



BOOSTER CLUB INFORMATION

Label with district's name and logo.

Introduction

Community support organizations for extracurricular activities—or Booster Clubs—are a valuable complement to the school’s athletic, music, and academic competition programs. Their activities often provide additional financial resources and enrichment for the programs they support. **Every Booster organization in the District that supports activities controlled by the University Interscholastic League (UIL) must be familiar with and conduct all its activities in compliance with requirements and limitations set out by the UIL in its Booster Club Guidelines.** The full text of those Guidelines is available online at https://www.uil-texas.org/files/policy/booster_club_guidelines.pdf. The latest version was updated in July 2016.

This booklet supplements the information contained in those Guidelines and communicates most of the district’s rules for Booster Clubs that support its extracurricular activities. Booster Clubs exist to assist and support those activities, but they are adjunct organizations to the school and are neither sponsored nor controlled by the school district.

Formation, Name, and Recognition

Any Booster Club formed to support a district extracurricular activity should have bylaws that address all the topics listed in the UIL Guidelines at “Written Policies” and must provide a copy of its bylaws to the Superintendent before engaging in any activities other than those necessary to its formation and organizing meetings. The district can establish a policy that requires bylaws for any support organization that wishes to affiliate with the school district (such as the PTA or PTO), but Booster Clubs supporting UIL activities must have bylaws as outlined by UIL. The Superintendent will review the bylaws to make sure that all the required topics are addressed but does not have the authority to change the bylaws. If the bylaws are incomplete, the Booster Club’s affiliation with the district will be denied until the missing topics are included in the bylaws.

While the UIL rules do not address the name of a Booster Club, the district may require that the Booster Club name include the program it supports—for instance “Band Boosters,” “Football Boosters,” “Drill Team Boosters”—and may prohibit including 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 UIL 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 an organization exempt from federal taxation is required before a Booster Club (or other support organization) can hold raffles and some other popular fundraising activities.

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 www.sos.state.tx.us/corp/nonprofitfaq.shtml.

Fund-Raising and Accounting

Fund-raising: Financial assistance from Booster Clubs for the purchase of additional equipment, instruments, or supplies related to the programs the Clubs support is one of the most valuable roles that Booster Clubs provide. When a UIL-regulated Booster Club makes a direct cash contribution to the school district, the final decision on how the money will be used is up to the district. The school will be glad to receive 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. Before a Booster Club purchases equipment directly (such as calculators or computers), it should consult with the district to assure that its purchases are compatible with current district equipment. If the Booster Club is not subject to UIL rules and opts to function as a non-profit corporation, the funds will remain private funds under the control of the club.

Be aware that, if booster club donations create a disparity between girls' and boys' athletic programs, under Title IX,¹ the district must take steps to eliminate the disparity. So, e.g., an influx of funds from the football boosters may require the district to allocate funds to girls' athletics to avoid a Title IX violation. For this reason, some school districts opt to have one booster club for all athletic activities.

Local policy will control how Booster Clubs may operate fund-raising activities on school property. See policies FJ (LOCAL), GKD (LOCAL), and GE (LOCAL). Before beginning any fund-raising activity, the president or designated representative of a Booster Club must submit a written proposal for the activity to the Superintendent that details the time period for the fund drive, the method by which the funds will be raised, whether or not students will be directly involved in the fund-raising and, if so, how much student time will be involved. Include how the fund-raising project will comply with state law if the activity is so regulated (such as raffles or bingo). The Superintendent will review the proposal and meet with the Booster Club president or representative to discuss any questions or concerns, including suggestions or recommendations for changes to the proposal. The Superintendent may designate another administrator, such as the campus principal, to review fund-raising proposals.

¹ Title IX of the Education Amendments of 1972 protects people from discrimination based on sex in education programs or activities that receive federal financial assistance.

The administration ordinarily will not authorize Booster Club fund-raising activities that will occur at school and potentially interfere with or detract from instructional time or that will require excessive student time outside of school. Additionally, the administration will likely reject fund-raising activities that compete with other similar fund-raising activities going on in the district at the same time. Only fund-raising activities that have received the administration's written authorization may be conducted using the school district's name or mascot/logo.

