



Arlington Independent School District
Booster Club Guidelines
2026-2027 Revised Draft

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Mission

The mission of the Arlington Independent School District is to empower and engage all students to be contributing, responsible citizens striving for their maximum potential through relevant, innovative and rigorous learning experiences.

Goal

100% of AISD students will graduate exceptionally prepared for college, career and citizenship.

Foreword

Booster Club Guidelines are provided to assist booster organizations in supporting Arlington Independent School District student programs while maintaining appropriate organizational and financial practices. The guidelines are intended to help booster clubs understand and comply with applicable district procedures, University Interscholastic League (UIL) regulations, and relevant state and federal requirements. Booster organizations play an important role in supporting extracurricular programs. Arlington ISD greatly appreciates the time, effort, and financial contributions provided by booster club members to enhance opportunities for students.

Although booster clubs often work closely with district staff, they remain separate legal entities from Arlington ISD. District employees—including coaches, directors, and sponsors—are accountable within the district’s supervisory structure and ultimately report to the Superintendent. These employees may serve as advisors to booster organizations and may provide information regarding program needs or district expectations; however, they may not serve as voting members, officers, or financial signers for booster clubs.

Coaches, directors, and sponsors retain authority over the operation of school programs, student participation, and related activities as assigned by the District.

Booster organizations supporting UIL activities should become familiar with the requirements established by the University Interscholastic League. The UIL Booster Club Guidelines are available at: <https://www.uil texas.org/files/booster-guide.pdf>

These District guidelines supplement UIL guidance and communicate Arlington ISD’s expectations for booster organizations seeking recognition as school-related organizations.

Executive Summary

Booster clubs are independent nonprofit organizations established to support student programs of the Arlington Independent School District (“Arlington ISD” or “the District”). Each booster club is a separate legal entity and is solely responsible for its governance, financial management, tax compliance, insurance coverage, and adherence to applicable law.

Recognition as a school-related organization requires compliance with applicable District administrative procedures, University Interscholastic League (UIL) regulations (as applicable), and federal and Texas state law. Booster organizations must coordinate with the campus principal or appropriate District administrator before engaging in fundraising or soliciting donations intended to benefit a campus or the District.

Booster organizations that fail to maintain recognition standards may be subject to corrective action related to school affiliation, including restrictions on facility use or participation in school-related activities. Any dissolution of a booster organization must be conducted in accordance with its governing documents and applicable law.

These Guidelines are provided for informational purposes only and do not constitute legal, tax, or accounting advice. Booster organizations are encouraged to obtain independent professional guidance as appropriate.

Nothing in these Guidelines creates a sponsorship, agency, partnership, fiduciary, or employment relationship between Arlington ISD and any booster organization.

These Guidelines apply to all booster organizations seeking recognition as school-related organizations affiliated with Arlington Independent School District.

Introduction

Booster clubs are support organizations formed by parents, community members, and other interested individuals to enhance and promote extracurricular activities and student programs. Participation in extracurricular programs enriches students' educational experiences and provides meaningful opportunities for personal growth and achievement. Arlington Independent School District ("Arlington ISD" or "the District") values and appreciates the time, effort, and financial support booster clubs contribute to students and school programs.

Although booster clubs work collaboratively with the District, each booster club is a separate legal entity and independent nonprofit organization. Booster organizations are solely responsible for their governance, financial management, tax filings, insurance coverage, and compliance with applicable federal and Texas state law. To be recognized as a school-related organization, a booster club must receive approval from the appropriate District administrator, submit required documentation annually, and participate in designated booster training.

Recognition as a school-related organization requires compliance with applicable District administrative procedures, University Interscholastic League (UIL) regulations (as applicable), and applicable federal and Texas state law. Booster organizations that fail to maintain recognition standards may be subject to corrective action related to school affiliation, including restrictions on facility use or participation in school-related activities. Any dissolution of a booster organization must occur in accordance with its governing documents and applicable law.

The Superintendent maintains responsibility for the District's educational programs, including curricular and extracurricular activities. District employees—such as coaches, directors, and sponsors—remain accountable within the District's supervisory structure. While booster clubs may collaborate closely with school personnel, authority over school programs, student participation, and educational activities rests solely with District employees.

Campus principals are responsible for oversight of school-sponsored fundraising and campus activities. Booster organizations must coordinate fundraising efforts and student-related activities with the campus principal to ensure compliance with District procedures and UIL requirements. Such coordination relates to school affiliation and student participation and does not extend to booster club governance or internal financial management.

Sponsors serve as liaisons between the booster organization and Arlington ISD. They may provide information and guidance regarding program needs and compliance expectations; however, sponsors may not serve as officers of a booster club or act as authorized financial signers.

Booster clubs determine the type and level of support they provide to a student group or program. While booster organizations may collaborate with sponsors and offer recommendations, final authority regarding school program operations, student participation, and educational activities remains with District personnel.

Reference List – Governmental Contact Information for Nonprofit Organizations

The following agencies provide guidance and resources commonly used by booster clubs and other nonprofit organizations:

Internal Revenue Service

Federal tax-exempt status, annual filings (Form 990 / 990-N), and nonprofit compliance
<https://www.irs.gov/charities-non-profits>
(877) 829-5500

Texas Secretary of State

Nonprofit formation, amendments, registered agents, and dissolution
www.sos.state.tx.us/corp/nonprofit_org.shtml
(512) 463-5555

Texas Comptroller's Office

State tax exemption, franchise tax, and sales tax information
<https://comptroller.texas.gov/taxes/exempt/>
(800)-252-5555

University Interscholastic League (UIL) Headquarters

UIL rules, booster club guidelines, and program compliance
Home Page: <http://www.uiltexas.org/>
Booster Club Guidelines: <http://www.uiltexas.org/policy/booster-club-guidelines>
(512)-471-5883

1. Considerations Before Forming a Booster Club

Booster organizations provide valuable support to student groups; however, forming and maintaining a booster club requires a meaningful and sustained commitment from volunteers. The decision to create a new organization should be made carefully after thoughtful discussion and evaluation.

Interested parents and community members should consult with one another and with the program sponsor and campus principal (or designee). Before using a school, program, or District name (or marks) in the organization's title, fundraising, advertising, or communications, a booster club must obtain written approval as part of Arlington ISD recognition as a school-related organization. Such approval permits identification of the organization's affiliation or support role only and does not create District ownership, sponsorship, or control.

Parents are not required to form a booster club in order to support a student group. Families may support students through fundraising and volunteer activities coordinated through an established District-managed student activity fund. In this case, funds raised are considered student activity funds and are administered in accordance with District accounting procedures, and the District assumes responsibility for financial administration and legal compliance.

By contrast, a booster club is an independent nonprofit organization and assumes full responsibility for its governance, financial management, tax compliance, insurance, and regulatory obligations.

Before forming a booster club, interested individuals should consider the following:

- What is the specific purpose of forming a booster club?
- What objectives can be accomplished through an independent nonprofit organization that cannot be achieved through a District-managed student activity fund?
- Do I have sufficient time to commit to organizational responsibilities?
- Are there enough parents or community members willing and able to serve as officers and volunteers?
- Am I willing to complete required research, training, and documentation to remain compliant with District procedures, UIL regulations (as applicable), and federal and Texas law?
- Am I prepared to obtain and maintain required filings with the IRS and Texas Comptroller, if applicable?
- Have I reviewed the remainder of these Guidelines to understand ongoing responsibilities?
- Have I consulted with other booster organizations to learn from their experiences?

- Have I discussed the proposed organization with the campus sponsor and principal to confirm program coordination and support?

Careful consideration of these questions will help ensure that any newly formed booster club is sustainable, compliant, and aligned with the best interests of students and the school community.

2. Purpose and Operational Overview

2.1 Purpose

Booster clubs within Arlington Independent School District (Arlington ISD) are support organizations formed by parents, community members, and other individuals to enhance and promote extracurricular activities and student programs. Booster clubs support opportunities for student participation, competition, collaboration, and personal growth. Each booster club must receive approval from the appropriate Arlington ISD administrator in order to be recognized as a school-related organization. Booster clubs are independent nonprofit entities and are solely responsible for their governance, financial management, tax filings, and insurance. As a condition of recognition, booster clubs must also submit required documentation and participate in District-designated booster training.

While operating independently, booster clubs must comply with applicable Arlington ISD Board policies and District guidance related to recognition and school affiliation, University Interscholastic League (UIL) regulations (as applicable), and all applicable federal and Texas state laws.

Booster clubs that fail to meet recognition standards may be subject to corrective action related to school affiliation, including revocation of recognition as a school-related organization. Any dissolution of a booster club must occur in accordance with the organization's bylaws and applicable state and federal law.

