

Booster Club Guidelines



Hobbs High School
800 N. Jefferson, Hobbs NM

2022-2023

Message From the Athletic Director:

On behalf of the students, faculty, and administration at Hobbs High School, we want to express our appreciation and gratitude for volunteering hours dedicated to supporting extra-curricular and co-curricular activities. Booster clubs/parent organizations are integral parts in supporting and strengthening the programs or student groups at Hobbs High School.

In order to keep all booster club members informed, the following guidelines were established to assist all organizations in staying in compliance with policies. It is our mission and ultimate goal that the booster club members find these guidelines a useful tool towards having a financially and orderly organization.

Our students are afforded many unique opportunities to showcase their talents and skills. These opportunities are available through support from booster clubs/parent organizations. Once again, thank you for the numerous countless hours of dedication to the students of Hobbs High School.

Table of Contents

Message From the AD.....	pg. 2
Introduction.....	pg. 4
Purpose of Booster Clubs.....	pg. 4
Role of Booster Club.....	pg. 5
Election of Officers.....	pg. 6
• President.....	pg. 6
• Vice-President.....	pg. 7
• Secretary.....	pg. 7
• Treasurer.....	pg. 7
Nominating Committee.....	pg. 8
Audit Committee.....	pg. 8
Standards for Meetings.....	pg. 9
Formation, Name and Registration.....	pg. 9
Becoming a Tax-Exempt Organization.....	pg. 9
Fund-Raising.....	pg. 10
Accounting.....	pg. 11
• Banking Information	pg. 11
• Financial Reporting.....	pg. 11
• Cash Receipt Procedures.....	pg. 11
• Bank Reconciliation.....	pg. 12
• Disbursement of Funds.....	pg. 12
• Audit Instructions.....	pg. 12
• Sales Tax.....	pg. 12
• Financial and Legal Responsibility.....	pg. 12
Booster Club Meetings.....	pg. 13
Rules for Dissolution.....	pg. 13
Working with School Staff.....	pg. 14
Field Trips and Transportation.....	pg. 15
Top 10 Ways to Protect Your Organization.....	pg. 16
Suggested Timelines.....	pg. 16

Forms:

Booster Club Information Sheet

Audit Report

Parent Booster Club Bylaws

Activity Fund Fundraising Application and Financial Recap

Event Request Application

Booster Club Checklist

Booster Club Administrative Regulations

Introduction

Community support organizations for extracurricular activities—or Booster Clubs—are a valuable complement to the school’s athletic, music, and academic competition programs, as well as class organizations. Their activities often provide additional financial resources and enrichment for the programs they support.

Purpose of Booster Clubs

Booster Clubs exist to assist and support the sponsor with extra and co-curricular activities. 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 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 Sponsor is responsible for the final decision with the Principal’s approval.

Role of Booster Clubs

Booster Clubs shall organize and function in a way consistent with the school’s and the District’s philosophy and objectives, within adopted Board policies, and in accordance with NMAA regulations as applicable.

Booster Clubs shall:

- ./ Be voluntary and provide unified support for student activities of the school.
- ./ Encourage involvement by all parents of students participating in the supported activity.
- ./ Use school facilities only with prior approval of the Athletic Director and Principal.
- ./ Obtain approval of the Athletic Director for all fundraising activities.
- ./ Submit copies of financial records to the Athletic Director if requested.
- ./ Submit a copy of audited financial report to the Athletic Director at the conclusion of the season.
- ./ Submit the name, address and telephone number of all current officers and the authorized signers of bank accounts to the Athletic Director as well as the Accounting Clerk.
- ./ Pay all taxes and debits incurred by the organization.
- ./ Comply with administrative regulations and Board policies when donating money or gifts to the school.
- ./ Comply with NMAA guidelines, district policies, federal and state tax laws as well as HHS policies.

