

# **MONTGOMERY COUNTY SCHOOLS**

FINANCIAL TRAINING  
BOOSTER & EXTERNAL  
SUPPORT ORGANIZATIONS

10.07.15



# EXTERNAL SUPPORT/BOOSTER ORGANIZATIONS

THESE ORGANIZATIONS EXIST TO PROMOTE SCHOOL PROGRAMS AND COMPLEMENT STUDENT ACTIVITIES, BUT THEY ARE **SEPARATE LEGAL ENTITIES** THAT MUST ADHERE TO IRS AND TITLE IX GUIDELINES

# EXTERNAL SUPPORT/BOOSTER ORGANIZATIONS

- THE FOLLOWING INFORMATION MUST BE SUBMITTED TO THE SCHOOL PRINCIPAL WITHIN 30 DAYS OF THE FIRST TRANSACTION:
  - FEIN
  - NAMES OF OFFICERS
  - CERTIFICATE OF LIABILITY INSURANCE
  - ANNUAL FINANCIALS
  - BUDGET
  - FUNDRAISING REQUESTS

# EXTERNAL SUPPORT/BOOSTER ORGANIZATIONS

- IT IS RECOMMENDED (NOT REQUIRED) THAT TREASURERS BE BONDED.
- ORGANIZATIONS AND THEIR ACTIVITIES ARE NOT COVERED BY THE DISTRICT LIABILITY INSURANCE.(THEY MUST CARRY THEIR OWN LIABILITY INSURANCE)
- SCHOOL-WIDE FUNDRAISERS CONDUCTED BY THESE ORGANIZATIONS , INCLUDING THE PROPOSED USE OF THOSE FUNDS, MUST BE APPROVED BY THE BOARD.
- ALL OTHER FUNDRAISERS ARE APPROVED BY THE PRINCIPAL OR DESIGNEE.

# FINANCIAL REPORTS

- MUST SUBMIT ANNUAL BUDGET (FSA 4B)
- MUST SUBMIT ANNUAL FINANCIAL REPORT (DUE BY JULY 15) WHICH INCLUDES:
  - BEGINNING CASH BALANCE
  - ACTUAL REVENUE
  - ACTUAL EXPENSES
  - ENDING CASH BALANCE

# EXTERNAL SUPPORT/BOOSTER ORGANIZATIONS

- ORGANIZATIONS SHOULD HAVE WRITTEN BY-LAWS.
- DISTRICT EMPLOYEES MAY SERVE AS GENERAL MEMBERS.
- DISTRICT EMPLOYEES MAY NOT SERVE AS OFFICERS WITH CHECK SIGNING AUTHORITY IN THESE ORGANIZATIONS.
  - THEY MAY NOT ORDER AND RECEIVE GOODS, RECEIPT, PAY VENDORS, OR DISBURSE FUNDS.

# EXTERNAL SUPPORT/BOOSTER ORGANIZATIONS

- BOOSTERS MAY FOREGO THE SEPARATE LEGAL ENTITY STATUS, IF THEY DEPOSIT THEIR FUNDS UNDER A “SUB-ACCOUNT” OF THE SCHOOL ACTIVITY FUND ACCOUNT
- WOULD THEN BE SUBJECT TO ALL REDBOOK RULES

# TAX EXEMPTION

- ORGANIZATIONS MUST USE EXTERNAL ACCOUNTS AND OBTAIN THEIR OWN FEDERAL EMPLOYER IDENTIFICATION NUMBER . (GO TO [WWW.IRS.GOV](http://WWW.IRS.GOV))
- ORGANIZATIONS ARE NOT TAX EXEMPT UNLESS THEY OBTAIN THEIR OWN STATE TAX EXEMPT NUMBER. (GO TO ([WWW.REVENUE.KY.GOV](http://WWW.REVENUE.KY.GOV)), AND ARE CONSIDERED TAX DEDUCTIBLE ENTITIES FOR DONATIONS ONLY IF THEY ESTABLISH 501 C(3) STATUS.



