

# Chapter 21

## Chapter 21 – Booster Clubs, Foundations, Auxiliary Organizations and Other Parent-Teacher Associations

Booster clubs, foundations, auxiliary organizations and other parent-teacher organizations are composed of parents, community members, and staff members who join together to support specific school activities for the benefit of students. Such groups are commonly referred to as school-connected organizations. They serve an important function by connecting parents and other community members with the students' curricular and extracurricular activities, and most districts welcome and encourage parental interest and participation. This manual will use the term “booster auxiliary organizations” to refer to any of these types of organizations.

Booster auxiliary organizations are popular in high schools, community colleges and universities, and are usually run in high schools by the parents of students in the organization being supported, and in colleges by supporters and fans of athletic programs. Fundraisers are often held to raise money for supplies or equipment the students may need or for student trips. Although not all booster auxiliary organizations are nonprofits under section 501(c)(3) of the Internal Revenue Code, the benefits of this status include exemption from federal income tax and eligibility to receive tax-deductible charitable contributions. Nonprofit 501(c)(3) organizations, including booster auxiliary organizations formed as such, may not discriminate in making grants to youth or college students on the basis of their family's membership in or funding to the organization, or the family's fundraising for or time devoted to the organization's activities.

The most common types of 501(c)(3) organizations are charitable, educational, and religious. Educational organizations include the following:

- Schools, such as a primary or secondary school, a college, or a professional or trade school.
- Organizations that conduct public discussion groups, forums, panels, lectures, or similar programs.
- Organizations that present a course of instruction by correspondence or through the use of television or radio.
- Museums, zoos, planetariums, symphony orchestras, or similar organizations.
- Nonprofit daycare centers.
- Youth sports organizations.

Booster auxiliary organizations are organized with many purposes in mind. One of the largest, formal, and most well-known booster auxiliary organizations is the National Parent Teacher Association (PTA). The California State PTA publishes governance, fundraising and financial guidance for members on its website, [www.capta.org](http://www.capta.org). Other booster auxiliary organizations are organized to help with special interests or for school activities such as football, or to help buy school supplies, or to support other athletic teams or programs, the arts, field trips, debate teams, or musical groups. Booster auxiliary organizations are separate organizations from a school district or community college, and their primary role should be to enrich students' participation in curricular and extracurricular activities.

In general, booster auxiliary organizations provide financial support and/or direct assistance in some form to help achieve goals shared with school programs. Booster auxiliary organizations have many purposes and are not limited to the following examples:

- Assisting others:
  - Helping a principal/school administrator, faculty advisor, sports coach, and other district staff with student activities.
  - Helping students through scholarships.

- Purchasing supplies for the school.
- Helping with funds for field trip travel.
- Specific activities connected to students, parents and adults:
  - Sports programs
  - Field trips
  - Performing arts
  - Debate teams
  - Language programs

The relationship between student organizations and booster auxiliary organizations is often confusing. Student organizations are legally considered a part of the school entity. For this reason, they are included in the district's annual audit and have the benefit of the district's tax-exempt status under the internal revenue code. All activities and fundraising events in which students primarily participate should be conducted through the ASB. This includes all student performances for which gate receipts are received and all student-conducted fundraisers.

Booster auxiliary organizations should supplement school programs and should conduct activities and fundraising events in which parents and other adult community members are the primary participants. Funds raised by these organizations are to be used to support programs; however, no student will be required to raise funds to participate in school programs and events. Booster auxiliary organizations may raise funds and donate those funds to the district or purchase items with their funds for donation or assistance to the district, but they are separate from the district with which they are associated, are not legally considered a part of the district, and are not included in the district's annual audit. Although booster auxiliary organizations are not governed by the Education Code, they do not have free access to schools and students. The school district governing board and administration have, and must maintain, exclusive control and management of the public school system they serve. Education Code sections 51520 and 51521 require that any school-connected organization (booster auxiliary organization) and/or activity be authorized by law and permitted by board policy.

Some organizations, such as the PTA, are established as nonprofit corporations with a separate tax-exempt status. However, many booster auxiliary organizations have not applied for or received nonprofit status and do not have their own tax identification number, so it should not be assumed that they are all official groups in the eyes of the Internal Revenue Service (IRS) or State of California. Estimates have shown that less than 20% of booster auxiliary organizations have registered and become tax-exempt organizations.