Booster Clubs shall not:

- ./ Have authority in directing or influencing school employees in the administration of duties.
- ./ Be involved in decision or policy making activities for a student group.
- ./ Give a sponsor or coach a gift or cash in excess of the limits imposed by the NMAA guidelines from any source in recognition of, or appreciation for coaching, directing, or sponsoring student activities.
- ./ Give anything (including awards) to students without prior approval from school administration.
- ./ Give a member any gift without the approval of the members of the booster club.
- ./ Employ or pay any booster club or HHS employee for services rendered with Booster Club funds.
- ./ Direct, employ, contract, supplement or in any way compensate a consultant, clinician, accompanist, or paraprofessional for work performed for the student activity without prior approval from director and/or campus principal.
- ./ Sign contracts or pay expenses directly from Booster Club accounts for any arrangements for student travel associated with the organization. (Booster groups/individuals may donate money/merchandise to the school with prior approval from administration).
- ./ Use the school's tax identification number as the Booster Club identification number.
- ./ Use the school's sales permit numbers as the Booster Club sales permit number.
- ./ Purchase uniforms for any level of team

Election of Officers

Employees of the District shall not serve in a financial capacity of a booster or other parent organization. Financial capacity includes holding positions as treasurer, fund-raising chairperson, or serving as a check signer.

At a minimum, the booster organization shall elect the following officers on an annual basis. Each officer should receive a printed copy of the Booster Club Guidelines. Each officer must read the manual and return a signed acceptance form (located at the back of this packet) to the Athletic Director before the first meeting of the new school year.

PRESIDENT

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

- ./ Preside at all meetings of the organization.
- ./ Regularly meet with the designated campus representative regarding booster activities.
- ./ Resolve problems in the membership.
- ./ Regularly meet with the treasurer of the organization to review the organization's position.
- ./ Select an officer as the designee to receive bank statements through the mail at their home address. This individual shall not be a signer on the account. Upon receipt, the designee should review the activity on the bank statement and canceled checks for reasonableness. This provides an independent review by an individual not associate with disbursement activity.
- ./ Schedule annual audit of records or request an audit in the need should arise during the year.
- ./ Submit Booster Club Checklist and Administrative Regulations to the activities director.

VICE-PRESIDENT

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

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

SECRETARY

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

- ./ Report on any recommendations made by the executive board of the booster organization if such a governing board is defined.
- ./ Maintain the records of the minutes and any standing committee rules, current membership and committee listing.
- ./ Record all business transacted at each meeting.
- ./ Maintain records of attendance of each member.
- ./ Conduct and report on all correspondence on behalf of the organization.

TREASURER

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

- ./ Serve as chairperson of the Budget and Finance Committee if prescribed.
- ./ Issue a receipt of monies received and deposit said amounts on a weekly basis (daily if receipts on hand exceed \$250.00).
- ./ Present a current financial report including bank statements, bank reconciliations, and financial statements to the Athletic Director within thirty (30) days of the previous month end. Copies should be available for review by the general membership as requested.
- ./ File current financial reports at the end of each semester (December and June) with the executive committee.
- ./ Maintain accurate and detailed account of all monies received and disbursed.
- ./ Reconcile all bank statements as received and resolve any discrepancies with the bank immediately.
- ./ File sales tax reports as required by the State Comptroller's office.
- ./ File annual IRS forms in a timely manner.
- ./ Submit records to the audit committee at the end of the year.

Nominating Committee

The nominating committee is formed from the organization's membership in the spring of each year. The purpose of the committee is to recommend various members of the organization for office in the coming school year. The nominating committee should be charged with soliciting recommendations for officer positions within the organization. The committee should then contact the potential candidate directly to ascertain their willingness and desire to serve. The nominating committee should report back to the membership on their results in the spring so the election may be held. Once officers are elected for the coming year, the newly appointed secretary must submit names, addresses and phone numbers of the new officers to the Student Activities Director using the **Booster Club Information Sheet** (located in the back of this packet). The secretary and treasurer of the organization shall turn records over to the incoming officers within thirty (30) days of the election. Records should be kept for a period of ten (10) years for audit purposes.

