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# MCKINNEY

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INDEPENDENT SCHOOL DISTRICT

## BOOSTER CLUB GUIDELINES 2022

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## Booster Club Contact Information

In addition to your Coach/Sponsor, other helpful contacts are provided below from school administration to other District personnel, State agencies, and Federal agencies:

### 7 Secondary Campuses/Principals

McKinney High School 1400 W. Wilson Creek Pkwy McKinney, TX 75069	Shelly Spaulding, Principal Rhonda Cowlshaw, Secretary Gail Erger, Bookkeeper	Phone: 469-302-5700 Fax: 469-302-5701
McKinney North High School 2550 Wilmeth Road McKinney, TX 75071	Jae Gaskill, Principal Yolonda Day, Secretary Libby Baumgartner, Bookkeeper	Phone: 469-302-4300 Fax: 469-302-4301
McKinney Boyd High School 600 N. Lake Forest Drive McKinney, TX 75071	Jennifer Peirson, Principal Christy Howley, Secretary Sabine Neumann, Bookkeeper	Phone: 469-302-3400 Fax: 469-302-3401
Cockrill Middle School 1351 N. Hardin Road McKinney, TX 75071	Amber Epperson, Principal Sandra Carter, Secretary Lisa Tharby, Bookkeeper	Phone: 469-302-7900 Fax: 469-302-7901
Dowell Middle School 301 South East Ridge Road McKinney, TX 75070	Melanie Machost, Principal Stacie Bullock, Secretary Deborah Baker, Bookkeeper	Phone: 469-302-6700 Fax: 469-302-6701
Evans Middle School 6998 W. Eldorado Pkwy McKinney, TX 75070	Darla Jackson, Principal Kim Oyler, Secretary Holly King, Bookkeeper	Phone: 469-302-7100 Fax: 469-302-7101
Faubion Middle School 200 Doe Rollins McKinney, TX 75069	Mitch VandenBoom, Principal Judy Chamorro, Secretary Armida Gonzalez, Bookkeeper	Phone: 469-302-6900 Fax: 469-302-6901
Scott Johnson Middle School 3400 Community Drive McKinney, TX 75071	Holly Rogers, Principal Gloria Albertson, Secretary Stacey Altman, Bookkeeper	Phone: 469-302-4900 Fax: 469-302-4901

## Other Important Phone Numbers

### McKinney ISD

#### General and Financial Issues

MISD Accountant – Jan Shaw 469-302-4020 [jshaw@mckinneyisd.net](mailto:jshaw@mckinneyisd.net)

#### Academic Booster Clubs

MISD Accountant – Jan Shaw 469-302-4020 [jshaw@mckinneyisd.net](mailto:jshaw@mckinneyisd.net)

#### Athletic Booster Clubs

Assoc Athletic Director – Laura Keahey 469-302-4161 [lkeahey@mckinneyisd.net](mailto:lkeahey@mckinneyisd.net)

#### Fine Arts Booster Clubs

Director of Fine Arts – Dan White 469-302-4093 [dwhite@mckinneyisd.net](mailto:dwhite@mckinneyisd.net)

#### Financial Reports/Fundraisers

MISD Accountant – Jan Shaw 469-302-4020 [jshaw@mckinneyisd.net](mailto:jshaw@mckinneyisd.net)

### State

#### Competition and Rules

University Interscholastic League 512-471-5883 [www.uiltexas.org](http://www.uiltexas.org)

#### Incorporations

Texas Secretary of State 512-463-5555 [www.sos.state.tx.us](http://www.sos.state.tx.us)

#### Raffles

Texas Attorney General 512-463-2100 [www.oag.state.tx.us](http://www.oag.state.tx.us)

#### Sales Tax (Sales Tax Permit, Exemption, Reports and Franchise Tax)

Texas Comptroller's Office

General Information 1-800-252-5555

Exempt Organizations Department 1-800-531-5441 ext. 34142

### Federal

#### IRS Exempt Status as a 501(c)(3) Organization and Tax Returns

Internal Revenue Service (IRS)

General Information 1-800-829-1040 [www.irs.gov](http://www.irs.gov)

Tax-exempt Organizations 1-877-829-5500 [www.irs.gov](http://www.irs.gov) (Select Charities & Non-Profits)

Tax Forms & Publications 1-800-829-3676 [www.irs.gov](http://www.irs.gov) (Select Forms & Publications)

# Introduction

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The *Booster Club Guidelines* were prepared to assist Booster Clubs in meeting District, University Interscholastic League (UIL), State and Federal requirements. Therefore, it includes checklists, laws, regulations, policies, suggestions and examples for Booster Clubs to follow. The *Guidelines* includes some items that must be followed by all Booster Clubs, such as District policies and guidelines, UIL guidelines, and State and Federal regulations. Other items include suggestions for improving your organization and related day-to-day activities.

Booster Clubs are parent organizations established to promote school programs or complement student groups or activities. A Booster Club's purpose may be to support a student group or program at a particular school or various student groups or programs at various schools. Students enrich their education and expand their horizons when they participate in school activities and programs. Even though a Booster Club works very closely with the District, it is a separate entity from the District. Therefore, the District greatly appreciates the time, effort and financial support that the Booster Clubs provide to our students.

Booster Clubs support a particular student group or program through a Coach/Sponsor. The Coach/Sponsor is a District employee who serves as the liaison between the Booster Club and the District. In addition, the pertinent Principal or other appropriate Administrator must approve various activities of both the student group and the related Booster Club. The main responsibilities of a Booster Club, a Coach/Sponsor, and a Principal or Administrator are indicated below:

**Booster Club** – A Booster Club is responsible for supporting a student group, activity, or program. Support may be as simple as providing refreshment for a particular event or support may be as complex as raising money for an out-of-town competition. The Booster Club works through the Coach/Sponsor to provide assistance for the planned activities of the student group; however, the Booster Club does not have the authority to decide the activities or trips in which the student group will participate. The parents and the Booster Club may provide suggestions about particular activities; however, the Coach/Sponsor is responsible for the final decision with the Principal's or Administrator's approval.

**Coach/Sponsor** – A designated Coach/Sponsor of a student group serves as the liaison between the Booster Club and the District, under the supervision of the Principal or Administrator. The Coach/Coach/Sponsor is responsible for determining the various activities and trips in which the student group will participate with the approval of the Principal or Administrator. In addition, the Coach/Coach/Sponsor should work very closely with the Booster Club and provide guidance to the organization. The Coach/Coach/Sponsor would not be considered an officer or member of the Booster Club. However, the Coach/Coach/Sponsor shall approve all student/school-related activities of the Booster Club in accordance with Board Policy GE (Local) & UIL Regulations.

**Principal/Athletic Director** - The Principal and Athletic Director are both responsible for approving the activities of both the student group and the related Booster Club.

**Important:** *The Athletic Department of McKinney Independent School District prepared these Guidelines to assist Booster Clubs in following various policies and regulations. The Athletic Department is not an authority on specific accounting situations or tax-related issues concerning individual Booster Clubs; therefore, Booster Clubs should obtain competent independent counsel on accounting and tax matters related to their specific circumstances.*

# Booster Club Checklist

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

## General

## Page Reference

- |                          |  |                      |
|--------------------------|--|----------------------|
| <input type="checkbox"/> | 1. Provide the District's Director of Athletics or Fine Arts and the School Principal with a list of the Booster Club officers at the beginning of each school year and as officers change. The list should include: | 5.3<br>6.2-6.4       |
|                          | - Name   |                      |
|                          | - Office Held  |                      |
|                          | - Mailing Address  |                      |
|                          | - Home Phone Number  |                      |
|                          | - Work Phone Number  |                      |
|                          | - Cell Phone Number  |                      |
|                          | - E-mail Address   |                      |
| <br>                     |  |                      |
| <input type="checkbox"/> | 2. Provide the School Principal with the Booster Club's constitution, bylaws, and operating procedures when they are originated. In addition, provide updated copies as changes are made.                            |                      |
| <br>                     |  |                      |
| <input type="checkbox"/> | 3. The Booster Club's official mailing address is:   | 5.15<br>5.25<br>7.11 |
|                          | Official Name _____  |                      |
|                          | PO Box/Street _____  |                      |
|                          | City, State, Zip _____   |                      |

## Insurance

- |                          |   |      |
|--------------------------|---|------|
| <input type="checkbox"/> | 4. The Booster Club should consider purchasing a general liability policy, event liability, and/or fidelity (bond) insurance coverage policies. | 7.10 |
|--------------------------|---|------|

**Fundraisers**

5. For the fundraisers planned for the current school year, submit the Permission Request (first 2 pages) of the Fundraising Activity Report online at least 30 days before the Fundraiser is set to begin. 5.3  
5.5  
7.8

6. In addition, provide the Coach/Sponsor with detailed fundraising information at least 30 days prior to the fundraising event, if not already provided on the Permission Request. 5.5  
7.8

The detailed Fundraising information should include:

- Purpose of the fundraiser
- Type of Fundraising activity
- Date(s), Time(s), and place(s) of the activity
- Name of the Coach/Sponsoring organization
- Name/Phone Number of organization's representative
- Name/Phone Number of person in charge of fundraiser
- Name/Phone Number of person who will be handling the money of the fundraiser

7. If your Booster Club has received a tax-exemption from the Texas Comptroller's Office, your organization is entitled to two "one-day, tax-free" sales/auction days per calendar year. (See Checklist Item #21) 5.14  
6.11

If you are entitled to 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/ Fundraiser \_\_\_\_\_  
Date/ Fundraiser \_\_\_\_\_

Calendar Year \_\_\_\_\_  
Date/ Fundraiser \_\_\_\_\_  
Date/ Fundraiser \_\_\_\_\_

**\*\* ALL OTHER FUNDRAISERS SHOULD HAVE THE SALES TAX PAID ON THEM\*\***

8. 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 Fundraising, discontinue this requirement.

5.4-5.5  
5.19-5.20  
7.8-7.9

The Booster Club cannot use individual account to credit an individual for funds raised. If your Club is using individual account currently, discontinue this practice.

Fundraising 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 Fundraising than another. In addition, if a member or student chooses not to participate in the fundraiser, that person still **receives an equal benefit** from the revenues generated.

**Financial Matters**

**General**

9. The bank accounts used by the Booster Club include:

<u>Bank Name</u>	<u>Account Number</u>
_____	_____
_____	_____
_____	_____
_____	_____

10. 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.**

5.2  
5.18-5.19  
7.3  
D2.1

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

\_\_\_\_\_



1. Update the authorized signers on your bank accounts as officers change. 5.3  
7.3-7.4

The current authorized signers include the following Booster Club officers: B2.1

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

**IMPORTANT**

**District employees may serve parent organizations as a general member or as a member of its' executive board, except for the position of Treasurer. District employees shall not serve in a capacity over the organization's financial affairs, including an authorized signer on the bank account.**

2. Determine whether your organization is in good standing with the Texas Comptroller's Office by calling their office. 6.11  
7.19
3. Determine whether your organization is in good standing with the IRS by calling the Exempt Organization Section of the IRS. 6.11  
7.19

- 4. Present a written Treasurer's Report at every meeting that includes the general membership. 5.3  
7.20

- 5. File the Booster Club's Texas Sales Tax Reports as required. 5.14

*The Texas Comptroller's Office determines how often the report needs to be Filed and is subject to change.*

The Booster Club files its' Texas Sales Tax Report:

- Monthly
- Quarterly
- Seasonal (Semi-Annually)
- Annually

- 6. Provide a copy of the written Booster Club Financial Report for the applicable school year to the Coach/Sponsor, the School Principal by September 15<sup>th</sup>, of each year. 5.4  
6.5-6.8

For example, a report for the 2011-2012 school year should be submitted by September 15<sup>th</sup>, 2012.

- 7. Provide a copy of the Booster Club Review Report that indicates the results of the review of the organizations' financial information, including the Financial Report to the Coach/Sponsor and the Principal by September 15<sup>th</sup> of each year, along with the Financial Report 5.4  
6.1  
6.9-6.16

- 8. Provide a copy of the financial report and review report at a meeting that includes the Booster Club's general membership by October 31<sup>st</sup> of each year. 5.4

- 9. Issue 1099 forms to applicable individuals or businesses by January 31<sup>st</sup>, of each year. If 1099 forms are used, send information to the IRS by February 28<sup>th</sup> of each year. 6.11  
7.13-7.14

District employees hired by the Booster Club must be paid directly by the Booster Club and not through the District.

**Note:** Request a W-9 from the individual or business before issuing them a check .

10. File the IRS Form 990, 990-EZ, or 990-N, Return of Organization Exempt from Income Tax, each year. 5.23-5.24  
D1.2  
D1.3

The return is due by the 15<sup>th</sup> day of the 5<sup>th</sup> month after the organizations' accounting period ends (due 4 ½ months after your official year-end)

*Official Year-end:* \_\_\_/\_\_\_/\_\_\_ *Due Date for Return:* \_\_\_/\_\_\_/\_\_\_

**State Regulatory Information**

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

11. Determine whether your organization has obtained a Texas Sales Tax Permit. 5.13  
C2.3

The Booster Club's sales tax permit number is \_\_\_\_\_

12. Determine whether your organization has obtained a tax-exemption from the Texas Comptroller's Office. 5.13-5.14

The Booster Club has received a tax-exemption from the Texas Comptroller's Office:

- YES  
 NO

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

13. If the Booster Club is incorporated, determine whether your organization has obtained an exemption from Texas franchise tax from the Texas Comptroller's Office. 5.14-5.15
- YES  
 NO

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

- YES  
 NO

Federal Regulatory Information

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

- 14. Obtain an Employer Identification Number (EIN) from the Internal Revenue Service (IRS). 5.2  
5.18-5.19  
D2.1

The EIN for the Booster Club is: \_\_\_\_\_

- 15. 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 Clubs' tax-exempt status, a Determination Letter would have been received from the IRS. 5.2  
6.11  
D2.30-D2.36

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

- YES
- NO

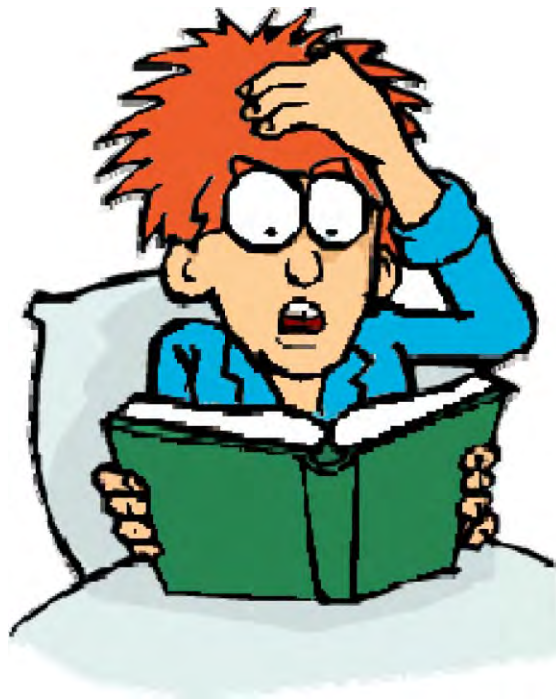
If you have not applied for the tax-exempt status, complete the IRS Form 1023, Application for Recognition of Exemption, and the Form 8718, User Fee for Tax-Exempt Organization Determination Letter Request. Submit these forms and the applicable fee to the IRS. D2.3-D2.29

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

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

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

# Following the Rules...



**Included in this section:**

- Authoritative Guidelines Overview
- District Board Policy GE (Local)
- University Scholastic League UIL Booster Club Guidelines
- State Regulatory Information
- Federal Regulatory Information

## 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. Also, the Booster Clubs must follow the guidelines of the University Interscholastic League (UIL); the State of Texas; and the federal government, through the IRS. Some state regulations relate to state sales tax while other regulations involve becoming incorporated or involve the holding of a raffle.

The following information is included in this section:

- “ District Board Policy GE (Local), *Relations with Parents or Parents’ Organizations*
- “ UIL Booster Club Guidelines
- “ State Regulatory Information
- “ Federal Regulatory Information

The state and federal regulatory information included in this section does not include all laws or rules that may apply to your particular situation. This information is provided by the District’s Athletic Department; however, the Athletic Department 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.

### IMPORTANT

**Booster Club officers & the designated Coach/Sponsor are both 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 other than the designated Coach/Sponsor, is not responsible for a Booster Club not complying with the various policies, guidelines, and regulations.**

PURPOSE

Parent organizations and booster clubs exist to promote communication and greater involvement between the school and the community, including parents and other interested citizens, and to support the students of the District. While fund-raising and financial support may be a major part of an organization's program, each organization should also strive to further the District's and school's goals and objectives.

District-affiliated school-support or booster organizations shall organize and function in a way that is consistent with the District's philosophy and objectives in accordance with applicable UIL guidelines, federal, state, local financial and audit regulations.

COMMUNITY INVOLVEMENT

The Board recognizes that parent associations, organizations, and booster clubs, are mediums through which District personnel, parents, and other community members may strengthen ties with the school and District and work to enhance educational progress for all students.

EMPLOYEE PARTICIPATION

A District employee may serve in a parent organization as a general member or as a member of its' executive board, except for in the position of Treasurer or in any capacity over the organization's financial affairs, including an authorized signer on the bank account.

BOARD RESPONSIBILITY

The Board shall approve and recognize through the Superintendent only those organizations that meet established guidelines and, in the opinion of the Board, operate for the benefit of the school and its students. These organizations are separate legal entities, distinct from the District. Appropriate insurance coverage and exposure to liability, financial obligations, taxes, debts, and other encumbrances of these organizations are not the responsibility of the District, but shall be the sole obligation of each parent organization.

SUPERINTENDENT'S REPRESENTATIVE

For purposes of this policy, the Superintendent's designee is the principal of each campus.

The principal shall be responsible for encouraging booster groups and parent organizations to follow all District fund-raising policies and regulations.

**BOOSTER / AUXILIARY ORGANIZATIONS**

Each school-related booster/auxiliary club shall annually submit the following to the principal:

1. A copy of the organization's bylaws.
2. The name, address, and telephone number of the person(s) authorized to sign legal documents on behalf of the organization
3. The name, address, and telephone number of all current officers.
4. A copy of the audited financial statements of the organization.

The District strongly recommends that each booster organization require two signatures for all expenditures. The District also strongly recommends that school-related booster/auxiliary clubs obtain liability insurance coverage, as the District's liability insurance does not provide for school-related booster/auxiliary club events.

Failure by the organization to submit the documents to the principal and to adhere to the above requirements may result in the organization being denied permission to participate in any school activities.

**SPECIFIC GUIDELINES**

The following guidelines shall apply:

1. The administration shall determine which organizations will be considered as "booster."
2. Booster clubs must abide by the guidelines as stated in the UIL Parent Information Manual.
3. School-related organizations have no authority to direct any school employee in any of his or her duties. Further, they have no authority to guide, direct, or establish guidelines for any school or student activity. Similarly, booster club officers may not assume duties that are the responsibility of staff members
4. Organizational bylaws shall include provisions for disposal of funds and/or property to the District in case said organization disbands or ceases to operate. Exceptions shall be made for any nationally affiliated organizations with bylaw constraints regarding dispersal of funds.
5. Money given to the school shall not be earmarked for any particular request. The booster club may suggest or recommend how they would like the money spent, but cannot require the Superintendent or principal to spend the money in any certain way.

Any organization operating under this policy that, in the opinion of the school administration, does not adhere to this policy and any regulation established by the school administration, shall cease to be recognized by the Board as a legitimate school-related club or organization and shall not be eligible to use school facilities or services.



FUND-RAISING  
PROJECTS

Fund-raising projects are subject to state and federal law and District policies and regulations. Parent groups may obtain nonprofit status (501(c)(3)) from the Internal Revenue Service.

Prior to any fund-raising projects, parent organizations and booster clubs shall obtain approval from the designated principal to ensure no conflict of schedules with other school functions and their compliance with UIL and District guidelines.

PURCHASES FOR THE  
SCHOOL

Booster clubs and other parent-support organizations shall not make purchases in the name of the District. Items must be purchased in the support organization's name. Booster clubs and other parent-support organizations shall not use the District's tax number for tax exemption purposes. Such organizations must obtain their own tax exemption number.

Equipment or material purchased for schools by parent organizations or booster clubs shall become the property of the District.

SPECIAL FACILITY  
PROJECTS

Booster clubs may raise or designate funds for improvements to the campus facility or grounds, but approval from the support services department shall be obtained prior to any fund-raising efforts. The campus principal shall be responsible for submitting the required request forms to the support services department.

CONCESSIONS

All concession stand workers shall complete food handler training as required by the City of McKinney Health Department.

## University Interscholastic League (UIL) Booster Club Guidelines

*The following guidelines were downloaded from the UIL's website. The information documented below is subject to change by the UIL. Therefore, for the most up-to-date version of this information, please go to the UIL's website at*

[www.uiltexas.org/policy/booster-club-guidelines](http://www.uiltexas.org/policy/booster-club-guidelines)

*If you have questions concerning Athletic UIL guidelines, please contact:*

- 1) Designated Coach/Sponsor**
- 2) Campus Coordinator**
- 3) District Athletic Office Contact**

Valerie Little  
Assistant Athletic Director  
469-302-4161  
[vlittle@mckinneyisd.net](mailto:vlittle@mckinneyisd.net)

- 4) District Fine Arts Office Contact**

Dan White  
Director of Fine Arts  
469-302-4093  
[dwhite@mckinneyisd.net](mailto:dwhite@mckinneyisd.net)

## 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.

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## State Regulatory Information

### Obtaining a Texas Sales Tax Permit

To sell any taxable items within the State of Texas, a company, organization, or person must apply for a 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** fundraisers, such as candy sales, T-shirt 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 Comptroller's Office. You **must** apply on-line for the Texas Sales Tax Permit.

**Note:** Go to the Texas Comptroller of Public Accounts website at [www.window.state.tx.us](http://www.window.state.tx.us).

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 Comptroller's Office.

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

To determine if your Booster Club has a permit you may use the searchable Taxpayer Information Database at [www.window.state.tx.us/taxinfo/exempt](http://www.window.state.tx.us/taxinfo/exempt).

### Qualifying for Exemption from Texas Sales and Use Tax

To apply for exemption based on the federal exempt status, complete application *AP-204*. See website at [www.window.state.tx.us/taxinfo/exempt](http://www.window.state.tx.us/taxinfo/exempt). On this webpage, you may also do an Exempt Organization Search to verify if your Booster Club is exempt.

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

See Appendix for additional information from Texas Comptroller's Office.

## State Regulatory Information

The Booster Clubs with the exemption are entitled to two (2) “one-day, tax-free” sales or auctions per calendar year. A fundraiser 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 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.

All catalog fund-raisers are considered taxable, and **CANNOT** be considered as one of your two (2) “one-day, tax-free” sales per calendar year. Your booster club is considered an agent of the vendor and, therefore, must collect sales tax for items sold that are taxable.

If you plan to hold a catalog fundraiser, tax must be collected for those items in the fundraiser that are taxable. For instance, gift wrap is taxable, but cookie dough is exempt from sales tax by law. The vendor should remit the applicable sales tax to the Texas Comptroller’s Office.

## Reporting Requirements

The Texas 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 Comptroller’s Office. The amount of anticipated sales tax payments affects the frequency of reporting. The sales tax reports may be due monthly, quarterly, or annually. Some Booster Clubs have reports due on a seasonal basis (semi-annually). This reporting frequency is no longer available for new Booster Clubs.

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

## Franchise Tax

Every profit and nonprofit corporation in Texas must file all franchise tax reports and public information reports with appropriate payment until the Comptroller’s office has granted tax exemption. Failure to do

## State Regulatory Information

so will cause the loss of corporate privileges as well as the forfeiture of charter by the Texas Secretary of State.

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 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 apply for exemption with the Texas Comptroller's Office based on the federal exempt status.

For additional franchise tax information, go to the Texas Comptroller's Office website at [www.window.state.tx.us](http://www.window.state.tx.us), under Franchise Tax.

### Change in Address

If the mailing address for the Booster Club changes, immediately notify the Texas Comptroller's Office. Failure to do so may result in important correspondence being lost. To avoid frequent mailing address changes, the Texas 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?

#### Texas Comptroller's Office

Austin Office

Exempt Organizations Department

1-800-252-5555 (toll-free)

1-800-531-5441 ext. 34142

## State Regulatory Information

### Website addresses

Texas Comptroller's Office [www.window.state.tx.us](http://www.window.state.tx.us)

Sales Tax Information [www.window.state.tx.us/taxinfo/exempt](http://www.window.state.tx.us/taxinfo/exempt)

Exempt Organizations [www.window.state.tx.us/taxinfo/exempt](http://www.window.state.tx.us/taxinfo/exempt)

## 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:	Page
Obtaining an Employer Identification Number .....	5.18
Why Do I Want To Be Tax-Exempt?.....	5.19
Why Do I Want To Be a Public 501(c)(3)?.....	5.20
Becoming a Public 501(c)(3) Tax-Exempt Organization.....	5.21
Applying for Public 501(c)(3) Tax-Exempt Status.....	5.21
Filing Requirements for Tax-Exempt Organizations.....	5.23
Change in Address.....	5.24
Further Questions?.....	5.25

For more details, see Life Cycle of a Public Charity on the IRS website at [www.irs.gov/charities](http://www.irs.gov/charities).



## Federal Regulatory Information

### Obtaining an Employer Identification Number

Every organization must have an employer identification number, even if it will not have employees. The employer identification number is a unique number that identifies the organization to the Internal Revenue Service.

Since Booster Clubs are separate entities from the District, **Booster Clubs cannot 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.**

Booster Clubs may obtain an EIN by:

1. Applying Online: Once the application is completed, the information is validated during the online session, and an EIN is issued immediately.
2. Applying by Phone: Call Business & Specialty Tax Line at (800) 829-4933. The EIN will be issued to the individual over the telephone.
3. Applying by Fax: Fax the completed [Form SS-4](#) application to (859) 669-5760. A fax will be sent back with the EIN within four (4) business days.
4. Applying by Mail: Mail the completed Form SS-4 to:

IRS  
Attn. EIN Operation  
Philadelphia, PA 19255

The processing timeframe for an EIN application received by mail is four weeks.

**Note: No fee is required for obtaining an EIN.**

## Federal Regulatory Information

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. You may also want to have the Secretary keep a backup copy of these documents in some type of digital archive.

