



# **Conroe ISD Parent Organization Guidelines**

**2013/2014**

**Conroe ISD PTO Guidelines  
Table of Contents**

**Contact List.....1-1**

**PTA/PTO/Booster Club Checklist.....2-1**

**Following the Rules**

**CISD Board Policy GE (Local).....3-1**

**Taking Care of Business**

**Overview.....4-1**

**Information Sheet.....4-2**

**Due Date Checklist.....4-4**

**Day-to-Day Responsibilities**

**General Information.....4-5**

**Tax-Exempt Non-Profit Organizations.....4-6**

**Group Exemption (CISD Educational Support Groups, Inc.).....4-9**

**Open a Bank Account.....4-10**

**Sales Tax.....4-11**

**Responsibility Guidelines.....4-13**

**Officer Duties.....4-14**

**Accounting Procedures.....4-16**

**Fundraising.....4-19**

**Financial Reports Information .....4-21**

**Report Type 1.....4-23**

**Report Type 2.....4-24**

**Report Type 3.....4-26**

**Review Committee Report Information.....4-28**

**Option A.....4-32**

**Option B.....4-33**

**Option C.....4-34**

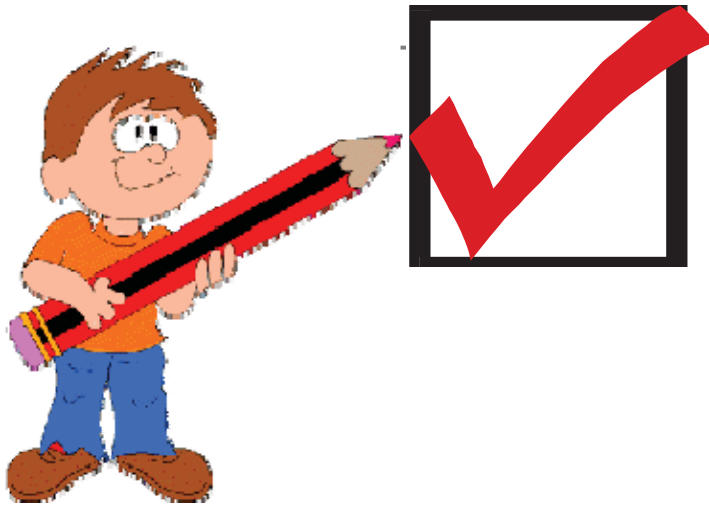
**PTA/PTO/Booster Club Tax-Exempt Status Declaration Form.....4-36**

**Contact List  
2013/2014**

<b>CISD Administrators</b>			
Superintendent	Dr. Don Stockton	936-709-7701	<a href="mailto:dstockton@conroeisd.net">dstockton@conroeisd.net</a>
Deputy Superintendent	Dr. Chris Hines	936-709-7727	<a href="mailto:chines@conroeisd.net">chines@conroeisd.net</a>
Asst. Superintendent Elementary	Dr. Cathy Gibson	936-709-7714	<a href="mailto:cgibson@conroeisd.net">cgibson@conroeisd.net</a>
Asst. Superintendent Secondary	Gale Drummond	936-709-7883	<a href="mailto:gdrummond@conroeisd.net">gdrummond@conroeisd.net</a>
CFO	Dan Cox	936-709-7777	<a href="mailto:dcox@conroeisd.net">dcox@conroeisd.net</a>
Director of Finance	Darrin Rice	936-709-7791	<a href="mailto:drice@conroeisd.net">drice@conroeisd.net</a>
Internal Auditor	Teresa Carpenter	936-709-7653	<a href="mailto:tacarpenter@conroeisd.net">tacarpenter@conroeisd.net</a>
Staff Auditor	Diane Doran	936-709-7680	<a href="mailto:ldoran@conroeisd.net">ldoran@conroeisd.net</a>
<b>High Schools</b>			
School	Principal	AF Secretary	Phone
Caney Creek High	Trish McClure	Donna Greenmyer	936-709-2089
Conroe High	Dr. Curtis Null	Isabel Gomez	936-703-5750
Conroe High -9th grade	Dr. Jeff Stichler	Robin Wilson	936-709-4099
Oak Ridge High	Tommy Johnson	Lynna Lehmann	832-592-5462
Oak Ridge - 9th Grade Campus	Julie Miller		281-465-5000
The Woodlands High	Gregg Colschen	Vicki Clapsaddle	936-709-1200
The Woodlands-9th Grade	Dr. Chris Povich		832-592-8200
TW College Park High	Dr. Mark Murrell	Lisa Hurtado	936-709-3016
Academy-Science/Tech	Dr. Susan Caffery	Angela Kyle	936-709-3250
Academy-Science/Health	Dr. Mike Papadimitriou	Peggy Deering	936-709-5731
<b>Junior High Schools</b>			
Irons Jr High	Jeff Fuller	Belinda Sipp	936-709-8506
Knox Jr High	Donny J. Daw	Annie Larson	832-592-8276
McCullough Jr High	Chris McCord	Leann Wright	832-592-8203
Moorhead Jr. High	Allan Sapp	Paula Anderson	936-709-2406
Peet Jr High	Dr. Mark Weatherly	Nelwyn Lewis	936-709-3789
Washington Jr High	Hartwell Brown	Elizabeth Perez	936-709-7431
York Jr High	Amy Porter	Debra Tierney	832-592-8608
<b>Intermediate Schools</b>			
Bozman Intermediate	Tammy Hamilton	Elisa Lomas	936-709-1800
Collins Intermediate	Norma Nardone	Karen Kline	936-709-7224
Cryar Intermediate	Dr. Lloyd Swanson	Margaret Jett	936-709-7391
Grangerland Intermediate	Karen Jones	Dorothy Traylor	936-709-3538
Mitchell Intermediate	Paula Klapesky	Lisa Neumann	832-592-8461
Tom Cox Intermediate	Ken Sharples	Donna Williams	281-465-3200
Travis Intermediate	Tamika Taylor	Pam Rector	936-709-7007
Vogel Intermediate	Shellie Winkler	Cherryl Ward	832-663-4306
Wilkerson Intermediate	Kimberly Lanham	Terri Nathan	832-592-8909



# Booster Club Checklist



**Included in this section:**

 A comprehensive checklist that all Parent Organizations should complete **for their own** files

# FOR YOUR RECORDS ONLY

## PTA/PTO/BOOSTER CLUB Checklist

---

The following checklist serves as a guide to help ensure that your PTA/PTO/BOOSTER CLUB has complied with the District's Board Policies and guidelines and federal and state regulations governing PTA/PTO/BOOSTER CLUBS. In addition, information you document here will help future officers continue your compliance efforts.

### **General**

- 1. Provide the District's Internal Auditor and the School Principal with a list of the PTA/PTO/BOOSTER CLUB officers at the beginning of each school year and as officers change. The list should include:
  - Name
  - Office Held
  - Home Phone Number
  - Work/Cell Phone Number
  - e-mail address and
  - Mailing address
  
- 2. Provide the School Principal with the PTA/PTO/BOOSTER CLUB'S charter, Articles of Incorporation, EIN #, bylaws, and operating procedures when they are originated. In addition, provide updated copies as changes are made.
  
- 3. The PTA/PTO/BOOSTER CLUB'S official mailing address is:

Official Name \_\_\_\_\_  
PO Box / Street \_\_\_\_\_  
City, State and Zip Code \_\_\_\_\_

### **Fund-raisers**

- 4. Provide the School Principal with a list of fund-raisers planned for the current year no later than the date established by the School Principal or October 1 for fall fundraisers and March 1 for spring fundraisers.