Raffles: The school district is prohibited by Texas law from sponsoring or conducting any raffle or bingo game conducted for the purpose of raising money. However, the state Charitable Raffle Enabling Act allows organizations that support schools to conduct raffles under certain conditions. A "raffle" is any activity that involves awarding a prize—any thing of value from a cake to a car—by chance to one or more people who have purchased a ticket or promised something that has value in exchange for a ticket that represents a chance to win a prize.

A "qualified nonprofit organization" may legally conduct a raffle to benefit the school district or a school program. A Booster Club can conduct a raffle if it meets all of these requirements:

- it doesn't distribute any of its money to members or officers except as reasonable reimbursement for approved expenses;
- it has been in existence for at least three years, if the club is incorporated, or is affiliated with a state or national organization that carries out the same purpose;
- it is not an organization that lobbies or contributes to affect legislation or take sides in elections for public office, including trustee elections; and
- it has obtained an exemption from federal income tax from the Internal Revenue Service.

If the organization is incorporated under the Texas Non-Profit Corporation Act, the organization has no subsidiary or affiliate organizations or chapters in the state.

Different requirements apply if the Booster Club is an affiliate or chapter of a nonprofit incorporated parent organization registered in Texas:

- it cannot distribute any of its income to members, officers, or the governing body, except for reasonable compensation for services;
- the local organization has existed for the three preceding years and has been formally recognized as a local chapter or affiliate for that time;
- neither the local chapter nor the parent organization devotes a substantial amount of its activities to affect legislation and does not participate in any campaign for public office in any manner; and
- either the local chapter or parent organization is exempt from federal income taxation.

A “substantial amount” of activities in pursuit of political activities is defined as 10% or more of the expenditures of the organization within any 12-month period in the preceding three years.

All proceeds of a raffle must be spent for the charitable purposes of the qualified organization. The organization may not have more than four raffles per calendar year, and the four raffles may not be running simultaneously. Raffles must specify a date on which the prize will be awarded.

Raffles may not use paid advertising on television, radio, or in a newspaper. Raffle tickets may only be sold locally, though the organization’s website is acceptable, and a newsletter distributed to previously identified supporters may also have ads for a raffle. The organization may not pay someone directly or indirectly for selling raffle tickets.

Raffle tickets. EACH raffle ticket must have:

1. the name of the organization sponsoring the raffle;
2. the address of the organization or of a named officer;
3. the ticket price;
4. a general description of each prize valued over \$10; and
5. the date on which the raffle prizes will be awarded.

Prizes generally cannot exceed \$75,000 in value. The organization must have the prize in its possession (or post a bond with the County Clerk in the amount of the prize to be awarded) BEFORE selling any raffle tickets.

Bingo: The use of bingo as a fundraiser is also governed by statute, the Bingo Enabling Act. Unlike the conduct of raffles, conducting bingo as a fundraiser requires a specific license from the Texas Lottery Commission. First, the organization must meet the definition of a “nonprofit organization,” which means an unincorporated association or a corporation that is incorporated or holds a certificate of authority under the Texas Non-Profit Corporation Act that may not distribute any of its income to its members, officers, or governing body, other than as reasonable compensation for services; and must have obtained tax exempt status under Section 501(c), Internal Revenue Code of 1986. Then, the organization must fall within the scope of one of five entities that may be licensed for bingo. The most likely entity is a “fraternal organization,” which includes a nonprofit organization organized to perform and engaged primarily in performing charitable, benevolent, patriotic, employment-related, or educational functions that meet the other requirements of the enabling act. It is unclear whether Booster Clubs can fall within this definition. A license holder may not use or distribute a bingo card unless the card has been approved by the Lottery Commission. There are also significant restrictions on who can operate bingo. If you want to fundraise with bingo, contact the Booster Club must take care to make sure all requirements are met.

Concession Stands: Booster Clubs are one of the organizations that the district authorizes to operate the concession stands at sporting events in order to raise funds for the organization. The Superintendent or principal can provide detailed information about how often the Booster Club will have this opportunity and specific rules for operating the concession stands.

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 Superintendent. These statements are available for inspection or copying to any person who submits a written request to the Superintendent.

