommendations to prevent the future occurrence of these exceptions.
- The organization's Treasurer and President are responsible for acting upon the recommendations made by the Booster Club Review Committee.
- Retain the **original** written Booster Club Financial Report and the **original** Booster Club Review Committee Report on file with the Treasurer of the Booster Club.
- Submit one **copy** of your Booster Club Financial Report along with the Review
- Committee Report to the School Principal and another **copy** of these items to the District's Internal Audit Department.

Option A

Page 1 of 1
(proper & correct with no exceptions)

**XYZ High School Spirit Booster Club
REVIEW COMMITTEE REPORT
FOR THE TIME PERIOD
July 1, 2010 through June 30, 2011**

The Review Committee members named below have reviewed the attached Financial Report and related financial activity for the time period of July 1, 2010 through June 30, 2011, 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)

XYZ High School Spirit Booster Club
REVIEW COMMITTEE REPORT
FOR THE TIME PERIOD
July 1, 2010 through June 30, 2011

The Review Committee members named below have reviewed the attached Financial Report and the related financial activity for the time period of July 1, 2010 through June 30, 2011, in detail. These members agree that the Financial Report and the related financial activity are proper and correct, except for the following exceptions:

- Check #12586 cleared the bank for \$25.20 instead of \$2.52.
- Check #12688 did not have 2 authorized signatures as required by the Booster Club by-laws. The check only contained 1 authorized signature.
- The Program Ad 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

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

(not proper or correct due to material exceptions)

**XYZ High School Spirit Booster Club
REVIEW COMMITTEE REPORT
FOR THE TIME PERIOD
July 1, 2010 through June 30, 2011**

The Review Committee members named below have reviewed the attached Financial Report and related financial activity for the time period of July 1, 2010 through June 30, 2011, 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 uniforms purchased.
- Checking and savings accounts were not reconciled during the year.
- Only one (1) authorized signature appeared on all checks written instead of the two (2) required authorized signatures as indicated in the Booster Club by-laws.
- No documentation exists showing sales for the Christmas Cards sold 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 Booster Club 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 fund-raisers, a record should be kept of the sales and the money deposited.

_____ 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".

Day-to-Day Responsibilities

So far, we've covered various aspects of the major decisions that Booster Clubs have to make regarding incorporation, tax-exemption, financial reporting, and other District requirements. Therefore, this section is dedicated to the many day-to-day issues that face a Booster Club such as fund-raising, money-handling, and internal controls. These topics are covered alphabetically as follows:

- 1) Accounting Procedures
- 2) Bank Accounts
- 3) Building Use
- 4) Contributions
 - a) Received
 - b) Quid Pro Quo Contributions Received
 - c) Given
- 5) Financial Aid Guidelines
- 6) Flyers
- 7) Fund-raising
 - a) Board Policy
 - b) IRS Regulations
 - c) Analysis of Fund-Raiser
- 8) Mailing Address
- 9) Membership Dues
- 10) Money-Handling Procedures
 - a) Receiving Money
 - b) Recording and Depositing Money
 - c) Disbursing Money
 - d) Safeguarding Money
- 11) Raffles
- 12) Record Retention
- 13) Student Fines and Fees List
- 14) Volunteer Hours

Accounting Procedures

- Booster Clubs should include written instructions on the recording of accounting transactions in their by-laws, such as accounting method (cash vs. accrual), number of authorized signers on the bank account(s) and number of authorized signatures required for each check.
- All transactions should be recorded in the Booster Club's financial records.
- The Booster Club books and bank accounts should be reconciled monthly.
-
- Booster Clubs may provide support to their student group in two manners:
 - a) Booster Club members raise funds for a student group. Funds are deposited into the Club's bank account. The Club writes a check to the school where the student group is located. The school deposits the funds into the student group's activity fund. The funds

then belong to the members of the student group, to be spent at their discretion (under the supervision of the Sponsor). All accounting and safeguarding of the funds is 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 Booster Club spends its revenues. Using this method, the Booster Club’s Financial Report would show a clear path of revenues generated and expended exclusively for its purpose, to support a student group. In addition, this method reduces the amount of paperwork and responsibility for the Booster Club related to the accounting for the revenues and expenses of the student group.

- b) Booster Club members raise funds for a student group. Funds are deposited into the Club’s bank account. The Club writes checks to the individual vendors for the expenses related to the student group through their bank account. In addition, they collect amounts due from the students for each event/competition/trip in which the student group participates. In addition, the Club tracks who has paid and who still owes money for each event and ensures that all balances are paid in full before the event occurs. All accounting and safeguarding of the funds is the responsibility of the Booster Club.

Bank Accounts

- Booster Clubs should set up a bank account with the Booster Club’s EIN number only. A person’s social security number or the District’s EIN number should not be used to set up a bank account.

See the Federal Regulatory Information section for further information.

- According to Board Policy GE (Local), Employees of the District, including, but not limited to, administrators, administrators’ secretaries, and bookkeepers, shall not have control or signature authority over booster club or parent organization funds at the school at which he or she works, including petty cash or miscellaneous discretionary funds.

All individuals must have a child in the organization to have control or signature authority over booster club or parent organization funds, including petty cash or miscellaneous discretionary funds.

- 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. If a Booster Club requires two signatures for check disbursements, the bank account(s) should have at least three authorized signers to allow at least one back-up signer if one of the regular signers is not available.
- Bank account(s) should be reconciled monthly.

Contributions/Donations

a) Received

Booster Clubs may receive monetary or non-monetary contributions from individuals or businesses. In addition, those Booster Clubs 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 Booster Club must send them a copy of the Club's Determination Letter indicating that the Booster Club is a 501(c)(3) organization.

If your Booster Club is not a 501(c)(3) organization, 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.

REMEMBER
501(c)(3) is the only IRS tax-exempt category that allows contributions to be tax-deductible on the contributor's tax return.

For contributions received, the Booster Club may want to send a thank you note along with a copy of the Determination Letter. The thank you note may indicate what was contributed or donated. If the gift is monetary, you may indicate the dollar amount. If the gift is **not** monetary, 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.

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 Booster Club and not to the school or to the District.

b) Quid Pro Quo Contributions Received

According to the IRS, a charitable organization, such as a Booster Club 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 Booster Club \$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 fund-raising events should not be aggregated for the purposes of the \$75 threshold.

The required written disclosure statement must:

1. 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
2. provide the donor with a good-faith estimate of the value of the goods or services that the donor received.

The charitable organization (Booster Club) 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. A penalty is imposed on charitable organizations that do not meet the disclosure requirements. For failure to make the required disclosure in connection with a quid pro quo contribution of more than \$75, there is a penalty of \$10 per contribution, not to exceed \$5,000 per fund-raising event or mailing.

c) Given

When the Booster Club contributes directly to the student group, the Club should receive a Tax-exempt Status/Donation Acknowledgment Form from either the school or the District. A District employee should complete the form and give the original copy to the Booster Club for their records.

Example: *Yippee Booster Club is funding a portion of a student group's trip for a competition. The trip costs \$50,000, and the Booster Club has agreed to pay \$35,000 of the expense. Therefore, the students must pay the remaining \$15,000. The \$35,000 that the Booster Club donated is considered a contribution to that particular District student group and should be documented on the Tax-exempt Status/Donation Acknowledgment Form.*

The school may request that a Booster Club provide a list of contributions made to the student group or school. The Tax-exempt Status/Donation 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 least at the end of each semester; therefore, your school may request the list of contributions from Booster Clubs twice a year.

The Tax-exempt Status/Donation Acknowledgment Form should be kept with the Booster Club's financial records. The form can be used as substantiation to the IRS that the Booster Club is using the funds raised in the manner approved by the IRS as a 501(c)(3) organization.

The District tracks contributions received from individuals and entities such as Booster Clubs. This information may assist the District in receiving a more favorable bond rating and in receiving grants. Public support of the District is very important in these areas.

Financial Aid Guidelines

Tax-exempt organizations must benefit a group as a whole instead of benefiting individual members of a group. Since Booster Clubs usually assist student groups, all members of the student group sponsored are to be treated equally and receive the same opportunity to benefit from the Booster Club's assistance. Therefore, one student cannot receive a greater benefit than another unless the criteria for financial need discussed below is met.

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 should not change every year.

Flyers

District criteria states that 501(c)(3) tax-exempt organizations must submit flyers to the Associate Superintendent for Communications and Community Relations for approval.

Note: "501(c)(3) Number" is the same number as the Employer Identification Number (EIN).

Fund-raising

Before any fund-raising activity occurs, Booster Clubs should decide whether a fund-raiser is a Booster Club fund-raiser (money is deposited directly into the *Booster Club's* bank account) **or** whether it is a school fund-raiser (money is deposited directly into the *District's student activity fund account* for that student group). If the activity is a Booster Club fundraiser, the Booster Club is responsible for handling any and all money from the fund-raiser. Likewise, if the activity is a school fund-raiser, the school is responsible for all money collected and deposited from the fund-raiser.

a.) Board Policy

- Board Policy GE (Local) discusses fund-raising regulations.
- Booster Clubs should carefully consider limiting the number of major fundraising activities involving students. **All such activities require both the approval of the Sponsor and School Principal.**
- Booster Club should submit the following information to the designated faculty sponsor **at least 30 days prior to the event:**
 1. Purpose of the fund-raiser,
 2. Type of fund-raising activity (i.e., candy sale, carnival),
 3. Date(s), time(s) and place(s) of the activity,
 4. Name of the sponsoring organization,
 5. Name and phone number of the organization's representative,
 6. Name and phone number of the person(s) in charge of the fund-raiser, and
 7. Name and phone number of the person(s) who will be handling the money for the fund-raiser.

b) IRS Regulations

- The IRS prohibits tax-exempt organizations from **requiring** people to participate in fund-raisers. Likewise, Booster Clubs **may not** require an amount be “donated” in lieu of participating in the fund-raiser. People **may choose** whether or not to participate in a fund-raiser and may choose whether or not to donate to the Booster Club. Furthermore, if a person decides not to participate, that person cannot be excluded from having the opportunity to benefit from the fund-raiser and cannot be penalized for choosing not to participate in the fund-raiser.
- Furthermore, benefits given by a tax-exempt organization **cannot** be based on participation in a fund-raiser or based on revenues raised individually. Therefore, regardless if a person participates in a fund-raiser and regardless of the amount of revenue raised, that person cannot be denied the opportunity to receive an equal benefit.

Example: *High Spirit Booster Club is having a car wash fund-raiser to help reduce the cost of a trip to Florida for a competition. The cost of the trip is \$20,000 for 20 people. Therefore, each person’s cost for the trip before the fund-raiser is \$1,000.*

Of the 20 people participating in the trip, only 10 people participate in the fund-raiser and raise a total of \$600.

The \$600 must be split equally among the 20 people going on the trip, even though only 10 people participated in the fundraiser. Therefore, each person receives a benefit of \$30 ($\$600 / 20$). Now, each person’s cost for the trip is \$970 ($\$1,000 - \30).

- The IRS prohibits the use of individual accounts by Booster Clubs. Booster Clubs must benefit the group as a whole, not its individual members.

(See example above.)

"Individual accounts" are those accounts used by a Booster Club to credit an individual with revenues raised. The Booster Clubs would use these accounts to benefit the individual by offsetting that individual's expenses with the amount credited to that individual from the revenues raised.

c) Analysis of Fund-raiser

- Booster Clubs should use the Fund-raising Activity Report (available on website) to determine the anticipated amount to be raised by a fund-raiser and then to determine if the fund-raiser was a success or failure. This type of analysis will help a Booster Club decide whether or not to repeat a particular fund-raiser.

For your convenience, the Fund-Raising Permission Request for Parent Organizations has been included in section Forms Available to Use.

Mailing Address

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

Please understand the importance of maintaining a consistent mailing address for the Booster Club. 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 State Comptroller's Office, the IRS, and your bank as you would if you used someone's home address.

Second, Booster Clubs 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. If the related school's address is used as the Booster Club's official address, the Booster Club 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). The IRS mails forms and other correspondence to Booster Clubs periodically. If these forms are not completed and returned to the IRS within a specific time period, a Booster Club could lose their tax-exempt status, thereby also losing their limited tax-exemption with the State of Texas and possibly face fines and penalties.

The District does not recommend using a home address since officer's change frequently.

For your convenience, IRS Form 8822: Change of Address has been included in section Forms Available to Use.

Membership Dues

Booster Clubs may charge dues to their members (the parents); however, parents **do not** have to be members of the Booster Club for their child(ren) to participate in the student group that receives benefits from Booster Club activities. **Membership dues are separate from the expenses incurred by sponsoring a student group (i.e., trip expense, costume expense).** Membership dues are associated with the parents being part of the Booster Club and are in **no way** associated with the expenses related to that parent's child.

Money-Handling Procedures

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.

a) Receiving Money

- The person receiving the money **while in the presence of the person turning in the money** should count all money received.
- The person receiving the money should give a receipt to the person delivering the money (both parties should retain their copy of the receipt).
- Any checks received should be restrictively endorsed immediately.
- Post-dated checks **should not be accepted** from any source.

- 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,
- 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.

IMPORTANT

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.

b) Recording and Depositing Money

- Prior to depositing money, at least two people should count the money.
- All money should be delivered to the Booster Club Treasurer to deposit funds daily.
- Receipts should be reconciled with all money turned in and deposited.
- Money received should only be deposited in the Booster Club's account(s).
- Deposit slips should be retained and reconciled monthly to the account.

c) Disbursing Money

- Require **two** signatures on each check.
- Do **NOT** sign blank checks.

d) Safeguarding Money

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

- Do not keep any money in an unlocked drawer, unlocked filing cabinet, vehicle, or other unsecured place.
- Do not store the records of the money received (i.e., receipts, copies of checks) in the same place as the money. If records and money are stored together and a theft occurs, the record of the money may be taken along with the money. Subsequently, determination and recovery of losses would be more difficult.
- Money received and not yet deposited should not be used for purchases, check cashing, loans, advances, reimbursements, or for any other purpose.
- All unused checks should be kept safe and secure at all times.
- "Blank" checks should never be issued and checks should never be pre-signed.
- The sequence of check numbers should be accounted for when reconciling the bank statement to the Booster Club's books.
- **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.

Raffles

(The following information was downloaded on October 13, 2010 from the Texas Attorney General's website: http://www.oag.state.tx.us/alerts/alerts_view_alpha.php?id=58&type=1.)

"We have become aware of a proliferation of illegal raffle activity in Texas. It is important for Texans to be familiar with the law before conducting or participating in a raffle.

Examples of unlawful raffles include any raffle that is:

- conducted by an individual
- conducted by a for-profit business
- conducted by a charity that has no members or otherwise does not qualify

Texas law allows only certain charitable and non-profit membership organizations to conduct raffles to support their charitable causes. Only the following entities which meet certain qualifications are permitted to hold raffles:

- religious societies
- volunteer emergency medical service providers
- volunteer fire departments
- qualified non-profit organizations

In order to conduct a raffle legally, a non-profit organization must have, among other criteria, members who elect a governing body and an exemption from federal taxes under Section 501(c) of the Internal Revenue Code. A qualified non-profit must also have been in existence for three years. The law permits only two raffles per year, requires several disclosures printed on tickets, and limits the value of prizes purchased by the organization to \$50,000.

It is also against the law to hold a raffle in which cash, or anything readily convertible to cash, is offered as a prize, or which is promoted statewide or through paid advertising, including television, radio or newspapers.

An unlawful raffle could be considered illegal gambling, which may carry criminal penalties. A county attorney, district attorney or the attorney general may also shut down an illegal raffle.