2.2 Relationship with Arlington ISD and Acknowledgements

Arlington ISD developed these Guidelines to assist booster organizations in forming, operating, and maintaining nonprofit, school-related entities that support District students. These Guidelines clarify expectations related to recognition, coordination, and compliance. Arlington ISD does not serve as a legal, financial, or tax advisor to booster clubs. Booster organizations are encouraged to seek independent legal, accounting, tax, and insurance guidance appropriate to their specific circumstances.

Campus principals or their designees are responsible for reviewing registration and officer information submitted by booster organizations and coordinating school-related activities in accordance with District policies and procedures.

2.3 Booster Club Operational Goals

Booster clubs operate as independent organizations responsible for managing their internal operations, including governance, planning, and required filings. Booster clubs elect officers, adopt and enforce bylaws, and establish goals consistent with their mission.

Arlington ISD remains a separate legal entity but collaborates with recognized booster clubs to support student programs. Effective booster–District relationships are built at the campus level through clear and consistent communication regarding goals, initiatives, fundraising coordination, and financial practices.

3. District Responsibility and Authority

3.1 Superintendent’s Responsibility and Authority

In accordance with UIL requirements, the Superintendent of Arlington ISD holds ultimate responsibility for UIL programs and school-sponsored activities across the District. The Superintendent may delegate authority to campus principals and District administrators to support compliance with Board policy, UIL regulations, and applicable law related to school programs and activities.

Booster clubs are independent nonprofit organizations. As a condition of recognition as school-related organizations, booster clubs must coordinate with Arlington ISD and comply with applicable Board policy, UIL regulations (as applicable), and federal and Texas state law related to school affiliation.

The Superintendent or designee may oversee compliance for recognition purposes only and may revoke recognition or restrict school affiliation or facility use when a booster club’s actions conflict with applicable law, UIL requirements, or Board policy.

Corrective actions, when necessary, are limited to recognition and school affiliation and do not extend to booster club governance, finances, or internal decision-making.

3.2 Sponsor’s Responsibility and Authority

Each program’s coach, sponsor, or director serves as the primary liaison between the booster club and the school under the supervision of the campus principal. Sponsors coordinate school program activities with the principal and may collaborate with booster clubs during planning to align support with program needs.

To maintain clear boundaries and avoid conflicts of interest, coaches, sponsors, and directors may not serve as booster club officers or act as authorized signers on booster club bank accounts.

Sponsors or campus administrators may attend booster meetings when school-related matters are discussed to support communication and coordination; however, booster organizations remain responsible for conducting meetings in accordance with their bylaws.

4. Specific Guidance for Booster Clubs

The following guidance is provided to assist booster organizations in supporting Arlington ISD programs in a manner consistent with District policies, applicable laws, and University Interscholastic League (UIL) rules. Booster organizations are separate entities from the District and must coordinate with campus administration when conducting activities that involve students, District employees, or District programs.

Booster organizations are expected to operate in a manner that supports the educational mission of Arlington ISD while maintaining compliance with applicable policies, regulations, and nonprofit governance requirements.

Fundraising Revenue Ownership Guidance

The ownership and disposition of funds generated from an event depends upon whether the event is District-sponsored or booster-sponsored.

District-sponsored events generally generate District or student activity fund revenue and should be accounted for through District procedures.

Booster-sponsored fundraising activities generally generate booster club revenue and are administered by the booster organization in accordance with its bylaws and applicable laws.

Examples of District-sponsored events may include instructional programs, concerts, musicals, performances, exhibitions, and other school-operated activities. Examples of booster-sponsored fundraising activities may include booster-hosted tournaments, camps, clinics, concessions, auctions, and community fundraising events.

When uncertainty exists regarding event sponsorship or revenue ownership, the booster organization should consult the campus principal or designated administrator prior to the event.

4.1 Gifts & Awards to Students

Per UIL Awards and Amateur Rules and Arlington ISD Board Policy GE (Local), booster clubs may not provide students with gifts, cash, or any item of value for participating in UIL contests. Booster clubs may provide snacks or meals for students only with prior campus coordination and approval related to student participation, supervision, and compliance requirements. Acceptable awards are outlined in the UIL Constitution and Contest Rules (Subchapter O, Section 480(a)(2)). Arlington ISD expects booster clubs to follow UIL standards across programs to promote consistency and fairness. Items that individually benefit students may not be provided outside UIL guidelines.

4.2 Gifts & Awards to Sponsors or Coaches

The University Interscholastic League (UIL) limits gifts to coaches, sponsors, and directors of UIL programs to \$500 total per calendar year, whether provided in cash, goods, or services, from any source in recognition of their role. This limit is cumulative across all gifts received from any individual or organization.

Booster organizations must ensure that any gifts provided to District employees comply with UIL rules, District policies, and applicable ethics regulations.

Booster organizations should coordinate with the campus principal or designated administrator prior to providing gifts to coaches or sponsors to ensure compliance with all applicable requirements.

4.3 Banquets

Booster clubs may host banquets to recognize student and parent involvement. When events involve students, prior campus coordination and approval are required to ensure compliance with UIL requirements, Board Policy GE (Local), and applicable District guidance.

Any banquet favors, awards, or gifts provided to students are items of value and must comply with UIL rules.

4.4 Donations

In accordance with Board Policy GE (Local) and CDC (Legal), and applicable administrative procedures, any donation accepted by Arlington ISD becomes the property of the District unless otherwise specified and approved by the District.

Booster organizations may provide financial or in-kind donations to support District programs. Prior to fundraising or soliciting donations intended to benefit a campus or the District, booster organizations must coordinate with the campus principal or designated administrator.

Donations must:

- Support purposes consistent with District educational objectives
- Not place restrictions on the school program
- Not require endorsement of commercial products or services
- Not conflict with Board policy or applicable law
- Not create unreasonable maintenance or operational obligations for the District

Donors are responsible for determining the value of donated property for tax purposes. Arlington ISD does not determine the value of donated items for Internal Revenue Service reporting.

4.4.1 General Donations to the District

Donations intended to benefit a campus or District program must be coordinated with the campus principal or designated administrator. Once accepted, donated funds or property become District property.

4.4.2 Equipment or Property Donations

Equipment or property intended for use by a District program must be coordinated with the campus principal or designated administrator prior to purchase. Once accepted, the property becomes District property.

4.4.3 Monetary Donations for School Purchases

Booster organizations may donate funds to support school purchases. When appropriate, funds may be transferred to the campus activity fund so the District may complete the purchase through District procedures.

4.4.4 Field Trip Donations

Booster organizations should exercise caution when providing funding for student transportation or field trips, as these activities may create potential liability risks.

Support for field trips or transportation must be coordinated with campus administration and, when appropriate, processed through the school's student activity fund in accordance with District procedures.

Booster organizations should ensure that District policies related to transportation, supervision, and student safety are followed when supporting off-campus activities.

Booster organizations should not independently organize, supervise, or operate student travel activities.

Booster organizations are encouraged to maintain adequate liability insurance coverage, particularly when supporting activities involving transportation or off-campus events.

4.4.5 Gift Cards and Gift Certificates

Booster organizations are discouraged from distributing gift cards or gift certificates to individuals. The IRS generally treats gift cards as cash equivalents and they may create tax reporting or individual benefit issues.

Donated gift cards may be used for fundraising activities such as silent auctions that benefit the organization as a whole.

4.5 Fundraising

Booster fundraising activities intended to benefit a campus or District program must be coordinated with and approved by the campus principal or designated administrator prior to the activity.

Participation in fundraising activities must be voluntary, and benefits may not be distributed based on individual fundraising participation. Booster organizations may not maintain or track individual student fundraising accounts.

Booster organizations conducting raffles must comply with the Texas Charitable Raffle Enabling Act. Cash prizes are not permitted, and only qualified organizations may conduct raffles.

District employees and student organizations may not solicit funds through online crowdfunding platforms without District approval.

Booster organizations should avoid fundraising activities that appear to endorse or promote commercial businesses.

Booster organizations must ensure that all fundraising activities comply with applicable federal, state, and District policies and regulations.

Booster organizations shall not serve as a pass-through entity for revenue generated from District-sponsored activities. Revenue ownership and event classification should be determined in accordance with the Fundraising Revenue Ownership Guidance in Section 4. Questions regarding event classification or revenue ownership should be reviewed with the campus principal or designated administrator prior to the event.

4.6 Scholarships

Booster organizations may establish scholarship programs to support graduating seniors or students participating in school-related programs.

Scholarship programs should be administered in a fair and transparent manner and must comply with applicable federal and state laws, University Interscholastic League (UIL) rules, and District policies.