Booster auxiliary organization funds and district funds, including ASB funds, must never be commingled. Booster auxiliary organizations and the school entity should remain separate, including in the following ways:

1. The booster auxiliary organization's name, address or any other correspondence should never imply any form of responsibility on the part of the ASB or district.
2. The district's tax-exempt status and identification number are *not* for use by any non-school organizations or groups.
3. Booster auxiliary organizations are responsible for their own tax status, accounting, internal controls, financial and governmental reporting, retention of records, and all other operations, separate from the district and ASB.

Because student organizations operate under the school entity's tax-exempt status, the funds deposited in bank accounts are not subject to state or federal taxes. For this reason, the funds raised by booster auxiliary organizations should not be deposited into or commingled with the student organizations' or the school

entity's funds or bank accounts; rather, they should be deposited into the booster auxiliary organization's bank account. Booster auxiliary organizations may donate funds to the student organization(s); however, after they do so, only the student organizations can control how the funds will be used, and all district policies and procedures will apply. A student organization's account cannot be used as a pass-through account for any booster auxiliary organizations.

There is no requirement that a booster auxiliary organizations have a corresponding ASB club. A booster auxiliary organization could make a donation to the general ASB or to any ASB club. The important thing is that the donation made by the booster auxiliary organization can be accepted and spent for the purpose for which the booster auxiliary organization raised the funds, within the district's guidelines.

Because booster auxiliary organizations are responsible for their own tax status and accounting, they may not use the district's tax-exempt status or open bank accounts using the district's tax identification number. To avoid the appearance of district sponsorship, it is best if school staff members do not act as officers of nonstudent- or nondistrict-sponsored clubs.

Organizations formed by teachers and/or other employees of a school entity also are not a part of the ASB or the district and may not use the district's tax identification number or deposit funds into the school's ASB account or district bank accounts. All booster auxiliary organizations organized to support or assist any district school or program should be authorized by the school district's governing board, and their activities should be approved by the principal/school administrator or his or her designee.

## Auxiliary Organization versus Student Organization at Community Colleges

If a student group at a community college is formed differently than described in the Education Code sections regarding student organizations and is instead an auxiliary organization, different rules and guidelines apply to it than to a student organization, beginning with Education Code section 72673. These auxiliary organizations could be compared to parent or booster groups at K-12 schools, except that community college auxiliary groups are usually made up of adult students.

Although they are different from student organizations, community college auxiliary organizations must follow the rules and regulations established by the community college's governing board, as there is an official relationship with the college. Governing board approval is needed to use the college's name in the auxiliary organization's title.

Community college district governing boards may establish an auxiliary organization to provide support services and special programs for the general benefit of its college or colleges. This can be compared to a foundation being formed at a K-12 district to support district programs. An auxiliary organization is separate from the college, unlike a student organization, yet a connection exists because the directors, governors and/or trustees of the organization are appointed or nominated by the college governing board, a district official, or a student body or faculty member.

An auxiliary organization can include the following types of groups:

- Any entity that operates a commercial service for the benefit of a community college or district on a campus or other property of the district.
- Any entity whose purpose is to promote or assist a community college or district, or to receive gifts, property and funds to be used for the benefit of the community college or district or any person or organization having an official relationship therewith.
- Any entity that is designated as an auxiliary organization by the district's governing board.

## Regulations Governing Booster Auxiliary Organizations

Because booster auxiliary organizations are separate from the district, they are not under the control of, nor are they the responsibility of, the principal/school administrator, superintendent or governing board. Their funds are not controlled by the district or students, nor should they be involved in administering or supervising the activities of student organizations.

However, governing boards are able to approve guidelines for these groups to follow, and these organizations' fundraising activities should be approved by the governing board. California Education Code section 51520 prohibits outside organization from soliciting pupils on school property during school hours, as well as one hour before and one hour after school, with exemptions for certain nonprofit, nonpartisan charitable organizations. Education Code section 51521 requires that all organizations that conduct fundraising to benefit clubs, schools, students or the district at the K-12 level have prior approval from the school district's governing board or the board-assigned designee.

