

MONTGOMERY COUNTY SCHOOLS

FINANCIAL TRAINING BOOSTER & EXTERNAL SUPPORT ORGANIZATIONS

AUGUST 18, 2016



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)
- ORGANIZATIONS ARE NOT TAX EXEMPT UNLESS THEY OBTAIN THEIR OWN STATE TAX EXEMPT NUMBER. (GO TO (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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