### 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, and
- 2 Contributions to certain tax-exempt organizations [501(c)(3)] are tax-deductible by the contributor.

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 Coach/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.**

## Federal Regulatory Information

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 Fundraising 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 Fundraising activities. A Booster Club cannot require its members or the students in the related student group to participate in a fundraiser. Furthermore, members of the student group who do not participate in Fundraising activities would receive the same opportunity to benefit as those members of the student group who participated. The members or students cannot be penalized in any way for not participating in a fundraiser.
- .. **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 fundraiser.

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 fundraiser 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 -  $\$20$  fundraiser 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.)*

## Federal Regulatory Information

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.

**All Booster Clubs must obtain 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

**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.

## Federal Regulatory Information

**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, Fundraising 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 15<sup>th</sup> day of the 5<sup>th</sup> 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 June 30. 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.

**Read "Top Ten Reasons for Delays in Processing Exempt Organization Applications" in the Appendix before you submit your application!!**

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

## Federal Regulatory Information

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 District's Accounting Director when each is received.**

**Examples of an Acknowledgment of Your Request and a Determination Letter  
have been included in the Appendix.**

### Filing Requirements for Tax-Exempt Organizations

Annually, each Booster Club must file an exempt organization information return Form 990-N, 990-EZ, or 990, *Return of Organization Exempt from Income Tax*. **The return is due by the 15<sup>th</sup> day of the 5<sup>th</sup> month after the close of your tax year.** For example, if your tax year ended on June 30, 2011, the Form 990 is due November 15, 2011.

According to the IRS, small tax-exempt organizations, such as small Booster Clubs, are required to file an annual electronic notice Form 990-N (*e-Postcard*). The e-Postcard is required to be filed on-line. **The e-Postcard is due every year by the 15th day of the 5th month after the close of your tax year. You cannot file the e-Postcard until after your tax year ends.**

Whether your Booster Club has filed for exemption status with the IRS, file the appropriate 990 form as required by exempt organizations.

## Federal Regulatory Information

### For the fiscal year ends in 2011:

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

1. Gross receipts are \$25,000 or less.

#### Booster Clubs must use Form 990-EZ if:

1. Gross receipts are more than \$25,000 but less than \$500,000 **AND**
2. Total assets are less than \$1,250,000 at year-end.

#### Booster Clubs must use Form 990 if:

1. Gross receipts are \$500,000 or more
2. Total assets are \$1,250,000 or more at year-end.

### For the fiscal year ends in 2012 and later:

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

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

#### Booster Clubs must use Form 990-EZ if:

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

#### Booster Clubs must use Form 990 if:

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

### Change in Address

If your address has changed, you need to notify the IRS to ensure you receive any IRS refund or correspondence. To change your address with the IRS, you may complete a Form 8822, *Address Change Request*, and send it to the address shown on the form.

## Federal Regulatory Information

### 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](http://www.irs.gov)

Additional information downloaded from the IRS' website is included in the Appendix.



# Taking Care of Business



## Included in this section:

- **Taking Care of Business Overview**
- **Booster Club Information Sheet Financial**
- **Report Information & Formats Review**
- **Report Information & Formats**

## **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 Report due to the Coach/Sponsor, the Principal, and the Accounting Director by September 15, of each year.

This section includes information that must be turned in to pertinent District personnel including the Booster Club Information Sheet that must be submitted each year and as Officers change. In addition, this section will also guide you in preparing the Financial Report and related Review Report.

Most of the reporting requirements of a Booster Club are dependent on the financial records kept as discussed in the Day-to-Day Responsibility section; 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., Fundraiser Chairperson – Catalog Sales), the Treasurer is ultimately responsible for assuring that all financial records are maintained accurately for the Booster Club.

## Booster Club Information Sheet

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**Send an updated copy of this form to the applicable governing Director and to your School Principal as new officers are elected or as information changes.**

1. Official Booster Club Name: \_\_\_\_\_

2. School Name: \_\_\_\_\_

3. Coach/Sponsor's Name: \_\_\_\_\_

4. Employer Identification Number (EIN): \_\_\_\_\_

5. Official Mailing Address:

PO Box / Street Address: \_\_\_\_\_

City, State & Zip Code: \_\_\_\_\_

6. Date of Change: \_\_\_\_\_

7. Current Booster Club Officers for the \_\_\_\_\_ School Year

Office Held:			
Printed Name:			
Mailing Address:			
Phone Numbers:	Hm:	Wk:	Cell:
E-mail Address:			

Office Held:			
Printed Name:			
Mailing Address:			
Phone Numbers:	Hm:	Wk:	Cell:
E-mail Address:			



*By law, information on this page is public information and must be released to the public at such requests.*

## Booster Club Information Sheet

**Send an updated copy of this form to the applicable governing Director and to your School Principal as new officers are elected or as information changes.**

### 7. Current Booster Club Officers (Continued)

Office Held:			
Printed Name:			
Mailing Address:			
Phone Numbers:	Hm:	Wk:	Cell:
E-mail Address:			

Office Held:			
Printed Name:			
Mailing Address:			
Phone Numbers:	Hm:	Wk:	Cell:
E-mail Address:			

Office Held:			
Printed Name:			
Mailing Address:			
Phone Numbers:	Hm:	Wk:	Cell:
E-mail Address:			

★ *By law, information on this page is public information and must be released to the public at such requests.* ★

## Booster Club Information Sheet

**Send an updated copy of this form to the applicable governing Director and to your School Principal as new officers are elected or as information changes.**

### 7. Current Booster Club Officers (Continued)

Office Held:			
Printed Name:			
Mailing Address:			
Phone Numbers:	Hm:	Wk:	Cell:
E-mail Address:			

Office Held:			
Printed Name:			
Mailing Address:			
Phone Numbers:	Hm:	Wk:	Cell:
E-mail Address:			

Office Held:			
Printed Name:			
Mailing Address:			
Phone Numbers:	Hm:	Wk:	Cell:
E-mail Address:			



*By law, information on this page is public information and must be released to the public at such requests.*

## 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 Coach/Sponsor, the School Principal, and the Accounting Director by September 15, of the following year. The Financial Report and Review Report are not audited by the District.

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.
- Foot all column totals of the Financial Report for accuracy.
- 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.*

**The Financial Report and the Review Report must be presented at a Booster Club meeting that includes its general membership by October 31 of each year.**

**Financial Report Information & Formats**

**XYZ High School Spirit Booster Club  
CASH BASIS FINANCIAL REPORT  
From July 1, 2009 through June 30, 2010**

Beginning Cash Balance as of July 1, 2009 \$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	

\$28,262.84

Net Income (Loss) for Current Year \$2,848.91

**Ending Cash Balance as of June 30, 2010 \$8,084.37**

**Cash Basis Financial Report prepared by:**

Printed Name	Title
Signature	/ / Date

**Financial Report Information & Formats**

*Type 2*  
*Page 1 of 2*

**XYZ High School Spirit Booster Club  
BALANCE SHEET As of June 30, 2010**

**ASSETS**

BankOne Checking Account	\$2,154.25
BankOne Savings Account	\$5,112.77
Accounts Receivable	\$3,458.00
Prepaid Storage Rent	<u>\$ 300.00</u>

**TOTAL ASSETS** **\$11,025.02**

**LIABILITIES & EQUITY**

Liabilities

Accounts Payable	\$3,524.75
Deferred Membership Income	\$ 500.00
Scholarship Payable	<u>\$1,000.00</u>

Total Liabilities \$ 5,024.75

Equity

Retained Earnings	\$1,135.12
Net Income (Loss) From Current Year	<u>\$4,865.15</u>

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, 2009 through June 30, 2010**

**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	\$ 770.00

Total Expenses \$ 9,372.03

**Net Income (Loss) For Current Year \$ 4,865.15**

## Review 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 and club members; however, the committee should have at least one non-officer member review the information. A CPA or other outside party may perform an external review at the Club's expense. The organizational review committee, whether internal or external, must prepare a written Review 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 Coach/Sponsor, Coach/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.

An internal Review Committee should use the examples of Review 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 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).

**The Review Report along with the Financial Report should be submitted to the Coach/Sponsor, the School Principal, and the Accounting Director by September 15 of each year.**

## Review Report Information & Formats

### 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 twelve months after the ending date of the previous year's Financial Report.
- 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 an accrual basis financial report, then the beginning retained earnings should equal the prior year's ending retained earnings balance plus/(minus) net income/(loss) for the current year.
- Foot all column totals of the Financial Report for accuracy.
- 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. **In addition, a District employee cannot be the Treasurer or an authorized signer on the Booster Club's bank account(s). A District substitute or temporary worker may be a Treasurer or an authorized signer on the Booster Club's bank account(s) with proper written approval. (See Authorization for Signer on PTO & Booster Club Bank Accounts in the Appendix.)**
- Determine that the coaches and directors of UIL academics, athletics, and fine arts were not given more than \$500 in money, product(s), or service(s) in recognition for coaching, directing, or Coach/Sponsoring UIL activities during a calendar year.

## Review Report Information & Formats

- Obtain proof that all applicable sales tax reports were submitted to the Texas Comptroller's Office and that the related taxes were paid.
- Determine which two fundraisers were chosen to be the "one-day, tax-free" sales/auctions, if applicable. **Only Booster Clubs that have received an exemption from the Texas 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 organizations or other tax-exempt status by contacting the IRS.
- Determine that
  - (1) Form 990 has been filed properly with the IRS for the prior school year if the Club had \$200,000 or more in gross revenues, or
  - (2) Form 990-EZ has been filed properly with the IRS for the prior school year if the booster club had more than \$50,000 or more in gross revenues, or
  - (3) Form 990-N (e-Postcard) has been filed properly with the IRS for the prior school year if the Club had 50,000 or less in gross revenues.
- Determine that the 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 2010-11 school year for a \$300 fee. The consultant is hired again in the Fall of 2011-12 school year for a \$300 fee. The Booster Club should issue a 1099-MISC form to this person since the total paid within the 2011 calendar year is \$600.

## Review Report Information & Formats

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

<b>Option A</b>	No Exceptions (i.e., errors, irregularities)	Financial Report appears proper and correct
<b>Option B</b>	Immaterial Exceptions	Financial Report appears proper and correct, except for some immaterial exceptions
<b>Option C</b>	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.
- The Review Report includes reviewer's name, title, and signature and the period stated in the report, agrees with the period covered in the Financial Report.
- Retain the **original** written Booster Club Financial Report and the **original** Booster Club Review Report on file with the Treasurer of the Booster Club.
- Submit a **copy** of your Booster Club Financial Report along with the Review Report to the Coach/Sponsor, the School Principal, and the Director of General Administration.

6.12

**The Financial Report and the Review Report must be presented at a Booster Club Meeting that includes its general membership by October 31 of each year.**

**Review Report Information & Formats**

*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".*



**Review Report Information & Formats**

*Option B*  
*Page 1 of 1*

(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 bylaws. The check only contained 1 authorized signature.
- The Program Ad Expense account contains three 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	____/____/____
Printed Name	Officer Title/Member	Signature	____/____/____
Printed Name	Officer Title/Member	Signature	____/____/____

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

## Review Report Information & Formats

*Option C*  
*Page 1 of 2*

(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 bylaws.
- 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 fundraisers, a record should be kept of the sales and the money deposited.

**Review Report Information & Formats**

*Option C*  
*Page 2 of 2*

(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**

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



**Included in this section:**

**Day-to-Day Responsibilities Overview**

**Various Subject Areas concerning Day-to-Day Responsibilities**

## Day-to-Day Responsibilities Overview

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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. In addressing day-to-day issues, remember the responsibilities of the Booster Club and the pertinent District employees

Booster Clubs support a particular student group or program through a Coach/Sponsor. The Coach/Sponsor is a District employee who serves as the liaison between the Booster Club and the District. In addition, the pertinent Principal and the Athletic Director must approve various activities of the student group and the related Booster Club. The main responsibilities of a Booster Club, a Coach/Sponsor, and a Principal or Administrator are indicated below:

**Booster Club** -A Booster Club is responsible for supporting a student group, activity, or program. Support may be as simple as providing refreshments for a particular event or support may be as complex as raising money for an out-of-state competition. The Booster Club works through the Coach/Sponsor to provide assistance for the planned activities of the student group; however, the Booster Club does not have the authority to decide the activities or trips in which the student group will participate. The parents and the Booster Club may provide suggestions about particular activities; however, the Coach/Sponsor is responsible for the final decision with the Principal's or Athletic Director's approval.

**Coach/Sponsor / Liaison** - A designated Coach/Sponsor of a student group serves as the liaison between the Booster Club and the District, under the supervision of the Principal or Administrator. The Coach/Sponsor is responsible for determining the various activities and trips in which the student group will participate with the approval of the Principal or Administrator. In addition, the Coach/Sponsor should work very closely with the Booster Club and provide guidance to the organization. The Coach/Sponsor should not be considered an officer or member of the Booster Club. However, the Coach/Sponsor shall approve all student / school-related activities of the Booster Club in accordance with Board Policy GE (Local).

**Administration** - The Principal and Athletic Director are responsible for approving the activities of the student group and every activity of the related 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 fundraiser income and expenses,
- Analyzing the outcome of each fundraiser 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.

## Day-to-Day Responsibilities

These topics are covered alphabetically as follows:

1. Accounting Procedures
2. Bank Accounts
3. Carry-Over Balances
4. Charitable Donations
  - a. Scholarships
  - b. Project Graduation
5. Contributions / Donations
  - a. Received
  - b. Quid Pro Quo Contributions Received
  - c. Given
6. Financial Aid Guidelines
7. Fundraisers
  - a. Board Policy
  - b. IRS Regulations
  - c. Accounting for a Fundraiser
  - d. Analysis of a Fundraiser
  - e. Use of Funds Raised
8. Fundraising for Individuals or Families
9. Insurance
10. Mailing Address
11. Members
  - a. Criminal Background Check
12. Membership Dues
13. Money Handling Procedures
  - a. Receiving Money
  - b. Recording and Depositing Money
  - c. Disbursing Money
  - d. Safeguarding Money
14. Paying and Reporting Workers (District Employees or Others)
15. Raffles
16. Record Retention
17. Sales Tax

## Day-to-Day Responsibilities

18. Student Fines and Fees
19. Treasurer's Report

## Accounting Procedures

- Booster Clubs should include written instructions on the recording of accounting transactions in their bylaws, 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 District where the student group is located. The school District 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 Coach/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 and donates the goods/equipment back to the program for their intended use. 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.

## Activity Form

Description: Required for **all** non-monetary activities performed by the Booster Club/Organization, excluding fundraisers and donations. Forms can be found online through the MISD website by following the athletics link and then the booster clubs link.

Examples: Banquets, Meetings, Team Dinners, etc.

Requestor: Booster Club rep OR Coach/Sponsor

## **Day-to-Day Responsibilities**

### **Bank Accounts**

- Bank account(s) should be reconciled monthly.
- Co-mingling of funds is not allowed, nor are two bank accounts. There should be ONE

### **A District employee cannot be the Treasurer or an authorized signer on the Booster Club's bank account(s).**

- 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.

### **Carry-Over Balances**

- No rule or regulation exists concerning the amount of funds that a booster club can have in their account. The Booster Club should have a minimum amount that would be carried over to the new officers so that they have some money to start the new year.
- The Booster Club should spend the funds raised during the year on the students that participated in raising the funds. The Booster Club may save the money raised over a couple years for a large item or trip. Be sure to inform the membership of why an excess in funds exist. Explain how the funds will be used.

### **Charitable Donations**

#### **A) SCHOLARSHIPS**

- The District allows booster clubs to implement scholarship programs if their general membership votes and agrees to do so.

The following criteria must be met:

- All qualifying seniors must have the opportunity to apply for the scholarship(s).
- The application process must be clearly communicated, and the application forms must be readily available to all potential applicants and their parent and/or guardian.
- The qualification criteria for selection of scholarship winners (if any) must be communicated in writing to all potential applicants before the evaluation of applications commences and may not be changed during the scholarship award period. Any changes to the scholarship qualification criteria must be recommended by the sponsor and voted on by the booster club membership no later than the May booster club meeting for changes effective in the upcoming academic year.



- Scholarship applicants shall be full-time MISD senior students for a minimum of one full semester prior to the application deadline.
- Scholarship awards may not be “need” based, but athletes who have received full scholarships from their college of choice are not eligible to receive local scholarships.
- The applicant’s enrollment in an accredited institution (college, university, trade school, military academy, etc.) is a requirement for receiving scholarship funds. Disbursement checks including scholarship funds shall be made payable to the college/university in the student’s name. Support for disbursement of funds shall include an invoice from the college/university.
- The Booster Club may or may not require interviews of applicants in the decision process. If an interview is part of the process, it must be communicated no later than the end of the first grading period of the academic year. The applicant's parent or guardian must be permitted to be present at any interview. Interview topics must be communicated to the applicant not less than seventy-two hours prior to the interview.

## **B) PROJECT GRADUATION**

It is within McKinney ISD policy to allow booster clubs to donate to the local MISD Project Graduation as this benefits MISD students and is a proper use of raised funds.

## **C) OTHER CHARITABLE CAUSES**

According to UIL rules, all funds raised by booster clubs 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.

### **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.**

## Day-to-Day Responsibilities

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. However, the District needs to keep a record of the donation. The donation form should be submitted reporting the donation to the District for Title IX compliance purposes.

### c) **Given / Gift Acceptance Request / Donation Form**

When the Booster Club contributes directly to the student group, the Club should fill out an online Gift Acceptance Request form to report the donation to the District.

***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 Contribution Acknowledgment Form.*

A copy of the Gift Acceptance Request 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.

### d) **FOOD DONATIONS / Gift Acceptance Request Form**

Once the season has been completed, the District requires the Booster club to turn in ONE GIFT ACCEPTANCE REQUEST FORM for any monies used toward food for the students throughout the duration of the season.

## Day-to-Day Responsibilities

### 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 Coach/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.

**An example of Financial Aid Guidelines is included in the Appendix.**

### Fundraisers

SEE DISTRICT GUIDELINES. Before any Fundraising activity occurs, Booster Clubs should decide whether a fundraiser is a Booster Club fundraiser (money is deposited directly into the *Booster Club's* bank account) **or** whether it is a school fundraiser (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 all money collected and deposited from the fundraiser. Likewise, if the activity is a school fundraiser, the school is responsible for all money collected and deposited from the fundraiser.

#### **a) Guidelines and Policies**

- Board Policy GE (Local) discusses Fundraising regulations.
- Booster Clubs should carefully consider limiting the number of major Fundraising activities involving students. **All such activities require the approval of the Coach/Sponsor, School Principal and Athletic Director.** For the fundraisers planned for the current school year, submit the Permission Request (first 2 pages) of the Fundraising Activity Report to your Coach/Sponsor at least 30 days prior to the scheduled start of the fundraiser. Your Coach/Sponsor will then submit the Permission Request to the Principal (or designee) for approval

## Day-to-Day Responsibilities

- Booster Club should submit the following information to the designated faculty Coach/Sponsor **at least 30 days prior to the event**, if not already provided on the Permission Request:
  - 1 Purpose of the fundraiser,
  - 2 Type of Fundraising activity (i.e., candy sale, carnival),
  - 3 Date(s), time(s) and place(s) of the activity,
  - 4 Name of the Coach/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 fundraiser, and
  - 7 Name and phone number of the person(s) who will be handling the money for the fundraiser

## b) IRS Regulations

- The IRS prohibits tax-exempt organizations from **requiring** people to participate in fundraisers. Likewise, Booster Clubs **may not** require an amount be “donated” in lieu of participating in a fundraiser. People **may choose** whether or not to participate in a fundraiser 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 fundraiser and cannot be penalized in any way for choosing not to participate in the fundraiser.

Furthermore, benefits given by a tax-exempt organization **cannot** be based on participation in a fundraiser or based on revenues raised individually. Therefore, regardless if a person participates in a fundraiser and regardless of the amount of revenue raised, that person cannot be denied the opportunity to receive an equal benefit.

## Day-to-Day Responsibilities

***Example:** High Spirit Booster Club is having a car wash fundraiser 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 fundraiser is \$1,000.*

*Of the 20 people participating in the trip, only 10 people participate in the fundraiser 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 the individual from the revenues raised.**

### c) Accounting for a Fundraiser

Within a week of the projected end date of the fundraiser, complete the Operating Report of the Fundraising Activity Report and the applicable attachment. Submit the Operating Report and applicable attachment to the Treasurer. The Treasurer should verify the information provided on the forms.

### d) Analysis of Fundraiser

Booster Clubs should use the Fundraising Activity Report to determine the anticipated amount to be raised by a fundraiser and then to determine if the fundraiser was a success or failure. This type of analysis will help a Booster Club decide whether or not to repeat a particular fundraiser. (*See the Appendix.*)

### e) Use of Funds Raised

According to the Internal Revenue Service (IRS), review your application for recognition of exemption (Form 1023) to determine how funds raised or contributions received by a booster club may be used. This document indicates how the organization had intended to use the funds and the IRS granted the organization their public 501(c)(3) tax-exempt

## **Day-to-Day Responsibilities**

status based on this information. Funds may be used for those purposes indicated in the Form 1023 document.

If funds are used for purposes **not** indicated in the Form 1023 document, the IRS may question whether the organization should continue as a public 501(c)(3) organization.

**The District recommends contacting the IRS before expending the funds if a question exists as to whether it falls under the use of funds approved by the IRS.**

Because the application for recognition of exemption may be written differently from one booster club to another, one booster club may expend funds for certain items; whereas, another booster club may **not** be able to expend funds for the same items.

The funds raised or donations received by the Booster Club may not be used for the following purposes:

1. Gifts to Principals
2. Gifts to Teachers / Coach/Sponsors
3. End of Year Gifts to Executive Board
4. Alcoholic Drinks

Please note that amounts expended for Booster Club Officers are under stricter guidelines than other members of the Booster Club.

## **Fundraisers for Individuals or Families**

Many heartbreaking events happen in the lives of our students, District staff, and their families. These events may range from death or injuries in tragic accidents, to major illnesses or fires. Most of us want to help these individuals or families. Raising funds for these situations must be done by the family setting up a special account at a bank or credit union. Donations can be made by individuals or businesses by sending checks to the bank or credit union for the particular individual or family. These contributions are **not** tax deductible for income tax purposes.

Even though we want to assist individuals and families in times of need, schools and the District cannot hold fundraisers for these individuals and families.

## **Insurance**

The Booster Club should consider purchasing general liability insurance to protect the Booster Club in case of accidents or injuries. If general liability insurance is not purchased, the Booster Club should consider purchasing event insurance when holding a carnival or other similar event.

## Day-to-Day Responsibilities

### Mailing Address

If the mailing address for the Booster Club changes, immediately notify the District, the Texas Secretary of State, the Texas Comptroller's Office, and the IRS. To avoid frequent mailing address changes, the IRS and the Texas 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 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 tax-exemption with the State of Texas and possibly face fines and penalties.

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

**IRS Form 8822 for reporting change of address is available on the IRS website,  
[www.irs.gov](http://www.irs.gov) under Forms and Publications.**

### Members

Active members should include those individuals that are parents or guardians of a student active in the Coach/Sponsored program and that are current in their dues. Only active members should have the ability to vote or hold an office. Other individuals may volunteer for the Booster Club, but cannot vote or hold an office. "Members" should be defined in the Booster Club's bylaws. All members with direct contact with MISD athletes need to have a valid Criminal Background check on file. The forms can be found at [www.mckinneyisd.net](http://www.mckinneyisd.net)

### 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 Coach/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.

## Day-to-Day Responsibilities

### 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.

#### 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.**

- 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.

#### 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.



## Day-to-Day Responsibilities

### 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 "Coach/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 "Coach/Sponsor," keep detailed documentation of the expense or use of the funds.

### Paying and Reporting of Workers (District Employees or Others)

Any individual including a District employee who is hired by the Booster Club must be paid directly by the Booster Club and not through the District. There are many technical and legal issues that arise if they are paid by the District. These issues include overtime pay; use of weighted average hourly rates; payment of TRS, taxes, and other benefits; and the advancing of district funds that is prohibited by law.

In some situations, Booster Clubs that hold events at district facilities may be charged for staff that must be on hand for the event or to clean up after an event. The pay appropriately is done through the District through the facilities use charges. These employees are doing work for the District and not the Booster Club.

Remember that federal law requires that a Booster Club paying \$600 or more to an individual during any calendar year must account for this income through the issuance of a 1099 form. This includes an individual who is paid \$600 or more for "cultural arts events." The Booster Club will need to get social security numbers from all workers. This can be done by having them complete a W-9 form. It is best to have the W-9 completed before paying the worker.

Also remember that the Booster Club is responsible for its volunteers and employees during Booster Club events or activities, including injury or theft.

## **Day-to-Day Responsibilities**

Certain district employees cannot be hired by a Booster Club to perform work that includes the handling of money. These positions include Principals, Financial Secretaries, Principal Secretaries, and Booster Club Coach/Sponsors.

### **Raffles**

By State law, schools and the District are not allowed to hold raffles. Booster Clubs may hold raffles if the requirements from the Texas Attorney General's office are followed. According to the District's Fundraiser Guidelines, raffle tickets **may not** be sold on any District school campuses and **may not** be sold at the stadiums.

*The following information was downloaded from the Texas Attorney General's website at [www.oag.state.tx.us/consumer/raffle.shtml](http://www.oag.state.tx.us/consumer/raffle.shtml).*

#### **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.

## Day-to-Day Responsibilities

### What is a "qualified organization"?

In general, a qualified organization is:

- a) A nonprofit association organized primarily for religious purposes that has been in existence in Texas for at least 10 years;
- b) A nonprofit volunteer emergency medical service that does not pay its members other than nominal compensation;
- c) A nonprofit volunteer fire department that operates firefighting equipment, provides firefighting services, 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 of the organization holding the raffle, address of the organization or of a named officer of the organization, the price of the ticket, a general description of each prize to be awarded that has a value of over \$10, and the date the raffle prizes will be awarded.**
- A prize may not be money.