Recommended practices include:

- Providing all eligible students an opportunity to apply
- Clearly communicating application procedures and eligibility criteria
- Using a review committee to evaluate applications
- Avoiding conflicts of interest when selecting recipients
- Documenting scholarship decisions and maintaining appropriate records

Scholarship awards should benefit students in a manner consistent with nonprofit requirements and may not be distributed in a way that provides an impermissible private benefit. Scholarship payments should not be made directly to students unless required by the scholarship program structure and applicable tax rules.

When appropriate, scholarship funds may be paid directly to the accredited educational institution in which the student enrolls.

Booster organizations are responsible for administering their scholarship programs and ensuring compliance with applicable tax and legal requirements.

4.7 Officer & Director Fiduciary Duties and Liability Insurance (D&O)

Directors and Officers (D&O) insurance may help protect booster club officers and directors from claims arising from alleged mismanagement or breaches of fiduciary duty. Examples may include:

- Violation of bylaws
- Discrimination claims
- Intellectual property disputes
- Misrepresentation or failure to disclose material information
- Improper election or voting procedures

Booster organizations are encouraged to evaluate D&O coverage, exclusions, and costs. Arlington ISD does not recommend specific insurers.

4.8 Legal, Accounting, & Professional Support

Depending on the size and complexity of the organization, booster clubs may consider engaging in professional support.

Legal assistance may help with formation, governance documents, dissolution filings, and 501(c)(3) compliance.

Accounting or audit assistance may help with recordkeeping, tax filings, budgeting, and independent financial reviews.

Arlington ISD does not recommend specific firms.

4.9 Governance Cross-Reference

Governance requirements—including formation standards, bylaws content, membership eligibility, officer qualifications, term limits, household restrictions, nonprofit structure, and conflict-of-interest provisions—are addressed in **Section 7: Booster Club Formation and Governance**.

5. Financial Management and Audits

Booster organizations are responsible for maintaining accurate financial records, implementing appropriate internal controls, and ensuring all funds are properly handled and accounted for. Annual audits or reviews should be conducted to verify financial integrity and compliance with all applicable laws and policies. For practical guidance and step-by-step procedures for accounting, financial management, cash handling, and recordkeeping, see Appendix G – Sample Accounting & Financial Management Procedures for Booster Clubs.

Compliance with these reporting requirements is for recognition and transparency purposes; the District does not control internal booster club governance or finances.

5.1 Financial Responsibility & Booster Club Audit

Booster organizations are responsible for managing financial activities in accordance with applicable federal and state laws, the organization's governing documents, and nonprofit principles. Booster funds are organizational funds and must be used solely to support the student program.

Audit Requirements:

Booster clubs must conduct a financial audit under the following circumstances:

- At the end of each fiscal year
- Whenever there is a change in treasurer
- Whenever a check-signing officer leaves their position

Audits may be conducted by:

- A certified public accountant (CPA), or
- An internal audit committee consisting of at least two booster club members who are not authorized signers on the bank account and are not related to one another or any account signer.

Audit Purpose:

Audits verify that revenues and expenditures align with approved budgets and confirm that bank and ledger balances are properly reconciled.

Documentation:

All audit documentation must be retained permanently and made available to the campus principal or District administrator upon request.

5.2 Banking, Cash Management, and Internal Controls

Booster organizations must maintain a separate bank account under their own Employer Identification Number (EIN). Personal Social Security numbers or Arlington ISD's EIN may not be used. Booster funds may not be commingled with personal accounts.

Authorized Signers:

At least two unrelated booster officers must be authorized signers on the account. District employees associated with the sponsored program may not serve as authorized signers.

Blank checks are prohibited.

Checks and electronic payments should require dual authorization whenever possible.

Segregation of Duties / Internal Controls:

Bank statements should be reviewed monthly by an individual who does not have check-signing authority.

Bank reconciliations are recommended completed within 30 days

Cash collections are recommended be counted and documented by at least two individuals

Booster club funds are recommended to not be stored at a member's residence

Bank statements must be mailed to the Booster Club's official mailing address, not a school or member's home

5.3 Treasurer Financial Responsibilities & Recordkeeping

The Treasurer is responsible for maintaining accurate, complete, and auditable financial records.

Recommended Records:

- Double-entry ledger system with all income and expenditures and supporting receipts
- Separate ledger sheet for each budgetary category
- Receipts for all monies collected (duplicate copies retained; exception: concession sales)
- Timely deposit of all funds collected
- Monthly financial reports to the membership, including:
 - Revenue collected
 - Expenditures and purpose
 - Beginning and ending balances (ending balance must reconcile with bank statement and prior report)

Organizational Record Retention:

- Audit documentation must be retained permanently
- All other financial and organizational records must be retained for at least five years after the fiscal year end
- Secretarial minutes must include approval of prior meeting minutes, banking institution, and official mailing address used for statements
- Records must be made available upon request by the campus principal or District administrator

5.4 Budgeting & Disbursement Controls

Booster organizations must adopt an annual budget approved by the membership. The budget should identify:

- Planned fundraising activities
- Estimated revenues
- Program expenses and planned expenditures

Disbursement Rules:

- Expenditures outside the approved budget require membership approval
- All disbursements must be supported by original documentation
- Booster funds may not be used to supplement District employee compensation
- Direct payments to District employees are prohibited

5.5 Prohibition on Individual Student Accounts (IRS Compliance)

Booster organizations must operate for the benefit of the student program as a whole.

- Funds raised are organizational funds and may **not** be allocated to individual students or accounts
- Participation in fundraising activities must be voluntary and may **not** result in proportional credit or financial benefit to specific students
- If financial assistance is provided, it must be based on pre-established, written criteria applied consistently

This ensures compliance with IRS rules prohibiting private benefit and protects the organization's tax-exempt status.

5.6 Insurance & Risk Management

To safeguard booster organizations, liability insurance is strongly recommended. Coverage may include:

- General liability insurance
- Officers and directors (D&O) liability insurance
- Business personal property coverage
- Fidelity (bond) coverage

Many insurers require:

- Annual audits
- Internal procedures ensuring bank statements are reviewed by individuals without check-signing authority

Insurance policies and requirements must be maintained by the booster organization, not the District.

5.7 Financial Reporting to Arlington ISD

Booster organizations should submit the following documentation annually:

- Year-end Balance Sheet

- Year-end Statement of Revenues and Expenses
- Annual audit or financial review report
- Confirmation of IRS Form 990 filing

Reports must cover the fiscal year ending June 30 and be submitted by **September 15**.

Mid-year Reporting and IRS Compliance:

- Mid-year financial statements (balance sheet and income statement) must be submitted to the Executive Director of Financial Services.
- Systems must be in place to provide IRS Form 1099-MISC when required.

5.8 Prohibition on Unrelated Business Income (UBI) and IRS Safeguards

Booster organizations must ensure that any revenue-generating activities are related to their nonprofit purpose.

- Income from activities not substantially related to the organization's exempt purpose may be subject to UBI tax
- Organizations are responsible for determining if IRS filings (Form 990-T) are required
- All revenue and expenses must be properly documented to avoid jeopardizing tax-exempt status

Booster organizations are responsible for maintaining accurate financial records, implementing appropriate internal controls, and ensuring all funds are properly handled and accounted for. Annual audits or reviews should be conducted to verify financial integrity and compliance with all applicable laws and policies.

For practical guidance and step-by-step procedures for accounting, financial management, cash handling, and recordkeeping, see Appendix G – Sample Accounting & Financial Management Procedures for Booster Clubs.

6. Federal and State Compliance

Booster clubs are independent nonprofit organizations and are solely responsible for ensuring compliance with all applicable federal and state laws and reporting requirements. Officers must manage the organization in accordance with IRS rules, Texas state regulations, and the organization's governing documents. Arlington ISD and its employees are not responsible for a booster club's failure to comply with legal or tax obligations. Booster organizations are strongly encouraged to seek competent legal or tax advice to ensure proper reporting, filings, and adherence to all requirements.

For specific guidance on reporting and compliance see:

Appendix H – Sample 1099 Reporting Procedures for Booster Clubs

Appendix F – Sales Tax & Fundraising Compliance for Booster Clubs

The guidance in Sections 6.1–6.6 provides an overview of federal and state compliance responsibilities, including federal tax-exempt status, recordkeeping, reporting, and public disclosure requirements. Officers should review this section carefully and implement practices to maintain compliance with all applicable laws.

6.1 Compliance Quick Reference (For Booster Officers)

Booster clubs are independent nonprofit organizations and are responsible for their own federal and state compliance. Key responsibilities include:

Federal (IRS)

- Obtain and use an independent Employer Identification Number (EIN).
- Receive IRS determination before representing themselves as tax-exempt.
- File the appropriate annual IRS Form 990 (990-N, 990-EZ, or 990).
- Avoid the use of individual student fundraising accounts.
- Properly document and report payments for services when required (e.g., Forms W-9 / 1099-MISC).
- Maintain records sufficient to support tax filings and organizational compliance.