**PTA/PTO/BOOSTER CLUB Checklist**

- 5. Provide the School Principal with detailed fund-raising information at least 30 days prior to the fund-raising event.

The detailed fund-raising information should include:

- Purpose of the fund-raiser,
- Type of fund-raising activity (i.e., candy sale, carnival)
- Date(s), time(s), and place(s) of the activity,
- Name of the sponsoring organization,
- Name and phone number of organization’s representative,
- Name and phone number of person(s) in charge of the fund-raiser, and
- Name and phone number of the person(s) who will be handling the money for the fund-raiser.

- 6. If your PTA/PTO/BOOSTER CLUB has received tax-exempt status from the Texas State Comptroller’s Office, your organization is entitled to two (2) “one-day, tax-free” sales/auction days per calendar year. (See Checklist item #15.)

If you are entitled to the two “one-day, tax-free” sales days, indicate the “one-day, tax-free” sales/auction that have been used or that are planned:

Calendar Year	_____
Date / Fund-raiser	_____
Date / Fund-raiser	_____
Calendar Year	_____
Date / Fund-raiser	_____
Date / Fund-raiser	_____

- 7. The PTA/PTO/BOOSTER CLUB cannot require members or students to fund-raise or raise a certain amount. For example, a student’s ability to attend a trip cannot be based on raising a certain amount of money. If your PTA/PTO/BOOSTER CLUB is currently requiring fund-raising, discontinue this requirement.

**PTA/PTO/BOOSTER CLUB Checklist**

- 8. The PTA/PTO/BOOSTER CLUB cannot use individual accounts to credit an individual for funds raised. If your PTA/PTO/BOOSTER CLUB is using individual accounts currently, this practice should be discontinued.

Fund-raising is an opportunity to generate revenue for the PTA/PTO/BOOSTER CLUB as a group, not individuals. Therefore, revenues should be recorded in a group account where all members or students have the same opportunity to **benefit equally** from the revenues.

One member or student should not receive a larger benefit from fund-raising than another. In addition, if a member or student chooses not to participate in the fund-raiser, that person still **receives an equal benefit** from the revenues generated.

**Financial Matters**

General

- 9. The bank accounts used by the PTA/PTO/BOOSTER CLUB include:

<u>Bank Name</u>	<u>Account Number</u>
_____	_____
_____	_____
_____	_____
_____	_____

- 10. Determine the identification number used for the bank accounts. The PTA/PTO/BOOSTER CLUB'S Employee Identification Number (EIN) should be used. Do not use an individual's social security number, and **do not use the District's EIN**.

The identification number used for the bank accounts is as follows:

\_\_\_\_\_



**PTA/PTO/BOOSTER CLUB Checklist**

- 11. Update the authorized signers on your bank accounts as officers change.

The current authorized signers include the following PTA/PTO/BOOSTER CLUB officers:

<u>Name of Person</u>	<u>Officer Position Held / District Employee? (Yes/No)</u>	
<i>Example: June Bugg</i>	<i>President</i>	<i>No</i>
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____

**IMPORTANT**

**The Principal and the Principal’s Secretary cannot be an authorized signer on the PTA/PTO/BOOSTER CLUB’S bank accounts.**

**In addition, no employee of the District may be the club Treasurer or an authorized signer on the PTA/PTO/BOOSTER CLUB’S bank account.**

- 12. The Treasurer should prepare a written PTA/PTO/BOOSTER CLUB Financial Report on a monthly basis and present to the organization’s Board. An annual financial report should be presented to the PTA/PTO/BOOSTER CLUB, the Principal and the CISD Internal Auditor.
  
- 13. The District requires that the annual Financial Report be reviewed by either a Review Committee or an outside party, such as a CPA. A report should be prepared indicating the results of the review of the organization’s financial information, including the Financial Report. The report should be presented to the PTA/PTO/BOOSTER CLUB, the Principal and the CISD Internal Auditor.

## PTA/PTO/BOOSTER CLUB Checklist

### State Regulatory Information

*The following items need to be done only once since the origination of the PTA/PTO/BOOSTER CLUB.*

14. Determine whether your organization has obtained a Texas Sales Tax Permit.  
The PTA/PTO/BOOSTER CLUB'S sales tax permit number is: \_\_\_\_\_
15. Determine whether your organization has obtained a sales tax-exemption from the Texas State Comptroller's Office.
- Yes, the PTA/PTO/BOOSTER CLUB has received a sales tax-exemption from the Texas State Comptroller's Office
  - No, the PTA/PTO/BOOSTER CLUB has not received a sales tax-exemption from the Texas State Comptroller's Office

**Reminder:** Only those organizations with a sales tax-exemption from the Texas State Comptroller's Office are entitled to the two (2) "one-day, tax-free" sales/auction days.

16. If the PTA/PTO/BOOSTER CLUB is incorporated, determine whether your organization has obtained an exemption from Texas franchise tax from the Texas State Comptroller's Office.

The PTA/PTO/BOOSTER CLUB is incorporated:

- Yes
- No

If the PTA/PTO/BOOSTER CLUB is incorporated, an exemption from Texas franchise tax was obtained from the Texas State Comptroller's Office:

- Yes
- No

## PTA/PTO/BOOSTER CLUB Checklist

*The following item is applicable each school year or calendar year.*

17. If the PTA/PTO/BOOSTER CLUB has a Texas Sales Tax Permit then your organization must file a Texas State Sales Tax Reports as required, EVEN IF ZERO SALES WERE MADE DURING THE PERIOD.  
*The Texas State Comptroller's Office determines whether the report needs to be filed quarterly, semi-annually, or annually and is subject to change.*

The PTA/PTO/BOOSTER CLUB files its Texas State Sales Tax Report:

- Quarterly,  
 Semi-Annually, or  
 Annually.

### Federal Regulatory Information

*The following items need to be done only once since the origination of the PTA/PTO/BOOSTER CLUB.*

18. Obtain an Employer Identification Number (EIN) from the Internal Revenue Service (IRS).

The EIN for the PTA/PTO/BOOSTER CLUB is: \_\_\_\_\_

19. Determine whether the PTA/PTO/BOOSTER CLUB has received tax-exempt status as a public 501(c)(3) organization from the IRS. If the IRS has approved the organization's tax-exempt status, a Determination Letter would have been received from the IRS.

The PTA/PTO/BOOSTER CLUB received its tax-exempt status as a public 501©(3) organization from the IRS:

- Yes  
 No

If you have not applied for the tax-exempt status, either contact the CISD Internal Auditor about participating in the CISD Educational Support Groups, Inc. or apply on your own. To apply, complete the IRS Form 1023, Application for Recognition of Exemption, and the Form 8718, User Fee for Tax-exempt Organization Determination Letter Request. Submit these forms and the applicable fee to the IRS.

If you have applied for the tax-exempt status but you have not received your Determination Letter, you should receive an Acknowledgment of Your Request. Call the IRS to determine the status of your application.

## PTA/PTO/BOOSTER CLUB Checklist

*The following items may be applicable during each school year or calendar year.*

- 20. Determine whether your organization is in good standing with the IRS by calling the Exempt Organization Section of the IRS.
- 21. File the IRS Form 990-N, 990-EZ or 990, Return of Organization Exempt from Income Tax, each year. These regulations have changed for fiscal years beginning in 2010.