The Office of the Attorney General is prohibited by law from providing legal advice to individuals. If you contemplate conducting a raffle for fundraising purposes, you should read the Charitable Raffle Enabling Act (which went into effect January 1, 1990) carefully and consult a private attorney with any questions. You should also avoid participating in an illegal raffle. For more information, you can visit our Web site and read our online consumer protection brochure on charitable raffles."

Greg Abbott
Texas Attorney General

What does the law permit?

The Charitable Raffle Enabling Act, effective January 1, 1990, permits "qualified organizations" to hold up to two raffles per calendar year, with certain specified restrictions.

What is a "qualified organization"?

In general, a qualified organization is:

- a) An association organized primarily for religious purposes that has been in existence in Texas for at least 10 years;
- b) A volunteer emergency medical service that does not pay its members other than nominal compensation;
- c) A volunteer fire department that operates firefighting equipment and does not pay its members other than nominal compensation; or
- d) A nonprofit organization that has existed for at least three preceding years, during which it has had a governing body duly elected by its members and is exempt from federal income tax under Section 501(c), Internal Revenue Code; does not distribute any of its income to its members, officers or governing body; does not devote a substantial part of its activities to attempting to influence legislation; and does not participate in any political campaign.

The language of the law is very technical. If you are considering holding a raffle to benefit an organization, you should check the statute to be sure you qualify.

What prizes may be offered?

An organization may offer any prize except money. If the raffle organizers offer a prize which they have purchased or have given other consideration for, the value of the prize may not exceed \$50,000. There is no value limit on prizes donated to the organization.

Texas lottery tickets may be purchased and offered as prizes, even though the tickets' payoff may exceed \$50,000. The organization must have each raffle prize in its possession or must post a bond for the full amount of the value of the prize with the county clerk of the county where the raffle will be held.

Is an organization required to register with the State before conducting a raffle?

No.

What are the restrictions on how the raffle may be conducted?

- A qualified organization may hold only two raffles per [calendar] year and only one raffle at a time.
- Raffle tickets may not be advertised state wide or through paid advertisements. Each raffle ticket must state the name or address of the organization holding the raffle, the name of an officer of the organization, the price of the ticket, and a general description of each prize to be awarded that has a value of over \$10.
- A prize may not be money.
- Only members of the organization, or student organizations recognized by institutions of higher education selling on behalf of the institution, may sell tickets.
- No one may be compensated directly or indirectly for organizing or conducting a raffle, or for selling raffle tickets. The organization may not permit a non-member or other unauthorized person to sell or offer to sell raffle tickets

How may the proceeds from ticket sales be used?

Proceeds from ticket sales must be used only for the charitable purposes of the Organization.

Are there any penalties for conducting or participating in an unauthorized raffle?

Yes. Only raffles held according to the terms of the Raffle Enabling Act are authorized raffles. An unauthorized raffle is considered gambling under the Texas Penal Code. Conducting such a raffle is a Class A misdemeanor. Participating in an unauthorized raffle is a Class C misdemeanor.

What law enforcement authorities may stop an unauthorized raffle?

A county attorney, district attorney or the attorney general may bring an action in state court to stop a violation or potential violation of the Charitable Raffle Enabling Act.

Where can I get more information on the requirements for holding a raffle?

The law is Article 179f; Texas Revised Civil Statutes Annotated. If you have specific questions about the law, you should consult your attorney.

Consumer Information:

For more information, call the Attorney General's Consumer Protection Hotline at 1-800-621-0508, or contact your nearest Attorney General regional office.

Location	Phone Number
Austin	512-463-2070
Dallas	214-969-5310
El Paso	915-542-4800
Houston	713-223-5886
Lubbock	806-747-5238
McAllen	956-682-4547
San Antonio	210-225-4191

All consumer complaints must be made in writing. Please call or write for a complaint form. Write to:

Office of the Attorney General
Consumer Protection Division/010
P.O. Box 12548
Austin, Texas 78711-2548

Complaint forms and additional information can also be found in the consumer affairs section of our website, at www.oag.state.tx.us.

Record Retention

Booster Clubs 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.

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

Permanent Records

Internal Records:

- Booster Club Registration & Approval Form
- Articles of Incorporation/Articles of Association
- By-laws/Charter/Constitution
- Minutes from meetings

State Records:

- Sales Tax Permit Application
- Sales Tax Permit
- Certificate of Incorporation from 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
- Acknowledgement of Your Request
- Determination Letter
- Copy of IRS Form 8734, Support Schedule for Advance Ruling Period, and the IRS's notice granting a permanent exempt status to the organization, if applicable

For non-permanent records, the Texas State Comptroller's Office and the IRS have different retention periods as discussed below. In addition, certain circumstances, such as fraud, would allow the retention period to be extended beyond the normal requirement. According to the Texas State Comptroller's Office, this office has four (4) years from the date the tax becomes due and payable in which to assess the liability. This statute of limitations may be extended beyond the four (4) years, if an agreement is made in writing between the Texas State Comptroller's Office and the Booster Club. In cases of fraud, or **if the sales tax returns have not been filed**, the statute of limitations does not apply and the Texas State Comptroller's office may assess and collect taxes, penalties, and interest at anytime. The statute of limitations does not apply when information contained in the sales tax report contains a gross error and the amount of tax due and payable after the error is corrected is 25% or more than the amount initially reported. In addition, other exceptions to the statute of limitations may apply.

According to the IRS, Booster Clubs must keep each annual information return (i.e. Form 990 or Form 990-EZ) for 3 years from the date the form is required to be filed or from the date the form is actually

filed, whichever is later. However, if fraud is suspected or if returns have not been filed as applicable, the IRS could request information prior to the 3 year period discussed above.

IMPORTANT

If your Booster Club has not received a tax-exempt status as a public 501(c)(3) organization or if your Booster Club has received only a temporary approval of tax-exempt status as a public 501(c)(3) organization for sixty (60) months (Advanced Ruling Period), all records should be kept until the Advanced Ruling Period has ended, the IRS form 8734 (Support Schedule for Advance Ruling Period) has been prepared, and the IRS has granted a permanent public tax-exempt status to the organization.

In considering the requirements of the Texas State Comptroller's Office and the IRS, the record file should contain at least the following items for a minimum of the current year and the four (4) previous years:

Non-permanent Records

Internal Records

- Financial Reports and Review Committee Reports
- All financial backup including checkbook and banks records
- Information related to donations received by a Booster Club from individuals or businesses
- Financial Aid Guidelines

State Records

- Sales Tax Forms Filed (Quarterly or Annually)
- Copy of correspondence with the Texas Secretary of State and the Texas State Comptroller

Federal Records

- Copy of IRS Forms 990 or 990-EZ filed
- Copy of correspondence with the IRS

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

IMPORTANT

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

You may charge a nominal fee for copying, not to exceed the current governmental rate of \$1.00 for the first page and \$.15 for each additional page plus postage.

Student Fines and Fees List

Booster Clubs may have students or parents who do not submit money for fund-raisers or expenses, resulting in amounts owed to the Booster Club. Since these amounts relate to Booster Club activities, they cannot be placed on the school's Student Fines and Fees List. If a Booster Club wishes to pursue recovery of these amounts, they must do so independently from the District and school.

Example: *High Spirit Booster Club held a catalog fund-raiser and \$400 is still owed to the Booster Club by Trusty Smith, the father of Jane Smith, one of students in the group they support. Trusty received the merchandise, but never paid for it.*

*The Booster Club may pursue trying to recover the money or merchandise from Trusty. However, they **may not** contact the school to include the \$400 on the school's Student Fines and Fees List as an amount owed by Jane Smith to the school.*

Volunteer Hours

The District values the diversity of volunteer activity in the community, whether it is at home, in the community, or in the classroom. Accounting for such volunteer hours is essential since it impacts issues such as funding, program continuation, and communication. For example, many grants and federally funded programs require an accurate reflection of volunteer hours, and the State of Texas requires public school districts to facilitate parental involvement in their children's education.

Forms Available to Use



- Notice to the Bank of Changes in Authorized Account Signers
 - Notice to the IRS of Changes in Officers/Board Members
- Notice to the Texas State Comptroller of Changes in Officers/Board Members
 - Fund-Raising Permission Request for Parent Organizations
 - Exempt Organizations: Sales & Purchases
 - IRS Form 8822 – Change of Address
 - Texas Application for Sales Tax Permit

The Internal Auditors and individuals associated with the Pasadena Independent School District are not an authority on tax-related or accounting situations concerning Parent Organizations, Booster Clubs and Exempt Organization. Parent Organization, Booster Clubs, and Exempt Organizations should obtain competent independent counsel concerning tax and accounting-related circumstances.

Go Team Go Booster Club

PO Box 1234
Pasadena, TX 77503

September 21, 2010

Silver Bank
6577 Mining Road
Tarnished, TX 66978

Re: Account #123456789
Go Team Go Booster Club, EIN: 76-9999999

To Whom It May Concern:

On June 30, 2010 the executive board of Go Team Go Booster Club will resign to coincide with the end of the fiscal year. On July 1, 2010, the newly elected officers will assume responsibility for the organization. Therefore, please make the following changes to this bank account's status and authorized signers as of July 1, 2010:

Remove the following people from the list of authorized signers on the account:

Mickey Mouse, Vice-President
281-555-1234

Donald Duck, Treasurer
281-555-2345

Peter Pan, President
281-555-3456

Authorize the following three people as signers on the account:

Snow White, 2010-11 President 251-459-6633 _____

Minnie Mouse, 2010-11 Vice-President 251-552-5570 _____

Daffy Duck, 2010-11 Treasurer 251-552-1232 _____

We appreciate your assistance with these transition details. If you have any questions, please contact one of the officers listed below.

Sincerely,

Mickey Mouse, Vice-President

Donald Duck, Treasurer

Peter Pan, President

Go Team Go Booster Club is a 501(c)(3) tax-exempt organization.

Go Team Go Booster Club

PO Box 1234
Pasadena, TX 77503

September 21, 2010

Internal Revenue Service
TE/GE Room 4010
PO Box 2508
Cincinnati, OH 45201

Re: Go Team Go Booster Club
EIN: 76-9999999

To Whom It May Concern:

On June 30, 2010 the executive board of Go Team Go Booster Club will resign to coincide with the end of the fiscal year. On July 1, 2010, the newly elected officers will assume responsibility for the organization. Attached is a list of the incoming board members. Our bank has been notified of this change as well. We are furnishing this record in accordance with IRS Letter 1045.

We appreciate your assistance with these transition details. If you have any questions, please contact one of the officers listed below.

Sincerely,

Mickey Mouse, Vice-President
281-555-1234

Donald Duck, Treasurer
281-555-2345

Peter Pan, President
281-555-3456

(Attach a list of the new officers including their name and address.)

Go Team Go Booster Club

PO Box 1234
Pasadena, TX 77503

September 21, 2010

Exempt Organizations
PO Box 13528
Austin, TX 78711

Re: Go Team Go Booster Club
EIN: 76-9999999

To Whom It May Concern:

On June 30, 2010 the executive board of Go Team Go Booster Club will resign to coincide with the end of the fiscal year. On July 1, 2010, the newly elected officers will assume responsibility for the organization. Attached is a list of the incoming board members for your records. Our bank and the IRS have been notified of this change as well.

We appreciate your assistance with these transition details. If you have any questions, please contact one of the officers listed below.

Mickey Mouse, Vice-President
281-555-1234

Donald Duck, Treasurer
281-555-2345

Peter Pan, President
281-555-3456

(Attach a list of the new officers including their name and address.)

Fund-Raising Permission Request
Parent Organizations

Booster Club Name: _____ Campus Name: _____

Type of Activity/Product to be sold: _____

Vendor: _____

Estimated profit from this fund-raiser: _____

Profit to be used for: _____

Dates for fund-raiser: Beginning ___/___/___ Ending ___/___/___

Location of Event: _____ Time: _____

This is the fund-raising activity for this semester that I have requested for this group.
 1st 2nd 3rd 4th

Are you using this as one of your two tax free days? YES or NO

Name of Organizations Representative (Print)

Phone Number

Signature

___/___/___
Date

Name of Person Responsible for Fund-Raiser (Print)

Phone Number

Signature

___/___/___
Date

Name of Person Responsible for Money Handling (Print)

Phone Number

Signature

___/___/___
Date

Authorization:

() Approved () Disapproved

Name of Principal (Print)

Signature

___/___/___
Date

All fund-raiser requests must be submitted to the Principal for his/her approval at least 30 days before the scheduled fund-raiser.

Exempt Organizations: Sales and Purchases

Susan Combs, Texas Comptroller of Public Accounts

DECEMBER 2010

Organizations that have applied for and received a letter of exemption from sales tax don't have to pay sales and use tax when they buy, lease or rent taxable items that are necessary to the organization's exempt function.

Exempt Status Overview

The Texas Tax Code provides tax exemptions for certain qualifying organizations for sales tax, hotel occupancy tax and franchise tax. The exemptions for which an organization might qualify are determined by the organization's purpose, activities and its formation.

Exemption Criteria

Exemption from these state taxes are based largely on an organization's affiliation with its parent entity, assuming the following criteria:

- the organization is a recognized subordinate under the parent organization's group exemption;
- the parent organization's group exemption meets the requirements for exemption from one or more of these state taxes; and
- the parent organization's group exemption has been established on the Comptroller's records.

The parent organization's group exemption may be classified as a federal group exemption under one of the following 501(c) sections of the Internal Revenue Code (IRC): 501(c)(2), (3), (4), (5), (6), (7), (8), (10), (16), (19) and (25).

The group exemption may also be under another category of exemption, such as the religious, educational or charitable exemption provisions within the state statutes.

Exemption Application

For an organization to be exempt from these state taxes based on its recognition as a

subordinate under the parent organization's group exemption, the organization must complete the appropriate exemption application, and include:

- a letter from the parent organization that states the organization is a recognized subordinate under the group exemption
- the basis of the group exemption [i.e. 501(c)(3), 501(c)(6), religious, etc.]
- the date the organization was first recognized as a subordinate under that group exemption.

Exemption applications are available online at www.window.state.tx.us/taxinfo/exempt.

If the parent organization's 501(c) federal group exemption has not yet been established, the parent organization must submit to the Comptroller:

- a copy of the parent organization's Internal Revenue Service (IRS) 501(c) group exemption ruling letter
- the IRS four-digit group exemption number www.irs.gov.

Examples of Non-Taxable Entities

Entities that are exempt by law do not need to apply for exemption. Examples of legally exempt entities include:

- the U.S. government, its political subdivisions, agencies and departments, and all branches of its military;
- Texas state and local governments, their agencies, departments, cities, school districts and other political subdivisions;
- Federal Credit Unions organized under 12 United States Code, §1768

For more information, visit our website www.window.state.tx.us. Receive tax help via e-mail at tax.help@cpa.state.tx.us.

Exempt Organizations: Sales and Purchases

Texas public schools, colleges and universities are exempt from sales tax under Section 151.309 of the Texas Tax Code. Texas colleges, universities and all public and private elementary and secondary schools are exempt from state hotel tax under Section 156.102.

Parent-teacher associations and booster clubs must apply for exemption as they are generally not covered by the school's exempt status.

The **Tax-Exempt Entity Search** lists entities with a current exemption from franchise, sales and/or hotel tax. Entities that are exempt by law will not normally be listed on the search. View the search online at http://window.state.tx.us/taxinfo/exempt/exempt_search.html.

Exemptions: Apply Online

An organization can **apply for exemption** online by using the appropriate application form.

Guidelines to Texas Tax Exemptions (96-1045) can be found online at www.window.state.tx.us/taxinfo/taxpubs/tx96_1045.html.