Texas (State Compliance)

- Apply for Texas tax exemption, if eligible.
- Obtain a Texas Sales Tax Permit when selling taxable items.
- Collect and remit sales tax when required.
- Comply with Texas raffle laws for any raffles.
- File required franchise tax reports unless formally exempt.

Booster organizations are encouraged to consult qualified legal or tax professionals regarding their specific compliance obligations.

Booster organizations are encouraged to consult qualified legal or tax professionals regarding their specific compliance obligations.

6.2 Annual Accounting Period (Tax Year)

Booster clubs must maintain books, reports, and file returns based on a defined annual accounting period.

- **Calendar Tax Year:** January 1 – December 31.
- **Fiscal Tax Year:** Any 12-month period ending on the last day of a month other than December.

Recommendation: Align the fiscal year with the Arlington ISD school year (ending June 30) for ease of reporting and financial oversight. The chosen tax year should be specified in the booster club bylaws.

6.3 Federal Requirements

6.3.1. Employer Identification Number: 75-6000119

- Booster clubs must obtain an EIN from the IRS before applying for tax-exempt status.
- Personal Social Security numbers or Arlington ISD's EIN may **not** be used.
- **How to apply:** Online (irs.gov → "Apply for an EIN"), by phone (1-800-829-4933), or via Form SS-4 (mail/fax).

6.3.2. Application for Federal Tax-Exempt Status

- Incorporation with the Texas Secretary of State does not grant federal tax exemption.
- Use Form 1023 (Standard) or 1023-EZ (Simplified) via Pay.gov.
- Retain IRS determination letters permanently.

6.3.3. Annual IRS Filings

- File the appropriate Form 990 annually.
- Returns are due **by the 15th day of the fifth month following the end of the fiscal year.**
- Failure to file for three consecutive years results in automatic revocation of tax-exempt status.

IRS Filing Thresholds:

Form	Filing Criteria
990-N	Gross receipts ≤ \$50,000
990-EZ	Gross receipts < \$200,000 and assets < \$500,000
990	Gross receipts ≥ \$200,000 or assets ≥ \$500,000

Unrelated Business Income (UBI):

- Tax may apply to income from activities not substantially related to the exempt purpose.
- Consult IRS Publication 598 for guidance.

Returns are due **by the 15th day of the fifth month following the end of the fiscal year.**

6.3.4. Tax-Deductible Contributions

- Donors may deduct contributions to qualified 501(c)(3) organizations.
- Verify exempt status using IRS Exempt Organization Search

6.4 Public Disclosure Requirements

Booster clubs must make the following documents available upon request:

- Original IRS application for tax exemption and supporting documents.
- IRS determination letter.
- Annual IRS information returns (Forms 990, 990-EZ, 990-N) and all attachments for the past three years.

Texas Public Information Act:

- Requests for information must comply with timelines under Texas Government Code Chapter 552.
- Documents may be posted online (e.g., GuideStar) if IRS posting criteria are followed; HTML format is not acceptable.
- Booster clubs must maintain separate identity from the District to prevent commingling and ensure proper handling under public disclosure rules.

6.5 Recordkeeping and Transfer of Records

- Transfer of records and audit of accounts should be completed **no later than July 1** of each year.
- Retention of records must comply with federal and state requirements (see Section 5 – Financial Management and Audits).
- All documents, including bank statements, ledgers, audit reports, and meeting minutes, must be retained according to Section 5.

6.6 Title IX and Non-Discrimination

- Title IX prohibits discrimination based on sex in educational programs or activities receiving federal funds.
- Booster contributions may be considered in District Title IX compliance.
- Programs for male and female students must receive comparable support, facilities, equipment, and opportunities.

- Questions may be directed to the District Title IX Coordinator or U.S. Department of Education Office for Civil Rights.
- Arlington ISD is an equal opportunity employer and provides programs without discrimination based on age, national origin, race, sex, color, religion, disability, or other legally protected status.

6.7 Texas State Compliance

- Apply for Texas tax exemption after receiving IRS 501(c)(3) recognition.
- Obtain Texas Sales Tax Permit (Form AP-201) if selling taxable items; there is no fee.
- Maintain required documentation: IRS determination letter, articles of incorporation, bylaws, and description of activities.
- File sales and franchise taxes per Texas Comptroller instructions.
- Use Sales and Use Tax Exemption Certificate for purchases related to exempt purposes.
- For detailed guidance on sales tax, collection, and fundraising compliance, see Appendix F.

7. Booster Club Formation and Governance

7.1 Formation of a Booster Organization

Booster clubs recognized by Arlington ISD are independent nonprofit organizations formed to support student programs. Recognition as a school-related organization permits affiliation with a campus but does not create District ownership, sponsorship, or control of the booster organization.

Booster organizations operate independently of Arlington ISD. The District is not responsible for the obligations, debts, or liabilities of any booster organization. Booster organizations may not represent that they are acting on behalf of or as agents of Arlington ISD.

Booster organizations may not use the District's tax identification number, enter into contracts in the name of the District, or otherwise represent that the organization has authority to bind Arlington ISD.

Before representing itself as school-related or using the name of a school or the District in its title, fundraising, advertising, or communications, a booster organization must obtain written approval from the campus principal and the appropriate District administrator.

To qualify for recognition, a booster organization must be properly formed under Texas law and must adopt governing documents consistent with applicable legal requirements. All

formation, recognition, and organizational records must be maintained in the booster club's permanent files and transferred to incoming officers during officer transitions.

7.1.1 Annual Registration and Recognition

Booster organizations should maintain current registration and officer information with the supported campus. Registration shall be completed using the Booster Club Registration and the Officer Information Form. Recognition as a school-related organization is subject to annual by the campus principal or designated administrator.

7.2 Articles of Incorporation and Bylaws

If incorporating under the Texas Business Organizations Code, the booster organization must file a Certificate of Formation with the Texas Secretary of State and maintain written bylaws governing its operations.

Bylaws must be reviewed annually and should address, at a minimum:

- Name and organizational purpose
- Membership eligibility and responsibilities
- Organizational structure and officer duties
- Election, removal, and succession procedures
- Fiscal year designation
- Voting rights and quorum requirements
- Dissolution provisions compliant with federal tax law (if seeking 501(c)(3) status)
- Indemnification provisions for officers and directors
- Procedures for amending the bylaws

Only active members in good standing may vote or hold office.

Bylaws must limit the President and Treasurer to a maximum of two consecutive one-year terms.

Members of the same household may not serve simultaneously as officers, except when serving as co-chairs of a single office. In such cases, the household is limited to **one vote**.

District employees associated with the sponsored program may not serve in any financial capacity for a booster organization, including as treasurer, fundraising chair, or authorized bank signer.

Booster organizations are independent entities and are responsible for maintaining their own organizational records, including governing documents, financial records, and meeting minutes. These records are maintained by the booster organization and are not records of Arlington ISD.

7.3 Membership

Booster organizations operate in cooperation with the coach, sponsor, or director to support planned student activities. Membership eligibility must be defined in the organization's bylaws and should remain open to parents, guardians, alumni parents, and community members interested in supporting the program.

Only active members may vote or hold office. Individuals who are not members may volunteer but may not vote or hold office.

Booster organizations may not impose mandatory membership or voting fees that would restrict student participation. No student may be excluded from participation in a school program due to an inability or failure to pay membership dues.

Booster organizations must operate for the benefit of the student program as a whole and may not provide financial benefits that disproportionately benefit specific individuals. Funds raised by the organization are organizational funds and may not be allocated to individual students or accounts.

Coaches, sponsors, directors, and the campus principal (or designee) shall serve as ex-officio, non-voting members.

All booster club meetings must be open to the public.

7.4 Nonprofit Structure and Tax Status

Booster organizations may incorporate as nonprofit corporations with the Texas Secretary of State under the Texas Business Organizations Code. Incorporation establishes the organization as a separate legal entity but does **not** automatically grant federal or state tax-exempt status.

Alternatively, a booster organization may operate as an **unincorporated nonprofit association** under Chapter 252 of the Texas Business Organizations Code. Organizations are encouraged to consult legal counsel when determining the most appropriate organizational structure.

Federal tax-exempt status under **Section 501(c)(3)** of the Internal Revenue Code is granted by the Internal Revenue Service. State tax exemptions are administered by the **Texas Comptroller of Public Accounts**.

Booster organizations are solely responsible for applying for, maintaining, and complying with all applicable federal and state tax requirements.

Arlington ISD does not provide legal, tax, or accounting advice. Booster organizations are encouraged to consult qualified professionals to ensure compliance with applicable laws and regulations.

7.5 Conflict of Interest

Booster organizations must operate in the best interest of the organization and the students they support.