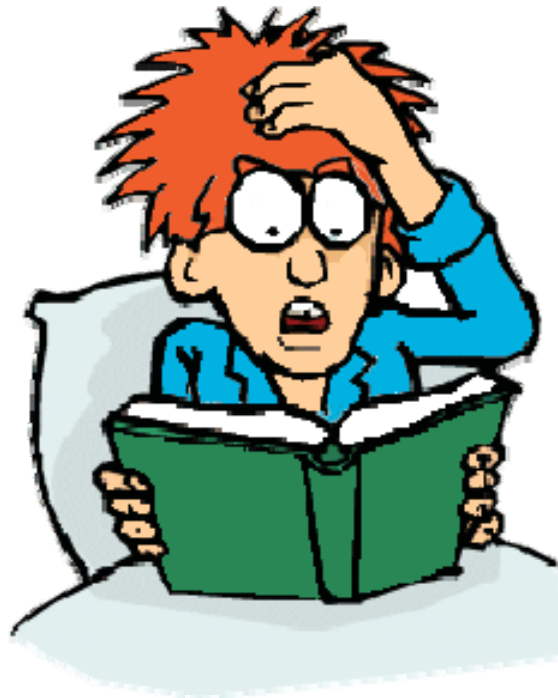
The return is due by the 15<sup>th</sup> day of the 5<sup>th</sup> month after the organization's accounting period ends (due 4 ½ months after your official year-end).

*Fiscal Year-end:* \_\_\_\_/\_\_\_\_/\_\_\_\_      *Due Date for Return:* \_\_\_\_/\_\_\_\_/\_\_\_\_

If you are a member of the CISD Educational Support Groups, Inc., your fiscal year-end is May 31 so your 990 is due to the IRS on or before October 15. There are penalties for late filing or failure to file. In order to avoid penalties, file the 990 in the summer after you receive the May bank statement. Send a copy of the 990 to the CISD Internal Auditor by September 1.

- 22. Issue 1099 forms to applicable individuals or businesses by January 31, of each year. If 1099 forms are issued, send information to the IRS by February 28, of each year. Check the IRS web site at [www.irs.gov](http://www.irs.gov) for information on who should receive 1099's.

# Following the Rules...



**Included in this section:**

- **District Board Policy GE (Local)**

**CISD Board Policy GE (Local)**  
**Relations with Parent Organizations**

---

USE OF DISTRICT FACILITIES	District-affiliated school-support or booster organizations may use District facilities with prior approval of the appropriate administrator. Other parent groups may use District facilities in accordance with policy GKD.
PURCHASES FOR THE SCHOOL	Before parent groups or other groups working with the school purchase equipment for the schools, including computer hardware and software, they shall notify the principal of their plans. In consultation with the Superintendent or designee, the principal shall determine the type or brand of equipment to buy to ensure compatibility with current District equipment.
BOOSTER ORGANIZATIONS	District-affiliated school-support or booster organizations shall organize and function in a way that is consistent with the District's philosophy and objectives, within adopted Board policies, in accordance with applicable UIL guidelines and financial and audit regulations. [See also CFD]
DATA REQUIRED	<p>Each organization shall furnish the Superintendent or designee the following information and update that information whenever there is a change:</p> <ol style="list-style-type: none"><li>1. Purpose(s) and operational guidelines of the organization. These may include a constitution, bylaws, and/or a simple list of purposes, goals, and guidelines.  Booster organizations shall submit to the campus principal for approval a constitution or guidelines for operation. Organizations shall operate with the understanding that a school-sponsored activity is under the control of the director, coach, or sponsor, and with the understanding that the employment, pay, and duties of the director, coach, or sponsor are regulated by the administration and the Board.</li><li>2. List of officers.</li><li>3. Financial goals, including anticipated income and expenses. All fund-raising projects must be approved by the school principal by October 1.</li></ol>
AUDIT OF FUNDS	The Superintendent or designee may order an audit of all funds at any time that there is cause for the records of the organization to be reviewed.

SPECIFIC  
GUIDELINES

Parent/booster organizations shall function under the following guidelines:

1. The Superintendent and/or principal has veto power over any action of a school-related club or organization.
2. School-related organizations have no authority to direct any school employee in any of his or her duties. Further, they have no authority to guide, direct, or establish guidelines for any school or student activity.
3. All meetings of school-related organizations shall be public meetings.
4. All individuals who legally reside in the District shall be eligible for membership. Election of officers shall be on a systematic basis so that any eligible person may be nominated.
5. If any organization approved by the Superintendent or designee disbands, ceases to operate, chooses to withdraw from association with the District, or fails to be reapproved by the Superintendent or designee, all funds and property of the organization shall become property of the District.
6. Booster clubs shall abide by the UIL guidelines and the administration shall determine which organizations might be considered as "booster." In order to avoid violation of the amateur rule, money given to the school cannot be earmarked for any particular request. The booster club may suggest or recommend how the money is to be spent, but cannot require the Superintendent or principal to spend the money in any specific way. A gift of cash shall be used by the District at its discretion.
7. Any organization that fails to adhere to any Board policies or any administrative regulations may be disbanded and shall cease to be recognized by the District as a legitimate school-related club or organization.



# Taking Care of Business



## Included in this section:

- **Taking Care of Business Overview**
- **PTA/PTO/Booster Club Information Sheet**
- **Report Checklist**
- **Day-to-Day Responsibilities**
- **Financial Report Information & Formats**
- **Review Committee Report Information & Formats**



## Taking Care of Business Overview

---

PTA/PTO/BOOSTER CLUBS have many responsibilities to the federal government, the state, the District, and to the students they support. Part of this responsibility is to keep accurate and updated records so that the organization may complete the necessary filing requirements with the state and the IRS. In addition, these records will help you prepare your annual Financial Report and Review Committee Report.

With this in mind, this section has been prepared to assist you in establishing a general record-keeping system and a general system of internal controls, and to guide you in preparing the Financial Report and related Review Committee Report. Establishing a good record-keeping system is an essential step in creating a successful organization.

Most of the reporting requirements of a PTA/PTO/BOOSTER CLUB are dependent on the financial records kept; therefore, the office of PTA/PTO/BOOSTER CLUB Treasurer is an extremely important and vital position that should not be taken lightly. Even though the Treasurer may assign certain duties to another person (i.e., Fund-raiser Chairperson – Catalog Sales), the Treasurer is ultimately responsible for assuring that all financial records are maintained accurately for the PTA/PTO/BOOSTER CLUB.

PTA/PTO/BOOSTER CLUB officers also have day-to-day responsibilities to the club, as well as the students they support. Some of these responsibilities include:

- Setting up a bank account properly,
- Accounting properly for fund-raiser income and expenses,
- Analyzing the outcome of each fund-raiser to determine its financial success/failure,
- Establishing and maintaining money handling procedures, and
- Becoming knowledgeable of District policies concerning using District buildings and distributing flyers.
- Preparing and filing the IRS 990 form and state sales tax reports.

In addition, PTA/PTO/BOOSTER CLUBS should submit certain information to the Principal and the CISD Internal Auditor as soon as the information changes. This information is included on the following **PTA/PTO/BOOSTER CLUB Information Sheet**.