SALES TAX

Tax-Exempt Purchases

Organizations that have received a letter of sales tax exemption from the Texas Comptroller do not have to pay sales and use tax on taxable items they buy, lease or rent if the items are necessary to the organization's exempt function.

Exempt organizations should claim an exemption at the time of purchase by providing a properly completed **exemption certificate** in lieu of paying tax to the retailer. A government entity's purchase voucher is sufficient proof of exempt status and an

exemption certificate is not required on its purchases. Foreign governments and government agencies from other states are not exempt from Texas sales and use tax.

Retailers

Retailers must collect tax from an exempt organization unless a valid exemption certificate or government purchase voucher is provided. Retailers are not required under Texas law to accept a claim for exemption, but may choose to do so by accepting, in good faith, a properly completed exemption certificate.

If a retailer chooses not to honor an exemption certificate, the exempt organization can ask the seller to provide a properly completed **Assignment of Right to Refund** so the purchaser can **request a refund** of the tax directly from the Comptroller.

Individuals

An authorized agent or employee can make tax-free purchases for an exempt organization by giving the vendor a completed exemption certificate. Items purchased tax free by an exempt organization cannot be used for the personal benefit of an individual or other private party.

When buying an item to be donated to an exempt organization, an individual can give the seller an exemption certificate in lieu of paying tax. If the individual uses the item before donating it, however, the exemption is lost and tax is due.

An employee of an exempt organization cannot claim an exemption when buying taxable items of a personal nature, even if the organization gives an allowance or reimbursement for such items. For example, meals, toiletries, clothing and laundry services are for personal use and are taxable.

Generally, an exempt organization must get a sales tax permit and collect and remit sales tax on all taxable items it sells.

For more information, visit our website www.window.state.tx.us. Receive tax help via e-mail at tax.help@cpa.state.tx.us.

Exempt Organizations: Sales and Purchases

Anyone traveling on official business for an exempt organization must pay sales tax on taxable purchases such as parking, whether reimbursed per diem or for actual expenses incurred.

A sales tax exemption does not include taxes on the purchase, rental or use of motor vehicles. Motor vehicle tax information is provided below.

Refunds

An exempt nonprofit organization is not eligible to receive refunds for purchases made on or after Sept. 1, 2009, if the purchase was made prior to the postmark date of the organization's application for exemption, or the date of the sales tax liability assessment as a result of a Comptroller audit, whichever is earlier.

If the Comptroller determines the organization met exemption requirements for a period prior to Sept. 1, 2009, based on the laws in effect during that period, purchases made by the organization within that period will be eligible for a sales tax refund, subject to the four-year statute of limitations.

These provisions apply to sales and use taxes paid by an organization directly to the Comptroller's office or to vendors and to refund claims filed with the Comptroller's office or with vendors. These provisions do not apply to governmental entities exempted under Tax Code Section 151.309.

The **Tax-Exempt Entity Search** can be used to verify the effective date of an organization's exemption qualification. Contact our office to confirm the organization's exempt status and eligibility for a refund of sales tax paid prior to Sept. 1, 2009, by calling (800) 252-5555, or e-mail us at exempt.orgs@cpa.state.tx.us

Should an exempt organization collect sales tax?

Exempt organizations must get a sales tax permit <http://window.state.tx.us/taxpermit> and collect and remit sales tax for all taxable items it sells. Exemptions are for purchases, not sales, though some exceptions are detailed below.

Examples of Tax-Free Sales **Fundraisers**

An organization does not have to register for a sales tax permit if all its sales are of exempt items, or sales made through tax-free fundraisers.

Meals and Food Products

Exempt organizations do not have to collect sales tax on meals and food products, including candy and soft drinks, if the items are:

- sold by churches or at church functions conducted under the authority of a church;
- sold or served by a public or private school, school district, student organization or parent-teacher association in an elementary or secondary school during the regular school day by agreement with proper school authorities, including vending machine sales; or
- sold by a member or a volunteer of a nonprofit organization devoted exclusively to education or to physical or religious training, or by a group associated with private or public elementary and secondary schools as part of an organization's fund-raising drive, when all net proceeds from the sale go to the organization for its exclusive use.

Note: Alcoholic beverages are taxable. Sales of alcoholic beverages made by the holder of a mixed beverage permit are subject to the 14 percent mixed beverage gross receipts tax. Sales of beer and wine made by the

For more information,
visit our website
www.window.state.tx.us.
Receive tax help
via e-mail at
tax.help@cpa.state.tx.us.



An employee of an exempt organization cannot claim an exemption when buying taxable items of a personal nature, even if the organization gives an allowance or reimbursement for such items.

For more information, visit our website www.window.state.tx.us. Receive tax help via e-mail at tax.help@cpa.state.tx.us.

holder of a beer and wine only permit are subject to sales tax.

Annual Banquets and Suppers

All volunteer, organizations can hold a tax-free annual banquet or other food sale provided the event:

- is not professionally catered;
- is not held in a restaurant, hotel or similar place of business;
- is not in competition with a retailer required to collect tax; and
- the food is prepared, served and sold by members of the organization.

Note: The exemption does not apply to the sale of alcoholic beverages.

Auctions, Rummage Sales and Other Fundraisers

Each chapter of an exempt organization under the religious, educational or charitable categories, and organizations exempted from sales tax based on their IRS Section 501 (c) (3), (4), (8), (10) or (19) status, can hold two one-day, tax-free sales or auctions each calendar year (January – December).

Youth athletic organizations, volunteer fire departments, chambers of commerce and governmental entities may not hold tax-free sales or auctions.

One-Day Sales

For one-day sales, exempt organizations are not required to collect sales tax. This exemption does not apply to items sold for more than \$5,000, unless the item is manufactured by the organization or the item is donated to the organization and not sold back to the donor.

For purposes of the exemption, “one day” is counted as 24 consecutive hours. These days should be pre-designated so purchasers are aware of the tax exemptions. Organizations

are prohibited from collecting and keeping taxes on these transactions.

The designated one-day, tax-free sale day is either the day the vendor delivers the items to the exempt organization or the day the organization delivers the items to its customers. Persons buying from surplus inventory on the designated date do not owe tax. For example, a church group selling cookbooks may accept pre-orders without collecting tax if the day the cookbooks will be delivered to customers is designated as one of the group’s tax-free fundraisers. Surplus cookbooks sold during the same day also qualify for the exemption. Surplus cookbooks sold on other days are taxable unless sold at the group’s other tax-free fundraiser.

If two or more groups together hold a one-day, tax-free sale, the event counts as one tax-free sale for each participating organization.

If an exempt organization is purchasing taxable items for resale during its designated tax-free sale days, and it holds a sales tax permit, the organization may either give the retailer a resale certificate, Form 01-339 (front), or an exemption certificate, **Form 01-339 (back)**, to purchase the items tax free.

A non-permitted exempt organization, however, may purchase items for resale tax free by issuing an exemption certificate to the vendor for items sold during its two one-day, tax-free sales.

Student Organizations (Higher Education)

College or university student organizations affiliated with an institution of higher education can hold a one-day, tax-free sale each month. The organization must have a primary purpose other than engaging in business or performing an activity designed to make a profit, and the purpose of the sale

must be to raise funds for the organization. This exemption does not apply to items sold for more than \$5,000, unless the item is manufactured by the organization or the item is donated to the organization and not sold back to the donor.

Non-Qualifying Fundraisers: Acting as an Agent or Sales Representative

When engaging in fundraising activities, an exempt organization needs to identify the seller of the taxable items in order to determine responsibility for collecting tax.

In some fundraising activities, an exempt organization will enter into a contract with a private, for-profit entity to sell taxable items. For example, a group may receive a commission for holding a book fair or for selling candy, gift wrap, or similar items, or the group will be provided with sales brochures and take orders for fulfillment by the for-profit entity. The exempt entity may collect the funds and remit an agreed portion to the for-profit entity. In these cases, the fundraising firm is considered the seller and is responsible for collection of applicable sales and use taxes. Exempt organizations are not responsible for sales taxes and does not use one of the organization's tax-free sales days for the fundraiser.

Many fundraising companies include sales tax due in the selling price of items. This practice is acceptable when the for-profit company discloses on the invoices or order brochures that Texas sales tax is included in the sales price. This allows the company to remit to the state any due sales taxes. In this instance, the exempt organization is not required to collect any tax amount over the sales price.

Senior Citizens Groups

Nonprofit senior citizen groups do not have to collect or remit sales tax on items they make and sell, provided they do not have

more than four fundraising events per calendar year of no more than 20 days per event.

Amusement Services

The sale of an amusement service provided exclusively by an exempt organization, other than an IRS Section 501(c)(7) organization, is exempt from sales tax as long as the proceeds do not benefit an individual except of a purely public charity See Rule 3.298, Amusement Services. For example, the sale of a ticket to a school carnival, dance, athletic event or musical concert is exempt.

For an event to qualify for exemption, the organization must distinguish itself as the sole provider in advertising (for example, billboards, radio, television and other media promoting the event), as well as on the face of the physical tickets. Tickets should reflect that the exempt organization is the provider, and that the event is exempt from Texas sales and use tax.

Can a nonprofit organization hire a for-profit entity?

A nonprofit organization is allowed to hire a for-profit entity to supply expertise required to produce an event as long as the for-profit entity is not also considered a provider of the amusement service.

Membership Dues and Fees

Nonprofit groups' membership dues and fees are tax exempt. Country clubs and similar organizations that provide amusement services do not qualify for this exemption.

Publications

Periodicals and writings are tax exempt if published and distributed by a religious, philanthropic, charitable, historical, scientific or IRS 501(c)(3) organization. Materials published by educational organizations do not qualify for this exemption.



For more information,
visit our website
www.window.state.tx.us.
Receive tax help
via e-mail at
tax.help@cpa.state.tx.us.



Hotel Occupancy Tax *Charitable, Educational or Religious Organizations*

Charitable, educational or religious organizations that have received a letter of tax exemption from the Comptroller may claim exemption from the 6 percent state hotel occupancy tax. Local hotel tax must be paid, with some exceptions.

An organization can **apply for exemption** by using the appropriate application form.

Guidelines to Texas Tax Exemptions (96-1045) provides more details on the exemption process.

Entities Exempt from State and Local Hotel Occupancy Tax

Entities exempt from both state and local hotel occupancy tax include:

- the U.S. government and its agencies, departments and all branches of the U.S. military. Government contractors are not exempt;
- foreign diplomatic personnel issued a hotel tax exemption card by the U.S. Department of State Office of Foreign Missions.
- designated Texas state officials who are issued a hotel tax exemption photo ID or card.
- nonprofit entities exempt from tax by law, other than the hotel tax, and who have received a letter of tax exemption from the Texas Comptroller.

Texas state agencies are not exempt, but may apply for a refund of hotel tax paid by employees to a hotel.

Traveling Employees

An employee of an exempt organization traveling on official business is exempt. The manner of payment does not affect the

exemption. For a representative who is not an employee, the exempt organization must pay the hotel directly with its funds (e.g., organization check, organization credit card or direct billing by the hotel).

How to Claim Hotel Tax Exemption

A completed **Texas Hotel Occupancy Tax Exemption Certificate**, must be presented to the hotel to claim the exemption.

An exemption certificate may be accepted, in good faith, when presented with the supporting documentation described in **Rule 3.161(c)(2)**.

The **Tax-Exempt Entity Search** lists organizations that are exempt from sales, franchise and/or hotel occupancy taxes. Note: Entities not exempt by law might not be listed in this search.

Motor Vehicle Sales and Use Tax

Motor vehicle sales tax exemptions are in very limited. The following qualifying organizations may claim an exemption from motor vehicle tax at the time of purchase on the **Application for Certificate of Title**.

Some nonprofit emergency medical service providers and volunteer fire departments can buy fire trucks and emergency medical response vehicles tax free.

Churches do not have to pay tax when they purchase, rent or lease vans and buses designed to carry more than six passengers, as long as the vehicle is used at least 80 percent of the time to transport people to and from church services or religious meetings. Tax is due, however, on vehicles purchased for a minister's personal use.

Licensed childcare facilities that provide 24-hour residential care in a single residential

For more information, visit our website www.window.state.tx.us. Receive tax help via e-mail at tax.help@cpa.state.tx.us.

group, both to children who do not require specialized services or treatment and children who are emotionally disturbed, may claim an exemption on the purchase, rental or lease of a vehicle that will be used primarily in transporting children residing at the facility.

Motor Vehicle Gifts and Nonprofit Organizations

A vehicle that is donated to, or given by, a nonprofit service organization qualifying under the Internal Revenue Code, Sec. 501(c)(3) is eligible for the \$10 gift tax.

To document a gift, both the donor and person receiving the vehicle must complete a joint notarized Affidavit of Motor Vehicle Gift Transfer (Form 14-317) describing the transaction and the relationship between the parties. This document should be provided to the county tax assessor-collector along with the **Application for Certificate of Title**.

Motor Vehicles Rentals

The following organizations may claim a tax exemption when renting a motor vehicle:

- **public agency** – a public agency is an instrumentality of the U.S. government or a department, commission, board, office, institution or other agency of this state or of a county, city, town, school district, hospital district, water district or other special district or authority or political subdivision created by or under the Texas Constitution or statutes.

- **churches or religious societies** – no tax is due if the vehicle is designed to carry more than six passengers and at least 80 percent of the vehicle's operating time is used to provide transportation to and from church or religious services or meetings. A vehicle rented for the official or personal use of a minister or other church or organizational members is not exempt, even if the vehicle will be used for a church sponsored activity.
- **certain childcare facilities** – no tax is due when renting a vehicle to a qualified residential childcare facility to be used primarily to transport children residing in the facility. A qualified residential child-care facility means one licensed under Chapter 42 Human Resources Code to provide residential care 24 hours a day in a single residential group to children who do not require specialized services or treatment and children who are emotionally disturbed.

How to Claim Rental Vehicle Exemption

To claim an exemption when renting a qualifying motor vehicle, the organization must include a **Motor Vehicle Rental Exemption Certificate** to the rental contract.

The certificate must be signed by an authorized representative of the group or organization that is renting the vehicle.

Vehicle rentals to other nonprofit or public service organizations, even if the organization is funded by a public agency, are not eligible for exemption.



For more information,
visit our website
www.window.state.tx.us.
Receive tax help
via e-mail at
tax.help@cpa.state.tx.us.

Texas Comptroller of Public Accounts • Publication #96-122 • Revised December 2010

For additional copies write: Texas Comptroller of Public Accounts; 111 East 17th Street, Austin, Texas 78711-1440



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TEXAS SALES AND USE TAX EXEMPTION CERTIFICATION

Name of purchaser, firm or agency	
Address (Street & number, P.O. Box or Route number)	Phone (Area code and number)
City, State, ZIP code	

I, the purchaser named above, claim an exemption from payment of sales and use taxes (for the purchase of taxable items described below or on the attached order or invoice) from:

Seller: _____


Street address: _____ City, State, ZIP code: _____

Description of items to be purchased or on the attached order or invoice:

Purchaser claims this exemption for the following reason:

I understand that I will be liable for payment of all state and local sales or use taxes which may become due for failure to comply with the provisions of the Tax Code and/or all applicable law.

I understand that it is a criminal offense to give an exemption certificate to the seller for taxable items that I know, at the time of purchase, will be used in a manner other than that expressed in this certificate, and depending on the amount of tax evaded, the offense may range from a Class C misdemeanor to a felony of the second degree.

 Purchaser	Title	Date
--	-------	------

NOTE: This certificate cannot be issued for the purchase, lease, or rental of a motor vehicle.

THIS CERTIFICATE DOES NOT REQUIRE A NUMBER TO BE VALID.

Sales and Use Tax "Exemption Numbers" or "Tax Exempt" Numbers do not exist.