## Day-to-Day Responsibilities

- 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 Chapter 2002, Charitable Raffles, Occupations Code, Texas Codes 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	512-463-2185
Dallas	214-969-5310
El Paso	915-834-5800
Houston	713-223-5886
Lubbock	806-747-5238
McAllen	956-682-4547
San Antonio	210-225-4191

## **Day-to-Day Responsibilities**

All consumer complaints must be made in writing. Please call or write for a complaint form. Write to:

Office of the Attorney General  
P.O. Box 12548  
Austin, Texas 78711-2548

Complaint forms and additional information can also be found in the Consumer Protection section of our website, at [www.oag.state.tx.us](http://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
- Bylaws/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

## Day-to-Day Responsibilities

- Determination Letter
- Copy of IRS Form 8734, Support Schedule for Advance Ruling Period
- IRS's notice granting a permanent exempt status to the organization, if applicable

For non-permanent records, the Texas 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 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 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 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, Form 990-EZ, or Form 990-N) 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. 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 contributions received by a Booster Club from individuals or businesses
- Financial Aid Guidelines

#### State Records

- Sales Tax Forms Filed
- Copy of correspondence with the Texas Secretary of State and the Texas Comptroller's Office

## Day-to-Day Responsibilities

### Federal Records

- Copy of IRS Forms 990, 990-EZ, or 990-N filed
- Copy of correspondence with the IRS

**Before discarding any records, confirm with the Texas Comptroller's Office and the IRS that your organization is in good-standing and that no open items or issues exist related to the 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 tax returns, you must provide complete copies of the material.**

**You may charge a nominal fee for copying, not to exceed the current governmental rate of \$.20 per page plus postage.**

## Sales Tax

**Excluding the two “one-day, tax-free” days, ALL FUNDRAISERS SHOULD INCLUDE SALES TAX.**

For fundraisers in which sales tax must be collected, the Booster Club can sell items at a certain price plus sales tax or sales tax may be included in the price. Including sales tax in the price and having the price an even amount such as \$10.00 or \$10.50 is an easy method to use; however, you need to be careful to avoid paying sales tax on sales tax.

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

TOTAL SALES AMOUNT DIVIDED BY (1.0 + TAX RATE)  
= SALES AMOUNT EXCLUDING TAX

EXAMPLE:

Total sales are \$1,000 including tax. Tax rate is 7 ¼ % or .0725.

$$\$1,000 \div 1.0725 = \$932.40 \text{ Taxable Sales}$$

$$\$932.40 \times .0725 = \$67.60 \text{ Sales Tax}$$

$$\$932.40 + \$67.60 = \$1,000.00 \text{ Gross Amount Collected}$$

## **Day-to-Day Responsibilities**

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

## **Student Fines and Fees List**

Booster Clubs may have students or parents who do not submit money for fundraisers 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 fundraiser 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.*

## **Treasurer's Report**

At each Booster Club meeting that includes its general membership, the Treasurer must present a written Treasurer's report of the money received and expended since the last report.



# FUNDRAISING GUIDELINES

## BOOSTER CLUBS

Booster Clubs—Booster clubs must clear their fundraisers with the campus administration as well, with **only one** involving students selling. Students/schools cannot sell raffle tickets or chances to win. Clubs should check with laws regarding raffles/501c3.

Booster clubs are permitted 2 major fundraisers per school year and 3 minor fundraisers. Passive ongoing fundraisers such as spirit wear sales and concession stand sales are unlimited.

### **Major Fundraisers - Limit 2/School Year**

(Examples)

**Pledge Drives** - juggle-a-thon, free throw-a-thon, 100-inning game, softball-a-thon, kick-a-thon

**Product Sales** (Limit to a two week period) - candles, cookie dough, coffee, popcorn, school logo mugs, pajamas, flowers, poinsettias, candy, etc.

**Events** - silent auction, casino night, 5k race, golf tournament, beach bash, bazaar, comedy performance

### **Minor Fundraisers - Limit 3/School Year**

(Examples)

Sonic Car Hops

Car Washes

Discount Cards




Restaurant Nights

### **Passive Ongoing (Unlimited)**

**Please refer to the McKinney ISD Booster Club Manual for specific regulations related to Booster Clubs. The manual can be accessed by visiting [www.mckinneyisd.net](http://www.mckinneyisd.net), click on Athletics or Fine Arts, and then click on the menu entitled "Booster Clubs" for Athletics and "Links" for Fine Arts. The forms can also be accessed by clicking on the Quick Links drop-down page on the McKinney ISD homepage.**



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### **Internal Revenue Service (IRS)**

#### ➤ **Helpful Information**

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- Acknowledgement of Your Application D2.2
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- Determination Letter D2.30

# Booster Clubs

**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 00025-1225

**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 McKinney 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	President	1025 Snowlane, Jingle Bells, TX 77359
Fred Frosty	Vice President	8857 Freezing Blvd., Jingle Bells, TX 77359
Sann Tababe	Treasurer	5589 Reindeer Run, Jingle Bells, TX 77358
Ruddy Rednose	Secretary	3978 Manger Way, Jingle Bells, TX 77358

**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 bylaws 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 such as a local government entity or an organization 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 26<sup>th</sup> day of August, 2010.

Joe Soeff	President	_____
Fred Frosty	Vice President	_____
Sann Tababe	Treasurer	_____
Ruddy Rednose	Secretary	_____

FILED  
in the Office of the  
Secretary of State of Texas  
Jan 25 2008  
  
Corporations Section

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

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

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.



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 a local governmental entity, 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 Bylaws.

**ARTICLE EIGHT, REGISTERED OFFICE AND AGENT**

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

<b><u>NAMES</u></b>	<b><u>ADDRESSES</u></b>
Jane Doe	2334 Someplace Road Houston, TX 77777
Katy Smith	557 Imsolost Avenue Katy, TX 77888
Mike Crosoft	100000 Andstillgoing Road Houston, TX 77999

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

**ARTICLE TEN, LMTATION ON LIABLITY 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 Bylaws 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, Houston, TX 79999.

**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 May 31, 2008, 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.

Example

# **YEE-HAW BOOSTER CLUB ASSOCIATION BYLAWS**

**AMENDED: November 28, 2007**

## **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 bylaws, 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. However, to have voting rights in the organization, the parent must have a student that is currently active in the program. Anyone else may be a member, but only as a volunteer without voting rights..

## **ARTICLE IV - OFFICERS AND THEIR ELECTION**

Sec. 1. The Executive Board of this club shall consist of the following officers: President, 1<sup>st</sup> Vice-President, 2<sup>nd</sup> Vice-President, 3<sup>rd</sup> 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 1<sup>st</sup> 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 2<sup>nd</sup> Vice-President shall be responsible for procuring chaperones for all football games, contest trips, or other events which take place.

Sec. 4. The 3<sup>rd</sup> 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 and "Request for Funds" forms 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 3<sup>rd</sup> 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 3<sup>rd</sup> 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 Sponsor, the Principal, and the Director of General Administration by September 15 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.  
Rules of Order.

The Parliamentarian will insure that all meetings are conducted according to Robert's

#### **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  
Father/Daughter Social  
Photo Historian  
Props  
Publicity

Mother/Daughter Luncheon  
Parent Socials  
Sunshine (Thank Yous)  
Costumes/ Sewing  
Telephone

### **Standing Committees (continued)**

Formal  
Spring Show  
Fundraising (i.e.: Car Wash,  
Jazz Camp, Christmas  
Wrap, Candy Sales, etc.)

P.A.C.E.  
Banquet

## **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 bylaws 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.



**BYLAWS  
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 II**

- 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 Houston, 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.

5.2 Membership becomes automatic upon payment of dues. However, to have voting rights in the organization, the parent must have a student that is currently active in the program. Anyone else may be a member, but only as a volunteer without voting rights.

## 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, Houston, TX 77777
Jane Doe	724 Aroad Avenue, Houston, TX 77777
John Black	345 Another Avenue, Houston, TX 77777
Mary Smithe	889 Deadend Road, Houston, TX 77777

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 ex officio 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 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 tome 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 1999, 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 Bylaws 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 Bylaws, the rules contained in Roberts 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 Smithe

# **KICKS & SPLITS PARENT CLUB POLICY GUIDELINE: FINANCIAL AID**

## **DEFINITION**

“Financial Aid” refers to financial support provided to individual Kicks & Splits team members from the Kicks & Splits Parent Club general fund.

## **PURPOSE**

As a member of the Kicks & Splits Dance/Drill Team, students incur expenses throughout the year that are offset by the Parent Club through financial contributions from team members and/or their parents/guardians. The purpose of Financial Aid is to reduce those expenses for individual(s) in a situation of financial hardship.

## **ELIGIBILITY**

Award of Financial Aid is determined by a Committee of the Parent Club Executive Board.

Proof of financial hardship shall be provided in written form (see Procedure section).

Eligibility is based on the income level test used by Cypress-Fairbanks ISD for reduced price lunches.

Eligibility is contingent upon good faith participation by the individual and/or parent(s) in the Club’s fundraising activities.

## **THE COMMITTEE**

The Committee shall consist of the Dance/Drill Team Director, the President(s) and the Treasurer(s).

The Committee is responsible for a good faith determination of financial need while respecting the privacy of the individual(s).

Financial Aid decisions may not be made by a Committee member who is related to a sponsorship candidate; in the event of such a conflict, the related Committee member(s) shall be replaced by other member(s) of the Executive board as selected by the President.

## **PROCEDURE**

Requestors should submit a Financial Aid application (see Sheet 3 of this document).

Individual Kicks & Splits team members or prospective team members, and/or their parent(s), are encouraged to contact the Dance/Drill Director or the Parent Club President or Treasurer to discuss situations of financial hardship. Privacy of the individual shall be fully respected.

## **MECHANISM**

No funds shall be disbursed directly to any individual.

Financial Aid funds shall be used only to reduce or eliminate the individuals' normal financial contribution to the Kicks & Splits Parent Club.

Disbursement of funds shall be an internal accounting transaction in which funds are transferred from the Financial Aid Fund to the Contributions Account on behalf of the individual(s).

Financial Aid funds shall not be used for purchase of personal supplies on behalf of the individual(s).

## **SCOPE**

The total amount of funds available for individual sponsorship in any fiscal year shall be limited to \$1,500.00 or 1% of that year's total planned budget, whichever is the lower.

The maximum amount of sponsorship for any individual in any fiscal year shall be \$500.00.

There is no limit on the number of individuals who may be sponsored in any fiscal year.

## **ADMINISTRATION**

This policy shall be administered uniformly from year to year and shall be applied fairly and equitably to all requestors, without regard to talent or ability in any area (with the exception that the individual must be qualified as a team member according to the Kicks & Splits Constitution).

## **DOCUMENTATION**

A case history file shall be maintained in accordance with IRS regulations for tax-exempt organizations.

Adopted \_\_\_\_\_2010

## KICKS & SPLITS PARENT CLUB FINANCIAL AID APPLICATION FORM

1. If your total household income is the same or less than the amounts on the chart below, your Kicks & Splits Team Member is eligible for consideration of Financial Aid from the Kicks & Splits Parent Club.

<b>INCOME CHART</b>			
<b>Household Size</b>	<b>Annual</b>	<b>Monthly</b>	<b>Weekly</b>
2	26,955	2,247	519
3	33,874	2,823	652
4	40,793	3,400	785
5	47,712	3,976	918
6	54,631	4,553	1,051
For each additional member add	+\$6,919	+\$577	+\$134

\* Based on the 2010-11 income levels for District students to receive reduced price lunches.

**2. Required Information:**

Name of Kicks & Splits Team Member: \_\_\_\_\_

<b>HOUSEHOLD MEMBERS AND MONTHLY INCOME</b>				
<b>NAME</b>	<b>Gross Monthly Earnings</b>	<b>Monthly Income from Welfare, Child Support, Alimony</b>	<b>Monthly Income from Pensions, Retirement, Social Security</b>	<b>Any Other Monthly Income</b>

Signature of Adult Household Member: \_\_\_\_\_

Printed name: \_\_\_\_\_

Address : \_\_\_\_\_

Date: \_\_\_\_/\_\_\_\_/\_\_\_\_

3. **Notes:** Award of Financial Aid is subject to availability of Kicks & Splits Parent Club funds and is subject to the provisions contained in the Kicks & Splits Parent Club's Financial Aid Policy Guideline.

# Go Team Go Booster Club

PO Box 9622  
Houston, TX 00003

June 22, 2011

Silver Bank  
6577 Mining Road  
Tarnished, TX 66978

Re: Account #552113  
Go Team Go Booster Club, EIN: 76-9999999

To Whom It May Concern:

On June 30, 2011, the executive board of Go Team Go Booster Club will resign to coincide with the end of the fiscal year. On July 1, 2011, 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, 2011:

- Remove the following people from the list of authorized signers on the account:

\_\_\_\_\_  
Mickey Mouse, Vice-President  
251-553-7588

\_\_\_\_\_  
Donald Duck, Treasurer  
251-552-1255

\_\_\_\_\_  
Peter Pan, President  
251-552-7755

- Authorize the following three people as signers on the account:

Snow White, President 251-459-6633 \_\_\_\_\_

Minnie Mouse, Vice-President 251-552-5570 \_\_\_\_\_

Daffy Duck, 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 9622  
Houston, TX 00003

June 22, 2008

Exempt Organizations  
PO Box 13528  
Austin, TX 78711-3528

Re: Go Team Go Booster Club  
EIN: 76-9999999

To Whom It May Concern:

On June 30, 2008, the executive board of Go Team Go Booster Club will resign to coincide with the end of the fiscal year. On July 1, 2008, 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.

Sincerely,

---

Mickey Mouse  
Assistant Treasurer  
251-553-7588

Donald Duck  
Treasurer  
251-552-1255

Peter Pan  
President  
251-552-7755

(Attach a list of the new officers including their name and address.)

# Go Team Go Booster Club

PO Box 9622  
Houston, TX 00003

June 22, 2008

Internal Revenue Service  
TE/GE Room 4010  
PO Box 2508  
Cincinnati, OH 45201-2508

Re: Go Team Go Booster Club  
EIN: 76-9999999

To Whom It May Concern:

On June 30, 2008, the executive board of Go Team Go Booster Club will resign to coincide with the end of the fiscal year. On July 1, 2008, 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  
Assistant Treasurer  
251-553-7588

Donald Duck  
Treasurer  
251-552-1255

Peter Pan  
President  
251-552-7755

(Attach a list of the new officers including their name and address.)

From the District...

Home Page - Windows Internet Explorer

https://forms.mckinneyisd.net/athletics/Activity.aspx

File Edit View Favorites Tools Help

Home Page

Home Form Descriptions Approve

MCKINNEY ISD  
BOOSTER CLUB ACTIVITY  
APPROVAL FORM

Required fields are indicated by \*

Today's Date: 4/23/2013

\*Name of Booster Club: Girls Basketball \*Campus: McKinney North High School \*Sport: Girls Basketball

\*Booster Club Contact Person: Kelly Connor \*Booster Club Contact Email: boosterpresident@yahoo.com

Name of MISD contact person (Coach or Sponsor): Michael Oldham

\*Type of Activity: Monthly Officers Meeting \*Date of Event: May 15th, 2013

\*Event Coordinator: Kelly Connor \*Phone Number: 214-123-4567

\*Location of Event: North - G119 \*Purpose of Event: Plan summer/fall activities

Submit

Coach/Sponsor's Signature of Approval (Michael Oldham ) Date Approved

Campus Administrator's Signature of Approval (Principal/Campus Coordinator) (Jimmy Spann ) Date Approved

Done

Start NAL Inbox - Microsoft Outlook Munis App Center - MCKI... Account Inquiry - Munis [...] Vendor Inquiry - Munis [...] Home Page - Window... 11:16 AM

**This is an activity form. It is to be submitted for team dinners, meetings, etc.**

https://forms.mckinneyisd.net/athletics/gift.aspx - Windows Internet Explorer

https://forms.mckinneyisd.net/athletics/gift.aspx

File Edit View Favorites Tools Help

McKinney Independent Sch... Free Hotmail Web Site Gallery

https://forms.mckinneyisd.net/athletics/gift.aspx

Home Form Descriptions Approve

McKinney Independent School District  
Gift Acceptance Request Form

Required fields are indicated by \*

Today's Date: 4/23/2013

\*Campus: McKinney North High School \*Sport: Girls Basketball

\*Contact Email: boosterpresident@yahoo.com

Donor Information:  
\*Name: Kohl's Department Store  
\*Address: Central Expressway, McKinney

Donation Information  
Money (Amount): 500.00 To be used for: General Supplies  
Account Code to be spent from:

Supplies/Equipment  
Description:  
Estimated Value:

\*Will equipment be supported/maintained with District funds?  
 Yes  No

Done

Start NAL Inbox - Microsoft Outl... Munis App Center - M... Account Inquiry - Muni... Vendor Inquiry - Munis... https://forms.mcki... Document1 - Microsoft... 11:17 AM

**THIS IS AN EXAMPLE OF A GIFT ACCEPTANCE REQUEST FORM (DONATION FORM) FROM A DONOR TO THE BOOSTER CLUB.**

https://forms.mckinneyisd.net/athletics/gift.aspx - Windows Internet Explorer

https://forms.mckinneyisd.net/athletics/gift.aspx

File Edit View Favorites Tools Help

McKinney Independent Sch... Free Hotmail Web Slice Gallery

https://forms.mckinneyisd.net/athletics/gift.aspx

McKinney Independent School District  
Gift Acceptance Request Form

Required fields are indicated by \*

Today's Date: 4/23/2013

\*Campus: McKinney North High School \*Sport: Girls Basketball

\*Contact Email: boosterpresident@yahoo.com

Donor Information:  
\*Name: Girls Basketball Booster C  
\*Address: 2550 Wilmeth Road, McKinney

Donation Information  
Money (Amount): 500.00 To be used for: General Supplies

Account Code to be spent from:

Supplies/Equipment  
Description:  
Estimated Value:

\*Will equipment be supported/maintained with District funds?  
 Yes  No

\*Does campus/department accept responsibility for all associated costs?

Done

Trusted sites 100%

Start NAL Inbox - Microsoft Outl... Munis App Center - M... Account Inquiry - Muni... Vendor Inquiry - Munis... https://forms.mcki... Document1 - Microsoft... 11:19 AM

**THIS IS AN EXAMPLE OF A GIFT ACCEPTANCE REQUEST FORM (DONATION FORM) FROM THE BOOSTER CLUB TO THE PROGRAM – DONATING MONIES**

https://forms.mckinneyisd.net/athletics/gift.aspx - Windows Internet Explorer

https://forms.mckinneyisd.net/athletics/gift.aspx

File Edit View Favorites Tools Help

McKinney Independent Sch... Free Hotmail Web'Slice Gallery

Gift Acceptance Request Form

Required fields are indicated by \*

Today's Date: 4/23/2013

\*Campus: McKinney North High School \*Sport: Girls Basketball

\*Contact Email: boosterpresident@yahoo.com

Donor Information:

\*Name: Girls Basketball Booster C

\*Address: 2550 Wilmeth Road, McKinney

Donation Information

Money (Amount): To be used for:

Account Code to be spent from:

Supplies/Equipment

Description: Video Camera

Estimated Value: \$569.00

\*Will equipment be supported/maintained with District funds?

Yes  No

\*Does campus/department accept responsibility for all associated costs?

Yes  No

Done

Trusted sites 100%

Start NAL Inbox - Microsoft Out... Munis App Center - M... Account Inquiry - Muni... Vendor Inquiry - Munis... https://forms.mcki... Document1 - Microsoft... 11:19 AM

**THIS IS AN EXAMPLE OF A GIFT ACCEPTANCE REQUEST FORM (DONATION FORM) FROM THE BOOSTER CLUB TO THE PROGRAM – DONATING EQUIPMENT**

# McKinney Independent School District Fund-Raising Activity Report

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## Permission Request

### Instructions

- The Permission Request (2 pages) must be completed and submitted to the principal or designee for approval by September 30 of each school for the fund-raisers to be held.** The Principal will return the form to the individual requesting permission.
- The Operating Report (2 pages) shall be prepared promptly upon completion of the fund-raising activity.** A copy of the form should be retained by the organization sponsor and the original should be turned into the financial secretary (secretary that handles the school's finances) no later than one week subsequent to the projected end date of the fund-raiser as stated on the Permission Request.

If a PTO or Booster Club is holding the fund-raiser, the Operating Report should be provided to the organization's Treasurer and not the school. The organization is responsible for handling the money received and the related expenditures as well as keeping the fund-raiser records as required for record retention.

Campus \_\_\_\_\_

Date \_\_\_\_\_/\_\_\_\_\_/\_\_\_\_\_

Organization \_\_\_\_\_

Sponsor \_\_\_\_\_

Specific Purpose(s) for which the net proceeds are to be used:

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Activity Fund Account that will receive the net proceeds (Account Code):

Account # \_\_\_\_\_

Description of Fundraiser \_\_\_\_\_  
\_\_\_\_\_

Quoted Profit % from Vendor \_\_\_\_\_

Type of Fundraiser

- Catalog Sale
- Single Item Sale
- Pledge Drives
- Restaurant Nights
- Concessions
- Spirit Wear Sales
- Hosted Event – Describe: \_\_\_\_\_
- Other – Describe: \_\_\_\_\_

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Sponsor/Person Requesting Permission

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Date



# McKinney Independent School District Fund-Raising Activity Report

## Permission Request

Fundraiser Start Date \_\_\_\_\_/\_\_\_\_\_/\_\_\_\_\_ Fundraiser End Date \_\_\_\_\_/\_\_\_\_\_/\_\_\_\_\_

Due Date for Operation Report (1 Week after the Fundraiser End Date) \_\_\_\_\_/\_\_\_\_\_/\_\_\_\_\_

\_\_\_\_ Major Fundraiser This is the 1<sup>st</sup> \_\_\_\_ 2<sup>nd</sup> \_\_\_\_ major fundraising activity for the school year that has been requested for this group.

\_\_\_\_ Minor Fundraiser This is the 1<sup>st</sup> \_\_\_\_ 2<sup>nd</sup> \_\_\_\_ 3<sup>rd</sup> \_\_\_\_ minor fund-raising activity for the school year that has been requested for this group.

\_\_\_\_ Passive Fundraisers

Are items being sold taxable? Yes \_\_\_\_ No \_\_\_\_

If yes, is this a "one-day, tax-free" sales day? Yes \_\_\_\_ No \_\_\_\_

Each organization or campus is allowed two "one-day, tax-free" Sales days per calendar year (January thru December).

If yes, 1<sup>st</sup> \_\_\_\_ 2<sup>nd</sup> \_\_\_\_

### Expected Profit

Estimated Revenue	\$ _____
Less: Estimated Cost of Fundraiser	\$ _____
Equals: Estimated Profit (Net Proceeds)	\$ _____

With this Permission Request, submit details of the fundraiser to be held such as the brochure, flyer, t-shirt or product design, and any other pertinent information.

### As the sponsor of this fund-raiser,

- I agree to conduct this fund-raiser in compliance with district policies.
- I understand that I am personally responsible for all funds collected and for keeping accurate records.
- I will exercise strict control over all products in my possession.
- I will provide all money received along with the name and amount turned in by student [parent] to the campus bookkeeper [treasurer] daily for deposit.
- I will have all expenditures paid through the campus bookkeeper [treasurer].
- I am responsible for completing the Operating Report for this fund-raiser and will turn in all records to the campus bookkeeper [treasurer] within one week of the projected end date of the fund-raiser.

\_\_\_\_\_  
Sponsor/Person Requesting Permission

\_\_\_\_\_/\_\_\_\_\_/\_\_\_\_\_  
Date

APPROVED

DENIED

\_\_\_\_\_  
Principal/ Campus Coordinator

\_\_\_\_\_/\_\_\_\_\_/\_\_\_\_\_  
Date

# McKinney Independent School District Fund-Raising Activity Report

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## Operating Report

Organization \_\_\_\_\_ Fund-Raiser \_\_\_\_\_

**Total Collections from Fund-Raiser:**

Date	Receipt #	Description	Amount
			\$
		Per Attached List (If needed)	
<b>TOTAL COLLECTIONS</b>			\$

**Total Disbursements for Merchandise, Advertising, Prizes, etc. for Fund-Raiser**

Date	Receipt #	Description	Amount
			\$
		Per Attached List (If needed)	
<b>TOTAL DISBURSEMENTS</b>			\$

**Profit (Net Proceeds) from Fund-Raiser:**

Total Collections – Total Disbursements	\$
---	----

\_\_\_\_\_ /    / \_\_\_\_\_  
 Sponsor/Person Responsible for Fund-Raiser                      Date

# McKinney Independent School District Fund-Raising Activity Report

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## Operating Report

Complete one (1) of the following attachments, if applicable, based on the type of fund-raiser held:

**Attachment A** for Catalog/Product Sales,  
**Attachment B** for Ticket Events with Entry or Participation Fees, or  
**Attachment C** for Concessions.

**Operating Report Completed by:**

\_\_\_\_\_/\_\_\_\_\_/\_\_\_\_\_  
Sponsor/Person Responsible for Fund-Raiser      Date

Submit the Operating Report to the financial secretary no later than one week subsequent to the projected end date of the fund-raiser. For Booster Clubs, submit the Operating Report to your Treasurers.

**Verification by Financial Secretary:**

To verify the Operating Report,

- Review the pertinent attachment depending on the type of fund-raiser held. Determine if products and amount collected have been accounted for properly.
- Agree collections on the operating report to the deposits made. \
- Agree the disbursements for the fund-raiser to the vendor invoice(s) and purchase orders.

**Any discrepancies noted? YES** \_\_\_ **NO** \_\_\_

**If yes, describe any discrepancy noted.**

\_\_\_\_\_  
\_\_\_\_\_

**Attach a written response from the Sponsor/Person responsible for the fund-raiser concerning any discrepancy noted. Response should be signed and dated by the person providing it.**

\_\_\_\_\_/\_\_\_\_\_/\_\_\_\_\_  
Financial Secretary      Date

**Reviewed and Approved by:**

\_\_\_\_\_/\_\_\_\_\_/\_\_\_\_\_  
Principal or Designee      Date

## McKinney Independent School District Fund-Raising Activity Report – Attachment A

### Catalog / Product Sales

**Inventory Reconciliation** *(For wrapping paper, candy sales, gift items, t-shirts, Gold C Books, or Entertainment Books)*

Description	# of Items	Total Sales Amount (# of Items x Sales Price)
Items Received from Vendor		
Less: Items Returned to Vendor (Attach Credit Statements)		
Less: Items Distributed, But Money not Received (Complete Section for Students that Owe Money)		
Less: Items Remaining on Hand		
<b>Items Sold / Total Sales of Products</b>		

For sales involving multiple products, you may want to do the above analysis for each product separately, utilize the overall tally sheet for the orders, or complete only the Total Sales Amount column.