# PTA/PTO/Booster Club Information Sheet

**Send an updated copy of this form to your School Principal and to the CISD Internal Auditor as new officers are elected or as information changes.**

1. **Official Organization Name:** \_\_\_\_\_
2. **School Name:** \_\_\_\_\_
3. **Employer Identification Number (EIN):** \_\_\_\_\_
4. **Official Mailing Address:**  
 PO Box / Street Address: \_\_\_\_\_  
 \_\_\_\_\_  
 City, State, Zip: \_\_\_\_\_
5. **Date of Change:** \_\_\_\_/\_\_\_\_/\_\_\_\_
6. **Current Organization Officers for the \_\_\_\_\_ School Year:**

Office Held:		
Printed Name:		
Phone Numbers:	Home:	Other:
Mailing Address:		
E-mail Address:		

Office Held:		
Printed Name:		
Phone Numbers:	Home:	Other:
Mailing Address:		
E-mail Address:		

★ *By law, information on this page is public information and must be released to the public at such requests* ★

# PTA/PTO/Booster Club Information Sheet

**Send an updated copy of this form to your School Principal and to the CISD Internal Auditor as new officers are elected or as information changes.**

**6. Current Organization Officers (Continued)**

Office Held:		
Printed Name:		
Phone Numbers:	Home:	Other:
Mailing Address:		
E-mail Address:		

Office Held:		
Printed Name:		
Phone Numbers:	Home:	Other:
Mailing Address:		
E-mail Address:		

Office Held:		
Printed Name:		
Phone Numbers:	Home:	Other:
Mailing Address:		
E-mail Address:		

★ *By law, information on this page is public information and must be released to the public at such requests.* ★

## Due Date Checklist

Due Date	Report	Due To
As soon as available	Meeting & Activity Calendar	Principal & Post for all
<b>September 1</b> Update for any changes after that	PTA/PTO/Booster Club Information Sheet	Principal CISD Internal Auditor
<b>September 1</b>	Year-end financial report prepared by Treasurer	Principal CISD Internal Auditor
<b>September 1</b>	Year-end financial audit or Review Committee report	Principal CISD Internal Auditor
<b>September 1</b>	Send 990 to IRS no later than 4½ months after your fiscal year ended, if your gross receipts for that year were \$200,000 or greater.  <b>Strongly suggest filing these documents as soon as possible after the fiscal year-end, before turning books over to new officers.</b>	IRS 4½ months after fiscal year-end CISD Internal Auditor by September 1
<b>September 1</b>	Send 990EZ to IRS no later than 4½ months after your fiscal year ended, if your gross receipts for that year were more than \$50,000 and less than \$200,000  <b>Strongly suggest filing these documents as soon as possible after the fiscal year-end, before turning books over to new officers.</b>	IRS 4½ months after fiscal year-end CISD Internal Auditor by September 1
<b>September 1</b>	Complete 990N online and file electronically no later than 4½ months after your fiscal year ended, if your gross receipts for that year were \$50,000 or less.  <b>Strongly suggest filing these documents as soon as possible after the fiscal year-end, before turning books over to new officers</b>	IRS 4½ months after fiscal year-end CISD Internal Auditor by September 1
<b>October 1</b> (If <b>not</b> a member of CISD Educational Support Groups, Inc.)	Articles of Incorporation, By-laws, Determination Letter for 501(c)(3) status from IRS  <b>Only required once for each organization unless documents are changed</b>	Principal CISD Internal Auditor
<b>October 1</b>	Fundraiser information for fall fundraisers	Principal
<b>March 1</b>	Fundraiser information for spring fundraisers	Principal

# **Conroe Independent School District Day-to-Day Responsibilities for Parent Organizations**

## **1.0 General Information**

- 1.1 The Conroe Independent School District (CISD), encourages the participation and involvement of parents in the education of their children. One way parents can be involved is through participation in voluntary parent organizations such as PTA's, PTO's, other similar organizations and booster clubs.
- 1.2 The purpose of this section is to provide general, not specific and/or all-inclusive, tax information to principals and officers as it relates to PTA/PTO/BOOSTER CLUBS. It is each PTA/PTO/BOOSTER CLUB'S sole responsibility to seek competent professional tax assistance for its own tax reporting requirements. PTA/PTO/BOOSTER CLUBS should strive to remain in good standing with all federal and state agencies.
- 1.3 The responsibility for accounting, safeguarding and disbursement of funds rests with the PTA/PTO/BOOSTER CLUB officers. The principal may act in an advisory capacity only.
- 1.4 A parent organization may not represent the District nor bind the district or any of its employees to a third party with which the organization may conduct business.
- 1.5 All meetings of parent organizations must be public meetings.
- 1.6 Minutes of all PTA/PTO/BOOSTER CLUB meetings should be kept in writing in the permanent records of the organization.
- 1.7 Each parent organization shall operate under bylaws and shall submit a copy to the school principal and the CISD Internal Auditor.
- 1.8 Property purchased with PTO/PTA/BOOSTER CLUB funds, and donated to the school, becomes the property of the school district and should be used exclusively at that school.
- 1.9 Payment from PTA/PTO/BOOSTER CLUB funds may not be made directly to any CISD employees for services rendered to/for that organization.
- 1.10 PTA/PTO/BOOSTER CLUBS funds and/or assets that are donated to a school must be coordinated with the School's principal.
- 1.11 PTA/PTO/BOOSTER CLUBS who wish to donate funds to a school's activity funds for the benefit of the school's teachers must either write on the check that the funds are for the *General Teacher Fund* or indicate that information in a cover memo included with the check.

## 2.0 Tax-Exempt Non-Profit Organizations

2.1 All PTA/PTO/BOOSTER CLUBS must obtain a unique Employer Identification Number (EIN) if they do not already have one. **PTA/PTO/BOOSTER CLUBS are not permitted to use the district's EIN or its Texas Sales Tax Permit Number.**

2.1.1 All PTA/PTO/BOOSTER CLUBS should obtain federal tax-exempt status as a public 501(c) (3) charitable organization by applying for and obtaining a Letter of Determination from the Internal Revenue Service (IRS) that states the organization is tax-exempt.

2.1.2 All PTA/PTO/BOOSTER CLUBS should also file with the State of Texas to obtain an exemption from state taxes.

2.1.3 If a PTA/PTO/BOOSTER CLUB is new, the organization should apply for and receive its tax-exempt status from the IRS within one year from the date the organization is formed.

2.1.4 If an organization loses its public 501(c) (3) tax-exempt status, the organization should take the necessary steps to regain the tax-exempt status as soon as they receive notification from the IRS of the loss of exemption.

2.2 **A PTA/PTO/BOOSTER CLUB may ask to be a part of the group exemption obtained for parent organizations of the District (CISD Educational Support Groups, Inc.) versus filing for individual exempt status as outlined below.**

2.2.1 **See Section 3.0 of this document, *Group Exemption for Parent Organizations*, for more information.**

2.3 If a PTA/PTO/BOOSTER CLUB has not obtained tax-exempt status as a nonprofit organization, and **chooses to NOT participate** in the CISD Educational Support Groups, Inc., it may follow the steps below to obtain individual exempt status.

2.3.1 Obtain information on tax-exempt status (see check list for IRS Form 1023)

2.3.2 Prepare Articles of Incorporation

- Call Secretary of State (512)463-5582 for OK on corporate name
- Approval by majority vote at Board or membership meeting
- Mail Articles of Incorporation and filing fee (\$25) to:  
Corporations Section  
Statutory Filings Division  
Office of the Secretary of State  
P.O. Box 13697  
Austin, TX 78711-3697

- 2.3.3 File for EIN for new organization
- Fill out Form SS-4 completely (be sure to use exactly the same name as you used in your Articles of Incorporation)
  - Fax Form SS-4 to (631)447-8960 or
  - Call IRS office (800)829-4933: or
    - Give information on Form SS-4 as requested by operator
    - Operator will give you the EIN to be recorded on the form
  - File online at [www.irs.gov/businesses](http://www.irs.gov/businesses) and click on Employer ID Numbers.