This certificate should be furnished to the supplier. Do **not** send the completed certificate to the Comptroller of Public Accounts.

Change of Address

▶ Please type or print.

▶ See instructions on back. ▶ Do not attach this form to your return.

Part I Complete This Part To Change Your Home Mailing Address

Check **all** boxes this change affects:

- 1 Individual income tax returns (Forms 1040, 1040A, 1040EZ, 1040NR, etc.)
 ▶ If your last return was a joint return and you are now establishing a residence separate from the spouse with whom you filed that return, check here
- 2 Gift, estate, or generation-skipping transfer tax returns (Forms 706, 709, etc.)
 ▶ For Forms 706 and 706-NA, enter the decedent's name and social security number below.
- ▶ Decedent's name ▶ Social security number

3a Your name (first name, initial, and last name)	3b Your social security number
4a Spouse's name (first name, initial, and last name)	4b Spouse's social security number

5 Prior name(s). See instructions.

6a Old address (no., street, city or town, state, and ZIP code). If a P.O. box or foreign address, see instructions.	Apt. no.
6b Spouse's old address, if different from line 6a (no., street, city or town, state, and ZIP code). If a P.O. box or foreign address, see instructions.	Apt. no.
7 New address (no., street, city or town, state, and ZIP code). If a P.O. box or foreign address, see instructions.	Apt. no.

Part II Complete This Part To Change Your Business Mailing Address or Business Location

Check **all** boxes this change affects:

- 8 Employment, excise, income, and other business returns (Forms 720, 940, 940-EZ, 941, 990, 1041, 1065, 1120, etc.)
 9 Employee plan returns (Forms 5500, 5500-EZ, etc.)
 10 Business location

11a Business name	11b Employer identification number
12 Old mailing address (no., street, city or town, state, and ZIP code). If a P.O. box or foreign address, see instructions.	Room or suite no.
13 New mailing address (no., street, city or town, state, and ZIP code). If a P.O. box or foreign address, see instructions.	Room or suite no.
14 New business location (no., street, city or town, state, and ZIP code). If a foreign address, see instructions.	Room or suite no.

Part III Signature

Daytime telephone number of person to contact (optional) ▶ () _____

Sign Here ▶ _____ Your signature Date	▶ _____ If Part II completed, signature of owner, officer, or representative Date
▶ _____ If joint return, spouse's signature Date	▶ _____ Title

Purpose of Form

You can use Form 8822 to notify the Internal Revenue Service if you changed your home or business mailing address or your business location. If this change also affects the mailing address for your children who filed income tax returns, complete and file a separate Form 8822 for each child. If you are a representative signing for the taxpayer, attach to Form 8822 a copy of your power of attorney.

Changing both home and business addresses? If you are, use a separate Form 8822 to show each change.

Prior Name(s)

If you or your spouse changed your name because of marriage, divorce, etc., complete line 5. Also, be sure to notify the Social Security Administration of your new name so that it has the same name in its records that you have on your tax return. This prevents delays in processing your return and issuing refunds. It also safeguards your future social security benefits.

Addresses

Be sure to include any apartment, room, or suite number in the space provided.

P.O. Box

Enter your box number instead of your street address only if your post office does not deliver mail to your street address.

Foreign Address

Enter the information in the following order: city, province or state, and country. Follow the country's practice for entering the postal code. Please do not abbreviate the country name.

"In Care of" Address

If you receive your mail in care of a third party (such as an accountant or attorney), enter "C/O" followed by the third party's name and street address or P.O. box.

Signature

If you are completing Part I, the taxpayer, executor, donor, or an authorized representative must sign. If your last return was a joint return, your spouse must also sign (unless you have indicated by checking the box on line 1 that you are establishing a separate residence).

If you are completing Part II, an officer, owner, general partner or LLC member manager, plan administrator, fiduciary, or an authorized representative must sign. An officer is the president, vice president, treasurer, chief accounting officer, etc.



If you are a representative signing on behalf of the taxpayer, you must attach to Form 8822 a copy of your power of attorney. To do this, you can use Form 2848. The Internal Revenue Service will not complete an address change from an "unauthorized" third party.

Where To File

Send this form to the Department of the Treasury, Internal Revenue Service Center,

and the address shown next that applies to you. Generally, it takes 4 to 6 weeks to process your change of address.

Note. If you checked the box on line 2, or you checked the box on both lines 1 and 2, send this form to: Cincinnati, OH 45999-0023.

Filers Who Completed Part I (You checked the box on line 1 only)

IF your old home mailing address was in . . . **THEN use this address . . .**

District of Columbia, Maine, Maryland, Massachusetts, New Hampshire, Vermont Andover, MA
05501-0023

Alabama, Florida, Georgia, North Carolina, South Carolina, Virginia Atlanta, GA
39901-0023

Kentucky, Louisiana, Mississippi, Tennessee, Texas Austin, TX
73301-0023

Alaska, Arizona, California, Colorado, Hawaii, Idaho, Illinois, Iowa, Kansas, Minnesota, Montana, Nebraska, Nevada, New Mexico, North Dakota, Oklahoma, Oregon, South Dakota, Utah, Washington, Wisconsin, Wyoming Fresno, CA
93888-0023

Arkansas, Connecticut, Delaware, Indiana, Michigan, Missouri, New Jersey, New York, Ohio, Pennsylvania, Rhode Island, West Virginia Kansas City, MO
64999-0023

APO and FPO Addresses
American Samoa
Guam:

Nonpermanent residents
Puerto Rico (or if excluding income under Internal Revenue Code section 933) Austin, TX
73301-0023
USA

Virgin Islands:
Nonpermanent residents
Nonresident aliens and dual-status aliens
Foreign country:
U.S. citizens and those filing Form 2555, Form 2555-EZ, or Form 4563

Guam: Department of Revenue and Taxation
Permanent residents Government of Guam
P.O. Box 23607
GMF, GU 96921

Virgin Islands: V.I. Bureau of Internal Revenue
Permanent residents 9601 Estate Thomas
Charlotte Amalie
St. Thomas, VI 00802

Filers Who Completed Part II

IF your old business address was in . . . **THEN use this address . . .**

Connecticut, Delaware, District of Columbia, Georgia, Illinois, Indiana, Kentucky, Maine, Maryland, Massachusetts, Michigan, New Hampshire, New Jersey, New York, North Carolina, Ohio, Pennsylvania, Rhode Island, South Carolina, Tennessee, Vermont, Virginia, West Virginia, Wisconsin Cincinnati, OH
45999-0023

Alabama, Alaska, Arizona, Arkansas, California, Colorado, Florida, Hawaii, Idaho, Iowa, Kansas, Louisiana, Minnesota, Mississippi, Missouri, Montana, Nebraska, Nevada, New Mexico, North Dakota, Oklahoma, Oregon, South Dakota, Texas, Utah, Washington, Wyoming, any place outside the United States

Ogden, UT
84201-0023

Privacy Act and Paperwork Reduction Act

Notice. We ask for the information on this form to carry out the Internal Revenue laws of the United States. Our legal right to ask for information is Internal Revenue Code sections 6001 and 6011, which require you to file a statement with us for any tax for which you are liable. Section 6109 requires that you provide your social security number on what you file. This is so we know who you are, and can process your form and other papers.

Generally, tax returns and return information are confidential, as required by section 6103. However, we may give the information to the Department of Justice and to other federal agencies, as provided by law. We may give it to cities, states, the District of Columbia, and U.S. commonwealths or possessions to carry out their tax laws. We may also disclose this information to other countries under a tax treaty, to federal and state agencies to enforce federal nontax criminal laws, or to federal law enforcement and intelligence agencies to combat terrorism.

The use of this form is voluntary. However, if you fail to provide the Internal Revenue Service with your current mailing address, you may not receive a notice of deficiency or a notice and demand for tax. Despite the failure to receive such notices, penalties and interest will continue to accrue on the tax deficiencies.

You are not required to provide the information requested on a form that is subject to the Paperwork Reduction Act unless the form displays a valid OMB control number. Books or records relating to a form or its instructions must be retained as long as their contents may become material in the administration of any Internal Revenue law.

The time needed to complete and file this form will vary depending on individual circumstances. The estimated burden for individual taxpayers filing this form is approved under OMB control number 1545-0074 and is included in the estimates shown in the instructions for their individual income tax return. The estimated burden for all other taxpayers who file this form is 16 minutes.

If you have comments concerning the accuracy of this time estimate or suggestions for making this form simpler, we would be happy to hear from you. You can write to the Internal Revenue Service, Tax Products Coordinating Committee, SE:W:CAR:MP:T:T:SP, 1111 Constitution Ave. NW, IR-6526, Washington, DC 20224. Do not send the form to this address. Instead, see *Where To File* on this page.

S U S A N

C O M B S

Texas Application

- Sales Tax Permit • Use Tax Permit • 9-1-1 Emergency Communications
- Prepaid Wireless 9-1-1 Emergency Service Fee • Fireworks Tax
- Off-Road, Heavy Duty Diesel Powered Equipment Surcharge

TEXAS COMPTROLLER of PUBLIC ACCOUNTS



If you are a sole proprietor, start on the next page, Item 10 –

1. Business Organization Type

- | | | |
|---|--|---|
| <input type="checkbox"/> Profit Corporation (CT, CF) | <input type="checkbox"/> General Partnership (PB, PI) | <input type="checkbox"/> Business Trust (TF) |
| <input type="checkbox"/> Nonprofit Corporation (CN, CM) | <input type="checkbox"/> Professional Association (AP, AF) | <input type="checkbox"/> Trust (TR) <small>Please submit a copy of the trust agreement with this application.</small> |
| <input type="checkbox"/> Limited Liability Company (CL, CI) | <input type="checkbox"/> Business Association (AB, AC) | <input type="checkbox"/> Real Estate Investment Trust (TH, TI) |
| <input type="checkbox"/> Limited Partnership (PL, PF) | <input type="checkbox"/> Joint Venture (PV, PW) | <input type="checkbox"/> Joint Stock Company (ST, SF) |
| <input type="checkbox"/> Professional Corporation (CP, CU) | <input type="checkbox"/> Holding Company (HF) | <input type="checkbox"/> Estate (ES) |
| <input type="checkbox"/> Other <i>(explain)</i> _____ | | |

2. Legal name of corporation, partnership, limited liability company, association or other legal entity

3. Federal Employer Identification Number (FEIN)..... (assigned by the Internal Revenue Service for reporting federal income taxes)

4. Check here if you DO NOT have an FEIN.

3 _____

5. Please list any current or past 11-digit Texas Taxpayer Number for reporting any taxes or fees to the Texas Comptroller of Public Accounts.....

6. Have you ever received a Texas vendor or payee number (Texas Identification Number/TIN)?.....

- YES NO

If "YES," enter number ...

State/country

Month Day Year

7. Enter the home state or country where this entity was formed and the formation date.....

File number

Enter the home state registration/file number.....

File number

Non-Texas entities: enter the file number if registered with the Texas Secretary of State.....

8. If the business is a corporation, has it been involved in a merger within the last seven years?

- YES NO

If "YES," attach a detailed explanation. *(See instructions.)*

9. Please list all general partners, officers or managing members *(Attach additional sheets, if necessary.)*

Name _____ Phone (area code and number) _____
 Home address _____ City _____ State _____ ZIP code _____
 SSN _____ FEIN _____ Percent of ownership _____ % County (or country, if outside the U.S.) _____

Position held: General Partner Officer/Director Managing Member Other _____

Name _____ Phone (area code and number) _____
 Home address _____ City _____ State _____ ZIP code _____
 SSN _____ FEIN _____ Percent of ownership _____ % County (or country, if outside the U.S.) _____

Position held: General Partner Officer/Director Managing Member Other _____

Proceed to Item 15 if you are not a sole proprietor –

ENTITY INFORMATION

Texas Application for Sales Tax Permit and/or Use Tax Permit

Legal name (Same as Item 2 OR Item 10)

**Complete all information in this section for each PLACE OF BUSINESS in Texas.
 If you do not have a physical PLACE OF BUSINESS in Texas, skip to Item 29.**

24. **PLACE OF BUSINESS** name and address - This address is for the physical location where business is conducted. **(Attach additional sheets for each PLACE OF BUSINESS in Texas.)**

Business name (DBA) _____

Street address (include St, Av, Ct, etc.) or rural route and box number **(Do NOT use P.O. Box address--must provide physical location address.)** Suite/Apt. number _____

City _____ State **T, X** ZIP code _____ Business location phone (____) _____ - _____

If this **PLACE OF BUSINESS** address is difficult to find or includes a rural route and box number, provide the physical location or directions. _____

See instructions prior to answering Items 25 and 26.

25. Within what city limits is this **PLACE OF BUSINESS**? _____ Check this box if this **PLACE OF BUSINESS** is **NOT** located within the limits of a city in Texas.

26. Within what county is this **PLACE OF BUSINESS**? _____

27. Is this **PLACE OF BUSINESS** operated from your home? YES NO

28. Enter the name and address of the owner or landlord of this **PLACE OF BUSINESS**.

29. Will your anticipated monthly taxable sales exceed \$8,000 per month? YES NO

30. Enter the date that you will begin making sales or begin other operations subject to Texas sales and use tax. **(Date cannot be more than 90 days in the future.)** / /

31. Will you operate this business all year?..... YES NO
 If "NO," list the months you will operate. _____

32. Will you provide taxable services AT A CUSTOMER'S LOCATION and/or ship/deliver goods to customers?..... YES NO

33. Will you be conducting Internet and/or mail order sales?..... YES NO
 NAICS code _____

34. Enter your North American Industry Classification System (NAICS) code. **(See specific instructions.)**..... _____
 If you don't know your NAICS code, indicate your principal type of business.

- | | | | | |
|--|--|---------------------------------------|---|---|
| <input type="checkbox"/> Agriculture | <input type="checkbox"/> Transportation | <input type="checkbox"/> Retail Trade | <input type="checkbox"/> Real Estate | <input type="checkbox"/> Direct Sales / Marketing |
| <input type="checkbox"/> Mining | <input type="checkbox"/> Finance | <input type="checkbox"/> Services | <input type="checkbox"/> Communications (See Item 38.) | |
| <input type="checkbox"/> Construction | <input type="checkbox"/> Utilities | <input type="checkbox"/> Insurance | <input type="checkbox"/> Public Administration | |
| <input type="checkbox"/> Manufacturing | <input type="checkbox"/> Wholesale Trade | <input type="checkbox"/> Health Spa | <input type="checkbox"/> Other (explain) _____ | |

Primary business activity and type of products or services to be sold.

35. Will you sell or solicit business at temporary locations (fairs, trade shows, flea markets, carnivals, etc.) in Texas?..... YES NO
 If "YES," list the locations or event names and when you will be at the location or event. **(Attach additional sheets, if necessary.)**

Location and/or event name (e.g., Canton First Mondays, State Fair in Dallas, etc.)	Period in attendance (e.g., first weekend of each month, late October, etc.)
_____	_____
_____	_____

36. Will you be required to report interest earned on sales tax? **(See specific instructions.)**..... YES NO (48)

37. List location of all distribution points, warehouses or offices in Texas. **(Do not include locations that are considered a place of business.)**
(Attach additional sheets, if necessary.)

Street	City	State	ZIP code
_____	_____	T, X	_____
_____	_____	T, X	_____

38. If you will be providing telecommunications services, indicate the 9-1-1 emergency communications fees you collect under Health & Safety Code, Chapter 771. **(Check all that apply.)** (54)

- 9-1-1 Wireless Emergency Service Fee (91) 9-1-1 Emergency Service Fee (92) 9-1-1 Equalization Surcharge (93)

39. Will you sell prepaid wireless telecommunications services?..... YES NO (94)

PLACE OF BUSINESS INFORMATION

911 FEES

Texas Application for Sales Tax Permit and/or Use Tax Permit

Legal name (Same as Item 2 OR Item 10)

If you will be selling fireworks, complete Items 40 - 42; if not, skip to Item 43.