For items remaining on hand, where are the items stored and what is the expected disposition of these items?

### Total Reconciliation

**Do the Total Sales of Products agree to the Total Collections on the Operating Report? Yes \_\_\_ No \_\_\_**

If No, the amount of difference is \$ \_\_\_\_\_ Explain the difference below.

### Students that Owe Money from the Fund-Raiser

Student ID #	Student Name	Amount	Disposition
Per Attached List (if needed)			
<b>Total Amount Owed by Students</b>			

Students that owe money for a school or school organization fund-raiser should have the amount owed added to the Fines and Fees List for the school. The Fines and Fees List can not be used by PTOs or Booster Clubs.

\_\_\_\_\_  
Sponsor/Person Responsible for Fund-Raiser

\_\_\_\_\_/\_\_\_\_\_/\_\_\_\_\_  
Date

## McKinney Independent School District Fund-Raising Activity Report – Attachment B

### Ticket Events with Entry or Participation Fees

**Ticket Reconciliation** *(For Athletic, Band, or Drama Events with Entry or Participation Fees)*

Based on the beginning and ending ticket numbers and less any complimentary tickets, determine the number of tickets sold.

Description	Beginning Ticket #	Ending Ticket #	Less: # of Comp. Tickets	# of Tickets	Sales Price	Total Sales
Ticket Type 1						
Ticket Type 2						
Ticket Type 3						
Ticket Type 4						
<b>Total Sales from Tickets</b>						

**If any complimentary tickets are given, attach list of people that received the complimentary tickets.**

**Ticket stubs must be kept as part of the fund-raiser records.**

**Total Reconciliation**

**Do the Total Sales from Tickets agree to the Total Collections on the Operating Report? Yes \_\_\_ No \_\_\_**

If No, the amount of difference is \$ \_\_\_\_\_ Explain the difference below.

\_\_\_\_\_

\_\_\_\_\_

**Students that Owe Money from the Fund-Raiser**

Student ID #	Student Name	Amount	Disposition
	Per Attached List (if needed)		
<b>Total Amount Owed by Students</b>			

Students that owe money for a school or school organization fund-raiser should have the amount owed added to the Fines and Fees List for the school. The Fines and Fees List can not be used by PTOs or Booster Clubs.

\_\_\_\_\_ / / \_\_\_\_\_  
Sponsor/Person Responsible for Fund-Raiser Date

**McKinney Independent School District  
Fundraising Activity Report – Attachment C**

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**Annual Concessions**

Umbrella Athletic Booster Clubs must complete this form and submit to their High School Bookkeeper by June 30, and it should include all credits and debits from July 1 to June 30.

Total Individual Club Deposits	\$ _____
Total Purchases by Umbrella Club	\$ _____
Balance	\$ _____
Total Commission Payout	\$ _____
<b>Net for Concessions Season</b>	<b>\$ _____</b>

Note any special circumstances:

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\_\_\_\_\_  
Treasurer Signature

\_\_\_\_\_  
Date

\_\_\_\_\_  
Concessions VP

\_\_\_\_\_  
Date

From the  
State of Texas...

## Texas Sales Tax – Frequently Asked Questions

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**Susan Combs**  
**Texas Comptroller of Public Accounts**

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*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](http://www.window.state.tx.us) .

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### **What is the sales tax rate in Texas?**

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 [94-183 Sales and Use Tax Bulletin](#).” 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.

### **Who needs a sales tax permit?**

You must obtain a Texas sale 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 sale and use tax permit applies to individuals as well as corporations, firms, partnerships, and all other legal entities.

### **Does an exemption certificate have to have a number to be valid?**

No. For state tax purposes, there are no "tax exempt" numbers.



## Texas Sales Tax – Frequently Asked Questions

### When is my sales tax return due?

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. 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 tax returns are mailed the first week of the month following the end of the year. For example, the 2002 return will be mailed by the first week of January 2003.

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.

## Texas Sales Tax – Frequently Asked Questions

### **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.

### **How do I get a tax exempt number?**

Let's begin by saying that for state tax purposes, there are no "tax exempt" numbers. Certain organizations may qualify for exemption from paying franchise tax, hotel or sales tax on items purchased to further the organization's exempt purpose. For more information ask for tax bulletin 94-125, Exemptions: Sales Tax Information for Nonprofit Organizations sales tax Rule 3.322, franchise tax Rules 3.541 and 3.573, and hotel tax Rules 3.161 and 3.163.

If you need a federal employer's identification number, call the IRS, 1-800-829-1040, or 512/462-7843.

### **Do I owe tax on goods purchased via mail-order catalogs or Internet merchandise?**

Yes. A seller who uses catalogs or the Internet to sell goods is treated the same as any other seller of taxable items. If you purchase merchandise through a catalog or the Internet from a seller located in Texas, you owe Texas sales tax on the purchase. If you purchase merchandise through a catalog or the Internet from a seller located outside of Texas and use the taxable item in Texas, then you owe Texas use tax on the purchase. An out-of-state mail-order company or an Internet company may hold a Texas Sales and Use tax permit and collect Texas tax. If the out-of-state seller does not have a Texas permit or does not collect Texas use tax, the use tax is due and payable by the purchaser.

### **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

## Texas Sales Tax – Frequently Asked Questions

client to distribute tangible personal property to third party recipients designated by the seller's client.

### 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](#).

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.

### Is tax due on merchandise I'm going to export?

You do not have to collect Texas tax on goods that you export, but you must keep records to prove export. The Comptroller will only accept one of the following from the seller to substantiate a claim of export:

- a licensed U.S. customs broker export certification;
- import documents issued by a foreign country;
- a bill of lading issued by a licensed and certificated carrier showing the retailer as shipper and a delivery point outside of the United States; or
- an original airway, ocean or railroad bill of lading with freight forwarder's receipt.

### What can I buy tax-free with my tax number?

You can use a resale certificate to purchase the following items tax-free:

- merchandise or a taxable service that you intend to resell in the form or condition in which you acquired it from your vendor or that you intend to resell as an integral part of other merchandise or taxable service;
- tangible personal property that you buy to lease or rent to your customer
- a taxable service performed on tangible personal property in your resale inventory; and
- tangible personal property that you buy to use in performing a taxable service when you transfer the care, custody and control of the tangible personal property to your customer.

## **Texas Sales Tax – Frequently Asked Questions**

If you use the merchandise that you purchased tax-free by issuing a resale certificate, then you owe tax on the merchandise. You must pay the sales tax either on the fair market rental value for the period of use of the merchandise or on your purchase price of the item.  
value for the period of use or on the purchase price of the item.

## Texas Tax Exemptions for Nonprofit Organizations

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**Susan Combs**  
**Texas Comptroller of Public Accounts**

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<http://www.window.state.tx.us/taxinfo/exempt/exemptfaq.html> .

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### **Are 501(c) organizations exempt from state taxes?**

Not automatically. However, the Tax Code recognizes certain federal exemptions for exemption from franchise tax and sales tax. If your organization has received exemption from federal taxation under 501(c)(3), (4), (8), (10) or (19), it qualifies for exemption from sales tax and, if incorporated, franchise tax. Exemption from franchise tax is possible if your organization received a federal exemption under 501(c)(2), (5), (6), (7), (16), or (25). Complete [AP-204](#) and send it to us along with the required documentation listed on the application.

Organizations that are exempt because of their IRS status are not exempt from hotel occupancy tax. To receive a hotel occupancy tax exemption, religious, charitable and educational groups with IRS 501(c) exemption should complete the application specific to their organization type.

### **Applying for Exempt Status**

To apply for exemption, complete the appropriate application and include the required documentation.

If your organization is applying for exemption:

- as a charitable organization...complete [AP-205](#).
- as a religious organization...complete [AP-209](#).
- as a homeowners' association...complete [AP-206](#).
- as an educational organization...complete [AP-207](#).
- as any other exemption type...complete [AP-204](#).

Our mailing address is on the application.

## Texas Tax Exemptions for Nonprofit Organizations

### What can an exempt organization buy tax free?

An exempt organization that is exempt from sales tax may buy tax-free goods and services that further the organization's exempt purpose. When purchasing a taxable item, an exempt organization must give the retailer a properly completed exemption certificate to document the exempt sale. The certificate must be issued on a timely basis and it must include certain specific information. See [Rule 3.287](#).

### When should sales tax be collected?

Generally, exempt groups must obtain sales tax permits and collect and remit sales tax on all items they sell.

### Should an exempt organization making sales collect sales tax?

Generally, exempt organizations must obtain sales tax permits and collect and remit sales tax on all goods and taxable services they sell. See our publication [Exempt Organizations - Sales and Purchases](#) for a list of limited exceptions.

If you need a sales tax permit, complete form [AP-201](#)

### I travel on behalf of my organization. Am I eligible for hotel tax exemption?

Organizations that have been granted a charitable, religious or educational exemption are exempt from state hotel occupancy tax. Employees of such an organization may issue a properly completed hotel occupancy [tax exemption certificate](#) to the hotel at the time of registration, when traveling on official business for the organization. Effective October 1, 2003, the hotel may require a copy of your exemption letter or verification, such as a printout from the Comptroller's list of exempt entities, showing the organization is exempt from hotel tax. Local hotel taxes are still due.

### My organization has a federal tax identification number. Does that mean that we are tax-exempt?

No. Merely having a federal tax identification number or federal employer identification number (FEIN) does not mean that an organization is exempt from state or federal taxes.



# BULLETIN

Susan Combs, Texas Comptroller of Public Accounts

## School Fundraisers and Texas Sales Tax

Texas school districts, public schools, qualified exempt private schools and each bona fide chapter within a qualifying school are exempt from the payment of Texas sales and use tax on purchases of taxable items for their use, if the purchases are related to the organization's exempt function.

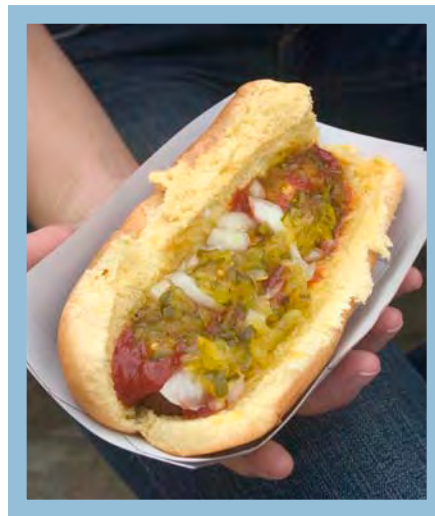
The organization must obtain a sales tax permit and collect and remit sales tax on taxable items it sells unless one of the exemptions listed below applies. An organization does not have to register for a sales tax permit if all its sales are of exempt items or if its sales take place through tax-free fundraisers.

### Two One-Day Tax-Free Sales

School districts, public schools, qualified exempt private schools and bona fide chapters within a qualifying school may conduct two one-day tax-free sales or auctions each calendar year. For the purposes of this exemption, one day is counted as 24 consecutive hours and a calendar year is the 12-month period from January through December. See subsection (h) of Rule 3.322, "Exempt Organizations."

For example, a school may sell taxable items such as t-shirts, hats, uniforms, school supplies or crafts

tax-free on a designated tax-free sale day. These days should be designated in advance so that purchasers are aware that the sales are not subject to tax. The organization may not collect tax on the transactions and keep the tax under the "tax-free" sale provision. The exemption does not apply to any item sold for more than \$5,000 unless it is manufactured by the organization or donated to the organization and not sold back to the donor.



Either the date on which the items are delivered by the vendor to the school organization or the day on which the school organization delivers the items to its customers may be designated as the one-day tax-free sale day. Persons buying from surplus inventory on the designated date do not owe tax. Those buying on subsequent dates owe tax unless the purchase occurs on the organization's other tax-free sale day.

For example, a school group selling yearbooks may accept pre-orders without collecting tax if the day the yearbooks will be delivered to customers is designated as one of the group's tax-free fundraisers. Surplus yearbooks sold during the same day also qualify for the exemption. Surplus yearbooks sold on other days are taxable unless sold at the group's other tax-free fundraiser.



# SALES AND USE TAX BULLETIN

## School Fundraisers and Texas Sales Tax

If two or more groups hold a one-day tax-free sale together, the event counts as one tax-free sale for each participating organization. Each of those organizations then is limited to one additional tax-free sale during the remainder of the calendar year.

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.

### Schools and Bona Fide Chapters

To qualify as a bona fide chapter of a school, a group of students must be organized for an activity other than instruction or to have a tax-free sale. Bona fide chapters include student groups recognized by the school and organized by electing officers, holding meetings and conducting business. There is no limit on the number of bona fide chapters a school can have. Bona fide chapters can include whole grade levels (e.g. senior class, junior class or freshmen), but cannot be limited to specific classes (e.g. Senior English or Biology II). Various other school groups such as a student council, science club or drama club can qualify if they are composed of students and school staff.

A department of a school, such as a purchasing, accounting, maintenance or IT department, is not a bona fide chapter even though it is part of the school or school district.

Groups that are not considered bona fide chapters, unless otherwise qualified to hold the two one-day tax-free sales, must obtain a sales tax permit and collect and remit sales tax on all taxable items sold at

fundraisers. Non-student organizations such as booster clubs and PTAs/PTOs cannot qualify as bona fide chapters of a school, but may qualify for the tax-free sale days under other provisions of the Tax Code. See the “Nonstudent Nonprofit Organizations” section in this publication for more information.

### Non-Qualifying Fundraisers – Acting as an Agent or Sales Representatives

When a school, school group, PTA/PTO, booster club or other exempt organization raises funds by acting as a sales representative or commissioned sales agent for a for-profit retailer, the group is not responsible for reporting and remitting sales and use tax. As a result, however, the exempt organization is not considered to be the seller and cannot use a tax-free sale day for this type of event. In these cases, the group receives a commission for holding a book fair or for selling candy, gift wrap, holiday ornaments, candles or similar items.

When an exempt organization acts as a commissioned sales agent or representative for a for-profit seller, the seller should provide instructions and information regarding the proper collection of tax. The for-profit retailer may

advertise in the sales catalog or state on each invoice that tax is included or require that tax be calculated and collected based on the selling price of each taxable item. The for-profit retailer is then responsible for remitting the tax collected or backed out to the Comptroller. Similarly, sales of taxable items made through the Web site of a for-profit retailer are also taxable and may not be sold tax-free in connection with a fundraiser.

### Nonstudent Nonprofit Organizations

Nonstudent nonprofit organizations that are not bona fide chapters of schools may qualify for two one-day tax-free sales or auctions on their own.

A **booster club** for a band, football team or similar group may hold two one-day tax-free sales or auctions







once it has obtained a sales tax exemption from the Comptroller's office on its purchases.

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

### Parent-teacher associations

(PTAs) affiliated with the Texas state PTA or the national PTA are exempt as educational organizations and can hold two one-day tax-free sales or auctions each calendar year. **Parent-teacher organizations (PTOs)**, as well as **parent-teacher-student associations (PTSAs)** and **organizations (PTSOs)**, are also exempt from sales tax as educational organizations.

PTAs *not* affiliated with the Texas state PTA or the national PTA, parent-teacher organizations (PTOs) and parent-teacher-student associations (PTSAs) and organizations (PTSOs) are also eligible for exemption from sales tax as educational organizations. These organizations should complete form AP-207 and submit it to the Comptroller's office. Once the exemption has been granted, these organizations can also hold two one-day tax-free sales or auctions each calendar year.

Sales of taxable items by PTAs, PTOs, PTSAs, and PTSOs made at other times of the year are subject to tax.

### Internet Sales

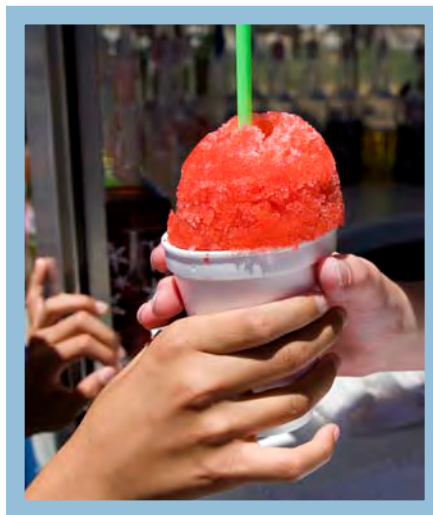
Sales of taxable items over the Internet are treated the same as sales of taxable items made at the school or at any other sales location. Schools, school groups and

other non-student, nonprofit organizations that accept online orders through a Web site must collect sales tax on taxable items they sell online. An online sale occurring during a one-day tax-free sale, however, would qualify for the exemption.

### Food and Beverage Sales

A public or private elementary or secondary school, school group or PTA/PTO does not have to collect tax on sales of meals and food products (including candy and soft drinks) if the sales are made during the regular school day and by agreement with the proper school authorities. This exemption includes food, soft drinks and candy sold through vending machines.

PTAs/PTOs and other qualifying groups associated with a specific public or private elementary or secondary school or school group may also sell meals, food, candy or soft drinks tax-free outside of the school day if the sales are part of the organization's fundraising drive and all net proceeds go to the group for its exclusive use.



### Concession Stands

Concession-stand food sales are exempt from tax when made by a school group, PTA/PTO or other group (such as a booster club) associated with a public or private elementary or secondary school, if the sales are part of the organization's fundraising drive and all net proceeds go to the organization for its exclusive use. The exemption applies to sales of soft drinks and candy, but does not include sales of alcoholic beverages. The group can issue an exemption certificate in lieu of paying tax on purchases of candy, sodas, gum and other taxable food items sold at its concession stand. The exemption certificate should state that the group will sell the items as a fundraiser.

### Annual Banquets and Annual Food Fundraisers

All volunteer nonprofit 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. The exemption does not apply to the sale or purchase of alcoholic beverages. To qualify for exemption, the food sale must:

- be an annual event;
- last no more than one week;
- be a fundraising project exclusively provided by the volunteers of the participating nonprofit organizations;
- be non-commercial in every respect (that is, the food and beverages cannot be prepared or served by a caterer or a restaurant, and must be prepared and served by the participating organizations' volunteers, without pay); and
- not be held in competition with a retailer at the same event who must collect tax on food and beverage sales.

The annual food sale or banquet exemption does not apply to sales of alcoholic beverages or non-food items (e.g., arts, crafts or t-shirts). Alcoholic beverages are not food products and are taxable. The type of tax due (sales tax or mixed beverage gross receipts tax) depends upon the type of permit held by the selling organization. Sales of alcoholic beverages, including beer, wine and mixers, are subject to the Texas 14 percent mixed beverage gross receipts tax when sold by a mixed-beverage permit holder, while sales of beer and wine made by a beer and wine-only permit holder are subject to sales tax.

### Nontaxable Sales

Some items are not subject to sales tax no matter who sells them.

### Nontaxable Food Items

Sales tax is not due on nontaxable food items. Examples of such items include cookie dough, pizza kits, cheese spreads, meat sticks, jelly, salsa, fresh fruit and mixes packaged for preparation at home.

### Magazine Subscriptions

Subscriptions to magazines entered as periodicals-class (formerly called second-class) mail and sold for six months or more are exempt from sales tax. Single issues and subscriptions for fewer than six months are taxable, however.



### Bakery Items

Bakery products (including but not limited to pies, cakes, cookies, bagels and muffins) are exempt unless sold with plates or eating utensils.

### Gift Certificates and Passbooks

Sales of intangibles such as gift certificates and coupon passbooks are not subject to sales tax. Instead, retailers should collect tax when the certificate or coupon is redeemed for the purchase of taxable merchandise or services. The tax is based on the item's actual retail selling price less any cash discount given at

the time of the sale (e.g., a deduction for a coupon). Of course, if the gift certificate is for a nontaxable service such as a haircut, manicure or facial, no sales tax is due when the certificate is redeemed. Taxable services are listed in "Taxable Services" (Tax Publication 96-259.)

### Car Washes

Washing a car is not a taxable service under the Texas Tax Code. Groups holding car washes are not required to collect tax on their charges for this service.

### Amusement Services

The sale of an amusement service provided exclusively by a nonprofit organization, other than an IRS Section



# SALES AND USE TAX BULLETIN

School Fundraisers and Texas Sales Tax

501(c)(7) organization, is exempt from sales tax. For example, the sale of an admission ticket to a school carnival, dance, athletic event or musical concert is exempt.

## Periodicals and Writings

Periodicals and writings (reading materials including those presented on audio tape, videotape and computer disk) are exempt from tax if published and distributed by a religious, philanthropic, charitable, historical, scientific or other similar organization not operated for profit. A “similar” organization must be organized for a benevolent purpose and must not be operated for profit. Similar organizations include PTAs, PTOs, PTSAs and PTSOs, but exclude all public and private educational organizations.

This means that PTAs, PTOs, PTSAs and PTSOs may publish and sell printed reading materials such as yearbooks, books, calendars, directories, magazines, brochures and newsletters without collecting sales tax. The qualifying organization may issue a properly completed resale certificate to the printer in lieu of paying tax on charges for printing, binding and item placement.

Items that contain printed materials that can be read but primarily serve other purposes or functions, such as school logo t-shirts, bookmarks, photographs and novelties, are subject to sales tax *unless* sold during a qualifying and designated tax-free sale or auction.

School districts, schools and school groups, however, must collect tax on sales of printed reading materials unless the sale is designated as one of the organization’s tax-free fundraisers.

## Donations

A purchaser using personal funds may give an exemption certificate to vendors when buying taxable items

that will be donated to a qualifying organization, such as a school, before the individual makes any use of the items. The exemption certificate must state that the taxable item is being purchased by the individual for donation to an exempt organization and must clearly identify the organization accepting the a donation (see Tax Code Section 151.155[b]). If the purchaser makes use of the item before it is donated, the purchaser is responsible for paying or accruing tax on the item’s purchase price.

Donations (gifts) of cash or taxable items or services made to an organization are not taxable sales unless the exempt organization gives the donor a taxable item in exchange for the donation, and the item is of proportionate or equal value to the donation.



## Sales to Students

Generally, other than the exemptions previously identified, schools and associated groups must collect, report and remit sales tax on taxable items that they sell or taxable services they provide to others, including sales made to students.

Schools may issue a resale certificate in lieu of paying tax to suppliers when purchasing taxable items to sell. Schools may issue an exemption certificate in lieu of paying tax when purchasing taxable items for their use or for giving away to students or others as part of a course of instruction. A district must collect tax on the sales price of taxable items when selling them to students or to others.

For example, if a school sells uniforms, gloves and shoes to drill team members, it must collect tax on the sales unless it designates their sale as one of its two one-day tax-free sales. The school may purchase the uniforms tax-free for resale to the drill team members.

The table on the following page is a short list of examples of taxable and nontaxable sales.



# SALES AND USE TAX BULLETIN

## School Fundraisers and Texas Sales Tax

TAXABLE	NONTAXABLE
Rental of tangible personal property such as locks, musical instruments, calculators and computers	Rental of real property such as a gymnasium, auditorium, library or cafeteria
Horticultural products such as flower arrangements, roses, carnations, holiday greenery and poinsettias	Agricultural products (plants and seeds), the products of which ordinarily constitute food for human consumption
Cosmetology products such as shampoo, conditioner and nail polish sold to customers	Cosmetology services such as haircuts, shampoo, manicures and pedicures
Parking permits for the general public	Parking permits for public school students, faculty and staff
Animals that do not ordinarily constitute food or food products, such as hamsters, mice, cats and dogs	Farm animals such as pigs, cows, chickens and other livestock
Publications such as football, basketball or volleyball programs	Sales of advertising space in athletic programs, yearbooks, newspapers
Automobile repair parts (a separately stated charge for parts is taxable; a separately stated charge for repair labor is not taxable)	Automobile repair (a lump-sum charge for parts and labor)
Car carpet shampooing	Car washes
Magazines (single issue or subscription less than six months)	Magazine subscriptions for six months or longer

### Need More Information?

For more information, see:

Rule 3.286, "Seller's and Purchaser's Responsibilities"

Rule 3.322, "Exempt Organizations"

Rule 3.293, "Food; Food Products; Meals; Food Service"

Rule 3.298, "Amusement Services"

Rule 3.299, "Newspapers, Magazines, Publishers, Exempt Writings"

Tax Publication 96-122, "Exempt Organizations - Sales and Purchases" — Frequently Asked Questions section provides information about school organizations applying for exemption from state taxes.

Tax Publication 96-259, "Taxable Services"

Please use our Texas Online Sales Tax Registration System to apply for a sales tax permit. An application also can be downloaded from our Tax Forms Online page. You can also obtain an application by calling (800) 252-5555 or by visiting one of our enforcement field offices.

For questions about an organization's Texas tax-exempt status, please use our Texas Tax-Exempt Entity Search, write to [exempt.orgs@cpa.state.tx.us](mailto:exempt.orgs@cpa.state.tx.us), or call Tax Assistance at (800) 531-5441 and ask for the Exempt Organizations Section.

For information on how to apply for federal exemptions, contact the U.S. Internal Revenue Service at (877) 829-5500 or online at <http://www.irs.gov/>.

The Texas Comptroller of Public Accounts is an equal opportunity employer and does not discriminate on the basis of race, color, religion, sex, national origin, age, or disability in employment or in the provision of any services, programs or activities.

In compliance with the Americans with Disabilities Act, this document may be requested in alternative formats by calling the toll-free number listed at the bottom of Page 1 or by calling (512) 463-4600 in Austin, (512) 475-0900 (FAX).



Sign up to receive e-mail updates on the Comptroller topics of your choice at [www.window.state.tx.us/subscribe](http://www.window.state.tx.us/subscribe).

# Texas Sales and Use Tax Exemption Certification

*This certificate does not require a number to be valid.*

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:

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Purchaser claims this exemption for the following reason:

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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
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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.



The State of Texas  
Secretary of State

CERTIFICATE OF INCORPORATION

OF

Cedar Springs Elementary PTO, Inc.

CHARTER NUMBER 01111111

THE UNDERSIGNED, AS SECRETARY OF STATE OF THE STATE OF TEXAS, HEREBY CERTIFIES THAT THE ATTACHED ARTICLES OF INCORPORATION FOR THE ABOVE NAMED CORPORATION HAVE BEEN RECEIVED IN THIS OFFICE AND ARE FOUND TO CONFORM TO LAW.