Audit Committee

At the end of the fiscal year, an audit of the Booster Club's financial records should be conducted. The audit should be performed by individuals who are independent from day-to-day financial activities. Ideally, this audit should be performed by a group of three individuals; however, if the membership size does not allow, the audit may be performed by two individuals.

Upon completion of the audit, the audit committee shall make a report to the general membership using the **Audit Report** (located in the back of this packet). Any discrepancies noted shall be brought to the attention of the president of the organization and a resolution reached prior to presentation. All officers of the organization shall make records available as requested by the committee.

Standards for Meetings

Notice of all meetings should be scheduled with District Facilities as well as the HHS Activities Director at least 30 days prior to the meeting date. The notice should clearly indicate the date and time of the meeting and the items to be discussed. In order to provide an optimum level of communication and teamwork, Booster Club meetings should be held in the presence of the sponsors. Business determined at meetings without adequate campus representation shall be considered null and void. **The Booster Club must conduct meetings at the school.**

Formation, Name, and Registration

Any Booster Club formed to support a district extracurricular activity must have bylaws that address all the topics A standard copy entitled **Parent Booster Club Bylaws** (located in the back of this packet) that can assist you in adapting bylaws for your group. The Student Activities Director and Principal will review the bylaws to make sure that all the required topics are addressed but do not have the authority to change the bylaws. If the bylaws are incomplete, the Booster Club's registration will be denied until the missing topics are included in the bylaws.

The Booster Club name may include the program it supports—for instance “Band Boosters,” “Class of 20 ”, “Football Boosters,” Drill Team Boosters” – and may include the name of the group or team it supports, but it may not include the school district's name with the designation “ISD” or “Independent School District” or “High School” or any other designation suggesting or stating that the Club is operated by the school district itself or any school campus.

Although it is not a requirement for being a registered Booster Club, your group may want to take the steps necessary to become a nonprofit educational organization recognized by the Internal Revenue Service as exempt from taxation.

Becoming a Tax-Exempt Organization

Information, forms, and answers to Frequently Asked Questions about nonprofit, tax-exempt organizations and how to become one are available online at <http://www.tax.newmexico.gov/Businesses/information-for-non-profits.aspx>

Fundraising and Accounting

Fundraising: Financial assistance from Booster Clubs for the purchase of additional equipment, instruments, senior prom or supplies related to the programs the Clubs support is one of the most valuable roles that Booster Clubs provide. When a Booster Club makes a direct cash contribution to the school, the final decision on how the money will be used is up to the school. The school will be glad to receive your suggestions or recommendations for how the money should be spent, but the decision is ultimately a school decision, and it is not limited by that suggestion or recommendation.

Accounting: A Booster Club must establish and maintain a bank account in its own name and keep track of all revenues and expenses related to the Booster Club's activities. This account is not a school account and is not subject to audit by the district's internal or independent auditors. However, each Booster Club must file a financial statement annually in July with the Athletic Director. These statements are available for inspection or copying to any person who submits a written request to the Athletic Director.

Banking Information: To open a bank account, the Booster Club must first obtain an Employer Identification Number (EIN) from the IRS. Booster Club shall not use just the school's name on its checks or on its literature. The use of the school name might imply that the school or the District is responsible for any obligations entered into by the club. It must include the Booster Club's name on the bank account. It is suggested that at least two officers sign each disbursement. Both signers should be parents or guardians with children in the affiliate Booster Club. **School district employees may not be the signer on Booster Club bank accounts for their own campus or programs they are the sponsor for.** All funds received should be receipted and deposited on a weekly basis. Commingling of Booster Club funds and school activity funds is prohibited. School employees may not accept loans of funds from parents and student organizations. The Treasurer should reconcile the bank statement monthly and prepare a monthly financial report to the Athletic Director.