Month Day Year

40. Date of first operation that is subject to fireworks tax
41. What type of fireworks permit was issued by the Texas Department of Insurance? (See specific instructions.)
 Distributor Jobber Manufacturer Retailer
42. Will you make retail sales of fireworks to the general public under a consignment agreement? (Consignment sales are sales where the consignee pays the distributor only for items that the consignee sells and returns any unsold items.) YES NO (30)
 If "YES," provide the name and taxpayer number of the distributor for whom you are selling.
 Distributor name _____ Distributor Texas taxpayer number _____
43. Will you sell, lease or rent off-road, heavy-duty (50 horsepower or more) diesel-powered equipment? YES NO (50)
44. Is this permit for a winery located outside of Texas that will be shipping wine to consumers in Texas? YES NO
 If "YES," **you must obtain an Out-of-State Winery Direct Shipper's Permit from the Texas Alcoholic Beverage Commission.** (See instructions.)
45. Please provide the Texas Alcoholic Beverage Commission license number(s) for this address.
46. Will you sell memberships to a health spa?..... YES NO
 If "YES," **you must attach a copy of your certificate of registration issued by the Texas Secretary of State.**
47. If you do not have a place of business in Texas, list names and addresses of all representatives, agents, salespersons, canvassers or solicitors in Texas. **(Attach additional sheets, if necessary.)**
 Name (first, middle initial, last) _____
 Street _____ City _____ State **T X** ZIP code _____

RELATED INFORMATION

If you purchased an existing business or business assets, complete Item 48; if not, skip to Item 49.

Previous owner's Texas taxpayer number (if available)

48. Previous owner's trade name (DBA name) _____
- Previous owner's legal name, address and phone number, if available
 Name _____ Title _____ Phone (area code and number) _____
 Street address _____ City _____ State _____ ZIP code _____
- Check each of the following items you purchased. Inventory Corporate stock Equipment Real estate Other assets
- Purchase price of this business or assets and the date of purchase
 Purchase price \$ _____ Date of purchase _____

PREVIOUS OWNER

APPLICANTS MUST BE AT LEAST 18 YEARS OF AGE. Parents or legal guardians may obtain a sales tax permit on behalf of a minor.

49. The sole owner, ALL general partners, managing members, officers, directors or an authorized representative must sign. The representative must submit a written power of attorney. **(Attach additional sheets, if necessary.)** _____
 Date of signature(s) _____
- I (We) declare that the information in this document and any attachments is true and correct to the best of my (our) knowledge and belief.
- Type or print name and title of sole owner, partner, officer, director or member _____
 Driver license number/state _____ Date of birth _____ **sign here** _____
 Sole owner, partner, officer, director or member
- Type or print name and title of partner, officer, director or member _____
 Driver license number/state _____ Date of birth _____ **sign here** _____
 Partner, officer, director or member
- Type or print name and title of partner, officer, director or member _____
 Driver license number/state _____ Date of birth _____ **sign here** _____
 Partner, officer, director or member

SIGNATURES

WARNING. You may be required to obtain an additional permit or license from the State of Texas or from a local governmental entity to conduct business. A listing of links relating to acquiring licenses, permits, and registrations from the State of Texas is available online at <http://www.Texas.gov>. You may also want to contact the municipality and county in which you will conduct business to determine any local governmental requirements.

Square Meals



square meals

Nourishing children's bodies and minds.

- Texas Public School Nutrition Policy at a Glance
- Non-Food Ways to Raise Funds and Reward a Job Well Done

The Internal Auditors and individuals associated with the Pasadena Independent School District are not an authority on tax-related or accounting situations concerning Parent Organizations, Booster Clubs and Exempt Organization. Parent Organization, Booster Clubs, and Exempt Organizations should obtain competent independent counsel concerning tax and accounting-related circumstances.

Texas Public School Nutrition Policy at a Glance



square meals

POLICY

ELEMENTARY SCHOOLS

(a campus containing a combination of grades early elementary to 6)



Foods of Minimal Nutritional Value (FMNV)

SODA WATER

Includes any carbonated beverage, including those with added nutrients such as vitamins, minerals and protein.

WATER ICES

Includes any frozen, sweetened water such as popsicles and other "...sicles" and flavored ice with the exception of products that contain fruit or fruit juice.

CHEWING GUM

Includes any flavored products made from natural or synthetic gums and other ingredients that form an insoluble mass for chewing.

CERTAIN CANDIES

Includes any processed foods made predominantly from sweeteners or artificial sweeteners, including hard candy, jellies and gums, marshmallow candies, fondant, licorice, spun candy and candy-coated popcorn.

(Federal regulations do not allow FMNVs to be sold or given away during meal periods where reimbursable meals are served and/or consumed, including during any exempted events.)

FMNVs AND ALL FORMS OF CANDY

(For a copy of the full policy, go to www.squaremeals.org or call 888-TEX-KIDS.)

COMPETITIVE FOODS

(All food and beverages that are not provided by school food service.)

FATS

DEEP-FAT FRYING

FRENCH FRIES AND OTHER PREVIOUSLY FRIED POTATO PRODUCTS

(Baked potato products that have not been pre-fried, flash-fried or deep-fat fried may be served without restriction.)

TRANS FATS

FRUITS AND VEGETABLES

MILK

FRUIT/VEGETABLE JUICES

CONTRACTS

For elementary, middle/junior high schools ►

Not allowed to be provided to students any time anywhere on school premises **until after the end of the last scheduled class.**

For elementary, middle/junior and high schools ►

For elementary, middle/junior and high schools ►

Portions may not exceed 3 oz., may only be served once a week, and may only be purchased by students one serving at a time. Must be baked for on-site preparation.

For elementary, middle/junior and high schools ►

For elementary, middle/junior and high schools ►

For elementary, middle/junior and high schools ►

For elementary schools only ►

For elementary, middle/junior and high schools ►

PORTION CHART

ELEMENTARY SCHOOLS

FOOD OR BEVERAGE

For elementary, middle/junior and high schools ►

CHIPS (fried or baked)

1.5 oz. (no more than 7.5 grams of fat per bag)

OTHER (crackers, popcorn, cereal, trail mix, nuts, seeds, dried fruit, jerky, pretzels)

1.5 oz.

COOKIES/CEREAL BARS

2 oz.

BAKERY ITEMS (e.g., pastries, muffins)

3 oz.

For elementary, middle/junior and high schools

FROZEN DESSERTS, ICE CREAM, FROZEN YOGURT, PUDDING OR GELATIN

4 oz.

WHOLE MILK, FLAVORED OR UNFLAVORED

8 fl. oz. For elementary, middle/junior and high schools

REDUCED FAT MILK, FLAVORED OR UNFLAVORED

16 fl. oz. For elementary, middle/junior and high schools

BEVERAGES OTHER THAN MILK

6 fl. oz. Must not contain more than 30 grams total sugar per 6 fl. oz. Juices must be 100 percent fruit and/or vegetable juice. No limit on non-carbonated, unflavored water. Electrolyte replacement beverages (sports drink) are not allowed.

FROZEN FRUIT SLUSHES

(must contain at least 50 percent fruit juice)

6 fl. oz.

MIDDLE/JUNIOR HIGH SCHOOLS

(a campus containing grades 6, 7 and 8; grades 7 and 8; or grades 7, 8 and 9)

HIGH SCHOOLS

(a campus containing a combination of grades 9, 10, 11 and 12)

Not allowed to be provided to students any time anywhere on school premises by anyone (including guest speakers) **until after the end of the last scheduled class.** (FMNVs include any carbonated beverage -see full list of FMNVs on the left inside cover of this schedule.)

Not allowed anywhere on school premises **from 30 minutes before to 30 minutes after meal periods.** All food, beverages and snack items must comply with the nutrition standards and portion size restrictions in this policy.

Not allowed during meal periods in areas where reimbursable meals are served and consumed. All food, beverages and snack items must comply with the nutrition standards and portion size restrictions in this policy.

Individual food items must not contain more than 23 grams of fat with an exception of one individual food item per week. No food items can exceed 28 grams of fat at any time. (See the full policy for peanut butter exemption.)

Not allowed as a method of on-site preparation at all schools (end of transition period for facilities requiring extensive changes).

Portions may not exceed 3 oz., may only be served three times per week, and may only be purchased by students one serving at a time. Must be baked for on-site preparation.

Portions may not exceed 3 oz. and may only be purchased by students one serving at a time. Must be baked for on-site preparation.

Trans fat information must be requested in all product specifications and the purchase of products containing trans fats must be reduced.

Must be offered daily on all points of service, preferably fresh. Frozen and canned fruits should be packed in natural juice, water or light syrup whenever possible.

Schools may offer whole milk but must also offer 2 percent, 1 percent or skim milk at all points where milk is served.

All beverages served in elementary schools must be milk, unflavored water and 100 percent fruit and/or vegetable juice. No electrolyte replacement beverages (sports drinks) may be served or sold. (See portion chart for frozen fruit slushes criteria.)

Contracts, contract renewals and amendments must expressly comply with this policy.

MIDDLE/JUNIOR HIGH SCHOOLS

HIGH SCHOOLS

The **maximum** portion size and nutrient restrictions below apply to all foods and beverages served or made available via vending machines, fundraisers, snack bars, a la carte or any other service point. These restrictions do not apply to food items served as part of a reimbursable school meal unless they are individually sold.

1.5 oz. (no more than **7.5 grams** of fat per bag)

1.5 oz. (no more than **7.5 grams** of fat per bag)

1.5 oz.

1.5 oz.

Total fat must not exceed 30 percent of calories or 3 grams per 100 calories; saturated fat must not exceed 10 percent of calories or 1 gram per 100 calories; sugar must not exceed 10 grams per ounce. See the full policy for grain/bread exemptions at breakfast.

4 oz.

4 oz.

Flavored milks must not contain more than 30 grams of sugar per 8 fl. oz.

Flavored milks must not contain more than 30 grams of sugar per 8 fl. oz.

12 fl. oz. Must not contain more than 30 grams of sugar per 8 fl. oz. No limit on non-carbonated, unflavored water.

12 fl. oz. Must not contain more than 30 grams of sugar per 8 fl. oz. No limit on non-carbonated, unflavored water.

8 fl. oz.

12 fl. oz.

NUTRITION POLICY EXEMPTIONS

WHERE & WHEN

NUTRITION POLICY

Elementary School Classroom Snacks

Elementary classrooms may serve one nutritious snack per day in the morning or afternoon (not during regular meal periods for that class) under the teacher’s guidance. The classroom snack may be provided by the school food service, the teacher, parents or other groups and should be at no cost to students. Prepackaged snacks must comply with the fat and sugar limits of the Texas Public School Nutrition Policy, and must be single-size servings. All snacks (homemade and prepackaged) may not contain any FMNVs or consist of candy or dessert type items (cookies, cakes, cupcakes, pudding, ice cream or frozen desserts, etc.). However, this does not apply to snacks students bring from home solely for their own consumption.

Elementary Classroom Birthday Parties

Foods otherwise restricted by the policy are permitted at in-classroom birthday parties. Parties must be after the classes lunch period as to not spoil the child's appetite for a nutritious meal.

Snacks for TAKS Test Days

Schools and parents may provide one additional nutritious snack per day for students taking the TAKS tests. As with classroom snacks, these must comply with the limits outlined in the Public School Nutrition Policy. For healthy snack ideas, see TDA’s listing of “Suggestions for Nutritious Snacks,” available on request and at www.squaremeals.org.

Field Trips, Athletic, UIL, Band and Other Competitions

The nutrition policy does not apply to students who leave campus for campus-approved field trips or to travel to athletic, UIL, band or other competitions. The school day is considered to have ended for these students. School activities, athletic functions, etc. that occur after the normal school day are not covered by the policy.

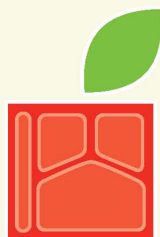
Other

Certain exemptions are allowed for school nurses, students with special needs and up to three school wide events preapproved by campus officials. (NOTE: Federal regulations do not allow FMNVs to be sold or given away during meal periods where reimbursable meals are served/ consumed, including during any exempted events.)

COMPLIANCE AND PENALTIES

Please be aware that stricter penalties are now in place when violations of the Texas Public School Nutrition Policy are identified. Please refer to the full policy and amendment at www.squaremeals.org for further details on compliance and penalties.

For answers to policy questions, contact the Texas Department of Agriculture, Food and Nutrition Division
P.O. Box 12847, Austin, Texas 78711 · (877) TEX-MEAL · squaremeals@texasagriculture.gov



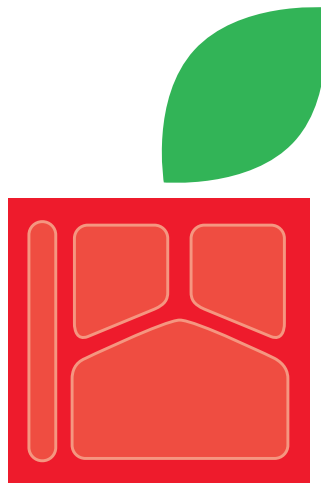
square meals

Nourishing children's bodies and minds.

For a copy of the full text of the Texas Public School Nutrition Policy and the 2006 – 2010 implementation schedule, or for more information, go to www.squaremeals.org.

Square Meals is the Texas Department of Agriculture's school nutrition education and outreach program, funded by the U.S. Department of Agriculture, Food and Nutrition Service. In accordance with Federal law and U.S. Department of Agriculture policy, this institution is prohibited from discriminating on the basis of race, color, national origin, sex, age, or disability. To file a complaint of discrimination, write USDA, Office of Adjudication & Compliance, 1400 Independence Avenue, SW, Washington, D.C. 20250-9410 or call (202) 260-1026, (866) 632-9992 (toll free), or (202) 401-0216 (TDD). USDA is an equal opportunity provider and employer.

Non-Food Ways to Raise Funds and Reward a Job Well Done



square meals

Nourishing children's bodies and minds.



A Quick and Easy Idea List to Inspire Schools and Parents



Food sales are common for school fundraising events. We're all familiar with lollipops for an "A" and cookies for taking the trash out. But many Texas kids today are overwhelmed with sugary food choices and face obesity and a future of serious health problems.

Creating activities that are not based on food can be a great way to encourage everyone — children, parents, teachers and school administrators—to think outside the candy box and leave that bake sale on the shelf. The Texas Department of Agriculture's Food and Nutrition Division offers the following easy, low cost alternatives for fundraising and rewards that generate both fun and great results.

EASY NON-FOOD FUNDRAISING IDEAS

Getting started is as simple as choosing an idea, modifying it to fit your needs and organizing your project. To help make your next fundraising project a true success, try including goals for parent and teacher participation in addition to the usual monetary goals. Project leaders can get the benefit of several points-of-view and plenty of helping hands, and participants may find new friendships and develop a greater sense of community. Make it fun and you'll see terrific attitudes, great participation and much-needed dollars!

SPONSORSHIPS

- Hold an academic contest where students solicit sponsors and raise money depending on the number of books read or math problems solved.
- Organize athletic events for students to earn funds based on the number of laps completed, distance traveled while keeping balance (for example, carrying an egg on a spoon or hopping on one foot) or number of points scored.