ACCORDINGLY, THE UNDERSIGNED, AS SECRETARY OF STATE, AND BY VIRTUE OF THE AUTHORITY VESTED IN THE SECRETARY BY LAW, HEREBY ISSUES THIS CERTIFICATE OF INCORPORATION.

ISSUANCE OF THIS CERTIFICATE OF INCORPORATION DOES NOT AUTHORIZE THE USE OF A CORPORATE NAME IN THIS STATE IN VIOLATION OF THE RIGHTS OF ANOTHER UNDER THE FEDERAL TRADEMARK ACT OF 1946, THE TEXAS TRADEMARK LAW, THE ASSUMED BUSINESS OR PROFESSIONAL NAME ACT OR THE COMMON LAW.

DATED MAR. 3, 2000

EFFECTIVE MAR. 3, 2000



Elton Bomer, Secretary of State

# TEXAS SALES AND USE TAX PERMIT

*This permit is not transferable, and this side must be prominently displayed in your place of business.*

Merchants: DO NOT accept a copy of this permit in place of a resale or exemption certificate. You will be responsible for sales tax unless you have a valid resale/exemption certificate on file.

You must obtain a new permit if there is a change of ownership, location, or business location name.

TAXPAYER NAME, BUSINESS LOCATION NAME, and PHYSICAL LOCATION

ANOTHER FUND-RAISER BOOSTER CLUB  
PO Box 26584  
Houston, TX 77065-6584

Type of permit	SALES AND USE TAX
Taxpayer number	1-30-4686457-1
Outlet number	00001
First business date	

NAICS CODE: 813410 DESCRIPTION ON NEXT LINE:

Civic and Social Orgs

WE SHOW THIS BUSINESS IN THE FOLLOWING LOCAL SALES TAX AUTHORITIES:

TRANSIT: HOUSTON MTA

EFF: 06/01/2006

*Carole Keeton Strayhorn*

CAROLE KEETON STRAYHORN  
Comptroller of Public Accounts

YOU MAY NEED TO COLLECT SALES AND/OR USE TAX FOR OTHER LOCAL TAXING AUTHORITIES DEPENDING ON YOUR TYPE OF BUSINESS.

If you have any questions regarding sales tax, you may contact the Texas State Comptroller's field office in your area or call 1-800-252-5555, toll free, nationwide. The Austin number is 512/463-4600. If you are calling from a Telecommunications Device for the Deaf (TDD), the toll free number is 1-800-248-4099, or in Austin, 512/463-4621.

Detach here and display your permit only.

**IS THE INFORMATION PRINTED ON THIS PERMIT CORRECT?**

If your permit is correct, DO NOT return this form.

If your permit contains incorrect information, you may use this form to:

- correct your business location name, location address (if not a location change), taxpayer name, and/or mailing address;
- provide us with your new Federal Employer's Identification Number (FEIN);
- notify us that this location is no longer in business and provide the date of your last business transaction.

To notify us of a change of ownership or business location, to correct the description of your business, or to correct the local taxing authority(ies) in which this outlet is located, call us toll free at 1-800-252-5555. The Austin number is 512/463-4600.

For more information on determining if the local taxing authorities listed above are correct, please see information printed on the back of this form.

**COMPLETION INSTRUCTIONS**

To make corrections to your permit information using this form:

- enter the taxpayer name, taxpayer number and outlet number shown on the permit;
- indicate the required corrections by entering ONLY the information that has changed in the appropriate item(s);
- enter the date of your last business transaction if the location is out of business;
- sign and date the form;
- mail the form to COMPTROLLER OF PUBLIC ACCOUNTS, 111 E. 17th Street, Austin, TX 78774-0100.

If a new permit is required due to your corrections, you will receive the new permit by mail after your information is processed. Refer to the back of this form and the back of your permit for more information.

You have certain rights under Ch. 559, Government Code, to review, request, and correct information we have on file about you. Contact us at the address or toll-free number listed on this form.

**TEXAS SALES AND USE TAX PERMIT**

Taxpayer name shown on the permit

Taxpayer number shown on the permit

1-30-4686457-1

Outlet number shown on the permit

00001

Correct business location name

Correct business location address

City

State

ZIP Code

Correct taxpayer name

Phone number (Area code and number)

Correct mailing address

City

State

ZIP Code

Federal Employer Identification Number

If you are no longer in business, enter the date of your last business transaction: \_\_\_\_\_

sign here

Taxpayer or authorized agent

Mary Smith

Date

05/01/2008

Comptroller use only

JOB NAME: MISCAPP  
microfilm

00991  
 2601

Reference number

Destin:

Taxpayer number change

NENTRY \* 01000 \* 0

XUMAST

Master name correction

Master mailing address change

County code

Master phone number add/change

XULOCA

Outlet/location name change

Outlet/location address change

County code

City indicator

XUSTAT

OOB sales tax permit

OOB date

00000742

# Texas Sales and Use Tax Resale Certificate

Name of purchaser, firm or agency as shown on permit	Phone (Area code and number)											
Address (Street & number, P.O. Box or Route number)												
City, State, ZIP code												
Texas Sales and Use Tax Permit Number (must contain 11 digits)												
<table border="1" style="width: 100%; height: 20px; border-collapse: collapse;"> <tr> <td style="width: 10%;"></td> <td style="width: 10%;"></td> <td style="width: 10%;"></td> <td style="width: 10%;"></td> <td style="width: 10%;"></td> <td style="width: 10%;"></td> <td style="width: 10%;"></td> <td style="width: 10%;"></td> <td style="width: 10%;"></td> <td style="width: 10%;"></td> <td style="width: 10%;"></td> </tr> </table>												
Out-of-state retailer's registration number or Federal Taxpayers Registry (RFC) number for retailers based in Mexico												
<table border="1" style="width: 100%; height: 20px; border-collapse: collapse;"> <tr> <td style="width: 60%;"></td> <td style="width: 40%;"><i>(Retailers based in Mexico must also provide a copy of their Mexico registration form to the seller.)</i></td> </tr> </table>			<i>(Retailers based in Mexico must also provide a copy of their Mexico registration form to the seller.)</i>									
	<i>(Retailers based in Mexico must also provide a copy of their Mexico registration form to the seller.)</i>											

I, the purchaser named above, claim the right to make a non-taxable purchase (for resale of the 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 on the attached order or invoice:

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

Description of the type of business activity generally engaged in or type of items normally sold by the purchaser:


\_\_\_\_\_

\_\_\_\_\_

The taxable items described above, or on the attached order or invoice, will be resold, rented or leased by me within the geographical limits of the United States of America, its territories and possessions or within the geographical limits of the United Mexican States, in their present form or attached to other taxable items to be sold.

I understand that if I make any use of the items other than retention, demonstration or display while holding them for sale, lease or rental, I must pay sales tax on the items at the time of use based upon either the purchase price or the fair market rental value for the period of time used.

*I understand that it is a criminal offense to give a resale certificate to the seller for taxable items that I know, at the time of purchase, are purchased for use rather than for the purpose of resale, lease or rental, 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
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This certificate should be furnished to the supplier. Do **not** send the completed certificate to the Comptroller of Public Accounts.



From the IRS...

## **Application for Recognition of Exemption Section 501(c)(3)**

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*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*

[www.irs.gov/charities](http://www.irs.gov/charities)

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To apply for recognition by the IRS of exempt status under section 501(c) of the Internal Revenue Code, most organizations use Form 1023, Application for Recognition of Exemption and the related instructions. (Organizations applying for recognition of exemption under a provision other than section 501(c)(3) generally use Form 1024.) The application must be complete and accompanied by the appropriate user fee. See Application Process for a step-by-step review of what an organization needs to know and to do in order to apply for recognition by the IRS of tax-exempt status. Frequently asked questions about applying for exemption are also available.

The organization should also request an employer identification number, even if it does not have any employees. See Form SS-4, Application for Employer Identification Number, and its instructions to learn how to obtain an EIN. You may also obtain an EIN via telephone, by calling 1-800-829-4933, or by applying online.

A tax-exempt organization must make available for public inspection its approved application for recognition of exemption with all supporting documents available and its last three annual information returns. The organization must provide copies of these documents upon request without charge (other than a reasonable fee for reproduction and copying costs). Penalties are provided for failure to comply with these requirements.

## Taxpayer Tips Common Errors Made by Exempt Organizations

### Tips When Filing Form 990

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*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 [www.irs.gov](http://www.irs.gov).*

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<b>Tips When Filing Form 990</b>
<p><u>Complete Schedule B (Form 990, 990-EZ, or 990-PF).</u> All organizations must complete and attach Schedule B or certify the organization is not required to attach Schedule B by checking <b>Yes</b> in Part IV, Question 2, and Form 990.</p>
<p><u>Complete Schedule A (Form 990/990-EZ)</u> if your organization is required to file Form 990 and is a § 501(c)(3), § 501(e), § 501(f), § 501(k) or § 501(n) organizations or a § 4947(a)(1) nonexempt charitable trust. Be sure to do the following:</p> <ul style="list-style-type: none"><li>• Complete all applicable parts and line items;</li><li>• Answer "Yes", "No" or "N/A" to each question;</li><li>• Make an entry on all total lines (including zero85 when appropriate);</li><li>• Enter "None" or "N/A" if an entire Part does not apply.</li></ul>
<p><u>Complete Schedule A, Part IV-A, Support Schedule,</u> if you checked <i>Yes</i> on Part IV, line 1.</p>
<p><u>Sign the return.</u> An officer of the organization must sign the return. For a corporation or association, this officer may be the president, vice president, treasurer, asst. treasurer, chief accounting officer or tax officer. For a trust, the authorized trustee(s) must sign. A receiver, trustee or assignee must sign any return he or she files for a corporation or association.</p>
<p><u>Attachments.</u> Double check your return to make sure all required pages, reconciliation sheets and schedules are attached. Include a list of subordinates if filing a group return.</p>
<p><u>Complete Form 990, Part X, Balance Sheets.</u> All organizations must complete all lines in both columns (A) and (B), or indicate on those lines "N/A" (not applicable), or attach a schedule including the information and indicate on the applicable line that a schedule is attached.</p>
<p><u>Double-check the accuracy</u> of your EIN, Tax Period and Group Exemption Number (GEN) (if applicable).</p>
<p>Make sure you indicate the <u>correct IRC subsection</u> for your organization, as indicated in the letter recognizing your organization's tax-exempt status.</p>
<p><u>Reminder: Protect personal information:</u> <a href="#">Do not include</a> unnecessary personal identifying information.</p>

**Taxpayer Tips**  
**Common Errors Made by Exempt Organizations**  
**Tips When Filing Form 990-EZ**

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**Tips When Filing Form 990-EZ**

Complete Schedule B (Form 990, 990-EZ, or 990-PF). All organizations must complete and attach Schedule B or certify the organization is not required to attach Schedule B by checking the box in Item H, Form 990-EZ.

Complete Schedule A (Form 990) if your organization is required to file Form 990 and is a § 501(c)(3), § 501(e), § 501(f), § 501(k) or § 501(n) organizations or a § 4947(a)(1) nonexempt charitable trust. Be sure to:

- Complete all applicable line items;
- Answer "Yes", "No" or "N/A" to each question;
- Make an entry on all total lines (including zero when appropriate);
- Enter "None" or "N/A" if an entire part does not apply.

File Form 990 instead of Form 990-EZ if your organization's gross receipts (total of Form 990-EZ, Part I, Lines 5(b), 6(b), 7(b) and 9) during the year exceed the amounts described in [Filing Phase-In](#). Be sure to include Schedule A, Form 990/990-EZ, if required.

Complete Part II, Balance Sheets. All organizations must complete all lines both columns (A) and (B) of Form 990-EZ Part II and may not submit a substitute balance sheet. Indicate "N/A" on lines that do not apply.

Complete Schedule A, Part IV-A, Support Schedule, if you checked a box (or should have checked a box) on line 10, 11 or 12 of Schedule A, Part IV-A, Reason for Non-Private Foundation Status.

Reminder: Protect Personal Information: Do not include unnecessary personal identifying information.

Double-check the accuracy of your EIN and Tax Period.

Sign the return. An officer of the organization must sign the return. For a corporation or association, this officer may be the president, vice president, treasurer, asst. treasurer, chief accounting officer or tax officer. For a trust, the authorized trustee(s) must sign. A receiver, trustee or assignee must sign any return he or she files for a corporation or association.

Make sure you indicate the correct IRC subsection for your organization. All organizations, except those meeting one of the limited exceptions set out in General Instruction F, must complete both column (A) and (B) of Part II. Unless specifically accepted, an organization may not submit a substitute balance sheet.

# Top Ten Reasons for Delays in Processing Exempt Organization Applications

(Article dated September 19, 2007)

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*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*

[www.irs.gov/charities](http://www.irs.gov/charities).

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## **Number 10. Is there enough financial data?**

See the instructions to Form 1023 or Form 1024 to determine how much information you need to provide, based on how long your organization has existed.

## **Number 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?

## **Number 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:

- a. names,
- b. mailing addresses,
- c. titles and positions,
- d. annual compensation.

## **Number 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. You are not required to describe activities that are merely speculative at this time.

## **Number 6. Did you complete all required schedules?**

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

## **Number 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, scholarships, supporting organizations, and certain other organizations.

## Top Ten Reasons for Delays in Processing Exempt Organization Applications

### **Number 4. Did a director, trustee, principal officer, or other authorized individual in a similar capacity sign the Form 1023 or Form 1024?**

Generally, a principal officer is the president, vice president, secretary, or treasurer. The person signing the application must indicate his or her title or other authority to sign. A taxpayer's representative may not sign the application. Neither a stamped signature nor a faxed signature is permitted.

### **Number 3. If you have adopted by-laws, did you submit a copy?** You need to provide a copy of your by-laws, code of regulations, or any other document that sets out the organization's rules of operation, but only if adopted.

### **Number 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 members of the organization. A trust document must be signed by the trustees and show the date of formation. For section 501(c)(3) applicants, the organizing document must comply with the organizational test for exemption

**The Number 1** reason for delays in processing exempt organization applications is . . .

***INCORRECT OR NO USER FEE!***

See our [user fee page](#) for more information.

Now that you know the ten most common pitfalls in the EO 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 that need to be resolved without taking up your time trying to just get a complete application.

 **IRS** DEPARTMENT OF THE TREASURY  
INTERNAL REVENUE SERVICE  
CINCINNATI OH 45999-0023

Date of this notice: 09-12-2007

Employer Identification Number:

30-4686457

Form: SS-4

Number of this notice: CP 575 F

For assistance you may call us at:  
1-800-829-4933

ANOTHER FUND-RAISER BOOSTER CLUB

PO Box 26584

Houston, TX 77065-6584



006674

IF YOU WRITE, ATTACH THE  
STUB OF THIS NOTICE.

**WE ASSIGNED YOU AN EMPLOYER IDENTIFICATION NUMBER**

Thank you for applying for an Employer Identification Number (EIN). We assigned you EIN 26-0842507. This EIN will identify your business account, tax returns, and documents, even if you have no employees. Please keep this notice in your permanent records.

When filing tax documents, please use the label we provided. If this isn't possible, it is very important that you use your EIN and complete name and address exactly as shown above on all federal tax forms, payments and related correspondence. Any variation may cause a delay in processing, result in incorrect information in your account or even cause you to be assigned more than one EIN. If the information isn't correct as shown above, please correct it using tear off stub from this notice and return it to us so we can correct your account.

To receive a ruling or a determination letter recognizing your organization as tax exempt, you should complete Form 1023 or Form 1024, Application for Recognition of Exemption and send to:

Internal Revenue Service  
PO Box 192  
Covington, KY 41012-0192

Publication 557, Tax Exempt for Your Organization, is available at most IRS offices or you can download this Publication from our Web site at [www.irs.gov](http://www.irs.gov). This Publication has details on how you can apply.

**IMPORTANT REMINDERS:**

- \* Keep a copy of this notice in your permanent records.
- \* Use this EIN and your name exactly as they appear above on all your federal tax forms.
- \* Refer to this EIN on your tax related correspondence and documents.

If you have questions, you can call or write to us at the phone number or address at the top of the first page of this notice. If you write, please tear off the stub at the end of this notice and send it along with your letter. Thank you for your cooperation.

**Internal Revenue Service**  
Director, EO Rulings & Agreements  
P.O. Box 2508  
Cincinnati, OH 45201

**Department of the Treasury**

Date: January 10, 2008

ANOTHER FUND-RAISER BOOSTER CLUB  
PO BOX 26584  
Houston, TX 77065-6584

Employer Identification Number:  
30-46864571  
Document Locator Number:  
17053-362-01201-7  
Toll Free Number: 877-829-5500  
Application Form: 1023  
User Fee Paid: \$300.00

***Acknowledgement of your application***

We received your application for exemption from federal income tax. When communicating with us, please refer to the employer identification number and document locator number shown above.

***When can you expect to hear from us about your application?***

Your application was entered into our computer system and has been sent for initial review. Applications are initially separated into three groups: (1) those that can be processed immediately based on information submitted, (2) those that need minor additional information to be resolved, and (3) those that require additional development.

If your application falls in the first or second group, you will receive your exemption letter or a request for additional information, via phone, fax, or letter, within approximately 60 days of the date the application was submitted.

If your application falls within the third group, you will be contacted when your application has been assigned to an Exempt Organizations specialist. We assign applications in the order we receive them. If, after additional development, we conclude that you qualify for exemption, we will send you a letter stating that you are exempt from federal income tax. If we conclude that you do not qualify for exemption, we will send you a letter explaining why we believe you do not qualify and will include a complete explanation of your appeal rights.

The IRS does not issue "tax exempt numbers" or "tax exempt certificates" for state or local sales or income taxes. If you need exemption from these taxes, contact your state or local tax offices.

***Where can you learn more about the status of your application?***

Unfortunately, we are experiencing delays in working applications that require further development. Please click on the **Where Is My Exemption Application?** link found at [www.irs.gov/eo](http://www.irs.gov/eo) for the dates of cases currently being assigned.



**Application for Recognition of Exemption  
 Under Section 501(c)(3) of the Internal Revenue Code**

Use the instructions to complete this application and for a definition of all **bold** items. For additional help, call IRS Exempt Organizations Customer Account Services toll-free at 1-877-829-5500. Visit our website at **www.irs.gov** for forms and publications. If the required information and documents are not submitted with payment of the appropriate user fee, the application may be returned to you.

Attach additional sheets to this application if you need more space to answer fully. Put your name and EIN on each sheet and identify each answer by Part and line number. Complete Parts I - XI of Form 1023 and submit only those Schedules (A through H) that apply to you.

**Part I Identification of Applicant**

<b>1</b> Full name of organization (exactly as it appears in your <b>organizing document</b> ) Another Fund-Raiser Booster Club		<b>2</b> c/o Name (if applicable)	
<b>3</b> <b>Mailing address</b> (Number and street) (see instructions) 16825 Spring Cypress Road		Room/Suite	<b>4</b> Employer Identification Number (EIN) 30-0381296
City or town, state or country, and ZIP + 4 Cypress		<b>5</b> Month the annual accounting period ends (01 - 12) 06	
<b>6</b> Primary contact (officer, director, trustee, or <b>authorized representative</b> ) a Name:		b Phone:	
		c Fax: (optional)	
<b>7</b> Are you represented by an authorized representative, such as an attorney or accountant? If "Yes," provide the authorized representative's name, and the name and address of the authorized representative's firm. Include a completed Form 2848, <i>Power of Attorney and Declaration of Representative</i> , with your application if you would like us to communicate with your representative.		<input checked="" type="checkbox"/> <b>Yes</b> <input type="checkbox"/> <b>No</b>	
<b>8</b> Was a person who is not one of your officers, directors, trustees, employees, or an authorized representative listed in line 7, paid, or promised payment, to help plan, manage, or advise you about the structure or activities of your organization, or about your financial or tax matters? If "Yes," provide the person's name, the name and address of the person's firm, the amounts paid or promised to be paid, and describe that person's role.		<input type="checkbox"/> <b>Yes</b> <input checked="" type="checkbox"/> <b>No</b>	
<b>9a</b> Organization's website: N/A			
<b>b</b> Organization's email: (optional)			
<b>10</b> Certain organizations are not required to file an information return (Form 990 or Form 990-EZ). If you are granted tax-exemption, are you claiming to be excused from filing Form 990 or Form 990-EZ? If "Yes," explain. See the instructions for a description of organizations not required to file Form 990 or Form 990-EZ.		<input type="checkbox"/> <b>Yes</b> <input checked="" type="checkbox"/> <b>No</b>	
<b>11</b> Date incorporated if a corporation, or formed, if other than a corporation. (MM/DD/YYYY)    /    /			
<b>12</b> Were you formed under the laws of a <b>foreign country</b> ? If "Yes," state the country.		<input type="checkbox"/> <b>Yes</b> <input checked="" type="checkbox"/> <b>No</b>	

**Part II Organizational Structure**

You must be a corporation (including a limited liability company), an unincorporated association, or a trust to be tax exempt. (See instructions.) **DO NOT file this form unless you can check "Yes" on lines 1, 2, 3, or 4.**

- 1 Are you a **corporation**? If "Yes," attach a copy of your articles of incorporation showing **certification of filing** with the appropriate state agency. Include copies of any amendments to your articles and be sure they also show state filing certification.  Yes  No
- 2 Are you a **limited liability company (LLC)**? If "Yes," attach a copy of your articles of organization showing certification of filing with the appropriate state agency. Also, if you adopted an operating agreement, attach a copy. Include copies of any amendments to your articles and be sure they show state filing certification. Refer to the instructions for circumstances when an LLC should not file its own exemption application.  Yes  No
- 3 Are you an **unincorporated association**? If "Yes," attach a copy of your articles of association, constitution, or other similar organizing document that is dated and includes at least two signatures. Include signed and dated copies of any amendments.  Yes  No
- 4a Are you a **trust**? If "Yes," attach a signed and dated copy of your trust agreement. Include signed and dated copies of any amendments.  Yes  No
- b Have you been funded? If "No," explain how you are formed without anything of value placed in trust.  Yes  No
- 5 Have you adopted **bylaws**? If "Yes," attach a current copy showing date of adoption. If "No," explain how your officers, directors, or trustees are selected.  Yes  No

**Part III Required Provisions in Your Organizing Document**

The following questions are designed to ensure that when you file this application, your organizing document contains the required provisions to meet the organizational test under section 501(c)(3). Unless you can check the boxes in both lines 1 and 2, your organizing document does not meet the organizational test. **DO NOT file this application until you have amended your organizing document.** Submit your original and amended organizing documents (showing state filing certification if you are a corporation or an LLC) with your application.

- 1 Section 501(c)(3) requires that your organizing document state your exempt purpose(s), such as charitable, religious, educational, and/or scientific purposes. Check the box to confirm that your organizing document meets this requirement. Describe specifically where your organizing document meets this requirement, such as a reference to a particular article or section in your organizing document. Refer to the instructions for exempt purpose language. Location of Purpose Clause (Page, Article, and Paragraph):
- 2a Section 501(c)(3) requires that upon dissolution of your organization, your remaining assets must be used exclusively for exempt purposes, such as charitable, religious, educational, and/or scientific purposes. Check the box on line 2a to confirm that your organizing document meets this requirement by express provision for the distribution of assets upon dissolution. If you rely on state law for your dissolution provision, do not check the box on line 2a and go to line 2c.
- 2b If you checked the box on line 2a, specify the location of your dissolution clause (Page, Article, and Paragraph). Do not complete line 2c if you checked box 2a. \_\_\_\_\_
- 2c See the instructions for information about the operation of state law in your particular state. Check this box if you rely on operation of state law for your dissolution provision and indicate the state:

**Part IV Narrative Description of Your Activities**

Using an attachment, describe your *past*, *present*, and *planned* activities in a narrative. If you believe that you have already provided some of this information in response to other parts of this application, you may summarize that information here and refer to the specific parts of the application for supporting details. You may also attach representative copies of newsletters, brochures, or similar documents for supporting details to this narrative. Remember that if this application is approved, it will be open for public inspection. Therefore, your narrative description of activities should be thorough and accurate. Refer to the instructions for information that must be included in your description.

**Part V Compensation and Other Financial Arrangements With Your Officers, Directors, Trustees, Employees, and Independent Contractors**

1a List the names, titles, and mailing addresses of all of your officers, directors, and trustees. For each person listed, state their total annual **compensation**, or proposed compensation, for all services to the organization, whether as an officer, employee, or other position. Use actual figures, if available. Enter "none" if no compensation is or will be paid. If additional space is needed, attach a separate sheet. Refer to the instructions for information on what to include as compensation.

Name	Title	Mailing address	Compensation amount (annual actual or estimated)
Mary Smith	Co-President	.....	None
Judy Jones	Co-President	.....	None
Sue Typist	Secretary	.....	None
Joe Moneybags	Treadurer	.....	None

**Part V Compensation and Other Financial Arrangements With Your Officers, Directors, Trustees, Employees, and Independent Contractors (Continued)**

**b** List the names, titles, and mailing addresses of each of your five highest compensated employees who receive or will receive compensation of more than \$50,000 per year. Use the actual figure, if available. Refer to the instructions for information on what to include as compensation. Do not include officers, directors, or trustees listed in line 1a.

Name	Title	Mailing address	Compensation amount (annual actual or estimated)

**c** List the names, names of businesses, and mailing addresses of your five highest compensated **independent contractors** that receive or will receive compensation of more than \$50,000 per year. Use the actual figure, if available. Refer to the instructions for information on what to include as compensation.

Name	Title	Mailing address	Compensation amount (annual actual or estimated)

The following "Yes" or "No" questions relate to *past, present, or planned* relationships, transactions, or agreements with your officers, directors, trustees, highest compensated employees, and highest compensated independent contractors listed in lines 1a, 1b, and 1c.