1. Disclosure of Interests

Any officer, director, or committee member who has a financial or personal interest in a proposed transaction or arrangement must disclose the nature of that interest prior to discussion or voting. A financial interest may include ownership, employment, compensation arrangements, or a significant personal benefit related to a vendor, contractor, or entity conducting business with the booster organization.

2. Recusal and Decision Making

After disclosure, the interested individual must leave the meeting during discussion and voting on the matter. The remaining disinterested board members shall determine whether a conflict exists and may approve the transaction only if it is fair, reasonable, and in the best interest of the booster organization.

3. Documentation

All disclosures, discussions, and related votes must be documented in the meeting minutes.

4. Annual Acknowledgment

Each officer, director, and committee member must annually acknowledge this policy and disclose any known conflicts of interest (see Appendix C – Conflict of Interest Disclosure Form).

5. Written Policy Reference

Booster organizations are encouraged to adopt a written conflict-of-interest policy consistent with nonprofit governance best practices. A sample policy is provided in Appendix D – Sample Conflict of Interest Policy.

7.6 Volunteer Background Checks and Campus Security

Individuals volunteering on school campuses or participating in activities involving students must comply with Arlington ISD volunteer screening and campus security procedures.

All volunteers must complete the District's volunteer background screening process annually prior to participating in campus activities. Approval through the background screening process is required before an individual may volunteer in a school facility or at school-sponsored events involving students.

Volunteers must also comply with campus security procedures, including checking in through the school's front office using the District's visitor management system before entering secured areas of the campus.

Background screening is administered by the District through its approved vendor. The screening process may require volunteers to provide identifying information including name, date of birth, address, and contact information. Processing times may vary.

Background screening results are confidential and are maintained by the District. Details of background screenings are not disclosed to booster organizations or campus staff beyond approval status.

Booster organizations must ensure that volunteers participating in campus activities comply with all Arlington ISD volunteer screening and campus security requirements prior to volunteering.

7.7 Contracts and Sponsorships

Booster organizations may enter into contracts or agreements necessary to conduct their activities, provided such agreements do not obligate Arlington ISD and are approved in accordance with the organization's bylaws and documented in meeting minutes.

District employees may not execute or enter into contracts on behalf of the booster organization in their capacity as District employees. Contracts must be executed by authorized booster organization officers who are not acting in their District employment capacity.

Booster organizations may not directly hire or contract with individuals or organizations to provide services to students in connection with school programs. When services are needed to support student activities, the booster organization may instead donate funds to the District, which will manage the procurement and contracting process in accordance with District policies and procedures.

Sponsorships and Donations

Booster organizations may solicit sponsorships or accept donations to support student programs; however, sponsorships or donations may not be accepted if they:

- contain obscene, vulgar, or age-inappropriate material
- promote activities that endanger student health or safety
- promote illegal use of drugs, alcohol, or controlled substances
- advocate violation of school rules or disruption of school activities
- contain hate speech or materials attacking ethnic, religious, or racial groups
- advocate unlawful or disruptive actions
- interfere with the orderly operation of school activities or create safety hazards on campus

All sponsorships and promotional materials associated with school programs must be approved by the campus principal prior to distribution or display.

8. Officer Roles & Organizational Committees

Booster club officers are responsible for managing the internal affairs of the organization in accordance with its bylaws. Officer duties may vary by organization and must be clearly defined in the bylaws.

The descriptions below provide general guidance only and are illustrative in nature. Each booster organization is responsible for defining officer roles and responsibilities within its governing documents.

President

The President serves as the chief volunteer officer of the booster organization and provides overall leadership to the organization.

Typical responsibilities may include:

- Presiding over meetings of the membership and executive board, if applicable.
- Serving as the primary point of contact for coordination with the campus principal, sponsor, or designated administrator regarding booster activities.
- Facilitating communication and resolution of membership or organizational matters.
- Meeting periodically with the Treasurer to review the organization's financial status.
- Designating a non-signing officer or member to review bank statements as part of internal control procedures.
- Ensuring that required financial reviews or audits are conducted in accordance with the bylaws and these Guidelines.
- Performing other duties as outlined in the organization's bylaws.

Vice-President

The Vice President assists the President and serves in the President's absence.

Typical responsibilities may include:

- Presiding at meetings when the President is unavailable.
- Assisting with organizational planning and program coordination.
- Performing administrative or operational duties delegated by the President.
- Carrying out responsibilities assigned in the bylaws.

Larger organizations may elect multiple Vice Presidents to oversee specific functional areas, as defined in the bylaws.

Secretary

The Secretary is responsible for maintaining the official records of the booster organization.

Typical responsibilities may include:

- Recording accurate minutes of meetings of the membership and executive board, if applicable.
- Maintaining current bylaws, approved minutes, and other official organizational records.
- Managing official correspondence of the organization.
- Maintaining membership and attendance records when required by the bylaws.
- Performing other duties as outlined in the bylaws.

Treasurer

The Treasurer serves as the custodian of the organization's funds and financial records.

Typical responsibilities may include:

- Maintaining accurate records of all receipts and
-
- disbursements.
- Depositing funds promptly and reconciling bank statements regularly.
- Presenting financial reports to the membership in accordance with the bylaws.
- Coordinating required tax filings and regulatory reporting.
- Providing financial records for audits or financial reviews as required.
- Performing other duties as outlined in the bylaws.

Organizational Committees

Booster organizations may establish committees as needed to assist with the operation of the organization. Committees should operate in accordance with the bylaws and under the supervision of the organization's officers or executive board. Individuals with conflicts of interest should not serve on committees responsible for financial awards, scholarships, or distribution of funds.

Special Committees

Special committees may be formed for specific purposes and may be dissolved once their assigned responsibilities are completed.

The organization should approve the committee's:

- Purpose
- Membership
- Scope of responsibilities
- Expected duration

Nominating Committee

A nominating committee may be appointed to recommend candidates for officer positions.

Typical responsibilities may include:

- Soliciting nominations from the membership.
- Confirming the willingness of candidates to serve
- Presenting a slate of qualified candidates to the membership prior to elections.

The organization's bylaws should define the election process and any additional nomination procedures.

Audit Committee

Booster organizations should ensure that an independent financial review or audit is conducted in accordance with Section 5 of these Guidelines and the organization's bylaws. Individuals serving on the audit committee must not be involved in the day-to-day financial activities of the organization.

The audit committee should:

- Review financial records and supporting documentation.
- Verify reconciliation of financial accounts.
- Report findings to the membership.
- Maintain documentation as required by the bylaws.

9. Elections and Meetings

9.1 Election of Officers

Booster club officers shall be elected annually in accordance with the timelines and procedures established in the organization's bylaws. Elections typically occur in the spring to allow newly elected officers sufficient time to transition into their roles prior to the start of the next school year.

Outgoing officers should transfer organizational records, financial documents, and account access to newly elected officers in a timely manner. Any required audit or financial review should also be completed during the transition period to support continuity of operations.

Officers may be elected using the voting method specified in the bylaws (e.g., simple majority vote or secret ballot). Elections are typically conducted from a slate of candidates presented by the nominating committee; however, nominations from the floor may be permitted if allowed by the bylaws.

No individual may hold more than one officer position simultaneously. Officers must be elected by the membership, and election results must be documented in the official meeting minutes of the organization.

9.2 Standards for Meetings

Booster organizations are independent entities and are responsible for conducting meetings and organizational business in accordance with their bylaws. When practicable, booster organizations are encouraged to provide at least **a 5 day (120 hours) advance notice** of meetings that involve matters related to school affiliation, use of District facilities, fundraising activities intended to benefit a campus or the District, or coordination with school programs. This advance notice is intended to promote communication and coordination. Meetings held on District premises must comply with applicable District facility use policies and scheduling procedures. The campus principal, sponsor, or designee

is encouraged to attend meetings when school-related matters are discussed in order to support communication and collaboration between the booster organization and the campus.

Actions affecting school affiliation, use of District facilities, or coordination with school programs must be coordinated with the appropriate campus administrator in accordance with **Board Policy GE (Local)**. Such coordination relates to school affiliation only and does not grant the District authority over booster club governance, finances, or internal operations.

10. Dissolution and Organizational Changes

10.1 Dissolution of a Booster Organization

A booster organization may dissolve in accordance with its bylaws and applicable federal and Texas state law. Dissolution requires formal action by the organization's membership, or by the executive board if the organization is inactive, as specified in the bylaws.

Written notice of a meeting to consider dissolution must be provided to members entitled to vote within the timeframe required by the bylaws or applicable law. The notice must clearly state that dissolution of the organization will be considered.