To meet these statutory requirements, a school district or community college should adopt board policy and regulations requiring all booster auxiliary organizations to do the following:

- Complete and file an application to form a booster auxiliary organization, with at least the following information included:
  - The name of the organization.
  - The date of application.
  - Bylaws, rules, and procedures under which the organization will operate.
  - The names, addresses and phone numbers of all officers.
  - A brief description of the organization's purpose.
  - A list of specific annual objectives.
  - Agreement that the group's financial records shall be available for review by the district at any time.
  - The name of the bank at which the group's account will be located and the names of those authorized to withdraw funds.
  - The signature of a principal/school administrator who supports the request for authorization.
  - Desired use for any money remaining at the end of the year if the organization is not continued or authorized to continue in the future.
  - An agreement to provide evidence of liability insurance as required by law.
- Submit for approval annually a copy of the application and an updated plan of activities.
- Authorizations shall be granted for one year. Requests for subsequent authorizations (i.e. renewals) should be presented to the superintendent/chancellor or designee annually.
- Ensure that renewal applications include the following:
  - An annual financial statement for the year just ended; the statement is to include all expenditures and all income for all events and fundraisers.
  - A budget for the upcoming year.
  - A budget plan for the related activities.
- A copy of the organization's up-to-date adopted constitution and bylaws must be submitted with the initial application and all subsequent authorization requests.

A constitution should include at least the following five elements:

- Name and purpose of the organization
  - Membership
  - Executive board or officers, with positions and duties of each position defined, as well as position and term limits
  - Method of amendments to the constitution, such as by whom, what percent of members, and/or by ballot
  - Method of adoptions or ratification of constitution and any subsequent amendments
- The bylaws should include at least the following six elements:
- Duties and powers of the executive board and officers
  - The composition and membership of committees
  - Successions
  - Elections and qualification for office
  - Finances, including a statement of internal controls, authorization of financial activities, and who can preapprove transactions
  - Meeting schedule for regular and special sessions, including time, manner, frequency, definition of a quorum, and who shall conduct meetings. The procedures and meetings shall be governed by Roberts' Rules of Order or a similar code. Minutes of the meetings shall be kept and read for approval at succeeding meetings. Actions taken by the executive committee shall be reported to the membership at large.

Other recommended rules and regulations are as follows:

- The district has the express right to review and/or audit booster auxiliary organizations' financial statements to ensure their financial integrity.
- Authorization of a booster auxiliary organization is valid for up to one year; however, if the superintendent/chancellor considers it necessary, he or she may revoke a booster auxiliary organization's authorization to conduct activities in the district.
- Booster auxiliary organizations are not legal components of the school entity. Each booster auxiliary organization should have its own tax identification number (TIN); booster auxiliary organizations are not allowed to use the school entity's tax identification number in any way.
- Booster auxiliary organizations are responsible for their own tax status, accounting and financial records, and must make their own arrangements for an audit if one is needed. The booster auxiliary organization is not audited as part of the district's annual financial audit.
- District or school site officials may require booster auxiliary organizations to be officially recognized as tax-exempt organizations under internal revenue code section 501(c)(3) and may require them to provide a copy of their determination letter or certificate of nonprofit status (exempt status is discussed further below).
- Booster auxiliary organization funds should never be commingled with ASB funds or any other district funds.
- The booster auxiliary organization will need to create its own logo and name; the school and district names and logos are separate and should not be used without authorization from the superintendent or designee. Booster auxiliary organizations have their own identity.
- The booster auxiliary organization is not authorized to act as an agent of the school or district.