FINE ARTS

- Create an event where people pay a small ticket price to see a parent-teacher talent show, plays or concerts.
- Sell tickets for singing telegrams that students perform on Valentine's Day, Mother's Day or birthdays.
- Ask students to make scrapbooks, cookbooks or art and sell the items at school, through silent auctions or craft booths at local fairs.

A LITTLE WORK

- For older students in middle school and high school, partner with local merchants to offer donation-based gift wrapping services, car washes, dog/cat bathing or pet sitting.
- Sign up for after-event cleanup at stadiums or concert venues.



- For high school kids, arrange a “parents night out” and offer group babysitting for a fee.

OTHER IDEAS

- Ease back-to-school stress by buying school supplies in bulk, packaging for parents and delivering to students. Bulk buying will help save on up-front costs and parents will pay about the same for ready-made school supplies as they would if they purchased the items from the store.
- Work with local merchants and conduct a student fashion show with coupon giveaways for new clothes. A minimal ticket price could be charged for attendance.
- For more ideas on non-food fundraising, you can also go to www.nojunkfood.org.

EASY NON-FOOD REWARD IDEAS

As adults, we often “treat” ourselves after a rough day or a bad experience with a sweet indulgence or other food choice. The same can be true when we earn a promotion or close a sale. But we could choose to relax with a book, take a warm bath, watch a favorite movie or spend more time with loved ones. Just like us, students can find value in non-food rewards without missing cookies, candy or soft drinks. Recognition for good work is a great motivator and is always appreciated.

LET'S PARTY

- Parents can allow a sleepover or a few friends over after school to watch a video or play sports.
- Teachers can let students bring music and balloons for a class party after a big test or before winter vacation.
- Schools can sponsor an evening dance, a “DVD Day” for watching a movie or a pep rally to gear up for an important test.

FREE TIME

- At home, children can be allowed to help plan a special outing, decide on a bedtime story, pick games for family game night, choose a movie for the family to watch or select a sport everyone can play together outside.
- At school, students can be given time off on Friday afternoon, extra time in a favorite class area, class outside or an afternoon free of homework.

TREASURES

- Teachers and parents can keep a box of special toys, computer games or art supplies that can only be used on special occasions.
- Good behavior and academic excellence can be rewarded with movie tickets, coupons, gift certificates

continued >>

or discounts to skating rinks, bowling alleys and other active entertainment outlets.

- “Mystery” gift-wrapped items such as markers, coloring books, puzzles, games, jump ropes or hacky sacks can be provided for students to choose from. Students can also earn points for good behavior to purchase unique rewards, such as “lunch with the teacher” or autographed items with special meaning.

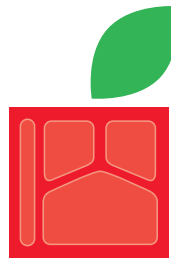
OTHER IDEAS

- Special field trips, lunchtime privileges (such as eating lunch in the classroom), extra credit, sitting by friends, listening to music while working at the

desk and one-on-one time with the teacher are other ways to motivate and inspire children to excel.

- The power of a simple “thanks for helping” or “you did a great job” to a deserving student is often underestimated. Respect and words of appreciation can go a long way.

We hope all of these tips provide a springboard for your own approach. But, this is just the beginning. Inspire us with your success stories and share your great ideas! Write to us via e-mail at healthykids@agr.state.tx.us. The Texas Department of Agriculture’s Food and Nutrition Division will post the ideas and successes on our Web site at www.agr.state.tx.us.



square meals

Nourishing children’s bodies and minds.

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IRS Glossary

Advance Ruling

A written determination of an organization's public charity status that was issued by the IRS prior to issuance of new regulations September, 2008, that treated an organization as "publicly supported" during a five-year period beginning, generally, on the date of its formation.

Under the new regulations an organization will be treated as public charity for its first five tax years if it can show that it can reasonably expect to be publicly supported regardless of its actual receipts. If an advance ruling letter has been issued to an organization and the advance ruling period ends after the effective date of the regulations it is no longer required to complete form 8734 at the end of the advance ruling period and the advance ruling letter will be considered to be a final determination. Beginning with the organization's sixth year the IRS will monitor the organization's public charity status based on the information reported in Schedule A of Form 990.

Backup Withholding

Deduction of tax that applies to payments to employees or non-employees when the recipient does not provide a Taxpayer Identification Number (TIN). Backup withholding also occurs when the recipient of a reportable prize awarded in a gaming activity does not provide a TIN. The regular withholding rate for gaming prizes is 25 percent. The backup withholding rate is 28 percent.

Bingo

A game of chance played with cards that are generally printed with five rows of five squares each, on which participants place markers to form a preselected pattern to win the game. Bingo is a type of gambling.

The Internal Revenue Code accepts income from certain bingo games from unrelated business taxable income. The exception applies to a bingo game that is legal under state and local law and not ordinarily carried out on a commercial basis. In addition, the game must be one in which wagers are placed, winners are determined, and prizes are distributed in the presence of all persons placing wagers in that game.

Pull-tabs, scratch-offs, "instant" bingo, and other similar games are not within this exception.

Central Organization

An organization with one or more subordinate organizations under its supervision or control.

Certification of Filing

Evidence that on a specific date, articles of incorporation for an organization were filed with and approved by an appropriate state authority.

Compensation

All forms of income from working including salary or wages; deferred compensation; retirement benefits, whether from a qualified or nonqualified employee plan (e.g., pensions or annuities); fringe benefits (e.g., personal vehicle, meals, lodging, personal and family educational benefits, low-interest loans, payment of personal travel, entertainment or other expenses, athletic or country club membership, and personal use of one's property); and bonuses.

Definitive Ruling

A written determination by the IRS on a 501(c)(3)'s public charity status that classifies the 501(c)(3) as a publicly supported organization if it has completed its first tax year, consisting of at least eight full months, and it meets one of the public support tests. A definitive ruling may also be issued at the end of the five-year advance ruling period if the 501(c)(3) was issued an advance ruling and it meets one of the public support tests.

Director

Member of the board of directors of a corporation. As classified by statute, a director of a corporation working in his or her capacity as director is a non-employee of the corporation.

Disqualified Person

In general, a person in a position to exercise substantial influence over the affairs of a 501(c)(3) or 501(c)(4), such as an officer, director, trustee, or any other individual who has similar powers or responsibilities. The Instructions for Form 1023 describe in detail what entities are "disqualified persons."

Earned Income Credit (EIC) Advance Payment

A tax credit that is paid to employees whose income falls below a certain level.

Employee

Under common law rules, a worker who performs services for an organization is an employee if the organization can control what the worker does and how he or she does it. This is so even if the organization gives the worker freedom of action. What matters is that the organization has the right to control how the services are performed.

To determine whether an individual is an employee or independent contractor under common law, examine the relationship between the worker and the business, considering all evidence of control and independence. Facts that indicate the degree of control and independence fall into three categories: behavioral control, financial control, and the relationship of the parties.

Employer Identification Number (EIN)

A nine-digit number in the following format: xx-xxxxxxx that the IRS assigns. The IRS uses this number to identify taxpayers who must file various returns. EINs are used by employers, sole proprietors, corporations, partnerships, nonprofit associations, trusts, estates of decedents, government agencies, certain individuals, and other business entities.

Excess Benefit Transaction

An excess benefit transaction is a transaction in which a 501(c)(3) or 501(c)(4) provides an economic benefit, directly or indirectly, to or for the use of a disqualified person, and the value of the economic benefit that the organization provides exceeds the value of the consideration received.

Excise Tax

A tax imposed on the manufacture, sale, or use of goods, or on an occupation or activity.

Exempt Purpose

To qualify as exempt under section 501(c)(3), an organization must be organized and operated for one or more of the following purposes: religious, charitable, scientific, literary, educational, testing for public safety, fostering national or international amateur sports competition, or preventing cruelty to children or animals.

Expenses

Financial burdens or outlays, costs of doing business, or business outlays chargeable against revenues.

Fair Market Value

The price at which property or the right to use property would change hands between a willing buyer and a willing seller, neither being under any compulsion to buy, sell, or transfer property or the right to use property, and both having reasonable knowledge of relevant facts.

FICA

The Federal Insurance Contributions Act. FICA taxes go toward Social Security and Medicare.

For-Profit Organization

A business entity whose activities are conducted or maintained to make a profit (i.e., whose revenues are greater than its expenses).

Foreign Country

A country other than the United States, its territories and possessions, and the District of Columbia.

Fundraising

The organized activity of raising funds, whether by volunteers, employees, or paid independent contractors.

FUTA

The Federal Unemployment Tax Act. Taxes collected under this Act fund unemployment benefits. Organizations exempt under Code section 501(c)(3) do not have to pay this tax.

Gaming

Activities such as bingo, beano, lotteries, pull-tabs, pari-mutuel betting, Calcutta wagering, pickle jars, punch boards, tip boards, tip jars, certain video games, 21, raffles, keno, split-the-pot, and other games of chance.

Gross Receipts

The gross amount an organization receives from all sources without reduction for any costs or expenses. An organization should keep supporting documents that show the amounts and sources of its gross receipts.

Group Ruling

A determination letter to a central organization recognizing, as a group, the exemption of the central organization and its subordinate organizations.

Independent Contractor

A worker whose employer has the right to control or direct only the result of the work done, not the means or methods of accomplishing the result. Independent contractors are treated as non-employees for employment tax purposes.

Insider

A person having a personal and private interest in the activities of an organization.

Intangible Religious Benefits

Benefits that are for religious purposes only and are not usually sold commercially.

Inurement

A type of private benefit that occurs when any part of an organization's income or assets unduly benefit a person who has a close relationship to the organization (i.e., an insider). All tax-exempt organizations are prohibited from engaging in activities that allow inurement to occur.

Keno

A game similar to lottery or bingo. Players choose up to 20 numbers and mark them on a keno ticket of 80 numbers (1 to 80). Twenty numbers are drawn at random. Players are paid out against their original wager based on how many numbers match the ones they marked on their ticket.

Legislation

Legislation includes action by Congress, any state legislature, any local council, or similar governing body with respect to all acts, bills, resolutions, or similar items, or by the public in referendum, ballot initiative, constitutional amendment, or similar procedure.

Lobbying

The attempt to influence legislation for the purpose of proposing or advocating for or against the adoption of legislation. A 501(c)(3) can engage in some lobbying, as long as it is not a substantial part of the organization's activities.

Lottery

Any method of distributing prizes among persons who have paid (or who have been promised consideration) for a chance to win prizes, usually determined by the numbers or symbols on tickets drawn from a lottery wheel or other receptacle, or by the outcome of an event. Instant bingo, mini bingo, pull-tabs, and raffles are common forms of lotteries.

Membership Benefits

Annually recurring rights or privileges (benefits) that result from an annual membership payment of \$75 or less.

Net Operating Loss

Any loss or negative income generated by the operation of an income-producing activity.

Officer

A person having administrative or managerial authority in a corporation. As classified by statute, an officer of a corporation is an employee unless he or she performs no services or only minor services, and neither receives nor is entitled to receive any remuneration, directly or indirectly. The president, vice president, secretary, and treasurer of a corporation are corporate officers.

Organizing Document

The document that creates the organization. The organizing document depends on the form of the organization. For a corporation, the organizing document is the articles of incorporation. For a limited liability company (LLC), the organizing document is the articles of organization. For an unincorporated association, the organizing document is the articles of association or constitution. The organizing document of a trust is the trust agreement.

Pickle Jar

A form of pull-tab gaming that gets its name from the empty pickle jars in which the cards are placed.

Political Campaign Activity

Directly or indirectly participating or intervening in any political campaign on behalf of or in opposition to any candidate for elective public office. A 501(c)(3) organization is absolutely prohibited from engaging in political activity. Debates and nonpartisan voter education activities are not considered political activity.

Private Benefit

A 501(c)(3) exempt organization must be organized and operated so that no part of its net earnings inures to the benefit of any private shareholder or individual. Thus, the “private benefit” doctrine prohibits causing the income or assets of a tax-exempt organization from flowing away from the organization and to one or more persons.

When an organization’s insiders receive inappropriate private benefit, it is called “inurement.” Any amount of inurement, no matter how small, is grounds for revocation of exempt status. Private benefit to non-insiders is also prohibited, but the IRS must show that the prohibited benefit to non-insiders is substantial in order to sustain revocation.

Private Foundation

Organizations exempt under 501(c)(3) are private foundations unless they are churches, schools, hospitals, governmental units, entities that undertake testing for public safety, organizations that have broad financial support from the general public, or organizations that support one or more other organizations that are themselves classified as public charities.

Generally, a private foundation is a charitable organization funded by one or a small number of sources. Its ongoing funding generally comes from investment income, which it uses to make grants for charitable purposes to other persons or organizations.

Public Charity

Organizations that are exempt under section 501(c)(3) and are not private foundations. Public charity status is generally considered a more favorable tax status than private foundation status.

Pull-Tabs

Games in which an individual places a wager by purchasing preprinted cards that are covered with pull-tabs. Winners are revealed when the individual pulls back the sealed tabs on the front of the card and compares the patterns under the tabs with the winning patterns preprinted on the back of the card. Instant bingo, mini bingo, and similar scratch-off cards are all types of pull-tabs. None of these games qualifies for the “bingo exception” to UBI because none meets the definition of traditional bingo.

Quid Pro Quo Contribution

A contribution made by a donor in exchange for goods or services.

Revenue Ruling

An official interpretation by the Internal Revenue Service of the Internal Revenue laws and related statutes, treaties, and regulations that has been published in the Cumulative Bulletin. Revenue rulings are published for the information and guidance of taxpayers, IRS officials, and other concerned parties.

Statute of Limitations

The period of time in which an organization can amend its tax returns to claim a credit or refund without the IRS assessing additional tax.

Subordinate Organization

A chapter, local, post, or unit of a central organization. A central organization may be a subordinate organization itself, such as a state organization that has subordinate units and is affiliated with a national (central) organization.

Supporting Organization

A public charity that carries out its exempt purposes by supporting one or more other exempt organizations, usually other public charities.

Tax Code (or “Code”)

Shorthand names for the Internal Revenue Code, Title 26 of the United States Code. Title 26 contains the tax law of the United States.

Tax-Exempt Organization

A trust, association, or nonprofit corporation described in the Internal Revenue Code as exempt from Federal income tax.

Taxable Income

The portion of an individual’s or organization’s earnings that is subject to income tax.

Taxable Organization

Any organization that is required to pay income tax on its earnings.

Taxpayer Identification Number (TIN)

An Employer's Identification Number required of corporations, nonprofit organizations, associations, and partnerships. An individual's Social Security number is his or her TIN.

Tokens

Insubstantial goods or services that an organization provides in exchange for contributions.

Wager

The amount risked by a person placing a bet (not the prize amount).

Withholding

The regular deduction by an employer of income tax from an employee's pay. Employers use Form W-4, *Employee's Withholding Allowance Certificate*, to determine how much Federal income tax to withhold from an employee's pay; the amount depends on the employee's marital status, the number of withholding allowances the employee claims, any additional amount the employee wants to withhold, and any exemptions from withholding that the employee claims.

Withholding also occurs when an organization deducts an amount for income tax from prizes awarded in a gaming activity. The regular withholding rate for gaming prizes is 25 percent.

There are other types of withholding, such as backup withholding and nonresident alien withholding.