- 2a** Are any of your officers, directors, or trustees **related** to each other through **family or business relationships**? If "Yes," identify the individuals and explain the relationship.  Yes  No
  - b** Do you have a business relationship with any of your officers, directors, or trustees other than through their position as an officer, director, or trustee? If "Yes," identify the individuals and describe the business relationship with each of your officers, directors, or trustees.  Yes  No
  - c** Are any of your officers, directors, or trustees related to your highest compensated employees or highest compensated independent contractors listed on lines 1b or 1c through family or business relationships? If "Yes," identify the individuals and explain the relationship.  Yes  No
- 
- 3a** For each of your officers, directors, trustees, highest compensated employees, and highest compensated independent contractors listed on lines 1a, 1b, or 1c, attach a list showing their name, qualifications, average hours worked, and duties.
  - b** Do any of your officers, directors, trustees, highest compensated employees, and highest compensated independent contractors listed on lines 1a, 1b, or 1c receive compensation from any other organizations, whether tax exempt or taxable, that are related to you through **common control**? If "Yes," identify the individuals, explain the relationship between you and the other organization, and describe the compensation arrangement.  Yes  No
- 
- 4** In establishing the compensation for your officers, directors, trustees, highest compensated employees, and highest compensated independent contractors listed on lines 1a, 1b, and 1c, the following practices are recommended, although they are not required to obtain exemption. Answer "Yes" to all the practices you use.
- a** Do you or will the individuals that approve compensation arrangements follow a conflict of interest policy?  Yes  No
  - b** Do you or will you approve compensation arrangements in advance of paying compensation?  Yes  No
  - c** Do you or will you document in writing the date and terms of approved compensation arrangements?  Yes  No

**Part V Compensation and Other Financial Arrangements With Your Officers, Directors, Trustees, Employees, and Independent Contractors (Continued)**

- d Do you or will you record in writing the decision made by each individual who decided or voted on compensation arrangements?  Yes  No
- e Do you or will you approve compensation arrangements based on information about compensation paid by **similarly situated** taxable or tax-exempt organizations for similar services, current compensation surveys compiled by independent firms, or actual written offers from similarly situated organizations? Refer to the instructions for Part V, lines 1a, 1b, and 1c, for information on what to include as compensation.  Yes  No
- f Do you or will you record in writing both the information on which you relied to base your decision and its source?  Yes  No
- g If you answered "No" to any item on lines 4a through 4f, describe how you set compensation that is **reasonable** for your officers, directors, trustees, highest compensated employees, and highest compensated independent contractors listed in Part V, lines 1a, 1b, and 1c.

- 5a Have you adopted a **conflict of interest policy** consistent with the sample conflict of interest policy in Appendix A to the instructions? If "Yes," provide a copy of the policy and explain how the policy has been adopted, such as by resolution of your governing board. If "No," answer lines 5b and 5c.  Yes  No
- b What procedures will you follow to assure that persons who have a conflict of interest will not have influence over you for setting their own compensation?
- c What procedures will you follow to assure that persons who have a conflict of interest will not have influence over you regarding business deals with themselves?

**Note:** A conflict of interest policy is recommended though it is not required to obtain exemption. Hospitals, see Schedule C, Section I, line 14.

- 6a Do you or will you compensate any of your officers, directors, trustees, highest compensated employees, and highest compensated independent contractors listed in lines 1a, 1b, or 1c through **non-fixed payments**, such as discretionary bonuses or revenue-based payments? If "Yes," describe all non-fixed compensation arrangements, including how the amounts are determined, who is eligible for such arrangements, whether you place a limitation on total compensation, and how you determine or will determine that you pay no more than reasonable compensation for services. Refer to the instructions for Part V, lines 1a, 1b, and 1c, for information on what to include as compensation.  Yes  No
- b Do you or will you compensate any of your employees, other than your officers, directors, trustees, or your five highest compensated employees who receive or will receive compensation of more than \$50,000 per year, through non-fixed payments, such as discretionary bonuses or revenue-based payments? If "Yes," describe all non-fixed compensation arrangements, including how the amounts are or will be determined, who is or will be eligible for such arrangements, whether you place or will place a limitation on total compensation, and how you determine or will determine that you pay no more than reasonable compensation for services. Refer to the instructions for Part V, lines 1a, 1b, and 1c, for information on what to include as compensation.  Yes  No

- 7a Do you or will you purchase any goods, services, or assets from any of your officers, directors, trustees, highest compensated employees, or highest compensated independent contractors listed in lines 1a, 1b, or 1c? If "Yes," describe any such purchase that you made or intend to make, from whom you make or will make such purchases, how the terms are or will be negotiated at **arm's length**, and explain how you determine or will determine that you pay no more than **fair market value**. Attach copies of any written contracts or other agreements relating to such purchases.  Yes  No
- b Do you or will you sell any goods, services, or assets to any of your officers, directors, trustees, highest compensated employees, or highest compensated independent contractors listed in lines 1a, 1b, or 1c? If "Yes," describe any such sales that you made or intend to make, to whom you make or will make such sales, how the terms are or will be negotiated at arm's length, and explain how you determine or will determine you are or will be paid at least fair market value. Attach copies of any written contracts or other agreements relating to such sales.  Yes  No

- 8a Do you or will you have any leases, contracts, loans, or other agreements with your officers, directors, trustees, highest compensated employees, or highest compensated independent contractors listed in lines 1a, 1b, or 1c? If "Yes," provide the information requested in lines 8b through 8f.  Yes  No
- b Describe any written or oral arrangements that you made or intend to make.
- c Identify with whom you have or will have such arrangements.
- d Explain how the terms are or will be negotiated at arm's length.
- e Explain how you determine you pay no more than fair market value or you are paid at least fair market value.
- f Attach copies of any signed leases, contracts, loans, or other agreements relating to such arrangements.

- 9a Do you or will you have any leases, contracts, loans, or other agreements with any organization in which any of your officers, directors, or trustees are also officers, directors, or trustees, or in which any individual officer, director, or trustee owns more than a 35% interest? If "Yes," provide the information requested in lines 9b through 9f.  Yes  No

### Part V Compensation and Other Financial Arrangements With Your Officers, Directors, Trustees, Employees, and Independent Contractors (Continued)

- b Describe any written or oral arrangements you made or intend to make.
- c Identify with whom you have or will have such arrangements.
- d Explain how the terms are or will be negotiated at arm's length.
- e Explain how you determine or will determine you pay no more than fair market value or that you are paid at least fair market value.
- f Attach a copy of any signed leases, contracts, loans, or other agreements relating to such arrangements.

### Part VI Your Members and Other Individuals and Organizations That Receive Benefits From You

The following "Yes" or "No" questions relate to goods, services, and funds you provide to individuals and organizations as part of your activities. Your answers should pertain to *past, present, and planned* activities. (See instructions.)

- 1a In carrying out your exempt purposes, do you provide goods, services, or funds to individuals? If "Yes," describe each program that provides goods, services, or funds to individuals.  Yes  No
- b In carrying out your exempt purposes, do you provide goods, services, or funds to organizations? If "Yes," describe each program that provides goods, services, or funds to organizations.  Yes  No
- 2 Do any of your programs limit the provision of goods, services, or funds to a specific individual or group of specific individuals? For example, answer "Yes," if goods, services, or funds are provided only for a particular individual, your members, individuals who work for a particular employer, or graduates of a particular school. If "Yes," explain the limitation and how recipients are selected for each program.  Yes  No
- 3 Do any individuals who receive goods, services, or funds through your programs have a family or business relationship with any officer, director, trustee, or with any of your highest compensated employees or highest compensated independent contractors listed in Part V, lines 1a, 1b, and 1c? If "Yes," explain how these related individuals are eligible for goods, services, or funds.  Yes  No

### Part VII Your History

The following "Yes" or "No" questions relate to your history. (See instructions.)

- 1 Are you a **successor** to another organization? Answer "Yes," if you have taken or will take over the activities of another organization; you took over 25% or more of the fair market value of the net assets of another organization; or you were established upon the conversion of an organization from for-profit to non-profit status. If "Yes," complete Schedule G.  Yes  No
- 2 Are you submitting this application more than 27 months after the end of the month in which you were legally formed? If "Yes," complete Schedule E.  Yes  No

### Part VIII Your Specific Activities

The following "Yes" or "No" questions relate to specific activities that you may conduct. Check the appropriate box. Your answers should pertain to *past, present, and planned* activities. (See instructions.)

- 1 Do you support or oppose candidates in **political campaigns** in any way? If "Yes," explain.  Yes  No
- 2a Do you attempt to **influence legislation**? If "Yes," explain how you attempt to influence legislation and complete line 2b. If "No," go to line 3a.  Yes  No
- b Have you made or are you making an **election** to have your legislative activities measured by expenditures by filing Form 5768? If "Yes," attach a copy of the Form 5768 that was already filed or attach a completed Form 5768 that you are filing with this application. If "No," describe whether your attempts to influence legislation are a substantial part of your activities. Include the time and money spent on your attempts to influence legislation as compared to your total activities.  Yes  No
- 3a Do you or will you operate bingo or **gaming** activities? If "Yes," describe who conducts them, and list all revenue received or expected to be received and expenses paid or expected to be paid in operating these activities. **Revenue and expenses** should be provided for the time periods specified in Part IX, Financial Data.  Yes  No
- b Do you or will you enter into contracts or other agreements with individuals or organizations to conduct bingo or gaming for you? If "Yes," describe any written or oral arrangements that you made or intend to make, identify with whom you have or will have such arrangements, explain how the terms are or will be negotiated at arm's length, and explain how you determine or will determine you pay no more than fair market value or you will be paid at least fair market value. Attach copies or any written contracts or other agreements relating to such arrangements.  Yes  No
- c List the states and local jurisdictions, including Indian Reservations, in which you conduct or will conduct gaming or bingo.

**Part VIII Your Specific Activities (Continued)**

- 4a** Do you or will you undertake **fundraising**? If "Yes," check all the fundraising programs you do or will conduct. (See instructions.)  **Yes**  **No**
- mail solicitations
  - email solicitations
  - personal solicitations
  - vehicle, boat, plane, or similar donations
  - foundation grant solicitations
  - phone solicitations
  - accept donations on your website
  - receive donations from another organization's website
  - government grant solicitations
  - Other

Attach a description of each fundraising program.

- b** Do you or will you have written or oral contracts with any individuals or organizations to raise funds for you? If "Yes," describe these activities. Include all revenue and expenses from these activities and state who conducts them. Revenue and expenses should be provided for the time periods specified in Part IX, Financial Data. Also, attach a copy of any contracts or agreements.  **Yes**  **No**
- c** Do you or will you engage in fundraising activities for other organizations? If "Yes," describe these arrangements. Include a description of the organizations for which you raise funds and attach copies of all contracts or agreements.  **Yes**  **No**
- d** List all states and local jurisdictions in which you conduct fundraising. For each state or local jurisdiction listed, specify whether you fundraise for your own organization, you fundraise for another organization, or another organization fundraises for you.
- e** Do you or will you maintain separate accounts for any contributor under which the contributor has the right to advise on the use or distribution of funds? Answer "Yes" if the donor may provide advice on the types of investments, distributions from the types of investments, or the distribution from the donor's contribution account. If "Yes," describe this program, including the type of advice that may be provided and submit copies of any written materials provided to donors.  **Yes**  **No**

**5** Are you **affiliated** with a governmental unit? If "Yes," explain.  **Yes**  **No**

**6a** Do you or will you engage in **economic development**? If "Yes," describe your program.  **Yes**  **No**

**b** Describe in full who benefits from your economic development activities and how the activities promote exempt purposes.

**7a** Do or will persons other than your employees or volunteers **develop** your facilities? If "Yes," describe each facility, the role of the developer, and any business or family relationship(s) between the developer and your officers, directors, or trustees.  **Yes**  **No**

**b** Do or will persons other than your employees or volunteers **manage** your activities or facilities? If "Yes," describe each activity and facility, the role of the manager, and any business or family relationship(s) between the manager and your officers, directors, or trustees.  **Yes**  **No**

**c** If there is a business or family relationship between any manager or developer and your officers, directors, or trustees, identify the individuals, explain the relationship, describe how contracts are negotiated at arm's length so that you pay no more than fair market value, and submit a copy of any contracts or other agreements.

**8** Do you or will you enter into **joint ventures**, including partnerships or **limited liability companies** treated as partnerships, in which you share profits and losses with partners other than section 501(c)(3) organizations? If "Yes," describe the activities of these joint ventures in which you participate.  **Yes**  **No**

**9a** Are you applying for exemption as a childcare organization under section 501(k)? If "Yes," answer lines 9b through 9d. If "No," go to line 10.  **Yes**  **No**

**b** Do you provide child care so that parents or caretakers of children you care for can be **gainfully employed** (see instructions)? If "No," explain how you qualify as a childcare organization described in section 501(k).  **Yes**  **No**

**c** Of the children for whom you provide child care, are 85% or more of them cared for by you to enable their parents or caretakers to be gainfully employed (see instructions)? If "No," explain how you qualify as a childcare organization described in section 501(k).  **Yes**  **No**

**d** Are your services available to the general public? If "No," describe the specific group of people for whom your activities are available. Also, see the instructions and explain how you qualify as a childcare organization described in section 501(k).  **Yes**  **No**

**10** Do you or will you publish, own, or have rights in music, literature, tapes, artworks, choreography, scientific discoveries, or other **intellectual property**? If "Yes," explain. Describe who owns or will own any copyrights, patents, or trademarks, whether fees are or will be charged, how the fees are determined, and how any items are or will be produced, distributed, and marketed.  **Yes**  **No**

Do you or will you accept contributions of: real property; conservation easements; closely held securities; intellectual property such as patents, trademarks, and copyrights; works of music or art; licenses; royalties; automobiles, boats, planes, or other vehicles; or collectibles of any type? If "Yes," describe each type of contribution, any conditions imposed by the donor on the contribution, and any agreements with the donor regarding the contribution.

Yes  No

**12a** Do you or will you operate in a **foreign country or countries?** If "Yes," answer lines 12b through 12d. If "No," go to line 13a.

Yes  No

**b** Name the foreign countries and regions within the countries in which you operate.

**c** Describe your operations in each country and region in which you operate.

**d** Describe how your operations in each country and region further your exempt purposes.

**13a** Do you or will you make grants, loans, or other distributions to organization(s)? If "Yes," answer lines 13b through 13g. If "No," go to line 14a.

Yes  No

**b** Describe how your grants, loans, or other distributions to organizations further your exempt purposes.

**c** Do you have written contracts with each of these organizations? If "Yes," attach a copy of each contract.

Yes  No

**d** Identify each recipient organization and any **relationship** between you and the recipient organization.

**e** Describe the records you keep with respect to the grants, loans, or other distributions you make.

Example

Do you have a **close connection** with any organizations? If "Yes," explain.

✓

Are you applying for exemption as a **cooperative hospital service organization** under section 501(e)? If "Yes," explain.

✓

Are you applying for exemption as a **cooperative service organization of operating educational organizations** under section 501(f)? If "Yes," explain.

✓

Are you applying for exemption as a **charitable risk pool** under section 501(n)? If "Yes," explain.

✓

✓

✓

✓

✓

**22** Do you or will you provide scholarships, fellowships, educational loans, or other educational grants to individuals, including grants for travel, study, or other similar purposes? If "Yes," complete Schedule H.  Yes  No

**Note:** Private foundations may use Schedule H to request advance approval of individual grant procedures.

Example



**Part IX Financial Data**

For purposes of this schedule, years in existence refer to completed tax years. If in existence 4 or more years, complete the schedule for the most recent 4 tax years. If in existence more than 1 year but less than 4 years, complete the statements for each year in existence and provide projections of your likely revenues and expenses based on a reasonable and good faith estimate of your future finances for a total of 3 years of financial information. If in existence less than 1 year, provide projections of your likely revenues and expenses for the current year and the 2 following years, based on a reasonable and good faith estimate of your future finances for a total of 3 years of financial information. (See instructions.)

**A. Statement of Revenues and Expenses**

	Type of revenue or expense	3 prior tax years or 2 succeeding tax years				(e) Provide Total for (a) through (d)
		(a) From...2007... To ...2008...	(b) From...2006... To ...2007...	(c) From..... To .....	(d) From..... To .....	
Revenues	<b>1</b> Gifts, grants, and contributions received (do not include unusual grants)	0	0	0	0	0
	<b>2</b> Membership fees received	400	400			775
	<b>3</b> Gross investment income	0	0			0
	<b>4</b> Net unrelated business income	0	0			0
	<b>5</b> Taxes levied for your benefit	0	0			0
	<b>6</b> Value of services or facilities furnished by a governmental unit without charge (not including the value of services generally furnished to the public without charge)	0	0			0
	<b>7</b> Any revenue not otherwise listed above or in lines 9-12 below (attach an itemized list)	0	0			0
	<b>8</b> Total of lines 1 through 7	400	400			775
	<b>9</b> Gross receipts from admissions, merchandise sold or services performed, or furnishing of facilities in any activity that is related to your exempt purposes (attach itemized list)	2000	0			2000
	<b>10</b> Total of lines 8 and 9	2400	400			2775
	<b>11</b> Net gain or loss on sale of capital assets (attach schedule and see instructions)	0	0			0
	<b>12</b> Unusual grants	0	0			0
	<b>13</b> Total Revenue Add lines 10 through 12	2400	400			2775
Expenses	<b>14</b> Fundraising expenses	0	0			
	<b>15</b> Contributions, gifts, grants, and similar amounts paid out (attach an itemized list)	0	0			
	<b>16</b> Disbursements to or for the benefit of members (attach an itemized list)	0	0			
	<b>17</b> Compensation of officers, directors, and trustees	0	0			
	<b>18</b> Other salaries and wages	0	0			
	<b>19</b> Interest expense	0	0			
	<b>20</b> Occupancy (rent, utilities, etc.)	0	0			
	<b>21</b> Depreciation and depletion	0	0			
	<b>22</b> Professional fees	800	0			
	<b>23</b> Any expense not otherwise classified, such as program services (attach itemized list)	0	0			
	<b>24</b> Total Expenses Add lines 14 through 23	800	0			

Part IX Financial Data (Continued)

B. Balance Sheet (for your most recently completed tax year)

Table with columns for line numbers (1-18), descriptions of assets and liabilities, and a 'Year End' column for whole dollars. Includes sections for Assets, Liabilities, and Fund Balances or Net Assets.

Part X Public Charity Status

Part X is designed to classify you as an organization that is either a private foundation or a public charity. Public charity status is a more favorable tax status than private foundation status.

- 1a Are you a private foundation? If "Yes," go to line 1b. If "No," go to line 5 and proceed as instructed.
b As a private foundation, section 508(e) requires special provisions in your organizing document in addition to those that apply to all organizations described in section 501(c)(3).
2 Are you a private operating foundation? To be a private operating foundation you must engage directly in the active conduct of charitable, religious, educational, and similar activities...
3 Have you existed for one or more years? If "Yes," attach financial information showing that you are a private operating foundation; go to the signature section of Part XI. If "No," continue to line 4.
4 Have you attached either (1) an affidavit or opinion of counsel, (including a written affidavit or opinion from a certified public accountant or accounting firm with expertise regarding this tax law matter), that sets forth facts concerning your operations and support to demonstrate that you are likely to satisfy the requirements to be classified as a private operating foundation; or (2) a statement describing your proposed operations as a private operating foundation?
5 If you answered "No" to line 1a, indicate the type of public charity status you are requesting by checking one of the choices below. You may check only one box.
The organization is not a private foundation because it is:
a 509(a)(1) and 170(b)(1)(A)(i)—a church or a convention or association of churches. Complete and attach Schedule A.
b 509(a)(1) and 170(b)(1)(A)(ii)—a school. Complete and attach Schedule B.
c 509(a)(1) and 170(b)(1)(A)(iii)—a hospital, a cooperative hospital service organization, or a medical research organization operated in conjunction with a hospital. Complete and attach Schedule C.
d 509(a)(3)—an organization supporting either one or more organizations described in line 5a through c, f, g, or h or a publicly supported section 501(c)(4), (5), or (6) organization. Complete and attach Schedule D.

**Part X Public Charity Status (Continued)**

- e 509(a)(4)—an organization organized and operated exclusively for testing for public safety.
- f 509(a)(1) and 170(b)(1)(A)(iv)—an organization operated for the benefit of a college or university that is owned or operated by a governmental unit.
- g 509(a)(1) and 170(b)(1)(A)(vi)—an organization that receives a substantial part of its financial support in the form of contributions from publicly supported organizations, from a governmental unit, or from the general public.
- h 509(a)(2)—an organization that normally receives not more than one-third of its financial support from gross **investment income** and receives more than one-third of its financial support from contributions, membership fees, and gross receipts from activities related to its exempt functions (subject to certain exceptions).
- i A publicly supported organization, but unsure if it is described in 5g or 5h. The organization would like the IRS to decide the correct status.

6 If you checked box g, h, or i in question 5 above, you must request either an **advance** or a **definitive ruling** by selecting one of the boxes below. Refer to the instructions to determine which type of ruling you are eligible to receive.

- a **Request for Advance Ruling:** By checking this box and signing the consent, pursuant to section 6501(c)(4) of the Code you request an advance ruling and agree to extend the statute of limitations on the assessment of excise tax under section 4940 of the Code. The tax will apply only if you do not establish public support status at the end of the 5-year advance ruling period. The assessment period will be extended for the 5 advance ruling years to 8 years, 4 months, and 15 days beyond the end of the first year. You have the right to refuse or limit the extension to a mutually agreed-upon period of time or issue(s). Publication 1035, *Extending the Tax Assessment Period*, provides a more detailed explanation of your rights and the consequences of the choices you make. You may obtain Publication 1035 free of charge from the IRS web site at [www.irs.gov](http://www.irs.gov) or by calling toll-free 1-800-829-3676. Signing this consent will not deprive you of any appeal rights to which you would otherwise be entitled. If you decide not to extend the statute of limitations, you are not eligible for an advance ruling.

**Consent Fixing Period of Limitations Upon Assessment of Tax Under Section 4940 of the Internal Revenue Code**

For Organization

*Jane Smith*  
(Signature of Officer, Director, Trustee, or other authorized official)

Jane Smith  
(Type or print name of signer)

5/19/08  
(Date)

(Type or print title or authority of signer)

For IRS Use Only

IRS Director, Exempt Organizations

(Date)

- b **Request for Definitive Ruling:** Check this box if you have completed one tax year of at least 8 full months and you are requesting a definitive ruling. To confirm your public support status, answer line 6b(i) if you checked box g in line 5 above. Answer line 6b(ii) if you checked box h in line 5 above. If you checked box i in line 5 above, answer both lines 6b(i) and (ii).
- (i) (a) Enter 2% of line 8, column (e) on Part IX-A. Statement of Revenues and Expenses. \_\_\_\_\_
- (b) Attach a list showing the name and amount contributed by each person, company, or organization whose gifts totaled more than the 2% amount. If the answer is "None," check this box.
- (ii) (a) For each year amounts are included on lines 1, 2, and 9 of Part IX-A. Statement of Revenues and Expenses, attach a list showing the name of and amount received from each **disqualified person**. If the answer is "None," check this box.
- (b) For each year amounts are included on line 9 of Part IX-A. Statement of Revenues and Expenses, attach a list showing the name of and amount received from each payer, other than a disqualified person, whose payments were more than the larger of (1) 1% of line 10, Part IX-A. Statement of Revenues and Expenses, or (2) \$5,000. If the answer is "None," check this box.

7 Did you receive any unusual grants during any of the years shown on Part IX-A. Statement of Revenues and Expenses? If "Yes," attach a list including the name of the contributor, the date and amount of the grant, a brief description of the grant, and explain why it is unusual.  Yes  No

**Part XI User Fee Information**

You must include a user fee payment with this application. It will not be processed without your paid user fee. If your average annual gross receipts have exceeded or will exceed \$10,000 annually over a 4-year period, you must submit payment of \$750. If your gross receipts have not exceeded or will not exceed \$10,000 annually over a 4-year period, the required user fee payment is \$300. See instructions for Part XI, for a definition of **gross receipts** over a 4-year period. Your check or money order must be made payable to the United States Treasury. *User fees are subject to change. Check our website at www.irs.gov and type "User Fee" in the keyword box, or call Customer Account Services at 1-877-829-5500 for current information.*

- 1 Have your annual gross receipts averaged or are they expected to average not more than \$10,000?  **Yes**  **No**  
 If "Yes," check the box on line 2 and enclose a user fee payment of \$300 (Subject to change—see above).  
 If "No," check the box on line 3 and enclose a user fee payment of \$750 (Subject to change—see above).
- 2 Check the box if you have enclosed the reduced user fee payment of \$300 (Subject to change).
- 3 Check the box if you have enclosed the user fee payment of \$750 (Subject to change).

I declare under the penalties of perjury that I am authorized to sign this application on behalf of the above organization and that I have examined this application, including the accompanying schedules and attachments, and to the best of my knowledge it is true, correct, and complete.