# TAX EXEMPTION

- [HTTPS://PARENTBOOSTER.ORG/](https://parentbooster.org/)
- IMMEDIATE 501 (C)(3) TAX EXEMPTION UPON MEMBERSHIP APPROVAL
- PROVIDES INFO, TRAINING, AND HELP TO SET UP AND OPERATE BOOSTER ORGANIZATIONS

# FUNDRAISERS

- FUNDRAISING SHOULD BE CARRIED OUT BY BOOSTER MEMBERS.
- ORGANIZATIONS MUST RECEIVE BOARD APPROVAL TO FUNDRAISE IN THE NAME OF THE DISTRICT OR ITS STUDENTS.
- FUNDRAISER APPROVAL FORM
  - TIMELINE
  - FUNDS MUST BE EXPENDED IN ACCORDANCE WITH APPROVAL

# EXTERNAL SUPPORT/BOOSTER ORGANIZATIONS

- **FUNDRAISING MUST BENEFIT THE ENTIRE GROUP AS A WHOLE.** NO MONIES MAY BE APPLIED TO INDIVIDUAL STUDENT ACCOUNTS, UNLESS 1099S ARE ISSUED FOR THE INCOME.
- THE IRS PROHIBITS TAX-EXEMPT ORGANIZATIONS FROM REQUIRING PARTICIPATION IN FUNDRAISERS. ORGANIZATIONS MAY NOT REQUIRE AN AMOUNT BE “DONATED” IN LIEU OF PARTICIPATING IN FUNDRAISER.
- INDIVIDUALS CHOOSING NOT TO PARTICIPATE IN A FUNDRAISER CANNOT BE EXCLUDED FROM BENEFITTING FROM THE FUNDRAISER AND CANNOT BE PENALIZED IN ANY WAY. (COACHES MUST INSTILL THE EXPECTATION!)

# EXTERNAL SUPPORT/BOOSTER ORGANIZATIONS

- SCHOOL ACTIVITY FUNDS MAY NOT REIMBURSE THESE ORGANIZATIONS.
- NO BOOSTER CLUB SHALL PAY THE FEE FOR ANY REFEREES OR OFFICIALS OF ATHLETIC EVENTS, BUT MAY DONATE TO THE SCHOOL FOR THESE PURPOSES. (NOTE: FUNDRAISING EVENTS OUTSIDE OF THE “SCHOOL BUSINESS” ARE NOT REGULATED BY AUDITORS.)
- BOOSTERS CLUBS MAY NOT DIRECTLY PAY OR ENHANCE SALARIES OR STIPENDS, BUT MAY CONTRIBUTE TO THE BOARD FOR THESE PURPOSES IN ACCORDANCE WITH TITLE IX CONCERNS.
- ANYTHING PURCHASED FOR THE SCHOOL OR THE GROUP THEY SUPPORT BECOMES THE PROPERTY OF THE SCHOOL DISTRICT.

# PURCHASING

- SEND ALL REQUESTS FOR PURCHASES OVER \$500.00 TO C/O WHERE THEY WILL BE APPROVED FOR PURCHASE BY DISTRICT ATHLETIC SUPPORTERS (TITLE IX PURPOSES)
- SHORT-TERM CONSUMABLE ORDERS UNDER \$500.00 CAN BE PAID DIRECTLY TO VENDOR WITHOUT APPROVAL

# PURCHASING

- **TECHNOLOGY EXCEPTION**
  - ALL TECHNOLOGY PURCHASES MUST BE MADE BY THE SCHOOL DISTRICT
  - BOOSTERS MUST MAKE DONATION TO OFFSET COST THEN DISTRICT WILL PURCHASE

# PURCHASING

- EACH ATHLETIC GROUP WILL NOT BE GIVEN A “BUDGET” TO FOLLOW THIS YEAR
- WE WILL ADDRESS EACH REQUEST INDIVIDUALLY AS THEY COME
- NEEDS ONLY

# EXTERNAL SUPPORT/BOOSTER ORGANIZATIONS

- RESOURCE HANDOUTS
  - REDBOOK GUIDELINES FOR EXTERNAL SUPPORT/BOOSTER ORGANIZATION
  - REDBOOK – BOOSTER FAQs



# RESOURCES

- [HTTPS://PARENTBOOSTER.ORG/](https://parentbooster.org/)
- [WWW.REVENUE.KY.GOV](http://www.revenue.ky.gov)
- [WWW.IRS.GOV](http://www.irs.gov)
- [HTTP://EDUCATION.KY.GOV/DISTRICTS/FINREPT/PAGES/ACCOUNTING-PROCEDURES-FOR-SCHOOL-ACTIVITY-FUNDS.ASPX](http://education.ky.gov/districts/finrept/pages/accounting-procedures-for-school-activity-funds.aspx)

# QUESTIONS?

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