- 2.3.4 Prepare bylaws
- Request a Bylaws template from the CISD Internal Audit Department
  - Approval by majority vote at Board or general membership meeting

- 2.3.5 Prepare application for recognition of exemption (IRS Form 1023)
- See check list for Form 1023
  - Complete Schedules A through H as required
  - Mail Form 1023 checklist, Form 1023, check for filing fee, any required Schedules, copy of Articles of Incorporation with filing stamp and copy of signed bylaws to:

Internal Revenue Service  
P.O. Box 192  
Covington, KY 41012-0192

- 2.3.6 After receiving your determination letter from the IRS, you can request exempt status from State sales and use taxes (to purchase items to be used in an exempt manner) and franchise taxes

- Go to Texas State Comptroller's website at <http://www.window.state.tx.us/taxinfo/taxforms/ap-204.pdf> and complete form per instructions.
- Print above form and enclose copy of Articles of Incorporation and IRS Determination Letter and mail to:

Tax Policy Division  
Exempt Organizations Section  
Texas State Comptroller's Office  
P.O. Box 13528  
Austin, TX 78711-3528

- 2.3.7 Apply for State Sales & Use Tax Permit (required if selling taxable items)
- Complete Application for Sales and Use Tax Permit (if needed for resale purposes) by going to Texas State Comptroller's website at <http://www.window.state.tx.us/taxinfo/taxforms/ap-201.pdf> and complete form per instructions.
  - Mail to:

Comptroller of Public Accounts  
111 E. 17<sup>th</sup> Street  
Austin, TX 78774-0100

- If your organization had a permit number before you became a 501(c)(3), indicate the old number on the form so that the old account can be closed when the new permit is issued.
- You can apply online for this permit at [www.window.state.tx.us/taxpermit/](http://www.window.state.tx.us/taxpermit/)



### **3.0 Group Exemption for Parent Organizations CISD Educational Support Groups, Inc.**

- 3.1 If your organization decides to take part in the CISD group exemption for parent organizations, instead of applying for individual exempt status, the district will handle much of the work for you and will guide you in completing the required documents.
- 3.2 Please contact the CISD Internal Auditor to indicate your organization's interest in this group exemption. (See the Contact List in this document page 1-1)
  - 3.2.1 Those groups expressing interest in this exemption will be contacted and provided additional instructions.
- 3.3 Organizations participating in the group exemption will not be required to complete a Form 1023 (Application for Recognition of Exemption) with the IRS or pay a user fee to obtain exempt status as this part of the process has been handled by CISD in applying for the group exemption.

#### 4.0 Open a Bank Account

- 4.1 Once an EIN has been received, use it to open a bank account. Each PTA/PTO/BOOSTER CLUB must have a separate bank account at a facility in proximity to the school.
- 4.2 Banks cannot open an account using a Texas Sales Tax Permit Number. Do NOT use the social security number of an officer to open your bank account.
- 4.3 A basic checking account would be the best type of account to open. Instruct the bank that no debit or credit cards should be issued for the bank account and that no funds should be wired from the account or transferred from this account to any other account. It would be a better control if no ATM cards were issued, either. This would prevent money from being removed without the proper Board member's approval and two authorized signatures on each check.
- 4.4 Two club officers must sign each disbursement/check. Both signers must be organization members and may **not** be school district employees.
- 4.5 The organization's Treasurer should NOT be an authorized check signer since he/she prepares the checks and maintains the financial records.
- 4.6 Each monthly bank statement should be delivered to the organization's president, and reviewed by him/her before it is given to the Treasurer to be reconciled.
- 4.7 Each month the Treasurer should present a financial report, bank statement and bank reconciliation to the principal and the Board for their review.

## 5.0 Sales Tax

- 5.1 PTA/PTO/BOOSTER CLUBS all need to apply for a sales tax permit if they will be selling any taxable items as fundraisers. They also need to download a sales tax report from the Comptroller's web site and file it as instructed on the form.
- 5.2 Sales taxes are due to the State and must be collected when taxable items (i.e. wrapping paper, candles, etc.) are sold to others. Sales taxes are due regardless of whether a PTA/PTO/BOOSTER CLUB has obtained tax-exempt status from the IRS and regardless of whether sales taxes were charged as part of the sales price when the items were sold.
- 5.3 If a PTA/PTO/BOOSTER CLUB has obtained an exemption from the State for Texas sales and use taxes, it simply means that the PTA/PTO/BOOSTER CLUB can **purchase** items for the organization's exclusive use or for resale (once the items are sold, they are taxable) without paying sales taxes.
- 5.4 There is a requirement to file at least one sales tax report per calendar year with the State Comptroller's office. The State Comptroller will inform the PTA/PTO/BOOSTER CLUB after filing their first sales tax report if sales taxes must be remitted more frequently (based on taxable sales in one year). The State Comptroller's office will generally mail the required reporting forms and information to a PTA/PTO/BOOSTER CLUB after it has obtained a Sales Tax Permit.
  - 5.4.1 If a PTA/PTO/BOOSTER CLUB has a Sales Tax Permit, the State requires that a sales tax report be filed annually even if the PTA/PTO/BOOSTER CLUB **did not sell anything taxable** (zero sales tax report).
  - 5.4.2 The sales tax report can be completed online, if preferred, by going to the State Comptroller's website. Select either "File Tax Due" or "File No Tax Due" (zero tax report). <http://www.window.state.tx.us/webfile/salestax.html>
  - 5.4.3 Annual sales tax reports are due January 20<sup>th</sup> each year.
- 5.5 PTA/PTO organizations are treated differently by the IRS than BOOSTER CLUBS when it comes to tax exemptions. Because PTA's & PTO's benefit all students, they are allowed to apply for state tax exemption before they receive 501(c)(3) status. They can do this by completing and mailing the AP-204 form on the Comptroller's web site. There is no fee to apply and this form serves as your application for exemption from sales and franchise tax. After receiving this state exemption, PTA/PTO's are also allowed two one-day tax-free days per **calendar year** (Jan. – Dec) A one-day tax-free day is a day an organization can sell taxable items and not have to collect or remit the normal sales taxes due to the State.
- 5.6 BOOSTER CLUBS, because they benefit a specific group of students, must wait until they receive 501(c)(3) status to apply for Texas tax exemption. When they receive a copy of the IRS determination letter, they can file the AP-204 form from the Comptroller's web site to apply for state sales and franchise tax exemption. This will also allow BOOSTER CLUBS to take advantage of two one-day tax-free days per **calendar year**.

- 5.6.1 In order to be fair to those taking over the next year, it is recommended that PTA/PTO/BOOSTER CLUBS use one of these tax-free days during the fall semester and one in the spring semester (unless the nature of a particular PTA/PTO/BOOSTER CLUB is to have all fund-raisers in the same semester). That way next year's PTA/PTO/BOOSTER CLUB still has one tax-free day left for that calendar year. It is important to communicate this information to next year's officers.
- 5.6.2 The criteria for a one-day tax-free sale have to do with when possession of the items sold goes from the PTA/PTO/BOOSTER CLUB (which is tax exempt) to the buyer (who is not tax exempt). Orders and/or collections could be taken over an extended period before delivery is made. The delivery just has to be conducted on one 24-hour day (the tax-free day).
- 5.7 CISD offers free training in the fall on Texas taxes covering both sales and franchise taxes. All Parent Organization officers, whose contact information we have received, will be notified of the training when the date has been set.