Prior to dissolution, the booster organization must determine the distribution of any remaining funds and assets in accordance with its bylaws and Internal Revenue Service requirements. Assets must be distributed in a manner consistent with the organization's exempt purpose and transferred to another qualified tax-exempt organization or governmental entity, as required by law. Improper distribution of assets may result in loss of tax-exempt status and potential tax liability. Dissolution provisions must be clearly stated in the booster organization's bylaws.

The District's authority is limited to recognition and school affiliation of a booster organization with a campus or program. The campus principal or designee may discontinue school affiliation with a parent or community organization that is determined to be disruptive to the educational activities or goals of the program, consistent with **Board Policy GE (Local)**. Such action does not grant the District authority over booster club governance, finances, or dissolution.

If specified in the bylaws, remaining booster club funds designated for school programs may be transferred to the appropriate campus activity fund following dissolution.

Booster organizations are solely responsible for completing all required dissolution filings with applicable federal and state agencies, including final tax filings. Failure to properly dissolve the organization may result in penalties, late fees, or continued filing obligations.

10.2 Records and Documentation

Booster organizations are responsible for maintaining and retaining organizational and financial records in accordance with the record-retention requirements described in Section 5 of these Guidelines.

Records related to the booster organization's association with a campus or school program must be made available to the campus principal upon request.

10.3 Changes in Officers or Contact Information

Booster organizations are responsible for updating their organizational records, financial institutions, and applicable regulatory agencies when changes occur to officers, authorized bank signers, or contact information.

Election results and officer transitions must be documented in the organization's meeting minutes and maintained in the organization's official records. Any updates required by financial institutions or regulatory agencies must be completed directly by the booster organization.

Booster organizations are encouraged to maintain current officer and contact information with the campus to facilitate communication and coordination related to school-affiliated activities.

11. Annual Training of Booster Club Officers

To support effective coordination with Arlington ISD and promote awareness of applicable Board policies, **University Interscholastic League (UIL)** requirements, and relevant legal considerations, booster club officers are encouraged to attend an annual training session hosted at their designated campus.

The training may be facilitated by the campus principal or the principal's designee and is intended to provide general guidance related to school affiliation, use of District facilities, fundraising coordination, and compliance expectations for recognized school-related organizations.

Attendance is strongly encouraged for the booster club's **President and Treasurer** and is recommended for all booster club officers.

Participation in annual training is intended to promote communication and awareness of applicable requirements. Participation does **not** grant Arlington ISD authority over booster club governance, finances, or internal decision-making.

12. Booster Club Frequently Asked Questions

What is a booster club?

A booster club is an independent nonprofit organization formed by parents and community members to support student programs and activities. Booster clubs operate separately from Arlington ISD and are responsible for their own governance, finances, and compliance with applicable laws.

Does Arlington ISD control booster clubs?

No. Booster clubs are independent organizations. Arlington ISD may establish requirements for recognition as a school-related organization and for coordination with school programs, but the District does not control booster club governance, finances, or internal operations.

Do booster clubs need to register with the IRS?

Yes. Booster organizations must obtain their own Employer Identification Number (EIN) and are responsible for meeting federal tax requirements, including filing the appropriate IRS Form 990 annually.

Can booster clubs raise money in the name of the school?

Booster clubs may conduct fundraising activities to support school programs; however, fundraising must be coordinated with the campus principal or designated administrator and must comply with applicable District procedures and UIL requirements.

Can booster clubs give money or gifts directly to students?

No. Booster organizations must benefit the student group as a whole. IRS rules prohibit the use of individual student accounts or allocating benefits based on a student's fundraising participation.

Can booster clubs pay coaches or school employees?

No. Booster organizations may not supplement District employee compensation or make direct payments to coaches, sponsors, or other District employees.

Who manages booster club funds?

Booster club funds are managed by the booster organization and its elected officers, in accordance with the organization's bylaws and internal controls. Booster funds must be

deposited into a bank account held under the booster organization's EIN and may not be commingled with personal funds.

Can District employees serve as booster club officers?

District employees associated with the sponsored program may not serve in financial roles for a booster organization, including treasurer or authorized bank signer.

What happens to booster funds if the organization dissolves?

If a booster organization dissolves, remaining funds and assets must be distributed in accordance with the organization's bylaws and applicable federal and state law. Assets must be transferred to another qualified tax-exempt organization or governmental entity consistent with the organization's exempt purpose.

Are booster meetings open to the public?

Yes. Booster organizations are encouraged to conduct meetings openly and transparently. Meetings should follow the procedures established in the organization's bylaws.

13. Arlington ISD Booster Club Compliance Checklist

Quick Reference Summary

This checklist summarizes requirements for recognition as a school-related organization. It does **not** grant Arlington ISD authority over booster club governance, finances, or day-to-day operations.

Organization & Governance

- ☐ Operate as an independent nonprofit organization
- ☐ Maintain current bylaws and elected officers
- ☐ Ensure all fundraising and expenditures benefit the organization, not individual students

District Recognition & Coordination

- ☐ Maintain Arlington ISD recognition as a school-related organization
- ☐ Submit Registration Form annually
- ☐ Submit Officer Information Form and updates when officer changes occur
- ☐ Maintain current officer information with the supported campus
- ☐ Coordinate with the campus for activities involving:
 - ☐ School affiliation
 - ☐ Fundraising intended to benefit the campus or District
 - ☐ Attend annual booster training (encouraged)

Financial Management

- ☐ Maintain a separate bank account using the booster club's EIN
- ☐ Use at least two authorized signers per check
- ☐ Signers must be booster officers approved by board action and documented in meeting minutes
 - ☐ District employees associated with the sponsored program may not serve as signers
- ☐ Reconcile bank accounts regularly
- ☐ Conduct a financial audit annually and upon a change in treasurer or check-signing officer; provide audit results to the campus principal for informational purposes

Tax & Legal Compliance

- ☐ File the required IRS Form 990, 990-EZ, or 990-N annually
- ☐ Maintain organizational and financial records for at least five (5) years
- ☐ Comply with applicable federal and Texas state law

UIL & Student Protections

- ☐ Follow UIL gift and award limits for students and sponsors
- ☐ Do not maintain individual student fundraising accounts
- ☐ Do not access or maintain student records or FERPA-protected information

Insurance (Recommended)

- ☐ Maintain general liability insurance
- ☐ Maintain Directors & Officers (D&O) insurance

Reminder:

Booster clubs are independent entities. Arlington ISD's role is limited to recognition, coordination, and compliance related to school affiliation.

Appendix A – Booster Registration and Officer Acknowledgement Form

- Booster Club Registration Form
- Booster Club Officer Form

ARLINGTON ISD

BOOSTER CLUB REGISTRATION FORM

Organization Information

School/Campus _____

Booster Club/Organization Name _____

School Year: _____

Date Submitted: _____

Purpose of the Organization _____

Program, Activity, Team, or Student Group Supported _____

Type of Organization: ☐ Athletics ☐ Fine Arts ☐ Academics ☐ Student Activities ☐ Other: _____

District/Campus Contact

Faculty/Staff Sponsor or District Contact _____

Title/Position: _____

Phone: _____

Email: _____

Approximate Number of Active Members/Parent Supporters _____

Supporting Documentation

☐ Current organizational bylaws

☐ Current IRS 501(c)(3) determination letter, if applicable

☐ Current Booster Club Officer Information Form

☐ Other supporting documentation: _____

Organization Acknowledgment

By signing below, the organization representatives acknowledge that the information provided is accurate and complete to the best of their knowledge. The organization agrees to follow applicable District policies, procedures, and guidelines; maintain appropriate organizational and financial records; and provide updated officer/contact information when changes occur. The organization understands that it operates as a separate organization from Arlington ISD unless otherwise specifically designated by the District.

PRESIDENT / AUTHORIZED REPRESENTATIVE	TREASURER
Printed Name: _____	Printed Name: _____
Signature: _____	Signature: _____
Date: _____	Date: _____

For use with Arlington ISD Booster Club registration and approval procedures. Retain a copy for organization records.

ARLINGTON ISD

BOOSTER CLUB OFFICER INFORMATION FORM

Organization Information

School/Campus: _____

School Year: _____

Booster Club/Organization Name: _____

Date Submitted: _____

Current Officer Information

Please provide current contact information for each officer. Submit an updated form when officer or contact information changes.

Position	Officer Name	Phone Number	Email Address
President			
Vice President			
Treasurer			
Secretary			
Other: _____			

Primary Organization Contact

Name _____

Position: _____

Phone: _____

Email: _____

Officer Acknowledgment

By signing below, the officers acknowledge that the information provided is current and accurate. The organization agrees to notify the appropriate District/campus contact when there is a change in officers or contact information.

PRESIDENT	TREASURER
Printed Name: _____	Printed Name: _____
Signature: _____	Signature: _____
Date: _____	Date: _____

Campus/District Use

Received By: _____

Date Received: _____

Officer Information Updated: ☐ Yes ☐ No	
---	--

Comments _____

Next Update Due _____

For use with Arlington ISD Booster Club registration and officer information procedures. Retain a copy for organization records.