**Please Sign Here**



(Signature of Officer, Director, Trustee, or other authorized official)

(Type or print name of signer)

(Date)

(Type or print title or authority of signer)

**Reminder:** Send the completed Form 1023 Checklist with your filled-in-application.

Example

**Schedule A. Churches**

<b>1a</b>	Do you have a written creed, statement of faith, or summary of beliefs? If "Yes," attach copies of relevant documents.	<input type="checkbox"/> Yes	<input type="checkbox"/> No
<b>b</b>	Do you have a form of worship? If "Yes," describe your form of worship.	<input type="checkbox"/> Yes	<input type="checkbox"/> No
<b>2a</b>	Do you have a formal code of doctrine and discipline? If "Yes," describe your code of doctrine and discipline.	<input type="checkbox"/> Yes	<input type="checkbox"/> No
<b>b</b>	Do you have a distinct religious history? If "Yes," describe your religious history.	<input type="checkbox"/> Yes	<input type="checkbox"/> No
<b>c</b>	Do you have a literature of your own? If "Yes," describe your literature.	<input type="checkbox"/> Yes	<input type="checkbox"/> No
<b>3</b>	Describe the organization's religious hierarchy or ecclesiastical government.		
<b>4a</b>	Do you have regularly scheduled religious services? If "Yes," describe the nature of the services and provide representative copies of relevant literature such as church bulletins.	<input type="checkbox"/> Yes	<input type="checkbox"/> No
<b>b</b>	What is the average attendance at your regularly scheduled religious services?	_____	
<b>5a</b>	Do you have an established place of worship? If "Yes," refer to the instructions for the information required.	<input type="checkbox"/> Yes	<input type="checkbox"/> No
<b>b</b>	Do you own the property where you have an established place of worship?	<input type="checkbox"/> Yes	<input type="checkbox"/> No
<b>6</b>	Do you have an established congregation or other regular membership group? If "No," refer to the instructions.	<input type="checkbox"/> Yes	<input type="checkbox"/> No
<b>7</b>	How many members do you have? _____		
<b>8a</b>	Do you have a process by which an individual becomes a member? If "Yes," describe the process and complete lines 8b-8d, below.	<input type="checkbox"/> Yes	<input type="checkbox"/> No
<b>b</b>	If you have members, do your members have voting rights, rights to participate in religious functions, or other rights? If "Yes," describe the rights your members have.	<input type="checkbox"/> Yes	<input type="checkbox"/> No
<b>c</b>	May your members be associated with another denomination or church?	<input type="checkbox"/> Yes	<input type="checkbox"/> No
<b>d</b>	Are all of your members part of the same <b>family</b> ?	<input type="checkbox"/> Yes	<input type="checkbox"/> No
<b>9</b>	Do you conduct baptisms, weddings, funerals, etc.?	<input type="checkbox"/> Yes	<input type="checkbox"/> No
<b>10</b>	Do you have a school for the religious instruction of the young?	<input type="checkbox"/> Yes	<input type="checkbox"/> No
<b>11a</b>	Do you have a minister or religious leader? If "Yes," describe this person's role and explain whether the minister or religious leader was ordained, commissioned, or licensed after a prescribed course of study.	<input type="checkbox"/> Yes	<input type="checkbox"/> No
<b>b</b>	Do you have schools for the preparation of your ordained ministers or religious leaders?	<input type="checkbox"/> Yes	<input type="checkbox"/> No
<b>12</b>	Is your minister or religious leader also one of your officers, directors, or trustees?	<input type="checkbox"/> Yes	<input type="checkbox"/> No
<b>13</b>	Do you ordain, commission, or license ministers or religious leaders? If "Yes," describe the requirements for ordination, commission, or licensure.	<input type="checkbox"/> Yes	<input type="checkbox"/> No
<b>14</b>	Are you part of a group of churches with similar beliefs and structures? If "Yes," explain. Include the name of the group of churches.	<input type="checkbox"/> Yes	<input type="checkbox"/> No
<b>15</b>	Do you issue church charters? If "Yes," describe the requirements for issuing a charter.	<input type="checkbox"/> Yes	<input type="checkbox"/> No
<b>16</b>	Did you pay a fee for a church charter? If "Yes," attach a copy of the charter.	<input type="checkbox"/> Yes	<input type="checkbox"/> No
<b>17</b>	Do you have other information you believe should be considered regarding your status as a church? If "Yes," explain.	<input type="checkbox"/> Yes	<input type="checkbox"/> No

**Schedule B. Schools, Colleges, and Universities**

If you operate a school as an activity, complete Schedule B

**Section I Operational Information**

**1a** Do you normally have a regularly scheduled curriculum, a regular faculty of qualified teachers, a regularly enrolled student body, and facilities where your educational activities are regularly carried on? If "No," do not complete the remainder of Schedule B.  Yes  No

**b** Is the primary function of your school the presentation of formal instruction? If "Yes," describe your school in terms of whether it is an elementary, secondary, college, technical, or other type of school. If "No," do not complete the remainder of Schedule B.  Yes  No

**2a** Are you a public school because you are operated by a state or subdivision of a state? If "Yes," explain how you are operated by a state or subdivision of a state. Do not complete the remainder of Schedule B.  Yes  No

**b** Are you a public school because you are operated wholly or predominantly from government funds or property? If "Yes," explain how you are operated wholly or predominantly from government funds or property. Submit a copy of your funding agreement regarding government funding. Do not complete the remainder of Schedule B.  Yes  No

**3** In what public school district, county, and state are you located?

**4** Were you formed or substantially expanded at the time of public school desegregation in the above school district or county?  Yes  No

**5** Has a state or federal administrative agency or judicial body ever determined that you are racially discriminatory? If "Yes," explain.  Yes  No

**6** Has your right to receive financial aid or assistance from a governmental agency ever been revoked or suspended? If "Yes," explain.  Yes  No

**7** Do you or will you contract with another organization to develop, build, market, or finance your facilities? If "Yes," explain how that entity is selected, explain how the terms of any contracts or other agreements are negotiated at arm's length, and explain how you determine that you will pay no more than fair market value for services.  Yes  No

**Note.** Make sure your answer is consistent with the information provided in Part VIII, line 7a.

**8** Do you or will you manage your activities or facilities through your own employees or volunteers? If "No," attach a statement describing the activities that will be managed by others, the names of the persons or organizations that manage or will manage your activities or facilities, and how these managers were or will be selected. Also, submit copies of any contracts, proposed contracts, or other agreements regarding the provision of management services for your activities or facilities. Explain how the terms of any contracts or other agreements were or will be negotiated, and explain how you determine you will pay no more than fair market value for services.  Yes  No

**Note.** Answer "Yes" if you manage or intend to manage your programs through your own employees or by using volunteers. Answer "No" if you engage or intend to engage a separate organization or independent contractor. Make sure your answer is consistent with the information provided in Part VIII, line 7b.

**Section II Establishment of Racially Nondiscriminatory Policy**

Information required by **Revenue Procedure 75-50.**

**1** Have you adopted a racially nondiscriminatory policy as to students in your organizing document, bylaws, or by resolution of your governing body? If "Yes," state where the policy can be found or supply a copy of the policy. If "No," you must adopt a nondiscriminatory policy as to students before submitting this application. See Publication 557.  Yes  No

**2** Do your brochures, application forms, advertisements, and catalogues dealing with student admissions, programs, and scholarships contain a statement of your racially nondiscriminatory policy?  Yes  No

**a** If "Yes," attach a representative sample of each document.

**b** If "No," by checking the box to the right you agree that all future printed materials, including website content, will contain the required nondiscriminatory policy statement.

**3** Have you published a notice of your nondiscriminatory policy in a newspaper of general circulation that serves all racial segments of the community? (See the instructions for specific requirements.) If "No," explain.  Yes  No

**4** Does or will the organization (or any department or division within it) discriminate in any way on the basis of race with respect to admissions; use of facilities or exercise of student privileges; faculty or administrative staff; or scholarship or loan programs? If "Yes," for any of the above, explain fully.  Yes  No

**Schedule B. Schools, Colleges, and Universities (Continued)**

**5** Complete the table below to show the racial composition for the current academic year and projected for the next academic year, of: (a) the student body, (b) the faculty, and (c) the administrative staff. Provide actual numbers rather than percentages for each racial category.

If you are not operational, submit an estimate based on the best information available (such as the racial composition of the community served).

Racial Category	(a) Student Body		(b) Faculty		(c) Administrative Staff	
	Current Year	Next Year	Current Year	Next Year	Current Year	Next Year
<b>Total</b>						

**6** In the table below, provide the number and amount of loans and scholarships awarded to students enrolled by racial categories.

Racial Category	Number of Loans		Amount of Loans		Number of Scholarships		Amount of Scholarships	
	Current Year	Next Year	Current Year	Next Year	Current Year	Next Year	Current Year	Next Year
<b>Total</b>								

**7a** Attach a list of your incorporators, founders, board members, and donors of land or buildings, whether individuals or organizations.

**b** Do any of these individuals or organizations have an objective to maintain segregated public or private school education? If "Yes," explain.  Yes  No

**8** Will you maintain records according to the non-discrimination provisions contained in Revenue Procedure 75-50? If "No," explain. (See instructions.)  Yes  No

**Schedule C. Hospitals and Medical Research Organizations**

Check the box if you are a **hospital**. See the instructions for a definition of the term "hospital," which includes an organization whose principal purpose or function is providing **hospital or medical care**. Complete Section I below.

Check the box if you are a **medical research organization** operated in conjunction with a hospital. See the instructions for a definition of the term "medical research organization," which refers to an organization whose principal purpose or function is medical research and which is directly engaged in the continuous active conduct of medical research in conjunction with a hospital. Complete Section II.

**Section I Hospitals**

- 1a** Are all the doctors in the community eligible for staff privileges? If "No," give the reasons why and explain how the medical staff is selected.  **Yes**  **No**
- 2a** Do you or will you provide medical services to all individuals in your community who can pay for themselves or have private health insurance? If "No," explain.  **Yes**  **No**
- b** Do you or will you provide medical services to all individuals in your community who participate in Medicare? If "No," explain.  **Yes**  **No**
- c** Do you or will you provide medical services to all individuals in your community who participate in Medicaid? If "No," explain.  **Yes**  **No**
- 3a** Do you or will you require persons covered by Medicare or Medicaid to pay a deposit before receiving services? If "Yes," explain.  **Yes**  **No**
- b** Does the same deposit requirement, if any, apply to all other patients? If "No," explain.  **Yes**  **No**
- 4a** Do you or will you maintain a full-time emergency room? If "No," explain why you do not maintain a full-time emergency room. Also, describe any emergency services that you provide.  **Yes**  **No**
- b** Do you have a policy on providing emergency services to persons without apparent means to pay? If "Yes," provide a copy of the policy.  **Yes**  **No**
- c** Do you have any arrangements with police, fire, and voluntary ambulance services for the delivery or admission of emergency cases? If "Yes," describe the arrangements, including whether they are written or oral agreements. If written, submit copies of all such agreements.  **Yes**  **No**
- 5a** Do you provide for a portion of your services and facilities to be used for charity patients? If "Yes," answer 5b through 5e.  **Yes**  **No**
- b** Explain your policy regarding charity cases, including how you distinguish between charity care and bad debts. Submit a copy of your written policy.
- c** Provide data on your past experience in admitting charity patients, including amounts you expend for treating charity care patients and types of services you provide to charity care patients.
- d** Describe any arrangements you have with federal, state, or local governments or government agencies for paying for the cost of treating charity care patients. Submit copies of any written agreements.
- e** Do you provide services on a sliding fee schedule depending on financial ability to pay? If "Yes," submit your sliding fee schedule.  **Yes**  **No**
- 6a** Do you or will you carry on a formal program of medical training or medical research? If "Yes," describe such programs, including the type of programs offered, the scope of such programs, and affiliations with other hospitals or medical care providers with which you carry on the medical training or research programs.  **Yes**  **No**
- b** Do you or will you carry on a formal program of community education? If "Yes," describe such programs, including the type of programs offered, the scope of such programs, and affiliation with other hospitals or medical care providers with which you offer community education programs.  **Yes**  **No**
- 7** Do you or will you provide office space to physicians carrying on their own medical practices? If "Yes," describe the criteria for who may use the space, explain the means used to determine that you are paid at least fair market value, and submit representative lease agreements.  **Yes**  **No**
- 8** Is your board of directors comprised of a majority of individuals who are representative of the community you serve? Include a list of each board member's name and business, financial, or professional relationship with the hospital. Also, identify each board member who is representative of the community and describe how that individual is a community representative.  **Yes**  **No**
- 9** Do you participate in any joint ventures? If "Yes," state your ownership percentage in each joint venture, list your investment in each joint venture, describe the tax status of other participants in each joint venture (including whether they are section 501(c)(3) organizations), describe the activities of each joint venture, describe how you exercise control over the activities of each joint venture, and describe how each joint venture furthers your exempt purposes. Also, submit copies of all agreements.  **Yes**  **No**

**Note.** Make sure your answer is consistent with the information provided in Part VIII, line 8.



**Schedule C. Hospitals and Medical Research Organizations (Continued)****Section I Hospitals (Continued)**

- 10 Do you or will you manage your activities or facilities through your own employees or volunteers? If "No," attach a statement describing the activities that will be managed by others, the names of the persons or organizations that manage or will manage your activities or facilities, and how these managers were or will be selected. Also, submit copies of any contracts, proposed contracts, or other agreements regarding the provision of management services for your activities or facilities. Explain how the terms of any contracts or other agreements were or will be negotiated, and explain how you determine you will pay no more than fair market value for services.  Yes  No
- Note.** Answer "Yes" if you do manage or intend to manage your programs through your own employees or by using volunteers. Answer "No" if you engage or intend to engage a separate organization or independent contractor. Make sure your answer is consistent with the information provided in Part VIII, line 7b.
- 11 Do you or will you offer recruitment incentives to physicians? If "Yes," describe your recruitment incentives and attach copies of all written recruitment incentive policies.  Yes  No
- 12 Do you or will you lease equipment, assets, or office space from physicians who have a financial or professional relationship with you? If "Yes," explain how you establish a fair market value for the lease.  Yes  No
- 13 Have you purchased medical practices, ambulatory surgery centers, or other business assets from physicians or other persons with whom you have a business relationship, aside from the purchase? If "Yes," submit a copy of each purchase and sales contract and describe how you arrived at fair market value, including copies of appraisals.  Yes  No
- 14 Have you adopted a **conflict of interest policy** consistent with the sample health care organization conflict of interest policy in Appendix A of the instructions? If "Yes," submit a copy of the policy and explain how the policy has been adopted, such as by resolution of your governing board. If "No," explain how you will avoid any conflicts of interest in your business dealings.  Yes  No

**Section II Medical Research Organizations**

- 1 Name the hospitals with which you have a relationship and describe the relationship. Attach copies of written agreements with each hospital that demonstrate continuing relationships between you and the hospital(s).
- 2 Attach a schedule describing your present and proposed activities for the direct conduct of medical research; describe the nature of the activities, and the amount of money that has been or will be spent in carrying them out.
- 3 Attach a schedule of assets showing their fair market value and the portion of your assets directly devoted to medical research.

**Schedule D. Section 509(a)(3) Supporting Organizations**

**Section I Identifying Information About the Supported Organization(s)**

**1** State the names, addresses, and EINs of the supported organizations. If additional space is needed, attach a separate sheet.

Name	Address	EIN
		-
		-

**2** Are all supported organizations listed in line 1 public charities under section 509(a)(1) or (2)? If "Yes," go to Section II. If "No," go to line 3.  Yes  No

**3** Do the supported organizations have tax-exempt status under section 501(c)(4), 501(c)(5), or 501(c)(6)?  Yes  No

If "Yes," for each 501(c)(4), (5), or (6) organization supported, provide the following financial information:

- Part IX-A. Statement of Revenues and Expenses, lines 1-13 and
- Part X, lines 6b(ii)(a), 6b(ii)(b), and 7.

If "No," attach a statement describing how each organization you support is a public charity under section 509(a)(1) or (2).

**Section II Relationship with Supported Organization(s)—Three Tests**

To be classified as a supporting organization, an organization must meet one of three relationship tests:

- Test 1: "Operated, supervised, or controlled by" one or more publicly supported organizations, or
- Test 2: "Supervised or controlled in connection with" one or more publicly supported organizations, or
- Test 3: "Operated in connection with" one or more publicly supported organizations.

**1** Information to establish the "operated, supervised, or controlled by" relationship (Test 1)  
Is a majority of your governing board or officers elected or appointed by the supported organization(s)? If "Yes," describe the process by which your governing board is appointed and elected; go to Section III. If "No," continue to line 2.  Yes  No

**2** Information to establish the "supervised or controlled in connection with" relationship (Test 2)  
Does a majority of your governing board consist of individuals who also serve on the governing board of the supported organization(s)? If "Yes," describe the process by which your governing board is appointed and elected; go to Section III. If "No," go to line 3.  Yes  No

**3** Information to establish the "operated in connection with" responsiveness test (Test 3)  
Are you a trust from which the named supported organization(s) can enforce and compel an accounting under state law? If "Yes," explain whether you advised the supported organization(s) in writing of these rights and provide a copy of the written communication documenting this; go to Section II, line 5. If "No," go to line 4a.  Yes  No

**4** Information to establish the alternative "operated in connection with" responsiveness test (Test 3)  
**a** Do the officers, directors, trustees, or members of the supported organization(s) elect or appoint one or more of your officers, directors, or trustees? If "Yes," explain and provide documentation; go to line 4d, below. If "No," go to line 4b.  Yes  No

**b** Do one or more members of the governing body of the supported organization(s) also serve as your officers, directors, or trustees or hold other important offices with respect to you? If "Yes," explain and provide documentation; go to line 4d, below. If "No," go to line 4c.  Yes  No

**c** Do your officers, directors, or trustees maintain a close and continuous working relationship with the officers, directors, or trustees of the supported organization(s)? If "Yes," explain and provide documentation.  Yes  No

**d** Do the supported organization(s) have a significant voice in your investment policies, in the making and timing of grants, and in otherwise directing the use of your income or assets? If "Yes," explain and provide documentation.  Yes  No

**e** Describe and provide copies of written communications documenting how you made the supported organization(s) aware of your supporting activities.

**Schedule D. Section 509(a)(3) Supporting Organizations (Continued)**

**Section II Relationship with Supported Organization(s)—Three Tests (Continued)**

- 5** Information to establish the "operated in connection with" integral part test (Test 3)  
Do you conduct activities that would otherwise be carried out by the supported organization(s)? If "Yes," explain and go to Section III. If "No," continue to line 6a.  Yes  No
- 6** Information to establish the alternative "operated in connection with" integral part test (Test 3)  
**a** Do you distribute at least 85% of your annual **net income** to the supported organization(s)? If "Yes," go to line 6b. (See instructions.)  Yes  No  
If "No," state the percentage of your income that you distribute to each supported organization. Also explain how you ensure that the supported organization(s) are attentive to your operations.  
**b** How much do you contribute annually to each supported organization? Attach a schedule.  
**c** What is the total annual revenue of each supported organization? If you need additional space, attach a list.  
**d** Do you or the supported organization(s)  **earmark**  your funds for support of a particular program or activity? If "Yes," explain.  Yes  No
- 7a** Does your organizing document specify the supported organization(s) by name? If "Yes," state the article and paragraph number and go to Section III. If "No," answer line 7b.  Yes  No  
**b** Attach a statement describing whether there has been an historic and continuing relationship between you and the supported organization(s).



Example

**Schedule D. Section 509(a)(3) Supporting Organizations (Continued)**

**Section II Relationship with Supported Organization(s)—Three Tests (Continued)**

- 5 Information to establish the "operated in connection with" integral part test (Test 3)  
Do you conduct activities that would otherwise be carried out by the supported organization(s)? If "Yes," explain and go to Section III. If "No," continue to line 6a.  Yes  No

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- 6 Information to establish the alternative "operated in connection with" integral part test (Test 3)
  - a Do you distribute at least 85% of your annual **net income** to the supported organization(s)? If "Yes," go to line 6b. (See instructions.)  Yes  No  
If "No," state the percentage of your income that you distribute to each supported organization. Also explain how you ensure that the supported organization(s) are attentive to your operations.
  - b How much do you contribute annually to each supported organization? Attach a schedule.
  - c What is the total annual revenue of each supported organization? If you need additional space, attach a list.
  - d Do you or the supported organization(s)  **earmark**  your funds for support of a particular program or activity? If "Yes," explain.  Yes  No

---

- 7a Does your organizing document specify the supported organization(s) by name? If "Yes," state the article and paragraph number and go to Section III. If "No," answer line 7b.  Yes  No
  - b Attach a statement describing whether there has been an historic and continuing relationship between you and the supported organization(s).

**Section III Organizational Test**

- 1a If you met relationship Test 1 or Test 2 in Section II, your organizing document must specify the supported organization(s) by name, or by naming a similar purpose or charitable class of beneficiaries. If your organizing document complies with this requirement, answer "Yes." If your organizing document does not comply with this requirement, answer "No," and see the instructions.  Yes  No
- b If you met relationship Test 3 in Section II, your organizing document must generally specify the supported organization(s) by name. If your organizing document complies with this requirement, answer "Yes," and go to Section IV. If your organizing document does not comply with this requirement, answer "No," and see the instructions.  Yes  No

**Section IV Disqualified Person Test**

You do not qualify as a supporting organization if you are **controlled** directly or indirectly by one or more **disqualified persons** (as defined in section 4946) other than **foundation managers** or one or more organizations that you support. Foundation managers who are also disqualified persons for another reason are disqualified persons with respect to you.

- 1a Do any persons who are disqualified persons with respect to you, (except individuals who are disqualified persons only because they are foundation managers), appoint any of your foundation managers? If "Yes," (1) describe the process by which disqualified persons appoint any of your foundation managers, (2) provide the names of these disqualified persons and the foundation managers they appoint, and (3) explain how control is vested over your operations (including assets and activities) by persons other than disqualified persons.  Yes  No
- b Do any persons who have a family or business relationship with any disqualified persons with respect to you, (except individuals who are disqualified persons only because they are foundation managers), appoint any of your foundation managers? If "Yes," (1) describe the process by which individuals with a family or business relationship with disqualified persons appoint any of your foundation managers, (2) provide the names of these disqualified persons, the individuals with a family or business relationship with disqualified persons, and the foundation managers appointed, and (3) explain how control is vested over your operations (including assets and activities) in individuals other than disqualified persons.  Yes  No
- c Do any persons who are disqualified persons, (except individuals who are disqualified persons only because they are foundation managers), have any influence regarding your operations, including your assets or activities? If "Yes," (1) provide the names of these disqualified persons, (2) explain how influence is exerted over your operations (including assets and activities), and (3) explain how control is vested over your operations (including assets and activities) by individuals other than disqualified persons.  Yes  No

**Schedule E. Organizations Not Filing Form 1023 Within 27 Months of Formation**

Schedule E is intended to determine whether you are eligible for tax exemption under section 501(c)(3) from the postmark date of your application or from your date of incorporation or formation, whichever is earlier. If you are not eligible for tax exemption under section 501(c)(3) from your date of incorporation or formation, Schedule E is also intended to determine whether you are eligible for tax exemption under section 501(c)(4) for the period between your date of incorporation or formation and the postmark date of your application.

- 1** Are you a church, association of churches, or integrated auxiliary of a church? If "Yes," complete Schedule A and stop here. Do not complete the remainder of Schedule E.  Yes  No
- 2a** Are you a public charity with annual **gross receipts** that are normally \$5,000 or less? If "Yes," stop here. Answer "No" if you are a private foundation, regardless of your gross receipts.  Yes  No
- b** If your gross receipts were normally more than \$5,000, are you filing this application within 90 days from the end of the tax year in which your gross receipts were normally more than \$5,000? If "Yes," stop here.  Yes  No
- 3a** Were you included as a subordinate in a group exemption application or letter? If "No," go to line 4.  Yes  No
- b** If you were included as a subordinate in a group exemption letter, are you filing this application within 27 months from the date you were notified by the organization holding the group exemption letter or the Internal Revenue Service that you cease to be covered by the group exemption letter? If "Yes," stop here.  Yes  No
- c** If you were included as a subordinate in a timely filed group exemption request that was denied, are you filing this application within 27 months from the postmark date of the Internal Revenue Service final adverse ruling letter? If "Yes," stop here.  Yes  No
- 4** Were you created on or before October 9, 1969? If "Yes," stop here. Do not complete the remainder of this schedule.  Yes  No
- 5** If you answered "No" to lines 1 through 4, we cannot recognize you as tax exempt from your date of formation unless you qualify for an extension of time to apply for exemption. Do you wish to request an extension of time to apply to be recognized as exempt from the date you were formed? If "Yes," attach a statement explaining why you did not file this application within the 27-month period. Do not answer lines 6, 7, or 8. If "No," go to line 6a.  Yes  No
- 6a** If you answered "No" to line 5, you can only be exempt under section 501(c)(3) from the postmark date of this application. Therefore, do you want us to treat this application as a request for tax exemption from the postmark date? If "Yes," you are eligible for an advance ruling. Complete Part X, line 6a. If "No," you will be treated as a private foundation.  Yes  No
- Note.** Be sure your ruling eligibility agrees with your answer to Part X, line 6.
- b** Do you anticipate significant changes in your sources of support in the future? If "Yes," complete line 7 below.  Yes  No

**Schedule E. Organizations Not Filing Form 1023 Within 27 Months of Formation** (Continued)

**7** Complete this item only if you answered "Yes" to line 6b. Include projected revenue for the first two full years following the current tax year.

Type of Revenue	Projected revenue for 2 years following current tax year		
	(a) From ..... To	(b) From ..... To	(c) Total
<b>1</b> Gifts, grants, and contributions received (do not include unusual grants)			
<b>2</b> Membership fees received			
<b>3</b> Gross investment income			
<b>4</b> Net unrelated business income			
<b>5</b> Taxes levied for your benefit			
<b>6</b> Value of services or facilities furnished by a governmental unit without charge (not including the value of services generally furnished to the public without charge)			
<b>7</b> Any revenue not otherwise listed above or in lines 9-12 below (attach an itemized list)			
<b>8</b> Total of lines 1 through 7			
<b>9</b> Gross receipts from admissions, merchandise sold, or services performed, or furnishing of facilities in any activity that is related to your exempt purposes (attach itemized list)			
<b>10</b> Total of lines 8 and 9			
<b>11</b> Net gain or loss on sale of capital assets (attach an itemized list)			
<b>12</b> Unusual grants			
<b>13</b> Total revenue. Add lines 10 through 12			

**8** According to your answers, you are only eligible for tax exemption under section 501(c)(3) from the postmark date of your application. However, you may be eligible for tax exemption under section 501(c)(4) from your date of formation to the postmark date of the Form 1023. Tax exemption under section 501(c)(4) allows exemption from federal income tax, but generally not deductibility of contributions under Code section 170. Check the box at right if you want us to treat this as a request for exemption under 501(c)(4) from your date of formation to the postmark date. ▶

Attach a completed Page 1 of Form 1024, Application for Recognition of Exemption Under Section 501(a), to this application.

Schedule F. Homes for the Elderly or Handicapped and Low-Income Housing

Section I General Information About Your Housing

- 1 Describe the type of housing you provide.

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- 2 Provide copies of any application forms you use for admission.

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- 3 Explain how the public is made aware of your facility.

---

- 4a Provide a description of each facility.
  - b What is the total number of residents each facility can accommodate?
  - c What is your current number of residents in each facility?
  - d Describe each facility in terms of whether residents rent or purchase housing from you.

5 Attach a sample copy of your residency or homeownership contract or agreement.

6 Do you participate in any joint ventures? If "Yes," state your ownership percentage in each joint venture, list your investment in each joint venture, describe the tax status of other participants in each joint venture (including whether they are section 501(c)(3) organizations), describe the activities of each joint venture, describe how you exercise control over the activities of each joint venture, and describe how each joint venture furthers your exempt purposes. Also, submit copies of all joint venture agreements.  Yes  No

Note. Make sure your answer is consistent with the information provided in Part VIII, line 8.