Pasadena Independent School District
Administration Directory-Revised 3/2012

Accounting (K-130)

Piscacek, John- <i>Assoc. Supt.</i>	713-740-0023
Winand, Anna- <i>Director</i>	713-740-0001
Walters, Bethany- <i>Chief Acct.</i>	713-740-0004
Cobb, Elsie- <i>Staff Acct.</i>	713-740-0012
Grimes, Barbara- <i>Staff Acct.</i>	713-740-0002
Junco, Marianne- <i>Staff Acct.</i>	713-740-0018
Schlesinger, Cynthia- <i>Staff Acct.</i>	713-740-0879
Tan, Yolley- <i>Staff Acct.</i>	713-740-0954

Fax:713-740-4001

Edgar, Kathy- <i>Sr. Bkkpr.</i>	713-740-0015
Mullikin, Kathy- <i>Sr. Bkkpr.</i>	713-740-0010

Accounts Payable

Barrett, Wanda- <i>Sr. Bkkpr.</i>	713-740-0026
DeLeon, Alicia- <i>Sr. Bkkpr.</i>	713-740-0017
Lain, Kathy- <i>Sr. Bkkpr.</i>	713-740-0025
Lankford, Norma- <i>Sr. Bkkpr.</i>	713-740-0022
Lesch, Colleen- <i>Sr. Bkkpr.</i>	713-740-0005
Moreland, Donna- <i>Sr. Bkkpr.</i>	713-740-0009
Student	713-740-0011

Cashier's Office

Fairleigh, Diana- <i>Cashier</i>	713-740-0006
--	--------------

Payroll

Castle, Maria- <i>Sr. Bkkpr.</i>	713-740-0280
Gilbert, Julie- <i>Sr. Bkkpr.</i>	713-740-0014
Howe, Sabrina- <i>Supervisor</i>	713-740-0024
Kaighen, Brittany- <i>Sr. Bkkpr.</i>	713-740-0007
Roque, Sonia- <i>Sr. Bkkpr.</i>	713-740-0961
Smith, Jennifer- <i>Sr. Bkkpr.</i>	713-740-0878
Tew, Kathy- <i>Sr. Bkkpr.</i>	713-740-0021
Wheeler, Connie- <i>Sr. Bkkpr.</i>	713-740-0960
Student	713-740-0263

Fax:713-740-4002

Accountability/Compliance (N-101)

Fuqua, Barbara- <i>Assoc. Supt.</i>	713-740-0028
Boyd, Joyce- <i>Director</i>	713-740-0875
Kelemen, Brandi- <i>Data Spec.</i>	713-740-0160
Salinas, Teresa- <i>Data Spec.</i>	713-740-0164
Wilson, Cindy- <i>Exec Secy.</i>	713-740-0027

Fax:713-740-4117

Administrative Services (F-17)

Massey-Jones, Darla- <i>Exec Director.</i>	713-740-0151
Pool, Robin- <i>Secy.</i>	713-740-0149

Fax:713-740-4170

Business/Finance (K-118)

Piscacek, John- <i>Assoc Supt.</i>	713-740-0023
Cotton, Nora- <i>Exec Secy.</i>	713-740-0023
Fax:	713-740-4008
Lazenby, Don- <i>Dir of Budget</i>	713-740-0008
Minter, Betty- <i>Secy Dir.</i>	713-740-0003

Fax:713-740-4002

Campus Development (V-143)

Laymon, Steve- <i>Assoc Supt.</i>	713-740-0039
Westfahl, Mary- <i>Exec Secy.</i>	713-740-0039
McCarley, Troy- <i>Assoc Supt.</i>	713-740-0246
Croft, Susan- <i>Exec Secy.</i>	713-740-0246

Powell, DeeAnn- <i>Assoc Supt.</i>	713-740-0033
Bishop, Brenda- <i>Exec Secy.</i>	713-740-0033

Fax:713-740-4009

Child Nutrition Services (C-114)

Harryman, Mary- <i>Director</i>	713-740-0097
Amador, Sandra- <i>Gen Clerk.</i>	713-740-0096
Banda, Blanca- <i>Secy to Director</i>	713-740-0146
Buchanan, Teresa- <i>Secy</i>	713-740-0093
Casey, Susan- <i>Asst Director</i>	713-740-0952
Cuellar, Alma- <i>Gen Clerk</i>	713-740-0217
Garcia, Cristina- <i>Gen Clerk</i>	713-740-0219
Hernandez, Reyna- <i>Campus Spec.</i>	713-740-0943
Horton, Teresa- <i>Campus Spec.</i>	713-740-0199
Lowell, Sarah- <i>Dietitian</i>	713-740-0091
Mata, Tonie- <i>Bookkeeper</i>	713-740-0163
Ortega, Rebeca- <i>Gen Clerk</i>	713-740-0224
Pervin, Petina- <i>Supervisor</i>	713-740-0233
Romero, Leticia- <i>Campus Spec.</i>	713-740-0094
Turner, Tanesa- <i>Supervisor</i>	713-740-0188
Wood, Rose- <i>Supervisor</i>	713-740-0214
Zarzana, Christina- <i>Gen Clerk.</i>	713-740-0951

Fax CN Office:713-740-4018

Fax Bookkeeper Office:713-740-4017

Communications/Printing (E-104)

TBA - <i>Assoc Supt</i>	713-740-0247
Alcalá, Maria- <i>Prod Spec</i>	713-740-0184
Bennett, Jessica- <i>Media Spec.</i>	713-740-0971
Carew, LaVonna- <i>Graphic Design</i>	713-740-0182
Carter, Al- <i>Commun Spec</i>	713-740-0186
Gamino, Britta- <i>Commun Asst.</i>	713-740-0187
Stone, Bruce- <i>Graphic Coord</i>	713-740-0183

Fax:713-740-4010

Curriculum/Instruction (V-143)

Hickman, Karen- <i>Assoc Supt PK-6</i>	713-740-0055
Street, Billie- <i>SpEd/ELA PK-6</i>	713-740-0208
Moore, Janet- <i>Exec Secy.</i>	713-740-0055
Smith, Billye- <i>Assoc Supt 7-12</i>	713-740-0945
Horodyski, Linda- <i>Exec Secy.</i>	713-740-0969

Fax:713-740-4009

Instructional Specialists

Alanis, Myrna- <i>ELA/Bil 3-6</i>	713-740-0071
Douglas, Karen- <i>ELA/ESL 7-12</i>	713-740-0910
Flores, Linda- <i>ELA/Bil 1-2</i>	713-740-0227
Krampen, Debi- <i>R/W/SS 5-6</i>	713-740-0046
Powell, Traci- <i>ELA/SS 2-4</i>	713-740-0903
Terry, Rebeca- <i>All Subj PK-1</i>	713-740-0283
Wise, Sheila- <i>ELA 7-12</i>	713-740-0072
Harris, Stephanie- <i>Secy</i>	713-740-0059

Benner, Rebecca- <i>Sci 9-12</i>	713-740-0085
Elmer, John- <i>Sci 1-4</i>	713-740-0053
Grinstead, Alena- <i>Sci 9-12</i>	713-740-0057
McCorvey, Darlene- <i>Sci/SS 7-12 SpEd</i>	713-740-0073
Ridgway, Denise- <i>Sci 5-6</i>	713-740-0866
Yoes, Holly- <i>Sci 7-8 Bil</i>	713-740-0956
Vela, Elizabeth- <i>Secy</i>	713-740-0049

Dodd, Janet- <i>Math 1-4</i>	713-740-0043
Gonzalez, Gladys- <i>Math PK-6 Bil.</i>	713-740-0913
Mendoza, Joda- <i>Math 9-12</i>	713-740-0938
Metcalfe, Susan- <i>Math 7-8</i>	713-740-0070
Yoes, Richard- <i>Math 5-6</i>	713-740-0054
Steck, Rhonda- <i>Secy</i>	713-740-0941

Axel, Leslie- <i>Adv. Acad.</i>	713-740-0102
Nelson, Jeanne- <i>Dyslexia/504</i>	713-740-0067
Nugent, Linda- <i>Secy.</i>	713-740-0058

Espinosa, Michelle- <i>SS/ESL Bil K-12</i>	713-740-0876
Lawrence-May, Tammy- <i>Amer Hist</i>	713-740-0942
Stigant, Helen- <i>ForLang/SS 7-12</i>	713-740-0052
Westfahl, Mary- <i>Secy.</i>	713-740-0039

Tevis, Pam- <i>PE/Health</i>	713-740-0125
Balch, Angela- <i>PEP Grant Coor.</i>	713-740-0127
Tolleson, Liz- <i>Secy</i>	713-740-0126

Community Relations (D-105)

Parmer, Cindy- <i>Exec Director</i>	713-740-0288
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Fax:713-740-4120

Custodians (Q-105)

Barron, Connie	713-740-0079
Faz, Luz	713-740-0079
Garcia, Maria	713-740-0079
Guzman, Maria	713-740-0079
Santibañez, Maria	713-740-0079

Fine Arts (X-129)

Fletcher, Linda- <i>Director</i>	713-740-0077
Burke, Matt- <i>Asst Director</i>	713-740-0098
Raygoza, Shannon- <i>Visual Art Specialist</i>	713-740-0062
Stewart, Patti- <i>Secy.</i>	713-740-0077

Fax:713-740-4016

Grants Office (N-101)

Bauer, Susan- <i>Exec Director.</i>	713-740-0038
Healy, JoAnne- <i>Coordinator</i>	713-740-0868
Smith-Daugherty, Olivia- <i>Coordinator</i>	713-740-0865
Gibson, Janna- <i>Exec Secy.</i>	713-740-0869

Fax:713-740-4034

Human Resources (Q-117)

Dennis, Jerry- <i>Assoc Supt.</i>	713-740-0278
Willis-White, Felicia- <i>Exec Secy.</i>	713-740-0278
Fax:	713-740-4020
Burton, Marlu- <i>Cert Officer</i>	713-740-0116
Flores, Linda- <i>Coordinator</i>	713-740-0113
Gamboia, Yolanda- <i>Coordinator</i>	713-740-0092
Garza, Maribel- <i>Gen Secy.</i>	713-740-0863
Gencarelli, Mike- <i>Coordinator</i>	713-740-0279
Guerrero, Cynthia- <i>Coordinator</i>	713-740-0111
Higgins, Myra- <i>Cert Officer.</i>	713-740-0114
Krutowski, Patricia- <i>Gen Secy</i>	713-740-0092
Martinez, Idalia- <i>Gen Secy</i>	713-740-0109
Molina, Dinorah- <i>Gen Secy</i>	713-740-0108
Perez, Martha- <i>Gen Secy.</i>	713-740-0115
Perez, Sonia- <i>Gen Secy.</i>	713-740-0106
Pulido, Susan- <i>Gen Secy.</i>	713-740-0107
Taylor, Willetta- <i>Cert Officer</i>	713-740-0118
Zuniga, Brenda- <i>HR Analyst.</i>	713-740-0959

Fax:713-740-4021

Employee Benefits (P-10)

Conde, Vonnie- <i>Manager</i>	713-740-0121
Beltran, Cecilia- <i>Gen Secy</i>	713-740-0110
Solis, Thelma- <i>Gen Secy</i>	713-740-0120

Fax:713-740-4022

Substitute Call-In (P-14)

Garza, Deborah- <i>Gen Secy</i>	713-740-0122
Youngblood, Donna- <i>Gen Secy.</i>	713-740-0123

Fax:713-740-4024

Leadership/Instructional Support (V-103)

Prusz, Rosie- <i>Assoc Supt</i>	713-740-0037
Larson, Kathleen- <i>Exec Secy.</i>	713-740-0037

Fax:713-740-5946

Mail Room (L-115)

Berger, Janniece713-740-0019

Police (M-101)

Police Dispatch 713-740-0200
Russel, Stewart-Chief 713-740-0207
Ripley, Genia-Office Manager 713-740-0203
Agerton, Michelle-Dispatcher..... 713-740-0200
Baez, Joe-Officer..... 713-740-0201
Bagwell, Richard-Officer..... 713-740-0201
Bogany, Larry-Officer..... 713-740-0201
DeVillier, Steven-Officer..... 713-740-0949
Farcieri, Abram-Officer 713-740-0201
Ford, Christel-Officer..... 713-740-0201
Garza, David-Captain..... 713-740-0204
Grice, Jason-Officer..... 713-740-0201
Guardado, Hilda-Dispatcher..... 713-740-0200
King, Seth-Officer 713-740-0201
Lenting, Michael-Officer..... 713-740-0201
Magana, Arnold-Sergeant 713-740-0040
McDaniel, Tami-Officer 713-740-0201
McMahan, Bill-Officer..... 713-740-0032
Mills, Mark-Officer..... 713-740-0201
Morris, Trae-Officer..... 713-740-0201
Murphy, Amber-Officer..... 713-740-0201
Ontiveros, Richard-Officer..... 713-740-0201
O'Quinn, Cliff-Officer..... 713-740-0201
Ortiz, Jacob-Dispatcher 713-740-0200
Phillips, Richard-Sergeant 713-740-0082
Rojas, Eric-Officer..... 713-740-0201
Saldivar, Mario-Captain 713-740-0274
Scarafle, Joseph-Officer 713-740-0201
Sexton, Jeff-Officer..... 713-740-0201
Smith, Kathlene-Crossing Guard Mgr..... 713-740-0287
Smith, Keri-Officer..... 713-740-0201
Smith, Lonnie-Officer 713-740-0201
Torres, Isreal-Officer..... 713-740-0201
Tucker, Cathy-Records Specialist..... 713-740-0202
Vela, Marco-Officer..... 713-740-0201
Wilson, Kyle-Officer..... 713-740-0201
Y'Barbo, Michael-Officer..... 713-740-0201
Fax:..... 713-740-4031

Police (ICAC) (P-103)

Gray, Matthew-Lieutenant 713-740-0045
Hernandez, Cristina-Secy..... 713-740-0086
Fax:..... 713-740-5936

Purchasing (B-107)

Eng, Angela-Director 713-740-0195
Buys, Carol-Purchase Clerk..... 713-740-0190
Charles, Mary-Buyer..... 713-740-0193
Clayton, Karen-Bid Clerk 713-740-0196
D'Arcy, Susan-Purchase Clerk 713-740-0197
Guel, Tanya-Buyer 713-740-0198
Maldonado, Martha-Buyer..... 713-740-0189
Richardson, Diana-Secy..... 713-740-0191
Fax:..... 713-740-4033

Research/Evaluation (F-10)

Summers, Donna-Director 713-740-0048
Early, James-Data Spec..... 713-740-0241
Gonzalez, Elena-Secy..... 713-740-0237
Fax:..... 713-740-5947

Special Programs (SP-100)

Bilingual/ESL & Migrant

Gallegos, Gloria-Assoc Supt.713-740-0218
Bock, Scherry-Parent Coor/Safe Schools.....713-740-0068
Lay, Ginger-(HOSTS)713-740-0051
Hoffman, Leslie-Exec Secy713-740-0225
Fax:.....713-740-4036
Caballero, Suzy-Coor BIL/ESL713-740-0044
Carranza, Nancy-Prgm Compl Spec713-740-0957
Castillo, Milly-Compl Officer713-740-0060
Miranda, Maria-Compl Officer.....713-740-0867
Ortega, Abigail-Migrant/NGS Spec.....713-740-0050
Pineault, Denise-Prgm Compl Spec713-740-0908
Rodriguez, Veronica-Migrant/LUCHA Cnslr..713-740-0250
Smith, Lila-Compl Officer713-740-0056
Torres, Letisia-Migrant/NGS Spec713-740-0210
Reyes, Rosaura-Bilingual Secy713-740-0065
Fax Bilingual:.....713-740-4036
Fax Migrant:.....713-740-4037