Appendix B – Administrative References (Arlington ISD)

The following resources are provided for reference and coordination purposes only and do not create additional requirements or grant Arlington ISD authority over booster club governance, finances, or internal operations.

- **Arlington ISD Board Policy Manual**
Policy Code GE – Relations with Parent Organizations
<https://pol.tasb.org/PolicyOnline/PolicyDetails?key=1098&code=GE>
- **Arlington ISD Facility Use and Rentals**
<https://www.aisd.net/district/departments/administration/facility-services/energy-management/facility-rentals/>
- **Arlington ISD Athletics Facility Usage**
<https://www.aisd.net/district/departments/administration/athletics/>
- **Arlington ISD Volunteer Guidelines**
<https://www.aisd.net/community/volunteer/>
- **Arlington ISD Volunteer Handbook (2025–2026)**
<https://www.aisd.net/wp-content/files/Volunteer-Handbook-25-26.pdf>
- **University Interscholastic League (UIL) Booster Club Guidelines**
<https://www.uil texas.org/policy/guidelines-for-booster-clubs>

Appendix C – Conflict of Interest Disclosure Form

Booster Club Conflict of Interest Disclosure Form

(To Be Completed Annually by Officers and Directors)

Booster Club Name: _____

Campus: _____ School Year: _____

Name: _____ Position/Title: _____

1. Disclosure of Financial or Personal Interests

A conflict of interest may exist when an officer, director, or committee member (or an immediate family member) has a financial or personal interest in a vendor, contractor, or entity doing business with the Booster Club.

Please check one:

☐ I have no known financial or personal interests that would present a conflict of interest with respect to Booster Club business.

☐ I have the following financial or personal interest(s) that may present a potential conflict of interest (attach additional pages if necessary):

2. Duty to Disclose

I understand that if a potential conflict of interest arises during the year, I am required to:
Promptly disclose the nature of the interest to the Board

Refrain from participating in discussion or voting on the matter

Leave the meeting during deliberation and vote

3. Certification

By signing below, I certify that:

I have received and read the Booster Club Conflict of Interest Policy.

I understand my obligation to disclose any actual or potential conflicts of interest.

I agree to comply with the policy and act in the best interest of the Booster Club and the students it supports.

Printed Name: _____

Signature: _____ Date: _____

Appendix D – Sample Conflict of Interest Policy

CONFLICTS OF INTEREST

Purpose

The purpose of this conflicts-of-interest policy is to protect the Booster Club's interests when it is contemplating entering into a transaction or arrangement that might benefit the private interest of an officer, director, or committee member. This policy supplements, but does not replace, any applicable state laws governing conflicts of interest for nonprofit organizations.

Definitions

Interested Person

Any director, principal officer, or committee member with board-delegated powers who has a direct or indirect financial interest in a transaction or arrangement with the Booster Club. If a person is an interested person with respect to any entity affiliated with the Booster Club, they are considered an interested person with respect to all affiliated entities.

Financial Interest

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

1. Have an ownership or investment interest in any entity with which the Booster Club has a transaction or arrangement.
2. Have a compensation arrangement with the Booster Club or with any entity or individual with which the Booster Club has a transaction or arrangement.
3. Have the potential for ownership, investment, or compensation in any entity or individual with which the Booster Club is negotiating a transaction or arrangement.

Compensation includes direct and indirect remuneration, as well as substantial gifts or favors.

Procedures

Duty to Disclose

An interested person must disclose the existence and nature of their financial interest and provide all material facts to the board or committee before any discussion or vote.

1. Determining Whether a Conflict Exists

After disclosure, the interested person shall leave the meeting while the board or committee determines whether a conflict exists. A conflict exists only if the remaining members vote that it does.

2. Addressing Conflicts

a. Interested persons may present information but must leave for discussion and voting.

b. The board may appoint a disinterested person or committee to explore alternative transactions.

c. The board must determine if a more advantageous transaction exists without a conflict.

d. If no alternative exists, a majority of disinterested directors may approve the transaction only if it is fair, reasonable, and in the Booster Club's best interest.

3. Violations

If the board has reason to believe a member failed to disclose a conflict, it must inform the member, allow explanation, investigate further if needed, and take appropriate disciplinary or corrective action.

Record of Proceedings

Minutes must be documented:

Names of individuals who disclosed or were found to have a financial interest, the nature of the interest, and the board or committee determination.

1. Names of attendees for discussion and votes, the discussion content (including alternatives), and the vote results.

Compensation Voting

Voting members who receive compensation from the Booster Club may not vote on matters relating to their own compensation.

Annual Statements

Each director, principal officer, and committee member with board-delegated powers shall annually sign a statement affirming:

1. Disclosure of all affiliations, interests, and transactions that may constitute a conflict.
2. Receipt, understanding, and agreement to comply with the conflict-of-interest policy.

3. Awareness that the Booster Club is a charitable organization and must primarily engage in activities to maintain its federal tax-exempt status.

Periodic Reviews

The board shall periodically review operations to ensure:

1. Compensation arrangements and benefits are reasonable and negotiated at arm's length.
2. Partnerships, joint ventures, and service arrangements comply with policies, are properly recorded, and further the charitable purposes of the Booster Club without resulting in impermissible private benefit.

Appendix E – Sample Policy: Booster Club Financial Safeguards and Fundraising Best Practices

Financial Safeguards

Cash Handling

- Count cash with two unrelated people; both verify the amount.
- Deposit funds promptly into the organization’s bank account.
- Never keep funds at a member’s home.

Banking & Checks

- Require two authorized signatures on checks whenever possible.
- Do not sign blank checks or checks made to “cash.”
- A non-signer should review bank statements monthly for unusual activity.

Expense Documentation

- Keep receipts/invoices for all expenditures.
- Ensure spending follows the approved budget.

Audits & Reviews

- Conduct an annual financial review or audit.
- Maintain clear records of all transactions, statements, and budgets.

Insurance & Bonding

- Maintain fidelity bond or similar insurance to protect against fraud.

Fundraising Best

- Set Clear Goals: Define and communicate the purpose of each fundraiser.
- Assign Leadership: Appoint a Fundraising Chairperson to oversee activities.
- Vendor & Contract Management: Use reputable vendors with written contracts.
- Program Selection: Ensure products/activities offer good value and educational/community benefits.
- Volunteer Involvement: Delegate tasks to maximize volunteer engagement.
- Project Duration: Keep campaigns short and focused.
- Student Safety: Never place students in unsafe situations.
- Transparency & Recordkeeping: Track all funds, expenses, and allocations; prevent private benefit.
- Enjoyment & Engagement: Fundraising should be fun and rewarding.
- Community Communication: Share goals, progress, and results openly.

Tip: Always follow IRS rules, booster bylaws, and District volunteer & safety policies. Use this sheet at meetings, fundraisers, and cash-handling events.

Note: For ease of use during booster club operations, a one-page Quick Reference Guide summarizing these safeguards and best practices is provided in Appendix E-1.

Appendix E-1 – Booster Club Finance & Fundraising Quick Reference (Field Tool)

Financial Safeguards

- ☐ Cash counted by two people and verified
- ☐ Deposit funds promptly; do not keep cash at home
- ☐ Two signatures required on all checks
- ☐ No blank checks or “cash” checks
- ☐ Non-signer reviews bank statements monthly
- ☐ All expenses supported by receipts/invoices
- ☐ Conduct annual audit/review
- ☐ Maintain fidelity bond or insurance

Fundraising Best Practices

- ☐ Set clear goals and communicate to volunteers/community
- ☐ Appoint a Fundraising Chairperson
- ☐ Use reputable vendors with written contracts
- ☐ Select programs with value and educational/community benefits
- ☐ Delegate tasks to maximize volunteer involvement
- ☐ Keep projects short and focused
- ☐ Ensure student safety at all times
- ☐ Maintain transparent records to prevent private benefit
- ☐ Fundraising should be fun and engaging
- ☐ Communicate progress/results to community

Tip: Follow IRS rules, booster bylaws, and District volunteer & safety policies. Keep this laminated sheet handy at meetings, fundraisers, and cash-handling events.

Appendix F – Sales Tax & Fundraising Compliance for Booster Clubs

Booster organizations must comply with all federal, state, and local tax laws when conducting fundraising and organizational activities. Appendix G provides practical guidance for sales tax compliance, purchases, and recordkeeping.