## 6.0 Responsibility Guidelines

- 6.1 The responsibility for the proper collection, disbursement, and safeguarding of all money and all other PTA/PTO/BOOSTER CLUB assets and the proper reporting of each PTA/PTO/BOOSTER CLUB'S activities to the Internal Revenue Service, State Comptroller, and to the Conroe ISD rests solely with each PTA/PTO/BOOSTER CLUB'S officers, jointly and severally, not the school district or any of its employees.
- 6.2 Principals should encourage the use of PTA/PTO/BOOSTER CLUB funds in manners that benefit all students.
- 6.3 The commingling of PTA/PTO/BOOSTER CLUB money with school money is not permitted.
- 6.4 School employees may not accept loans of funds from PTA/PTO/BOOSTER CLUBS.
- 6.5 Incoming officers should never accept financial records from the prior officers without having them audited or reviewed by a Review Committee.
- 6.6 Each PTA/PTO/BOOSTER CLUB should select a qualified individual or a Review Committee of members independent of the financial activities to conduct an annual review, which must be permanently maintained in the organization's records with a copy provided to the school principal and the school district's Internal Auditor.
- 6.7 A PTA/PTO/BOOSTER CLUB should be absolutely sure it has or will have the money necessary to meet its financial commitments. A PTA/PTO/BOOSTER CLUB does not have the authority to commit or to represent in any way that the Conroe ISD is responsible for any of its obligations in the way of paying bills and/or fulfilling any other agreement.
- 6.8 PTA/PTO/BOOSTER CLUBS should seek competent tax and legal advice on their own and at their expense on an as-needed basis to assist and to advise them on legal and tax matters.
- 6.9 Each PTA/PTO/BOOSTER CLUB that has 501(c)(3) status must provide the school principal and the district Internal Auditor with a copy of the appropriate completed IRS Form 990.
  - 6.9.1 Almost ALL non-profit, tax-exempt organizations must file some form of the 990. You should check the IRS web site or contact a tax advisor to determine the applicable form for your organization. The District offers a TAX Seminar in June to assist parent organizations with their 990 completion.
- 6.10 Each PTA/PTO/BOOSTER CLUB must complete the "PTA/PTO/BOOSTER CLUB Information Sheet" annually and send to the school principal and the district Internal Auditor.
- 6.11 Each PTA/PTO/BOOSTER CLUB should publish a calendar of scheduled meetings, both Board meetings and general membership meetings, at the beginning of the school year. This will allow all members to reserve meeting dates and should increase attendance and participation. As soon as dates are selected for fundraisers and other activities, these should be added to the calendar.

## 7.0 Officer Duties

- 7.1 Listed below are general duties of the **president** of a parent organization.
- 7.1.1 Oversee the Review Committee or external person who will audit/review the financial records at year-end.
  - 7.1.2 Review the year-end audit and ensure that all questions are answered by the Treasurer before records are turned over to the new officers.
  - 7.1.3 Provide copies of the year-end audit to the school principal and the CISD Internal Auditor no later than September 1.
  - 7.1.4 Ensure a year-end financial report is prepared by the Treasurer and presented to the organization's Board, with copies to the school principal and the district Internal Auditor, no later than September 1.
  - 7.1.5 Responsible for all financial affairs of the organization and associated reporting thereof including any duties that may be delegated.
  - 7.1.6 Review monthly bank statement **before** it is given to the Treasurer to be reconciled.
  - 7.1.7 Submit all fund-raiser requests to the principal for his/her approval no later than October 1 of the fall semester and March 1 for the spring semester.
  - 7.1.8 Preside at all meetings of the Directors.
  - 7.1.9 Coordinate the work of the directors and/or committees in order that the organization's objectives may be promoted.
  - 7.1.10 Coordinate the work so that the necessary reports are timely made to the appropriate state and Federal agencies.
  - 7.1.11 Co-sign organization checks.
  - 7.1.12 Ensure annual audit, or Review Committee review, is performed.
  - 7.1.13 Perform such other duties as deemed necessary by the Directors.
- 7.2 Listed below are general duties of the **vice-president** of a parent organization.
- 7.2.1 Assume the duties of the President in the event of the President's inability to serve or resignation.
  - 7.2.2 Chair organization committees.
  - 7.2.3 Maintain a roll of all members of the organization.
  - 7.2.4 Co-sign organization checks as needed.
  - 7.2.5 Perform such other duties as deemed necessary by the Directors.

- 7.3 Listed below are general duties of the **secretary** of a parent organization.
- 7.3.1 Record the minutes of all meetings of the Directors, and furnish a copy of such minutes to the president within one (1) week following the meeting.
  - 7.3.1 Coordinate all correspondence relating to the organization.
  - 7.3.2 Catalogue and supervise the property of the organization.
  - 7.3.3 Publish all notices of meetings or other matters.
  - 7.3.4 Co-sign organization checks as needed.
  - 7.3.5 Perform such other duties as deemed necessary by the Directors.
- 7.4 Listed below are general duties of the **treasurer** of a parent organization.
- 7.4.1 Maintain financial records (keep an accurate record of receipts and expenditures).
  - 7.4.2 Prepare the budget and provide financial reports to the Board monthly and at other times as requested.
  - 7.4.3 Receive all funds for the organization and promptly deposit money in a bank designated by the Directors.
  - 7.4.4 Pay out funds with proper approval and documentation in accordance with the approved budget.
  - 7.4.5 **NOT** be an authorized signer on the bank account.
  - 7.4.6 Prepare, or have prepared, all required tax returns (form 990/990EZ and sales tax) on behalf of the organization.
  - 7.4.7 Establish good accounting procedures.
  - 7.4.8 Establish permanent file for financial related records.
  - 7.4.9 Present a year-end financial report to the Board with copies to the school principal and CISD Internal Auditor no later than September 1.
  - 7.4.10 Cooperate with Review Committee or person assigned to audit/review financial records at year-end.
  - 7.4.11 Turn over all financial records to the new treasurer.
  - 7.4.12 Perform such other duties as deemed necessary by the Directors.

## 8.0 Accounting Procedures

- 8.1 Accounting records should be limited at all times to only those persons whose duties require access.
- 8.2 There should be written instructions on the recording of accounting transactions, preferably in the organization's by-laws.
- 8.3 The PTA/PTO/BOOSTER CLUB'S books should be reconciled to the bank statement monthly.
- 8.4 There should be adequate separation of duties for as many of the following duties as possible:
  - 8.4.1 Cash receipting.
  - 8.4.2 Cash disbursements.
  - 8.4.3 Authorization of disbursements.
  - 8.4.4 Accounting records and entries.
  - 8.4.5 Bank statement reconciliation.
  - 8.4.6 Deposits.
  - 8.4.7 Petty cash fund.
  - 8.4.8 Receiving purchased goods.
- 8.5 Bank statements should be mailed to the official mailing address of the PTA/PTO/BOOSTER CLUB, not the home of a PTA/PTO/BOOSTER CLUB member. This could be the school's address or a PO Box.
  - 8.5.1 The PTA/PTO/BOOSTER CLUB president should review the bank statement **before** it is given to the Treasurer to be reconciled.
- 8.6 Monthly, the Board should receive a financial report prepared by the Treasurer, plus a copy of the bank statement and the bank reconciliation. The Board should set time aside at each meeting to review these reports and ask the Treasurer to clarify things they do not understand. It is very important that this is done monthly. Missing one month's review would require a much longer meeting in the following month just to cover the financial report.
- 8.7 **CASH RECEIPTS**
  - 8.7.1 Multi-part Cash Receipts should be written for all money received. One copy should be given to the payee and another copy maintained in the Cash Receipt book. A third copy (if available) should be attached to any deposit documentation and filed with a copy of the deposit slip. These procedures may change if you use an online receipting system.
  - 8.7.2 All copies of voided cash receipts should be retained in the cash receipts book.