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. Booster Clubs that qualify as non-profits may also hold tax-free sales on up to two designated tax-free sales days. For more information see <https://comptroller.texas.gov/taxes/publications/96-122.php> (October 2021). Booster Clubs are responsible for obtaining necessary information from the Texas Comptroller of Public Accounts to make sure that they are collecting and accounting for state sales tax when that collection is required. You may obtain additional information on state sales tax requirements online at www.comptroller.texas.gov.

Financial and Legal Responsibility: The school district is not liable or responsible for any contracts or expenditures made by a Booster Club. Agreements for the purchase of goods to be resold for fund-raising are the responsibility of the Booster Club entering the agreement, including snack foods and drinks purchased for re-sale at concession stands during athletic events. **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, to provide legal assistance in drafting or negotiating contracts, or to represent a Booster Club in any legal action that may arise from the Club's activities.

Booster Club Meetings

The district would like for Booster Clubs to meet at least quarterly, but the schedule for meetings is a Booster Club decision. Booster Clubs are welcome to hold their meetings at school facilities, in the evening or otherwise, after instructional activities are concluded. A Club representative must submit a written request to the campus principal to schedule a time and place for a Club meeting held on school property. Ordinarily the request should be submitted at least one week before the requested date, but facilities are reserved on a first-come, first-served basis. If the

Club has established a schedule for meetings, it can reserve times and places for regular use on a semester basis by submitting a request to the principal during the first week of each semester. See Policy GE (LOCAL) for reservation requirements.

Meetings of affiliated Booster Clubs can be publicized in the school newspaper 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. As stated in the UIL Booster Club Guidelines, 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. Any Booster Club that does not maintain good order in its meetings will not be allowed to meet in school facilities.

Working with School Staff

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 UIL activities, and the Board of Trustees, which has final authority in matters related to extracurricular activities that are not affiliated with UIL.

Coaches and sponsors usually will 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 does not have veto authority over a Booster Club decision, and a Booster Club does 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 parent's 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 or the Superintendent will be happy to provide copies of those policies upon request.

“Wish-Lists”: In addition to cash donations from a Booster Club to the school district, Booster Clubs often purchase specific items of equipment, instruments, or supplies to enhance the program or activity the Club was formed to support. Coaches or sponsors must present a list of desired items to the Superintendent and receive approval from the Superintendent before submitting the list to a Booster Club. The Superintendent will have final authority to determine the items on the list.

Field Trips and Transportation

School-Sponsored Field Trips: Booster Clubs are encouraged to cooperate with teachers in the Fine Arts and Science programs in planning and implementing field trips that will further the instructional aims of the classes. Trips must be approved by the campus principal and student participants must comply with all school requirements for attending, including parent consent forms. The school will provide the transportation and all students and adult sponsors or chaperones must ride in the school transportation.

If circumstances arise making it necessary for parents or other volunteers, including Booster Club members, to transport students in their private vehicles for a school-sponsored field trip, all drivers must provide proof to the school district of valid drivers' license and insurance that meets the minimum liability requirements of state law.

Other School-Sponsored Trips: District policy requires that students traveling to any school-sponsored extracurricular activity use school-provided vehicles, such as buses or passenger vans. Those vehicles will be operated by school employees or contractors. Students may return from a school-sponsored activity with a parent or other adult, provided the coach or sponsor has granted permission and the parent has submitted a written request designating the alternate transportation. See Policy FMG (LOCAL).

If circumstances arise making it necessary for parents or other volunteers, including Booster Club members, to transport students in their private vehicles for a school-sponsored extracurricular activity, all drivers must provide proof to the school district of valid drivers' license and insurance that meets the minimum liability requirements of state law.

Other Transportation Involving Students: Neither a Booster Club nor members of a Booster Club are agents of the school district when they transport students to activities that are not official school-sponsored field trips or extracurricular activities.

Award Restrictions

The University Interscholastic League has very strict limitations on the types of awards or benefits that student athletes and other student competitors can receive from their schools or booster organizations supporting the school activities. As stated at the beginning of this booklet, all Booster Clubs must know about those restrictions and make sure that they are in complete compliance with UIL rules. If a Booster Club has any question about a planned activity, award, or benefit for UIL participants, contact the athletic director, coach, or Superintendent.

For more information, please contact _____ at _____.

These materials are for informational and educational purposes only. They should not be relied upon as legal advice for any specific situation.