1. Sales Permit & Tax-Exempt Status

- **Each booster organization must obtain its own Texas Sales Tax Permit;** the District's or another organization's permit may **not** be used.
- Organizations with a **sales tax exemption letter** do not pay sales tax on items necessary for exempt functions.
- Exemption certificates must be **provided to vendors** when claiming tax-free purchases. Vendors are not legally required to honor the exemption.
- Items purchased tax-free **cannot be used for personal benefit** of individuals.
- Items that become personal property of students (e.g., uniforms, t-shirts) are **not exempt**.
- Meals purchased for school-authorized trips are exempt **only** if:
 1. Purchased with an organization check, and
 2. An exemption certificate is provided.Individual students may **not** claim tax exemption for meals.

2. Collection & Remittance of Sales Tax

Booster organizations are responsible for **collecting and remitting sales tax** on all taxable sales.

Methods to handle sales tax:

1. **Add tax to the selling price**
 - Example: Item price \$2.00, tax rate 8.25% → Collect \$2.17.
2. **Absorb tax in the selling price**
 - Example: Item price \$2.00 (includes tax), retain \$1.85 and remit \$0.15.

Records to maintain:

- Total sales and taxable sales.
- Sales tax collected and remitted.
- Dates and details of all transactions.

3. Taxable vs. Non-Taxable Sales

Non-Taxable:

- Admission tickets
- Club memberships
- Food and beverages sold **during the regular school day** (with school approval)

- Vending machine sales
- Two tax-free sales per calendar year per school per organization
- Candy and food sold by students under 18 during school fundraising

Taxable:

- School store merchandise (pencils, erasers, paper)
- Apparel, uniforms, and branded items (T-shirts, hats)
- Fundraising items: crafts, candles, books, mugs, etc.
- All other personal property unless specifically excluded above

Organizations should **file sales tax in accordance with Texas Comptroller guidelines.**

4. Sales Tax Compliance Best Practices

- Maintain **accurate records** of all sales, exemptions, and taxes collected.
- Provide **copies of exemption certificates** to vendors and keep copies for your records.
- Apply sales tax **consistently** across all events.
- Ensure fundraising activities **comply with IRS private benefit rules** and booster bylaws.
- Coordinate **food sales during school hours** with campus administration to comply with federal Smart Snacks rules.

5. Resources & Assistance

- Texas Comptroller Nonprofit Resources:
<https://comptroller.texas.gov/taxes/nonprofit/>
- Texas Comptroller Sales Tax Hotline: (800)-252-5555
- IRS Exempt Organizations: <https://www.irs.gov/charities-non-profits>
- Smart Snacks in Schools: <https://www.squaremeals.org>

Appendix G – Sample Accounting & Financial Management Procedures for Booster Clubs

Purpose:

This sample provides practical procedures to help booster club officers maintain accurate, transparent, and auditable financial records. It is illustrative and should be adapted to the organization's structure, bylaws, and approved accounting practices.

Method of Accounting

- ☐ Adopt a consistent accounting method (preferred: computerized package; spreadsheets acceptable)
- ☐ Review accounting method biannually for effectiveness and accuracy
- ☐ Provide membership with financial statements and bank reconciliations at each meeting

Cash Receipt Procedures

- ☐ Deposit all funds promptly; never store cash at home
- ☐ Document source and amount of all collections (receipt forms, ticket sales, fundraising logs)
- ☐ Separate currency and coins by denomination when preparing deposits
- ☐ For large deposits, have a second individual independently count and verify cash (**dual control**)
- ☐ Attach deposit verification to supporting documentation for audit purposes

Petty Cash Management

- ☐ Maintain petty cash in a locked box accessible only to treasurer + one officer
- ☐ Use petty cash for emergency purchases only; retain receipts for all disbursements
- ☐ Total cash + receipts must always equal established petty cash amount

Disbursement of Funds

- ☐ Requests must align with approved budget line items
- ☐ Expenditures outside the budget require membership approval prior to disbursement
- ☐ Attach invoices/receipts to all disbursement vouchers
- ☐ Blank checks must never be signed
- ☐ Direct payments to employees or purchase of alcohol is prohibited
- ☐ Funds may be donated to the District for approved activities, not used to hire individuals directly

Bank Reconciliation

- ☐ Reconcile monthly bank statement to general ledger
- ☐ Non-signer should review statement for unusual activity:

- Checks out of sequence
 - Checks made to “cash” or non-approved vendors
 - Unapproved or missing disbursements
- ☐ Identify deposits in transit, outstanding checks, and adjustments
 - ☐ Adjusted bank balance must equal adjusted ledger balance

Reporting & Review

- ☐ Prepare financial statements showing budget vs. actual receipts and expenditures
- ☐ Maintain records of all cash receipts, disbursements, and reconciliations
- ☐ Conduct annual independent review or audit as described in Appendix E

Tip: This sample is a guide for daily operations. Booster officers should adapt procedures as needed to maintain compliance with IRS, Texas state regulations, and District policies.

Appendix H– Sample 1099 Reporting Procedures for Booster Clubs

Purpose:

This appendix provides sample procedures for booster clubs to comply with IRS reporting requirements for payments to independent contractors and vendors. It is intended as a practical guide for officers and treasurers; it does **not** replace legal or tax advice.

1. Determine 1099 Reporting Requirements

Booster clubs must issue IRS Form 1099-NEC for **all payments of \$600 or more in a calendar year** to individuals or unincorporated vendors for services performed.

Key points to consider:

- Payments for merchandise or goods **do not require a 1099**.
- Payments to corporations (except attorneys or certain LLCs) generally **do not require a 1099**.
- Always verify reporting obligations with IRS guidance.

2. Collect Vendor Information

Before issuing payment:

- Have the vendor complete **IRS Form W-9** to capture:
 - Legal name
 - Address
 - Taxpayer Identification Number (TIN)
 - Entity type (individual, LLC, corporation, etc.)
- Maintain W-9 forms on file for **at least 4 years**.

3. Track Payments Throughout the Year

- Record all service payments in the accounting system.
- Include check numbers, dates, and payment amounts.
- Flag vendors approaching the \$600 threshold for 1099 reporting.
- Ensure **petty cash payments** or reimbursements are included if they meet thresholds.

4. Prepare Form 1099-NEC

- Use IRS-approved forms (not printed from the internet for filing).
- Complete the following fields:
 - Vendor's name, address, and TIN
 - Total payments for services during the calendar year
 - Your booster club's information (name, address, EIN)
- Provide a **copy to the vendor by January 31**.

5. File With the IRS

- File electronically or by mail using Form 1099-NEC.

- The **due date for filing with the IRS is January 31** (or the next business day if it falls on a weekend/holiday).
- File Form 1096 if submitting by paper.
- Retain copies of filed forms for **at least 4 years**.

6. Recommended Procedures for Booster Clubs

- ☐ Maintain a vendor W-9 file for all independent contractors.
- ☐ Track all service payments throughout the year in your accounting system.
- ☐ Review payments at year-end to identify all vendors needing a 1099.
- ☐ Prepare and distribute 1099-NEC forms to vendors by January 31.
- ☐ File 1099-NEC forms with the IRS by the January 31 deadline.
- ☐ Retain all documentation (W-9s, invoices, payment records) for at least 4 years.

7. Additional Tips

- Coordinate with your accountant or tax professional to ensure proper reporting.
- Remember that **employee wages are reported on W-2**, not 1099.
- If you are unsure about the vendor type or reporting obligation, always consult the IRS or a tax professional.
- Consider including a **sample 1099-NEC checklist** in your club's financial binder for easy reference.

Appendix I– Common Booster Club Mistakes to Avoid

The following issues are commonly identified in booster organizations and may create compliance, financial, or operational concerns.

Individual Student Accounts

Booster organizations may not maintain individual student fundraising accounts or allocate fundraising proceeds based on individual participation. Funds must benefit the student group as a whole.

Paying District Employees Directly

Booster organizations may not provide direct payments, stipends, or gifts of value to District employees. Support for school programs must be coordinated with campus administration and comply with applicable District policies and UIL rules.

Using the District’s Tax Identification Number

Booster organizations must obtain and use their own Employer Identification Number (EIN). Arlington ISD’s EIN may not be used for booster banking, purchases, or tax filings.

Commingling Funds

Booster funds must be maintained in a separate bank account held in the booster organization’s name and may not be combined with personal or District accounts.

Poor Financial Documentation

All financial transactions should be supported by documentation such as receipts, invoices, and meeting approvals. Clear records help protect both the organization and its officers.

Failure to File Required IRS Forms

Tax-exempt organizations must file the appropriate IRS Form 990, 990-EZ, or 990-N annually. Failure to file for three consecutive years results in automatic revocation of tax-exempt status.

Unauthorized Use of School or District Name

Booster organizations must obtain appropriate approval before representing themselves as affiliated with Arlington ISD or using the name of a campus or program.

Lack of Coordination with Campus Administration

Fundraising activities, events, and donations intended to support school programs should be coordinated with the campus principal or designated administrator.