- The booster auxiliary organization must carry its own liability insurance in an amount equal to or exceeding a minimum determined by the district. The district should be named as an additional insured. When the booster auxiliary organization uses school facilities, the district may, at its discretion, require a higher level of coverage based on the type of use requested, such as athletic activities and large events.
- California Education Code section 51520 applies in the case of booster auxiliary organizations at K-12 districts that wish to have students help with activities.
- Booster auxiliary organizations' ability to use school facilities at K-12 districts is regulated by California Education Code sections 38130-38139, known as the Civic Center Act. A district use of facility form should be submitted one month before the intended activity, with a certificate of insurance that includes liability and property damage coverage and names the district as additionally insured.
- Booster auxiliary organizations must prepare and adopt a constitution and bylaws.
- Booster auxiliary organization officers should be elected according to the structure and process defined in the bylaws.
- It is suggested that K-12 school district personnel not hold any official position in a booster auxiliary organization. For community colleges, Education Code section 72673 states that the directors, governors and/or trustees of the organization are appointed or nominated by the college governing board, a district official or a student body or faculty member.
- Fundraising at any school is directly under the control of school authorities, such as the principal/school administrator, and must be approved by at least the school administrator prior to any activity. Approval may be granted based on completion of some type of application or form, sometimes referred to as a Request for Approval of Fundraising Activity by a Non-District Organization form. All approved fundraisers must be authorized and conducted according to local board policy, laws, and school rules.
- Booster auxiliary organizations must comply with state law and with district policies and regulations regarding the sale of food on school premises, and are encouraged to review and become knowledgeable about laws, including county food handling requirements, state and federal nutritional standards, and the district's wellness policy.
- Requests or proposals for districtwide projects or fundraising, such as collection drives, must be submitted in writing and authorized in advance by the district's governing board at a regular board meeting.
- Membership fees may be used to raise funds for specific projects for the schools, but parents or students may not be required to pay fees to participate in school activities.
- Any rules and regulations developed for the organization must conform to the law, the board of education's policies and regulations, and the school's rules and procedures.
- All booster auxiliary organization members must be made aware that no individual should personally benefit from the activities the organization conducts. This concept should be made a part of the bylaws.
- Any profits from fundraising activities that are not spent for a booster auxiliary organization's nonprofit exempt purpose cannot be returned directly to its members or their families.
- In case the booster auxiliary organization dissolves or terminates, the booster auxiliary organization's constitution should provide for the distribution of any excess funds to another nonprofit organization, the ASB or the district.

- All expenditures should be approved by the booster auxiliary organization board and the approval noted in the board meeting minutes.

Fundraising activities should be conducted for a specific goal and not simply to raise money for the organization. All fundraising activities conducted on school premises must adhere to the guidelines established by the board of education, each school's individual guidelines, and those noted in Chapter 8.

Only organizations that have scheduled fundraising activities and have obtained prior written approval from the principal/school administrator will be authorized to conduct such activities on district or school premises.

Because booster auxiliary organizations experience frequent turnover of officers and members, it is important to clearly document the activities of the organization and to establish a procedure for retaining those documents. Documents that should be retained by the organization include the following:

1. Cash receipts.
2. Cash disbursements and general ledger.
3. Bank records.
4. Income tax returns.
5. Minutes of meetings as defined by the organization's bylaws.

The organization should obtain a safe deposit box or similar storage facility to secure important documents.

## Solicitations on School Premises

California Education Code 51520, Prohibited Solicitations on School Premises, states the following for K-12 school entities:

During school hours, and within one hour before the time of opening and within one hour after the time of closing of school, pupils of the public school shall not be solicited on school premises by teachers or others to subscribe or contribute to the funds of, to become members of, or to work for, any organization not directly under the control of the school authorities, unless the organization is a nonpartisan, charitable organization organized for charitable purposes by an Act of Congress or under the laws of the state, the purpose of the solicitation is nonpartisan and charitable, and the solicitation has been approved by the county board of education or by the Governing Board of the school district in which the school is located. Nothing in this section shall be construed as prohibiting the solicitation of pupils of the public school on school premises by pupils of that school for any otherwise lawful purpose.

California Education Code section 51521, also for K-12 school entities, discusses solicitations on behalf of a school. Ultimately, the school district's superintendent and governing board have complete authority over whether any such activity occurs on school district property. Thus, obtaining written permission for any such activities is of primary importance. The following are general criteria for obtaining permission:

- The purposes of the fundraising activity, which must be nonpartisan, nonpolitical, nonsectarian, and nondenominational.
- The manner in which the fundraising activity will be conducted (for example, demands made on staff time and district materials must be minimal, and the activity must not encroach on instructional time).
- Identification of the sponsors, officers and individuals participating in the fundraising activity.