Financial Reporting: At a minimum, the organization's membership should be provided with a financial statement and bank reconciliation at each meeting. The financial statement should provide a comparison of budgeted versus actual expenditures and receipts. Cash receipts and disbursement reports should be available for review when needed and at the annual audit. End-of-year financial statements should be submitted to the Building Principal.

Cash Receipt Procedures: All cash collections received by the Booster Club for fees, dues, fundraising, etc. must be deposited upon receipt. All funds must be supported by some type of record documenting the source and amount of funds. Such documentation should be readily available for audit purposes. **It is recommended that deposits be made daily if the total receipts on hand exceed \$250.00.** If daily receipts are less than \$250.00, deposits shall be made within one week even if the receipts for all days combined are less than \$250.00. All money must be deposited prior to holidays and weekends. Bank deposits should be prepared as follows to ensure the integrity of the financial reporting:

Bank Reconciliation: Upon receipt of the monthly bank statement, the balance indicated on the statement shall be reconciled to the bank account balance in the general ledger as of the last day of the month. The reconciliation should be completed within thirty (30) days of the date of the bank statement. Items needed for reconciliation:

- Bank reconciliation form
- Prior month's bank reconciliation
- Bank statement
- Check Register and/or Cash Disbursement journal
- General Ledger

Disbursement of Funds: At the outset of the school year, a budget of anticipated expenditures should be developed. Prior to a disbursement, the request to expend funds should be compared with the budgeted expenditures. Disbursements outside the scope of the budget or line items that exceed the approved budget should require a vote by the general membership. Direct payments to District employees are not permitted uses of Booster funds, nor are the purchase of alcoholic beverages or tobacco products.

Audit Instructions: An audit is an examination of the financial records of the Booster Club. It assures that all income and expenditures are accounted for and consistent with the budget and goals for the year. It also verifies that the bank balance and ledger balance are reconciled. The audit is to protect the Booster Club officers and the organization. An audit should be conducted at the end of the fiscal year, when there is a change in treasurer, and when there is a change in any officer who signs Booster Club checks. An audit may be conducted by an outside party, such as a CPA or an audit committee. The audit committee should be comprised of at least two members of the Booster Club (not the President or Treasurer).

Sales Tax: Booster Clubs are not generally exempt from state sales tax laws. A Booster Club can sell tickets to an annual banquet or food sale without collecting sales tax, provided the members prepare, serve, and sell the food. Booster Clubs may also sell meals and food products (including candy and soft drinks) without collecting sales tax when all the net proceeds of the sale go to the Booster Club for its use in supporting school activities.

Financial and Legal Responsibility: The school and/or district are not liable or responsible for any contracts or expenditures made by a Booster Club. **We strongly encourage any Booster Club to obtain legal assistance before authorizing or signing any agreement or contract in the Booster Club's name.** The district will not expend school district funds to pay any amounts due under such agreements or to represent a Booster Club in any legal action that may arise from the Club's activities.

Booster Club Meetings

Hobbs High School would like for Booster Clubs to meet at least quarterly, but the schedule for meetings is a Booster Club decision. Booster Clubs are required to hold their meetings at school facilities, in the evening or otherwise, after instructional activities are concluded.

Meetings can be publicized in the school announcements and must be open to any resident of the community who wishes to attend. Other methods of publicizing Booster Club meetings are at the discretion of the Booster Club; however, distribution in school mailboxes or to students through classroom teachers is not permitted. Clubs should have minutes of every meeting that show what issues were discussed and what decisions were made. The campus principal may ask any Booster Club to send a copy of Booster Club minutes to the school after each meeting.

The conduct of Booster Club meetings is under the control of the Club and its bylaws, which should provide for discussion and decision-making in an orderly fashion that recognizes the importance of treating participants in the meeting with respect and civility.