7 Do you or will you contract with another organization to develop, build, market, or finance your housing? If "Yes," explain how that entity is selected, explain how the terms of any contract(s) are negotiated at arm's length, and explain how you determine you will pay no more than fair market value for services.  Yes  No

Note. Make sure your answer is consistent with the information provided in Part VIII, line 7a.

8 Do you or will you manage your activities or facilities through your own employees or volunteers? If "No," attach a statement describing the activities that will be managed by others, the names of the persons or organizations that manage or will manage your activities or facilities, and how these managers were or will be selected. Also, submit copies of any contracts, proposed contracts, or other agreements regarding the provision of management services for your activities or facilities. Explain how the terms of any contracts or other agreements were or will be negotiated, and explain how you determine you will pay no more than fair market value for services.  Yes  No

Note. Answer "Yes" if you do manage or intend to manage your programs through your own employees or by using volunteers. Answer "No" if you engage or intend to engage a separate organization or independent contractor. Make sure your answer is consistent with the information provided in Part VIII, line 7b.

9 Do you participate in any government housing programs? If "Yes," describe these programs.  Yes  No

10a Do you own the facility? If "No," describe any enforceable rights you possess to purchase the facility in the future; go to line 10c. If "Yes," answer line 10b.  Yes  No

b How did you acquire the facility? For example, did you develop it yourself, purchase a project, etc. Attach all contracts, transfer agreements, or other documents connected with the acquisition of the facility.

c Do you lease the facility or the land on which it is located? If "Yes," describe the parties to the lease(s) and provide copies of all leases.  Yes  No

**Schedule F. Homes for the Elderly or Handicapped and Low-Income Housing (Continued)****Section II Homes for the Elderly or Handicapped**

- 1a** Do you provide housing for the elderly? If "Yes," describe who qualifies for your housing in terms of age, infirmity, or other criteria and explain how you select persons for your housing.  Yes  No
- b** Do you provide housing for the handicapped? If "Yes," describe who qualifies for your housing in terms of disability, income levels, or other criteria and explain how you select persons for your housing.  Yes  No
- 
- 2a** Do you charge an entrance or founder's fee? If "Yes," describe what this charge covers, whether it is a one-time fee, how the fee is determined, whether it is payable in a lump sum or on an installment basis, whether it is refundable, and the circumstances, if any, under which it may be waived.  Yes  No
- b** Do you charge periodic fees or maintenance charges? If "Yes," describe what these charges cover and how they are determined.  Yes  No
- c** Is your housing affordable to a significant segment of the elderly or handicapped persons in the community? Identify your **community**. Also, if "Yes," explain how you determine your housing is affordable.  Yes  No
- 
- 3a** Do you have an established policy concerning residents who become unable to pay their regular charges? If "Yes," describe your established policy.  Yes  No
- b** Do you have any arrangements with government welfare agencies or others to absorb all or part of the cost of maintaining residents who become unable to pay their regular charges? If "Yes," describe these arrangements.  Yes  No
- 
- 4** Do you have arrangements for the healthcare needs of your residents? If "Yes," describe these arrangements.  Yes  No
- 
- 5** Are your facilities designed to meet the physical, emotional, recreational, social, religious, and/or other similar needs of the elderly or handicapped? If "Yes," describe these design features.  Yes  No

**Section III Low-Income Housing**

- 1** Do you provide low-income housing? If "Yes," describe who qualifies for your housing in terms of income levels or other criteria, and describe how you select persons for your housing.  Yes  No
- 
- 2** In addition to rent or mortgage payments, do residents pay periodic fees or maintenance charges? If "Yes," describe what these charges cover and how they are determined.  Yes  No
- 
- 3a** Is your housing affordable to low income residents? If "Yes," describe how your housing is made affordable to low-income residents.  Yes  No
- Note.** Revenue Procedure 96-32, 1996-1 C.B. 717, provides guidelines for providing low-income housing that will be treated as charitable. (At least 75% of the units are occupied by low-income tenants or 40% are occupied by tenants earning not more than 120% of the very low-income levels for the area.)
- b** Do you impose any restrictions to make sure that your housing remains affordable to low-income residents? If "Yes," describe these restrictions.  Yes  No
- 
- 4** Do you provide social services to residents? If "Yes," describe these services.  Yes  No



**Schedule G. Successors to Other Organizations**

- 1a** Are you a **successor** to a **for-profit organization**? If "Yes," explain the relationship with the **predecessor** organization that resulted in your creation and complete line 1b.  **Yes**    **No**
- b** Explain why you took over the activities or assets of a for-profit organization or converted from for-profit to nonprofit status.

- 2a** Are you a successor to an organization other than a for-profit organization? Answer "Yes" if you have taken or will take over the activities of another organization; or you have taken or will take over 25% or more of the fair market value of the net assets of another organization. If "Yes," explain the relationship with the other organization that resulted in your creation.  **Yes**    **No**
- b** Provide the tax status of the predecessor organization.
- c** Did you or did an organization to which you are a successor previously apply for tax exemption under section 501(c)(3) or any other section of the Code? If "Yes," explain how the application was resolved.  **Yes**    **No**
- d** Was your prior tax exemption or the tax exemption of an organization to which you are a successor revoked or suspended? If "Yes," explain. Include a description of the corrections you made to re-establish tax exemption.  **Yes**    **No**
- e** Explain why you took over the activities or assets of another organization.

**3** Provide the name, last address, and EIN of the predecessor organization and describe its activities.  
**Name:** \_\_\_\_\_ **EIN:** \_\_\_\_\_  
**Address:** \_\_\_\_\_

**4** List the owners, partners, principal stockholders, officers, and governing board members of the predecessor organization. Attach a separate sheet if additional space is needed.

Name	Address	Share/Interest (If a for-profit)

- 5** Do or will any of the persons listed in line 4, maintain a working relationship with you? If "Yes," describe the relationship in detail and include copies of any agreements with any of these persons or with any for-profit organizations in which these persons own more than a 35% interest.  **Yes**    **No**
- 6a** Were any assets transferred, whether by gift or sale, from the predecessor organization to you? If "Yes," provide a list of assets, indicate the value of each asset, explain how the value was determined, and attach an appraisal, if available. For each asset listed, also explain if the transfer was by gift, sale, or combination thereof.  **Yes**    **No**
- b** Were any restrictions placed on the use or sale of the assets? If "Yes," explain the restrictions.  **Yes**    **No**
- c** Provide a copy of the agreement(s) of sale or transfer.

**7** Were any debts or liabilities transferred from the predecessor for-profit organization to you? If "Yes," provide a list of the debts or liabilities that were transferred to you, indicating the amount of each, how the amount was determined, and the name of the person to whom the debt or liability is owed.  **Yes**    **No**

**8** Will you lease or rent any property or equipment previously owned or used by the predecessor for-profit organization, or from persons listed in line 4, or from for-profit organizations in which these persons own more than a 35% interest? If "Yes," submit a copy of the lease or rental agreement(s). Indicate how the lease or rental value of the property or equipment was determined.  **Yes**    **No**

**9** Will you lease or rent property or equipment to persons listed in line 4, or to for-profit organizations in which these persons own more than a 35% interest? If "Yes," attach a list of the property or equipment, provide a copy of the lease or rental agreement(s), and indicate how the lease or rental value of the property or equipment was determined.  **Yes**    **No**

**Schedule H. Organizations Providing Scholarships, Fellowships, Educational Loans, or Other Educational Grants to Individuals and Private Foundations Requesting Advance Approval of Individual Grant Procedures**

**Section I** *Names of individual recipients are not required to be listed in Schedule H. Public charities and private foundations complete lines 1a through 7 of this section. See the instructions to Part X if you are not sure whether you are a public charity or a private foundation.*

- 1a Describe the types of educational grants you provide to individuals, such as scholarships, fellowships, loans, etc.
  - b Describe the purpose and amount of your scholarships, fellowships, and other educational grants and loans that you award.
  - c If you award educational loans, explain the terms of the loans (interest rate, length, forgiveness, etc.).
  - d Specify how your program is publicized.
  - e Provide copies of any solicitation or announcement materials.
  - f Provide a sample copy of the application used.
- 2 Do you maintain case histories showing recipients of your scholarships, fellowships, educational loans, or other educational grants, including names, addresses, purposes of awards, amount of each grant, manner of selection, and relationship (if any) to officers, trustees, or donors of funds to you? If "No," refer to the instructions.  Yes  No
- 3 Describe the specific criteria you use to determine who is eligible for your program. (For example, eligibility selection criteria could consist of graduating high school students from a particular high school who will attend college, writers of scholarly works about American history, etc.)
- 4a Describe the specific criteria you use to select recipients. (For example, specific selection criteria could consist of prior academic performance, financial need, etc.)
- b Describe how you determine the number of grants that will be made annually.
  - c Describe how you determine the amount of each of your grants.
  - d Describe any requirement or condition that you impose on recipients to obtain, maintain, or qualify for renewal of a grant. (For example, specific requirements or conditions could consist of attendance at a four-year college, maintaining a certain grade point average, teaching in public school after graduation from college, etc.)
- 5 Describe your procedures for supervising the scholarships, fellowships, educational loans, or other educational grants. Describe whether you obtain reports and grade transcripts from recipients, or you pay grants directly to a school under an arrangement whereby the school will apply the grant funds only for enrolled students who are in good standing. Also, describe your procedures for taking action if the terms of the award are violated.
- 6 Who is on the selection committee for the awards made under your program, including names of current committee members, criteria for committee membership, and the method of replacing committee members?
- 7 Are relatives of members of the selection committee, or of your officers, directors, or **substantial contributors** eligible for awards made under your program? If "Yes," what measures are taken to ensure unbiased selections?  Yes  No

**Note.** If you are a private foundation, you are not permitted to provide educational grants to **disqualified persons**. Disqualified persons include your substantial contributors and foundation managers and certain family members of disqualified persons.

**Section II** *Private foundations complete lines 1a through 4f of this section. Public charities do not complete this section.*

- 1a If we determine that you are a private foundation, do you want this application to be considered as a request for advance approval of grant making procedures?  Yes  No  N/A
- b For which section(s) do you wish to be considered?
- 4945(g)(1)—Scholarship or fellowship grant to an individual for study at an educational institution
  - 4945(g)(3)—Other grants, including loans, to an individual for travel, study, or other similar purposes, to enhance a particular skill of the grantee or to produce a specific product
- 2 Do you represent that you will (1) arrange to receive and review grantee reports annually and upon completion of the purpose for which the grant was awarded, (2) investigate diversions of funds from their intended purposes, and (3) take all reasonable and appropriate steps to recover diverted funds, ensure other grant funds held by a grantee are used for their intended purposes, and withhold further payments to grantees until you obtain grantees' assurances that future diversions will not occur and that grantees will take extraordinary precautions to prevent future diversions from occurring?  Yes  No
- 3 Do you represent that you will maintain all records relating to individual grants, including information obtained to evaluate grantees, identify whether a grantee is a disqualified person, establish the amount and purpose of each grant, and establish that you undertook the supervision and investigation of grants described in line 2?  Yes  No

**Schedule H. Organizations Providing Scholarships, Fellowships, Educational Loans, or Other Educational Grants to Individuals and Private Foundations Requesting Advance Approval of Individual Grant Procedures**

(Continued)

**Section II Private foundations complete lines 1a through 4f of this section. Public charities do not complete this section. (Continued)**

- 4a** Do you or will you award scholarships, fellowships, and educational loans to attend an educational institution based on the status of an individual being an *employee of a particular employer*? If "Yes," complete lines 4b through 4f.  Yes  No
- b** Will you comply with the seven conditions and either the percentage tests or facts and circumstances test for scholarships, fellowships, and educational loans to attend an educational institution as set forth in Revenue Procedures 76-47, 1976-2 C.B. 670, and 80-39, 1980-2 C.B. 772, which apply to inducement, selection committee, eligibility requirements, objective basis of selection, employment, course of study, and other objectives? (See lines 4c, 4d, and 4e, regarding the percentage tests.)  Yes  No
- c** Do you or will you provide scholarships, fellowships, or educational loans to attend an educational institution to employees of a particular employer?  Yes  No  N/A
- If "Yes," will you award grants to 10% or fewer of the eligible applicants who were actually considered by the selection committee in selecting recipients of grants in that year as provided by Revenue Procedures 76-47 and 80-39?  Yes  No
- d** Do you provide scholarships, fellowships, or educational loans to attend an educational institution to children of employees of a particular employer?  Yes  No  N/A
- If "Yes," will you award grants to 25% or fewer of the eligible applicants who were actually considered by the selection committee in selecting recipients of grants in that year as provided by Revenue Procedures 76-47 and 80-39? If "No," go to line 4e.  Yes  No
- e** If you provide scholarships, fellowships, or educational loans to attend an educational institution to children of employees of a particular employer, will you award grants to 10% or fewer of the number of employees' children who can be shown to be eligible for grants (whether or not they submitted an application) in that year, as provided by Revenue Procedures 76-47 and 80-39?  Yes  No  N/A
- If "Yes," describe how you will determine who can be shown to be eligible for grants without submitting an application, such as by obtaining written statements or other information about the expectations of employees' children to attend an educational institution. If "No," go to line 4f.
- Note.** Statistical or sampling techniques are not acceptable. See Revenue Procedure 85-51, 1985-2 C.B. 717, for additional information.
- f** If you provide scholarships, fellowships, or educational loans to attend an educational institution to *children of employees of a particular employer* without regard to either the 25% limitation described in line 4d, or the 10% limitation described in line 4e, will you award grants based on facts and circumstances that demonstrate that the grants will not be considered compensation for past, present, or future services or otherwise provide a significant benefit to the particular employer? If "Yes," describe the facts and circumstances that you believe will demonstrate that the grants are neither compensatory nor a significant benefit to the particular employer. In your explanation, describe why you cannot satisfy either the 25% test described in line 4d or the 10% test described in line 4e.  Yes  No

INTERNAL REVENUE SERVICE  
P. O. BOX 2508  
CINCINNATI, OH 45201

DEPARTMENT OF THE TREASURY

Date: **MAR 21 2007**

PROPS  
c/o Mary Smith  
12345 Happy Ln.  
Happy, IA 77777

Employer Identification Number:

DLN: 00-0012345

Contact Person:

DIANE M GENTRY

ID# 31361

Contact Telephone Number:

(877) 829-5500

Accounting Period Ending:

May 31

Public Charity Status:

170(b)(1)(A)(vi)

Form 990 Required:

Yes

Effective Date of Exemption:

May 1, 2006

Contribution Deductibility:

Yes

Advance Ruling Ending Date:

May 31, 2011

Dear Applicant:

We are pleased to inform you that upon review of your application for tax exempt status we have determined that you are exempt from Federal income tax under section 501(c)(3) of the Internal Revenue Code. Contributions to you are deductible under section 170 of the Code. You are also qualified to receive tax deductible bequests, devises, transfers or gifts under section 2055, 2106 or 2522 of the Code. Because this letter could help resolve any questions regarding your exempt status, you should keep it in your permanent records.

Organizations exempt under section 501(c)(3) of the Code are further classified as either public charities or private foundations. During your advance ruling period, you will be treated as a public charity. Your advance ruling period begins with the effective date of your exemption and ends with advance ruling ending date shown in the heading of the letter.

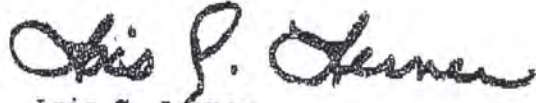
Shortly before the end of your advance ruling period, we will send you Form 8734, Support Schedule for Advance Ruling Period. You will have 90 days after the end of your advance ruling period to return the completed form. We will then notify you, in writing, about your public charity status.

Please see enclosed Information for Exempt Organizations Under Section 501(c)(3) for some helpful information about your responsibilities as an exempt organization.

Letter 1045 (DO/CG)

We have sent a copy of this letter to your representative as indicated in your power of attorney.

Sincerely,

A handwritten signature in black ink, appearing to read "Lois G. Lerner". The signature is written in a cursive style with a large initial "L".

Lois G. Lerner  
Director, Exempt Organizations  
Rulings and Agreements

Enclosures: Information for Organizations Exempt Under Section 501(c)(3)  
Statute Extension

Example

Letter 1045 (DO/CG)

INFORMATION FOR ORGANIZATIONS EXEMPT UNDER SECTION 501(c)(3)

WHERE TO GET FORMS AND HELP

You can obtain forms and instructions by calling toll free 1-800-829-3676, through the Internet Web Site at [www.irs.gov](http://www.irs.gov), and at local tax assistance centers.

You can obtain additional information about most topics discussed below through our customer service function by calling toll free 1-877-829-5500, or on our Web Site at [www.irs.gov/eo](http://www.irs.gov/eo). In addition, you should sign up for Exempt Organization's EO Update, a regular e-mail newsletter that highlights new information posted on the charities pages of [irs.gov](http://irs.gov). To subscribe, go to [www.irs.gov/eo](http://www.irs.gov/eo) and click on "EO Newsletter."

NOTIFY US ON THESE MATTERS

If you change your name, address, purposes, operations or sources of financial support, please inform our TE/GE EO Determinations Office at the following address: Internal Revenue Service, P.O. Box 2508, Cincinnati, Ohio 45201. If you amend your organizational document or by-laws, or dissolve, provide the EO Determinations Office with a copy of the amended documents. Please use your employer identification number on all returns you file and in all correspondence with the Internal Revenue Service.

FILING REQUIREMENTS

In your exemption letter, we indicated whether you must file Form 990, Return of Organization Exempt From Income Tax. If your exemption letter states that you are not required to file Form 990, you are exempt from these requirements. Otherwise, if your gross receipts are normally more than \$25,000, you must file Form 990 or Form 990-EZ with the Ogden Submission Processing Center, Ogden, UT 84201-0027.

You are eligible to file Form 990-EZ if your gross receipts are normally between \$25,000 and \$100,000, and your total assets are less than \$250,000. You must file the complete Form 990 if your gross receipts are over \$100,000, or your total assets are over \$250,000. The Form 990 instructions show how to compute your "normal" receipts.

Form 990 Schedule A is required for both Form 990 and Form 990-EZ.

Organizations With Gross Receipts of \$25,000 or Less

For tax periods beginning after December 31, 2006; you must file an annual electronic notice if your gross receipts are normally \$25,000 or less. Alternatively, you may file a complete Form 990 Package if we send one to you.

Exception: Section 509(a)(3) supporting organizations must file Form 990 or

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Form 990-EZ even if gross receipts are normally \$25,000 or less. However, supporting organizations of religious groups with gross receipts that are normally \$5,000 or less may file an annual electronic notice instead of Form 990 or Form 990-EZ.

#### Due Date of Return or Annual Electronic Notice

Your return or annual electronic notice is due by the 15th day of the fifth month after the end of your annual accounting period. There are penalties for failing to file a complete return timely. For additional information on penalties, see the Form 990 instructions or call our toll free number.

#### Revocation of Tax-Exempt Status

For tax periods beginning after December 31, 2006, your tax-exempt status will be revoked as of the filing due date of the third year if you fail to file for three consecutive years Form 990, Form 990-EZ, or the annual electronic notice.

If your tax-exempt status is revoked because you failed to file for three consecutive years, you must reapply for exemption and pay the appropriate user fee.

#### UNRELATED BUSINESS INCOME TAX RETURN

If you receive more than \$1,000 annually in gross receipts from a regular trade or business, you may be subject to Unrelated Business Income Tax and required to file Form 990-T, Exempt Organization Business Income Tax Return. There are several exceptions to this tax:

1. Income you receive from the performance of your exempt activity,
2. Income from fundraisers conducted by volunteer workers, or where donated merchandise is sold, and
3. Income from routine investments such as certificates of deposit, savings accounts, or stock dividends.

There are special rules for income derived from real estate or other investments purchased with borrowed funds. This income is called "debt financed" income. For additional information regarding unrelated business income tax, see Publication 598, Tax on Unrelated Business Income of Exempt Organizations, or call our toll free number shown above.

#### PUBLIC INSPECTION OF APPLICATION AND INFORMATION RETURN

You are required to make your annual information return, Form 990 or Form 990-EZ, available for public inspection for three years after the later of the due date of the return, or the date the return is filed. This rule also applies to any Form 990-T filed after August 17, 2006. You are also required to make available for public inspection your exemption application, any supporting documents, and your exemption letter. You must also provide copies

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of these documents to any individual, upon written or in person request, without charge other than reasonable fees for copying and postage.

You may fulfill this requirement by placing these documents on the Internet. Penalties may be imposed for failure to comply with these requirements. Additional information is available in Publication 557, Tax-Exempt Status for Your Organization, or call our toll free number shown above.

#### FUNDRAISING

Contributions to you are deductible only to the extent that they are gifts and no consideration is received in return. Depending on the circumstances, ticket purchases and similar payments in conjunction with fundraising events may not qualify as fully deductible contributions.

#### CONTRIBUTIONS OF \$250 OR MORE

Donors must have written substantiation from the charity for any charitable contribution of \$250 or more. Although it is the donor's responsibility to obtain written substantiation from the charity, you can assist donors by providing a written statement listing any cash contribution or describing any donated property.

This written statement must be provided at the time of the contribution. There is no prescribed format for the written statement. Letters, postcards and electronic (e-mail) or computer-generated forms are acceptable.

The donor is responsible for the valuation of donated property. However, your written statement must provide a sufficient description to support the donor's contribution.

For contributions of cash, a check or other monetary gift made on or after January 1, 2007, a donor cannot claim a tax deduction unless the donor maintains a record of the contribution in the form of either a bank record (such as a cancelled check) or a written communication from the charity (such as a receipt or letter) showing the name of the charity, the date of the contribution, and the amount of the contribution.

For additional information regarding donor substantiation, see Publication 1771, Charitable Contributions - Substantiation and Disclosure Requirements. For information about the valuation of donated property, see Publication 561, Determining the Value of Donated Property.

#### CONTRIBUTIONS OF MORE THAN \$75 AND CHARITY PROVIDES GOODS OR SERVICES

You must provide a written disclosure statement to donors who receive goods or services from you in exchange for contributions in excess of \$75.

Contribution deductions are allowable to donors only to the extent their contributions exceed the value of the goods or services received in exchange.

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Ticket purchases and similar payments in conjunction with fundraising events may not necessarily qualify as fully deductible contributions, depending on the circumstances. If you conduct fundraising events such as benefit dinners, shows, membership drives, etc., where something of value is received, you are required to provide a written statement informing donors of the fair market value of the specific items or services you provided in exchange for contributions of more than \$75.

You should provide the written disclosure statement in advance of any event, determine the fair market value of any benefit received, determine the amount of the contribution that is deductible, and state this information in your fundraising materials such as solicitations, tickets, and receipts. The amount of the contribution that is deductible is limited to the excess of any money (and the value of any property other than money) contributed by the donor less the value of goods or services provided by the charity. Your disclosure statement should be made, no later than, at the time payment is received. Subject to certain exceptions, your disclosure responsibility applies to any fundraising circumstances where each complete payment, including the contribution portion, exceeds \$75. For additional information, see Publication 1771 and Publication 526, Charitable Contributions.

#### EXCESS BENEFIT TRANSACTIONS

Excess benefit transactions are governed by section 4958 of the Code. Excess benefit transactions involve situations where a section 501(c)(3) organization provides an unreasonable benefit to a person who is in a position to exercise substantial influence over the organization's affairs. If you believe there may be an excess benefit transaction in which you are involved, you should report the transaction on Form 990 or 990-EZ. For information on how to correct and report this transaction, see the instructions for Form 990 and Form 990-EZ, or call our toll free number shown above.

#### EMPLOYMENT TAXES

If you have employees, you are subject to income tax withholding and the social security taxes imposed under the Federal Insurance Contribution Act (FICA). You are required to withhold Federal income tax from your employee's wages and you are required to pay FICA on each employee who is paid more than \$100 in wages during a calendar year. To know how much income tax to withhold, you should have a Form W-4, Employee's Withholding Allowance Certificate, on file for each employee. Organizations described in section 501(c)(3) of the Code are not required to pay Federal Unemployment Tax Act (FUTA) tax.

Employment taxes are reported on Form 941, Employer's Quarterly Federal Tax Return. The requirements for withholding, depositing, reporting and paying employment taxes are explained in Circular E, Employer's Tax Guide, (Publication 15), and Employer's Supplemental Tax Guide, (Publication 15-A). These publications explain your tax responsibilities as an employer.

#### CHURCHES

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Churches may employ both ministers and church workers. Employees of churches or church-controlled organizations are subject to income tax withholding, but may be exempt from FICA taxes. Churches are not required to pay FUTA tax. In addition, although ministers are generally common law employees, they are not treated as employees for employment tax purposes. These special employment tax rules for members of the clergy and religious workers are explained in Publication 517, Social Security and Other Information for Members of the Clergy and Religious Workers. Churches should also consult Publications 15 and 15-A. Publication 1828, Tax Guide for Churches and Religious Organizations, also discusses the various benefits and responsibilities of these organizations under Federal tax law.

#### PUBLIC CHARITY STATUS

Every organization that qualifies for tax-exemption as an organization described in section 501(c)(3) is a private foundation unless it falls into one of the categories specifically excluded from the definition of that term [referred to in section 509(a)(1), (2), (3), or (4)]. In effect, the definition divides these organizations into two classes, namely private foundations and public charities.

The Code section under which you are classified as a public charity is shown in the heading of your exemption letter. This determination is based on the information you provided and the request you made on your Form 1023 application. Please refer to Publication 557 for additional information about public charity status.

#### GRANTS TO INDIVIDUALS

The following information is provided for organizations that make grants to individuals. If you begin an individual grant program that was not described in your exemption application, please inform us about the program.

Funds you distribute to an individual as a grant must be made on a true charitable basis in furtherance of the purposes for which you are organized. Therefore, you should keep adequate records and case histories that demonstrate that grants to individuals serve your charitable purposes. For example, you should be in a position to substantiate the basis for grants awarded to individuals to relieve poverty or under a scholarship or education loan program. Case histories regarding grants to individuals should show names, addresses, purposes of grants, manner of selection, and relationship (if any) to members, officers, trustees, or donors of funds to you.

For more information on the exclusion of scholarships from income by an individual recipient, see Publication 970, Tax Benefits for Education.

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We hope these guidelines have helped your organization through the various processes and trials of becoming a Booster Club and being in compliance with all the appropriate agencies. Please contact our office if you have any questions or need other assistance.

Thank you for using these guidelines and good luck in your endeavors!