- Disclosure of the identity and location of any parent organization with which the soliciting organization is affiliated or of which it is a subsidiary.

## School District Employees

If a booster auxiliary organization wishes to pay for additional and/or extracurricular services, the person to provide the services must be hired through the school district's personnel department. The booster auxiliary organization will deposit funds into a district account for the proposed expenses. The funds must be sufficient to pay for the services, plus the benefits due to the employee. School employees are not employees of the booster auxiliary organization, and the booster auxiliary organization should be aware of the following:

- While serving as district employees, they have no authority to work for the booster auxiliary organization during their district work schedule. A district employee acting in his or her official capacity and during work hours may interact with booster auxiliary organization officials when this is a required part of his or her duties as a district employee.
- If a district employee would like to be employed by the booster auxiliary organization, the employee must obtain prior approval from the district's personnel department.
- Some districts that permit a district employee to also be employed by a booster auxiliary organization may require that the employee be paid through the district, with the district being reimbursed in turn by the booster auxiliary organization. The district may also require that any employee chosen to work for a booster auxiliary organization be hired and cleared for work through the district's personnel office.
- A district employee who acts in their personal capacity and on their own personal time is free to establish a booster auxiliary organization or to participate in it. The employee must ensure that participation in the booster auxiliary organization does not present a conflict of interest with their duties as a school employee. The employee should also make it clear that their participation is in their personal capacity and not in their capacity as a district employee.

## Donations for Supplies, Equipment and Transportation

Booster auxiliary organizations by nature are designed to help the school and/or ASB, and such help may come in the form of donations of supplies, equipment and transportation.

### Supplies

When a booster auxiliary organization wishes to give the ASB or one of its clubs money for supplies, the district should purchase the supplies in accordance with district purchasing guidelines and statutory laws, and the booster auxiliary organization should reimburse the district. The purchase should be carried out through the district's purchasing system by a district-designated individual who is authorized to spend the funds, with the principal's or other school administrator's approval. The purchase should be charged to a school account code, and the purchase requisition should contain the following information in bold:

- Paid by
- Booster auxiliary organization name
- Person responsible for booster club
- Billing address

The purchase should be charged to the school account code on the requisition at the time of payment, and the district office should bill the booster auxiliary organization for the cost of the supplies purchased.

## Donations for Equipment Purchases

When a booster auxiliary organization wishes to donate equipment to a school, the preferred method for the transaction is the same as noted above for donation of supplies. Also as above, with the approval of the principal/school administrator, the district-designated individual authorized to spend the funds purchases the equipment through the district's purchasing system. The purchase should be charged to a school account code, and the purchase requisition should contain the following information in bold:

- Paid by
- Booster auxiliary organization name
- Person responsible for booster auxiliary organization
- Billing address

The purchase should be charged to the school account code on the requisition at the time of payment, and the district office should bill the booster auxiliary organization for the cost of the equipment purchased.

If the booster auxiliary organization wishes to purchase equipment outright and donate it to a school, the process is different. The booster auxiliary organization should notify the school administrator and the purchasing department before the equipment is ordered. Then, at a regular board meeting, the district's governing board must accept the equipment as a donation to the district.

## Donations for Transportation/Field Trips

A booster auxiliary organization may donate funds to the ASB or the district for transporting students to events. A field trip request form must be completed in conjunction with the ASB and schools and then be sent to the district's transportation department. The request form should contain the following information in bold:

- Paid by
- Booster auxiliary organization name
- Person responsible for booster auxiliary organization
- Billing address

The transportation cost should be charged to the school account code on the requisition at the time of payment, and the district office should bill the booster auxiliary organization for the cost of the transportation.

## Paying Stipends, Salaries and Consultants

### Paying Stipends and Salaries

A booster auxiliary organization may not pay any employee of the school district an additional stipend or salary without prior approval from the district's business and/or personnel office. If the booster auxiliary organization wishes to supplement the school with additional personnel please refer to the section titled "School District Employees" earlier in this chapter.

### Paying Consultants

Consultants are sometimes hired in the ordinary course of business to help with various projects as needed. Consultants are not employees; they should have their own insurance and should meet all of the qualifications to be considered a consultant. Booster auxiliary organizations should be aware of the regulations that must be followed when communicating with the ASB on this topic. Chapter 17 discusses this topic at length.