Special Education/SHARS

Hill, Deena-Exec Director SpEd713-740-0212
Muñoz, Nora-SHARS Manager713-740-0231
Naron, Cindy-SHARS Asst Manager713-740-0211
Toupard, Alexis-ASSET-LSSP/BCBA713-740-0888
Alvarez, Dianna-Secy.....713-740-0220
Box, Mike-Coor Behavior Int713-740-0226
Cardona, Tina-Behavior Spec713-740-0966
Jones, Liz-Behavior Spec.....713-740-0964
Reed, Julie-Coor Spec Educ.....713-740-0221
Treviño, Summer-Success K-6713-740-0907
Reyes, Lisa-Secy713-740-0229
Cronin, Ellen-Homebound/PRS Spec713-740-0968
Thompson, Sara-PABLE/ABLE/SUCCESS.....713-740-0215
Webber, Tammy-ABLE/SUCCESS,ACCESS 7-8.....713-740-0234
Williams, Sara-PPCD Spec713-740-0889
Diaz, Norma-Secy713-740-0220
McCain, Bobbye-Prgm Compl Spec.....713-740-0230
Rodriguez, Linda-Homeless Cnslr.....713-740-0249
Woest, Hillary-Success 7-12.....713-740-0877
Lopez, Valerie-Secy.....713-740-0216
Chapman, Brent-HelpDesk/Records/Peims..713-740-0213
Oliver, Wendy-SpEd Compl Spec713-740-0953
Saltar, Calandra-Prgm Compl Spec713-740-0228
ENCORE Help Desk.....713-740-5245
TBA-----Secy.....713-740-0222

Byrne, Jennifer-SpEd Eval Coor713-740-0873
Wiechmann, JoAnn-Instr Spec.....713-740-0874
Flores, Amanda-Secy.....713-740-0232
Fax:.....713-740-4035
Fax Homeless:.....713-740-5926

Student Services (F-1)

Fawcett, Bob-Director.....713-740-0236
Barnes, Jan-Secy713-740-0239
Dardon, Patricia-Secy713-740-0238
Haass, Tana-Coordinator713-740-0946
Burt, Jamie-Coordinator713-740-0947
Fax:.....713-740-4038

Attendance Services (D-105)

Baker, Susan-Officer713-740-0900
Balli, Manuela-Officer.....713-740-0899

DeLeon, Marleen-Officer713-740-0897
Ellis, Teresa-Officer.....713-740-0901
Muniz, Marissa-Officer713-740-0898
Fax: 713-740-4118 or 713-740-5919

Switchboard/Receptionist (L-115)

Lawless, Millie-Operator.....713-740-0266
Switchboard.....713-740-0000

Superintendent's Office (L-113)

Lewis, Kirk-Superintendent.....713-740-0244
Smith, Debbie-Exec Asst713-740-0242
TBA-Assoc Supt.....713-740-0242
Brenneman, Pat-Exec Secy.....713-740-0248
Perkins, Hope-Board Secy.....713-740-0243
Leach, Ryan-General Counsel713-740-0246
Treviño, Isable-Exec Secy.....713-740-0246
Fax:713-740-4042
Parmer, Cindy-Director Educ Foundation713-740-0288
Fax:713-740-4120

Technology Services (K-127)

Wentz, Steve-Exec Director713-740-0172
TBA-Secy to Exec Dir ..713-740-0172

Technology Help Desk

Breiner, Teresa-Help Desk.....713-740-0260
Fax:.....713-740-4029

Business Applications Services

Marusa, David-Bus Apps Sys Coor 713-740-0159
Hines, Roger-Project Leader..... 713-740-0169
Linde, Svetlana-Web Sys Sr. Prgm713-740-0171
Scrutchin, Brad-Prgm Analyst.....713-740-0156

Cabling Infrastructure Services

Cudmore, Barrie-Cblg Infra Mgr..... 713-740-0154
Lopez, Gilbert-Comm Techn713-740-0161

Student Information Services

Brown, Allen-Stdnt Info Svc Coor..... 713-740-0153
Hinte, Renee713-740-0972
Knight, Virginia713-740-0166
Gallardo, Grisel-PEIMS Clerk.....713-740-0158
Goeman, Linda-Sr. Programmer713-740-0167
Jimenez, Sylvia.....713-740-0020
Huynh, Joe-Sr. Programmer713-740-0165
Murrell, Gloria-Project Leader713-740-0162

Workers' Compensation (U-118)

DeLa Portilla, Monica-Coordinator.....713-740-0257
Gonzalez, Vera-Secy713-740-0258
Student.....713-740-0940
Fax:.....713-740-4046

Tax Office (J-108)

Cryar, Zelda-Tax/Assesor Ctr..... 713-740-0259
Fax:.....713-740-4045
DeHoyas, Sandy-Asst. Tax Ctr713-740-0254
Exnicious, Sheri-Sr. Bookkeeper713-740-0255
Sanchez, Jessica-Deputy Tax Ctr713-740-0252
Stokes, Diane-Sr. Bookkeeper713-740-0251
Fax:.....713-740-4044

ALTERNATIVE DEPARTMENTS**Athletic Office (62100)**

2906 Dabney, Pasadena, Tx. 77502 • 713-740-0837
 Chant, Rodney-Directorext. 62101
 Dugas, Randy-Trainerext. 62104
 Ashmore, Betty-Secyext. 62100
 Fax:.....713-740-4074

Athletic Ticket Office • 713-740-0841

TBA.....-Asst Directorext. 62103
 Flowers, Debra-Secyext. 62106
 Story, Cathy-Secyext. 62105
 Fax:.....713-740-4075

Maintenance Department (46100)

3135 Westside Dr., Pasadena, Tx. 77504
 Office: 713-740-0822 • Fax: 713-740-4073
 Douglas, Tom-Directorext. 46101
 Collins, Glenda-Secy to Directorext. 46102
 Rodriguez, Mary Lou-Secyext. 46107
 Sims, Tracy-Secyext. 46129
 Wyman, Guy-Laundryext. 46109

Operations Department (47100)

3214 Lafferty, Pasadena, Tx. 77504
 Office: 713-740-0827 • Fax: 713-740-4070
 Knight, Charlie-Directorext. 47101
 Krampen, Jerry-Asst Directorext. 47102
 Avila, Elpidio-Supervisorext. 47106
 Garza, Sandra-Supervisorext. 47103
 Smith, Mike-Supervisorext. 47106
 Zelaya, Marta-Supervisorext. 47105
 Garza, Lety-Bil Secyext. 47104
 Perez, Sylvia-Secyext. 47108

Press Box 713-948-4380**Transportation Department (49100)**

3212 Lafferty, Pasadena, Tx. 77504
 Office: 713-740-0817 • Fax: 713-740-4071
 TBA.....-Directorext. 49101
 Dow, Jonathan-Asst Directorext. 49110
 Deats, Miki-Special Needsext. 49131
 Camara, Oscar-Foremanext. 49112
 Ferguson, Lesa-Night Dispatchext. 49118
 Hallinan, Vicki-Trainerext. 49116
 Henderson, Dee-Bill/Payrollext. 49106
 Henley, Georgia-Dispatchext. 49117
 Jauregui, Cindy-Regular Routeext. 49103
 Robertson, Diane-Extra Tripsext. 49107
 Sabo, Terry-Special Needsext. 49115
 Sykes, Cindy-Special Needsext. 49133
 Younts, Debbie-Secyext. 49102
 Fax:.....713-740-4127

Warehouse Department (56100)

3131 Westside, Pasadena, Tx. 77504
 Office: 713-740-0832 • Fax: 713-740-4069
 Knight, Charlie-Directorext. 47101
 Krampen, Jerry-Asst Directorext. 47102
 Garza, Sandra-Supervisorext. 56101
 Copple, Jeff-Skilled Warehouseext. 56106
 Martinez, Donna-Office Clerkext. 56103
 Neel, Danny-Apprentice Warehouseext. 56102
 Nelson, Beverly-Office Clerkext. 56105

ALTERNATIVE CAMPUSES**Career & Technical Education (48100)**

4320 Crenshaw, Pasadena, Tx. 77504
 Office: 713-740-0802 • Fax: 713-740-4081
 Wroblecki, Sarah-Directorext. 48101
 Bamberg, Wanda-Secyext. 48104

Communities In Schools

3222 Burke Rd. Suite 111, Pasadena, Tx. 77504
 Garcia, Robert-Exec Director713-947-3809
 Fax:.....713-947-0639

Guidance Center (45100)

3010 Bayshore Dr., Pasadena, Tx. 77502
 Office: 713-740-0792 • Fax: 713-740-4108
 Moore, Keith-Principalext. 45101
 Duke, Charlyn-Asst. Principalext. 45131
 Neel, Lisy-Secyext. 45102

Tegeler Career Center (60100)

4949 Burke Rd., Pasadena, Tx. 77504
 Office: 713-740-0410 • Fax: 713-740-4077
 Cain, Jean-Principalext. 60101
 Clark, Jason-Asst. Principalext. 60110
 Kujawa, Karel-Secyext. 60102

Gulf Coast Educators Federal Credit Union

2 Locations
 5953 Fairmont Pkwy, Pasadena, Tx. 77505.. 281-487-9333
 1819 East Broadway, Pearland, Tx 77581..... 281-487-9333
 www.gcefcu.org

COLLABORATIVE LEARNING CENTER**Media Center**

11111 Beamer Rd., Houston, Tx. 77089
 Office: 713-740-0029 • Fax: 713-740-4007
 Hours of Operation: Monday-Friday 1:00 p.m.-4:30 p.m.

New Teacher Support & Mentoring

11111 Beamer Rd., Houston, Tx. 77089
 Grossman, Pam-Director713-740-0030
 Gomez, Diana-Mentor Coord713-740-0064
 Herbert, Colleen-Specialist713-740-0031
 Kennedy, Angela-Specialist713-740-0041
 Rodriguez, SanJuanita-Specialist713-740-0064
 Sanchez, Patricia-Cert Officer713-740-0066
 Peña, Leticia-Secy713-740-0031
 Fax:.....713-740-4007

Texas ACE-21st CCLC Afterschool Prg Rm 041

11111 Beamer Rd., Houston, Tx. 77089
 Villano, Steven-DistrictWide Coordinator713-740-5317
 Bauer, Susan-Executive Director713-740-0038
 Brody, Janice-Family Engagement Spec713-740-5318
 Fax:.....713-740-4007

BRADEN / OROZCO CENTERS**Facilities/Construction**

1814 E. Sam Houston Parkway South, Pasadena, Tx. 77503
 Fornof, Kevin-Assoc Supt713-740-5350
 Rice, Steve-Director713-740-5354
 Perkins, Ginny-Secy to Director713-740-5351
 Yockov, Rhonda-Bookkeeper713-740-5353
 Mitchell, Debra-CAD Operator713-740-5355
 Bailey, Ed-Inspector713-740-5364
 Hughes, Rainbo-Inspector713-740-5359
 Perkins, Sid-Inspector713-740-5358
 Rodgers, Dan-Inspector713-740-5357
 Valenti, Steve-Inspector713-740-5356
 Fax:.....713-740-4015

Community School (51100)

1838-A E. Sam Houston Parkway South, Pasadena, Tx. 77503
 Swan, Tom-Exec Director Spec Projects713-740-0089
 Berry, Jennifer-Coor Dropout Prgm713-740-0303
 Huerta, Elva-Secy713-740-0299
 Mathes, Pat-Secy713-740-0301
 Fax:.....713-740-4014

GEAR UP/College Readiness Center

1846 E. Sam Houston Parkway South, Pasadena, Tx. 77503
 McCarley, Karen-Coordinator713-740-0919
 Rodriguez, Nelda-Secy713-740-0937
 Fax:.....713-740-5910

Instructional Technology Services Rm-201

1832 E. Sam Houston Parkway South, Pasadena, Tx. 77503
 Gooden, Denise-Exec Director713-740-5303
 Bourgeois, Emily-Tech Trainer713-740-5305
 Deibel, Tom-Tech Trainer713-740-5304
 Hyland, Rose Mary-Secy to Director713-740-5310
 Jablonski, Ann-Tech Trainer713-740-5306
 Marler, Mike-Tech Trainer713-740-5307
 Tout, Shane-Tech Trainer713-740-5308
 Weaver, Luci-Tech Trainer713-740-5309
 Cañas, Mary-Secy713-740-5311
 Fax:.....713-740-4026

Internal Auditor

1820 E. Sam Houston Parkway South, Pasadena, Tx. 77503
 Davis, Maritza-Auditor713-740-0245
 Dyess, Jessica-Asst Auditor713-740-0950
 Fax:.....713-740-5938

Library & Textbook Services

1826 E. Sam Houston Parkway South, Pasadena, Tx. 77503
 McBride, Kay-Director713-740-0150
 Rippy, Melissa-Specialist713-740-0150
 Castillo, Connie-Manager713-740-0132
 Serna, Esthela-Bookkeeper713-740-0152
 Clark, Jan-Clerk713-740-0141
 Diffenbaugh, Mary-Clerk713-740-0286
 Dixon, Debi-Clerk713-740-0143
 McGuyer, Marilee-Clerk713-740-0135
 Miller, Judy-Clerk713-740-0139
 Moore, Candy-Clerk713-740-0265
 Peter, Mary-Clerk713-740-0271
 Rawls, Pam-Clerk713-740-0147
 Sullivan, Debbie-Clerk713-740-0148
 Larson, Jack-Foreman713-740-0140
 BNR Meeting Room713-740-0137
 Nuñez, Bibi-Secy713-740-0150
 Fax:.....713-740-4030 or 713-740-5937

Network Services

1854 E. Sam Houston Parkway South, Pasadena, Tx. 77503
Miller, Mark-Director713-740-5501
Nowlin, James-Asst Director713-740-5502
Ash, Mike-Coord Infra System713-740-5503
O'Neill, James-Ntwrk Sys Admn713-740-5504
Fagler, Aaron-Ntwrk Sys Admn713-740-5505
Henderson, David-Ntwrk Tech713-740-5506
Krog, Cameron-Ntwrk Sys Tech713-740-5507
Lazendy, David-Ntwrk Sys Admn713-740-5508
Meier, Nathan-Ntwrk Sys Tech713-740-5509
Quinn, Chris-Ntwrk Sys Tech713-740-5510
Roberts, Eric-Ntwrk Tech.....713-740-5511
Tovar, Eduardo-Ntwrk Tech713-740-5512
Wilson, Thomas-Ntwrk Sys Admn713-740-5513
Fax:.....713-740-4013

Orozco Professional Development Rm-501

1832 E. Sam Houston Parkway South, Pasadena, Tx. 77503
Harrell, Scott-Director713-740-5297
Thompson, Edwina-Secy713-740-5298
Fax:.....713-740-4013

Student Assessment/Adv Academics Rm-701

1830 E. Sam Houston Parkway South, Pasadena, Tx. 77503
Sermas, Pat-Director713-740-5247
Frey, Pam-Secy to Director.....713-740-5249
Razo, Norma-Secy to Director713-740-5248
Levonius, Susan-Testing Coord713-740-5251
White, Karen-Testing Coord713-740-5250
Fax:.....713-740-4065

Technical Services

1828 E. Sam Houston Parkway South, Pasadena, Tx. 77503
Rodriguez, Michael-Tech Serv Coord713-740-0812
Reynoso, Roseann-Secy713-740-0812
Fax:.....713-740-4059

The Summit

(63100)

1838 E. Sam Houston Parkway South, Pasadena, Tx. 77503
Office: 713-740-0290 • Fax: 713-740-4049
DeWolfe II, Robert-Principalext. 63101
Bieber, Marcy-Asst. Principalext. 63122
Prochaska, Brad-Asst. Principalext. 63183
Hale, Kim-Secyext. 63102

Wellness Center -Pasadena ISD

1850 E. Sam Houston Parkway South, Pasadena, Tx. 77503
Office: 713-740-5300 • Fax: 713-740-5950
Dr. Jaime Hurtado
Rebecca Grimaldo-MSN, RN, FNP-BC



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