Rules for Dissolution

There are two ways a booster organization can be dissolved:

- 1) A resolution shall be adopted by the booster organization stating that the question of such a dissolution be submitted to a vote at a special meeting of the members having voting rights. At least 30 days prior to the meeting, written or printed notice shall be given to each member entitled to vote stating that the purpose of such meeting is to consider the advisability of dissolving the organization.
- 2) The Athletic Director along with a committee determines that the booster club is not functioning in a way consistent with school and district policies, and in accordance with NMAA regulations.

If the booster club or committee determines it is in the best interest that the booster club be dissolved, the booster club and/or the committee must determine the distribution and usage of treasury monies and other assets before dissolution. In order to comply with Internal Revenue Service guidelines, care should be taken to ensure that excess funds are distributed within the framework of the organization's original purpose – i.e., band booster funds would remain with the musical program at that particular campus. Any other distribution of funds could void the organization's tax exempt status and force it into a fully taxable situation.

Dissolution of booster clubs must be addressed in the booster club's bylaws.

Working with School Staff/Sponsor

Booster Clubs are support organizations. Coaches and sponsors of extracurricular activities are school employees. Coaches and sponsors are answerable only to their immediate supervisors and ultimately to the Superintendent, who has sole and final authority in the district for all NMAA activities, and the Board of Trustees, which has final authority in matters related to extracurricular activities that are not affiliated with NMAA.

Coaches and sponsors should be present at any Booster Club meetings so that they can provide any information the Club may need to operate efficiently and appropriately and so that the coach or sponsor will be fully informed about Booster Club plans and activities. A coach or sponsor serves as an advisor in regard to Booster Club decisions. Booster Clubs do not have any authority over a coach or sponsor decision about the operation of the team or other activity.

Most communications between Booster Clubs and school staff can and should take place at the Booster Club Meetings. Individual members of Booster Clubs who have students in extracurricular activities, of course, may schedule meetings with school employees for discussions that are specifically related to their own child's progress or conduct. These meetings must be scheduled during the teacher's conference period and are treated like any other parent-teacher conference.

The parents' relationship to or position in a Booster Club must not be used to threaten, intimidate, or otherwise improperly influence any employee's performance of his or her primary duties in the school district—teaching students the essential knowledge and skills of the district's approved curriculum—or his or her performance of duties related to extracurricular activities. Any violation of this requirement will endanger the Booster Club's ability to continue as an authorized Club working for the benefit of the program or activity.

A Booster Club member who has a complaint about a coach or sponsor must follow the district's established complaint policies to bring that matter to the attention of the employee and his or her supervisor. The campus principal will provide copies of those policies upon request.

ANNOUNCEMENTS can be made during the regular school day regarding school approved booster functions. The club sponsor should submit an announcement to the Student Activities Director at least two days before you would like the announcement made.

OTHER REQUIREMENTS: On-campus activities, especially fundraisers, should not supplant, duplicate, nor interfere with those of other school or Booster Clubs. The principal has the authority to limit the number of on-campus fundraisers. All activities in which a student group participates travel or otherwise, will be approved in advance by the sponsor and the principal.

Top Ways to Protect Your Organization against Embezzlement

Money should never be kept at a treasurer's home.

Two people should always count the money, and both should sign the receipt verifying the amount.

Two signatures should be required on all checks.

Have a member who does not have check signing authority review the bank statement monthly before giving it to the treasurer. This person is looking for red flags including: checks showing up in non-sequential order, checks made out to cash, cash withdrawals, checks written out to non-approved vendors, checks written for non-approved expenses, and checks written out to individuals.

Never sign a blank check or a check made out to "cash."

The treasurer should arrange to deposit the money in the bank as soon as the conclusion of the project.

Money should be deposited into the organization's bank account daily, even if a project is ongoing.

All bills must be paid by check, never cash.

Conduct an annual audit of the books.