## Sample School District Letter to Applicants

(District Letterhead)

### MEMO

To: All Booster Auxiliary Organizations Supporting Sample School District Schools

From: Sam Smith, Superintendent of Schools  
John Money, Fiscal Services

Subject: Booster Auxiliary Organization Requirements

Thank you for applying to operate a booster auxiliary organization supporting Sample School District schools and for making a difference in the lives and education of our students.

We are providing you this memo to help you with your application. All booster auxiliary organizations are considered separate organizations from the Sample School District. Before operating on any school site, the district requires the following items from each booster auxiliary organization:

Required Document	Comment
Booster auxiliary organization name	Define which school and sport or activity the group is supporting.
Booster club officers and contact information	List officers' titles, phone numbers, and email addresses.
Employer/Tax Identification Number (TIN) of the booster auxiliary organization Note: The district's TIN is not available for use; the booster auxiliary organization must have its own TIN.	This is required to open a bank account and for many other functions. If you used an individual's social security number, please indicate this. See Form SS-4 at <a href="http://www.irs.gov">www.irs.gov</a> .
Proof of tax-exempt status under Internal Revenue Code Section 501(c)(3) (if applicable) To apply for exempt status, you may review Form 1023 and the instructions for filing at <a href="http://www.irs.gov">www.irs.gov</a>	You will need this if your booster will normally have gross receipts of \$5,000 or more in a year OR if you wish to receive a determination letter that recognizes 501(c)(3) status and specifies that contributions to the organization are tax-deductible.
Meeting dates – calendar	For board meetings, committee meetings, etc.
A copy of the booster club current charter and bylaws	Provide the most recent information.

Note: These required documents are subject to change at any time without notice.

For help, you may refer to the guidelines for booster auxiliary organizations as outlined in the *Associated Student Body Accounting Manual, Fraud Prevention Guide and Desk Reference* published by FCMAT and available at [www.fcmat.org](http://www.fcmat.org). The FCMAT desk reference includes guidelines regarding the organization of booster auxiliary organizations, financial guidelines, solicitation regulations, school interaction, and many other procedures and functions.

If you have any questions regarding this memorandum, please contact your principal/school administrator.

Sincerely

Sam Smith  
Superintendent of Schools

# Sample Booster Auxiliary Organization Application

(School District Name)

## Booster Auxiliary Organization Application

Application Date: \_\_\_\_\_

Booster Auxiliary Organization Name: \_\_\_\_\_

Name of School: \_\_\_\_\_

Check one:     Initial Application     Renewal:

The parents of Sample School District hereby requests approval for the formation of the

\_\_\_\_\_ Booster Auxiliary Organization.  
Name of Organization

Objectives / Purposes of the Booster Auxiliary Organization are: \_\_\_\_\_

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Booster Auxiliary Organization Official Mailing Address:

Official Name: \_\_\_\_\_

PO Box/Street: \_\_\_\_\_

City/State/Zip Code: \_\_\_\_\_

Telephone Number: \_\_\_\_\_

Booster Auxiliary Organization Officers:

Position Held	Name	Email Address

Is the organization a 501(c)(3) tax-exempt?     Yes     No

Organization Tax ID # \_\_\_\_\_ Banking Institution: \_\_\_\_\_

Does the booster auxiliary organization conduct annual financial audits/reviews?  Yes  No

Attach a copy of your proposed budget for the upcoming school year.

Upcoming School Year Planned Meetings (or attach schedule):

Date	Time	Location

Upcoming School Year Planned Fundraisers (or attach schedule):

Activity	Date	Location

We, the members of this booster auxiliary organization, have read and understand the rules for forming and conducting this organization, including the district's board policy and administrative regulations, and agree to abide by them. We will submit a contact list and two copies of the proposed constitution and bylaws to the principal/school administrator or designee, who will review the application for approval, as well as any other information required by the district.

\_\_\_\_\_  
Signature of Organization President Date

District/School Site Approvals:

Principal/School Administrator: \_\_\_\_\_  
Signature Date

District Board Recognition and Approval:

District Administrator: \_\_\_\_\_  
Signature Date

Title: \_\_\_\_\_