- 8.7.3 The cashing of checks out of cash receipts or petty cash should be prohibited.
- 8.7.4 Incoming checks should be restrictively endorsed immediately upon receipt with an endorsement stamp that has the PTA/PTO/BOOSTER CLUB'S name, the bank's name, and the bank account number.
- 8.7.5 Any monies received should be deposited promptly. Money received in a school can be secured in a locking bank bag and locked in the school safe until it can be deposited. Money stored in the safe should not be held over weekends or school holidays.
- 8.7.6 Money collected should not be spent for needed items, but deposited. Checks should be written for all items purchased.
- 8.7.7 Receipt numbers and/or range of receipt numbers should be written on all deposit slips.
- 8.7.8 The bank validated deposit slip should be returned to the treasurer to verify each deposit.
- 8.7.9 All monies received for deposit should be counted and receipted in the presence of the individual turning in the money.
- 8.7.10 All checks for deposit should be listed separately on a deposit slip or supported by an adding machine tape. A minimum of two adding machine (calculator) tapes should be run to ensure accuracy. A good practice is to write the number of checks deposited on the deposit slip when the checks are too numerous to list.
- 8.7.11 Post-dated checks should never be accepted. A post-dated check is a check that has been dated after the date the check is given to the payee.
- 8.7.12 Returned checks should be redeposited immediately or otherwise promptly collected. Only accept cash or a cashier's check in repayment for a returned check.
- 8.7.13 Remember to add the bank charge for returned checks to the amount you request as repayment when a check "bounces". Ex: A check for \$10 is returned. The bank fee is \$30 for returned checks. You should request \$40 from the payee to cover this returned check.
- 8.7.14 When notified by the bank of a returned check, a phone call from the Treasurer or the President to the payer is the quickest way to notify them of their "bad check" and request their repayment. If they do not repay within one-to-two weeks, send a letter notifying them of the returned check and requesting repayment. Repeat with a sterner letter if payment is still not made in a timely manner. Remember to document all collection efforts and keep a copy of all notes and letters you mail requesting payment.
- 8.7.15 Accounting entries for each returned (hot) check should be made upon receipt of the returned check from the bank.

## 8.8 CASH DISBURSEMENTS

- 8.8.1 All unused checks should be kept safe and secure at all times.
- 8.8.2 Checks should never be pre-signed.
- 8.8.3 "Blank" checks should never be issued.
- 8.8.4 The sequence of check numbers should be accounted for when reconciling the bank statement to the books.
- 8.8.5 Issuing checks to the order of *Cash* should be prohibited.
- 8.8.6 Original invoices or cash register tapes should be attached to the file copies of all checks as support for the payment. If several invoices or register tapes are submitted for reimbursement, an adding machine tape should be run and attached. This total should agree to the check total.
- 8.8.7 Boards should include in their By-Laws the approvals required for check disbursements and the steps to follow when members submit receipts for reimbursement.

## 9.0 Fundraising

- 9.1 All fundraisers must be submitted to the school principal for approval prior to being scheduled by a parent organization.
- 9.2 The school principal will set the number of fundraisers allowed by each parent organization on his/her campus.
- 9.3 Fundraiser information should be submitted to the principal no later than October 1 for the fall semester and March 1 for the spring semester. Requests not submitted by these dates may be discussed with the principal, but may not receive approval for preferred dates or fundraiser items if those have already been granted to another parent organization.
- 9.4 After the fundraiser is over, completing a Financial Recap within two weeks is a helpful way to determine if the fundraiser was profitable.
- 9.5 Any items unsold after the fundraiser is completed should be inventoried and monitored by one of the officers.
- 9.6 PTA/PTO/Booster Clubs that are tax-exempt organizations may not require individuals to participate in its fundraising efforts even though those individuals, or their children/students, may benefit from those efforts.
- 9.7 These organizations may not require individuals to “donate” or otherwise pay any money in lieu of participation in fundraising efforts.
- 9.8 If an individual chooses not to participate in fundraising, that individual, or their child/student, may not be denied any benefit resulting from the funds raised nor can that individual be penalized for choosing not to participate.
- 9.9 Benefits resulting from fundraising efforts may not be based on participation in fundraising efforts or on revenues raised individually. All revenues raised must be shared equally among the group regardless of individual fundraising efforts.  
  
Ex: School Spirit PTO is having a fundraiser to help pay for a field trip. The trip costs \$5,000 for 100 students, or \$50 per student.  
  
Only 75 of the 100 students participate in fundraising. A total of \$1,500 is raised by these 75 students, and each student raised a different amount. The \$1,500 must be allocated equally among all 100 students (\$15/student), and the remaining \$3,500 cost of the trip will be born equally by all 100 students (\$35/student).
- 9.10 The IRS considers fundraiser proceeds that are credited to individual student accounts to be personal taxable income to the student and/or student’s family.
- 9.11 One benefit of tax-exempt status for a parent organization is that individual donations will be deductible by the donor as charitable contributions. These donations are not deductible if the funds were recorded in individual accounts.
- 9.12 Parent organizations that use individual accounts can lose their tax-exempt status since they no longer meet the criteria set forth in IRS Publication 557 for non-profit organizations, “No

part of the net earnings of the organization shall inure to the benefit of, or be distributable to, its members, trustees, officers or *other private persons...*”

## Financial Report Information & Formats

---

The Treasurer should prepare a written PTA/PTO/BOOSTER CLUB Financial Report on a monthly basis and present it to the PTA/PTO/BOOSTER CLUB Board. The Financial Report should include:

- Name of school, name of PTA/PTO/BOOSTER CLUB, and the time period covered in the report.
- Actual revenues and expenditures for the reporting period. The current year report should start at the point in time where the prior year report ended. For example, if the 2010-11 report ended on May 31, 2011, then the 2011-12 report will begin as of June 1, 2011.

Since PTA/PTO/BOOSTER CLUBS may start their new year at various times, the time period used for reporting actual revenues and expenditures may vary from organization to organization; however, the individual PTA/PTO/BOOSTER CLUBS should be consistent in the time period they use from year to year.

- It is helpful to provide a breakdown of the source of revenues and reason for expenditures.
- Name, title, and signature of person who prepared the report.
- Date the report was prepared.

The PTA/PTO/BOOSTER CLUB may want the time period used for reporting purposes to coincide with the school year and with the election of new officers.

PTO's or BOOSTER CLUBS participating in the CISD Educational Support Groups, Inc. **must use May 31 as their year-end.**

The following examples of Financial Reports are included in this section:

- **Type 1** - This example is a cash basis financial report that includes the beginning and ending cash balances for the year. Money received is usually shown as income and money paid is usually shown as an expense.

*The beginning cash balance for the current year should agree to the ending cash balance from the prior year.*



***Type 1 report format is the simplest to prepare.***



- **Type 2** – This example is an accrual basis financial report that includes assets, liabilities, equity, income, and expenses. This report would include the cash transactions, but would also show amounts to be received or amounts to be paid in which money has not yet been exchanged, prepayments of expenses that have not yet been incurred, or receipt of amounts in which income is not yet recognized.

*The retained earnings amount should agree to the total equity amount from the prior year.*

- **Type 3** – These statements (Fundraising Summary Statement and an Activity Summary) were prepared by a CISD PTO Treasurer who's Board really liked the detail these statements provided about fundraisers, revenues and expenses. This type of statement helps simplify preparation of the IRS Form 990.

