

Booster Club vs. ASB

Fundraising Guidance

- I. What are the indicators that a bona fide parent group fundraiser turns into an ASB activity?
 - The cash receipts are given to the school ASB secretary and/or stored in the school safe.
 - The students handle the cash receipting reconciliation process during the school day.
 - The inventory is purchased by the ASB... Student officer signs a purchase order.
 - The school district holds and inventories the goods for resale.
 - A majority of the work is performed by the students.
 - The parent group uses the school name (without at least adding "boosters").
 - The use of district facilities is not followed per district policy.
 - School district personnel are involved during staff time.
- II. Parent Groups - Booster Club and Parent Teacher Association - Private Money
 - The school board should have policies to address the approval of activities of private groups. *Selling any item at school that is for a private business would be regulated by the school district policies.*
 - Activities/events must be planned, managed and operated solely under the direction of the parent group.
 - When using district facilities, the group must follow district policies.
 - Funds cannot be commingled with ASB money.
 - Keep the activity an "arms length" transaction.

III. Student Involvement

Children have a private life and can always work for an outside entity, but not during school time. If the student is selling an item at school or representing the school- the money is generally considered ASB. Students are able to raise money for an outside entity during school time with prior school district approval. The key is how a prudent person would view the sale- if it looks like a school sale, the money must go to ASB.

If issues are noted during an audit, it will be decided if the funds in question belong to the district. The answers to the following questions will help determine if the funds are district funds or parent/booster funds.

How was the information presented to those that participated-both sellers and buyers? For example, was the information presented as, "Sample School District Girls Soccer" or "Sample School Girls Soccer PTA"? If you found a "name" on the fundraiser/event promotional information you can perform a search at <http://www.secstate.wa.gov/corps/search.aspx> to determine if they have registered with the Washington State Secretary of State. Ask yourself, "Would a reasonable person in the community think that this was a Booster Club or School activity?"

IV. Prizes:

State audit staff has determined that any prize or other incentive must be within the de minimis range as defined by school board policy. That prize may be donated by an outside organization, but it cannot be the vendor providing the product or service.



For additional resources,
contact Greg Barker at greg@awsp.org



For this handout, Boosters mean all groups designed to support school activities such as PTA/PTO/Scholarship Committees, Senior Trip committees, Robotics, Alumni Associations, Equestrian, Sports Boosters, Music, Drama, Debate, Cheer, etc.

Top 10 Rules

which help explain

ASB Funding, Finance, Law, Rules and Regulations and the assistance that Boosters can provide

1. Public money, generated by the students or in the name of students, may be used only for Cultural, Athletic, Recreational, or Social, purposes, which are optional, and non-credit.
Booster Advantage: *Booster donations also can be used to supplement these activities.*
2. Money raised during the school day, and/or on school property, and/or using school personnel, and/or school materials is public money.
Booster Advantage: *Following certain School Board policies, money can be raised in compliance with this rule and keep the ownership with the Boosters.*
3. ASB funds are restricted public funds and cannot be used for curricular purposes.
Booster Advantage: *Private money can be used for supporting classes and coursework.*
4. Co-curricular is not a legal term. Only curricular and extra- curricular are defined in the law.
Booster Advantage: *Booster money can be granted to the school to cover the curricular use of shared equipment or supplies.*
5. Public money cannot be given away for private use.
Booster Advantage: *Booster money is private money.*
6. Students and staff must collaborate on the generation and use of public money.
Booster Advantage: *The Booster Board of Directors decides the use of the private money.*
7. You must have a system to monitor and protect the use of public money.
Booster Advantage: *The Boosters have the same requirements to protect the generation and use of their private funds.*
8. You must follow the federal, state, school board, and your own rules about ASB.
Booster Advantage: *Similar requirements for Federal and State reporting, plus the Boosters must follow their Articles of Incorporation.*
9. In a corporate sense, the Principal is the CEO and CFO; the school board is the Board of Directors.
Booster Advantage: *Boosters are a nonprofit corporation.*
10. The State Auditor is only one of many regulatory agencies interested in ASB.
Booster Advantage: *Boosters, as a private business, must comply with WA State and Federal agency oversight.*



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Booster Clubs

School Guidelines

- Money raised during the school day, on school property, using school personnel, or school materials is public money.
- Public money, generated by the students or in the name of students, may be used only for Cultural, Athletic, Recreational, or Social purposes.
- ASB funds are restricted Public money and cannot be used for curricular purposes.
- Co-curricular is not a legal term. Only curricular and extra- curricular are defined in the law.
- Public money cannot be given away for private use.
- Students and staff must collaborate on the generation and use of public money.
- You must have a system to monitor and protect the use of public money.
- You must follow the federal, state, school board, and your own rules about ASB.
- In a corporate sense, the Principal is the CEO and CFO; the school board is the Board of Directors.
- The State Auditor is only one of many regulatory agencies interested in ASB.

ASB or Booster?

- What turns a bonafide parent group fundraiser into an ASB activity?
- The cash receipts are given to the school ASB secretary and/or stored in the school safe.
- The students handle the cash receipting reconciliation process
- The inventory is purchased by the ASB...
- Student officer signs a purchase order
- The school district holds and inventories the goods for resale.
- A majority of the work is performed by the students.
- The parent group uses the school name (without adding "boosters").
- District facilities use not following per district policy.
- School district personnel are involved during staff time.
- Event workers wearing official school apparel.



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Requirements

- Current organizational by-laws
- Business license (if retail sales are held)
- Parent organization rules (if any)
- Current list of officers
- IRS Tax Identification # (EIN)
- Washington State UBI #
- Certificate of Insurance
- Inventory of equipment
- Recent copies of income tax report
- Annual renewal of Secretary of State registration
- List of Bank accounts
- Current list of bank authorized signers
- Follow School Board rules/policy
- Health cards (if food is sold)
- Articles of Incorporation with Sec. of State stamp
- IRS Tax exempt request letter and/or Tax determination letter
- Any other agreements

Officer's Duties

Fiduciary Duties These duties are imposed both by the courts and by state and federal statutes. A breach of these duties may lead to personal liability, loss of tax-exempt status, or both. **Duty of...Care:** know your rules, **Obedience:** Obey your rules, **Loyalty:** no personal gain.

Resources

- **Washington State Booster Club Association-** <http://www.wsbca.org>
- **Internet Nonprofit Center-** Information for and about nonprofits <http://www.nonprofit-info.org>
- **Internal Revenue Service-** See form 1023 for application, and 990 to report income/expenses <http://www.irs.gov>
- **Secretary of State-** Washington State laws (WAC/RCWs) regarding charitable solicitations and trusts. <http://www.secstate.wa.gov/charities>
- **Washington State PTA-** Every child. One voice <http://www.wastatepta.org>
- **Washington Association of School Business Officials-** Check for ASB procedures <http://www.wasbo.org>