**XYZ Elementary School PTO  
CASH BASIS FINANCIAL REPORT  
From June 1, 2012 through May 31, 2013**

Beginning Cash Balance as of June 1, 2012 \$2,235.46

**INCOME**

Memberships Dues	\$2,875.00
Yearbook Sales	\$5,625.00
Wrapping Paper Sales	\$19,502.25
Entertainment Book Sales	\$19,540.00
School Store Sales	<u>\$3,569.50</u>

Total Income \$51,111.75

**EXPENSES**

Yearbooks	\$3,589.10
Wrapping Paper	\$11,701.35
Entertainment Books	\$9,770.00
Miscellaneous Expenses	\$ 650.77
Postage	\$ 356.29
Field Trips	\$2,355.77
School Store Items	\$2,645.00
Field Day	\$684.75
Printers for Computer Lab	\$1,500.00
D.A.R.E.	\$1,465.00
5 <sup>th</sup> Grade Day	\$889.00
AR Parties	\$1,849.50
School Contribution (Playground Equipment)	<u>\$7,000.00</u>

Total Expenses \$44,456.53

Net Income (Loss) for Current Year \$6,655.22

**Ending Cash Balance as of May 31, 2013** **\$8,890.68**

**Cash Basis Financial Report prepared by:**

Printed Name	Title
Signature	/ / Date

**XYZ Elementary School PTO**  
**BALANCE SHEET**  
**As of May 31, 2013**

**ASSETS**

BankOne Checking Account	\$2,154.25	
BankOne Savings Account	\$5,112.77	
Accounts Receivable	<u>\$3,758.00</u>	
<b>TOTAL ASSETS</b>		<b><u>\$11,025.02</u></b>

**LIABILITIES & EQUITY**

Liabilities		
Accounts Payable - Catalogs	\$3,524.75	
Accounts Payable - Cookie Dough	\$1,000.00	
Deferred Membership Income	\$ <u>500.00</u>	
Total Liabilities		\$ 5,024.75
Equity		
Retained Earnings	\$1,135.12	
Net Income (Loss) From Current Year	<u>\$4,865.15</u>	
Total Equity		<u>\$ 6,000.27</u>
<b>TOTAL LIABILITIES &amp; EQUITY</b>		<b><u>\$11,025.02</u></b>

**Balance Sheet and Income Statement prepared by:**

Printed Name	Title
Signature	/ / Date



**XYZ Elementary School PTO**  
**INCOME STATEMENT**  
**For the Period of June 1, 2012 through May 31, 2013**

**INCOME**

Catalog Sales	\$9,129.18	
Cookie Dough Sales	\$2,300.00	
School Store Income	\$ 770.00	
Membership Dues	\$2,000.00	
Interest Income	\$ <u>38.00</u>	
Total Income		\$14,237.18

**EXPENSES**

Catalog Sale Expense	\$3,752.68	
Cookie Dough Expense	\$1,388.13	
School Store Expenses	\$ 600.00	
Field Trips	\$ 770.00	
Postage	\$ 32.66	
Supplies	\$ 328.56	
Contribution to the School	\$ <u>2,500.00</u>	
Total Expenses		\$ <u>9,372.03</u>

**Net Income (Loss) For Current Year** **\$ 4,865.15**

**PTO Activities Summary**  
**Exemplary Elementary**  
**5/31/2013**

	Year Ended 5/31/2013			Net	Notes
	Revenues	Expenses	Proceeds		
<b>Opening Balance</b>				\$ 21,052	Surplus from previous year
<b>Fundraising</b>					
<b>Fall Fundraiser</b>					
EZFund Cookie Dough	81,023	(45,584)		35,439	Held in September, Average 11+ items sold per child Approx 580 students participated Also gave \$1800 donation to Red Cross based on Net Sales March Catalog Sale
<b>Spring Fundraiser</b>	33,347	(16,881)		16,466	
Catherine Beich					
<b>Breakfast with Santa</b>	5,510	(1,028)		4,482	Breakfast and Raffle of donated items grouped into baskets
<b>Membership Drive</b>	1,595	-		1,595	\$5 per family
<b>Spaghetti Supper</b>	1,252	-		1,252	\$2 per student participating
<b>Logo Sales</b>	1,389	(1,064)		325	Sold at Back to School Night - pens, pencils, shoe laces, wristbands
<b>PTO Sponsored Events</b>					Not necessarily fundraising, we just try to at least break even
<b>Yearbook</b>	15,053	(13,465)		1,588	Price books at \$1 above est. cost, additional funds from dedications
<b>Donuts with Dad</b>	1,244	(1,123)		121	Held in October
<b>Directory</b>	473	(295)		178	Sold for \$1 each to cover printing
<b>Muffins with Mom</b>	1,305	(1,065)		240	Held in April
<b>School Supply Kits</b>	17,087	(16,318)		769	364 Sold
<b>Other Contributions</b>	166	-		166	Individual Donations, Randall's
<b>Other Expenses</b>	-	(466)		(466)	PTO Expenses, paper, supplies, bank fees, Sam's membership fees etc.
<b>Total</b>	159,443	(97,289)		62,154	
<b>Net Funds Available for Distribution</b>				83,206	Opening Balance plus Net Proceeds

**Charitable Distributions**

<b>AR Carnival</b>	1,899
<b>Art Department</b>	2,000
<b>Donation to School</b>	20,500
<b>Equipment</b>	2,483
<b>Field Trip Bus</b>	1,500
<b>Fourth Grade Program</b>	1,085
<b>Kindergarten Fun Day</b>	249
<b>Misc. Distributions</b>	861
<b>Nurse's Supplies</b>	158
<b>XXHS Operation Graduation</b>	250
<b>Snack Requests</b>	152
<b>Staff Christmas Luncheon</b>	1,019
<b>Teacher Appreciation - Spring</b>	3,618
<b>Teacher Appreciation - Fall</b>	2,827
<b>Weekly Readers/ Scholastic Readers</b>	2,894
<b>Total Charitable Distributions</b>	<u>41,495</u>

Moonwalks, Games & Supplies for AR Carnival  
 Art Supplies  
 \$20,000 for library, \$500 for counselor program  
 See Below  
 For 2 grades  
 Cookies & T-Shirts  
 Moonwalks  
 Recognition Awards Etc.  
 Thermometer  
 Donation To ORHS  
 Dad's Play Day, Popcorn for Attendance, Etc.  
 Luncheon  
 Luncheon & Teacher gifts (gift bags)  
 Breakfast & Teacher gifts ( \$50 / teacher)  
 First thru Fourth grade

**Funds Remaining - PTO Balance at 5/31/2013**

41,712

**Exemplary Opening Balance 6/1/2012**

41,712

**Non Financial Activities**

Back to School Breakfast  
 Nine Week Luncheons  
 Dad's Play Day Volunteers  
 Principal's Breakfast Volunteers  
 Popcorn for Perfect Attendance - Included in Snack requests  
 Parent Night / Meet the Teacher Volunteers  
 Freedom Day Volunteers  
 Teacher Birthdays  
 School grounds beautification

**Detail of Equipment**

1st playground sand box  
 2nd dictionaries  
 3rd pencil sharpeners & overheads  
 4th pencil sharpener & overhead timers  
 PPCD shelves, computer desk, supplies  
 Music fabric for freedom day flag, 2nd grade program set  
 PE laser printer  
 paint & supplies for teacher's lounge

## Review Committee Report Information & Formats

---

The District highly recommends that each PTA/PTO/BOOSTER CLUB have an organizational committee conduct an annual review of the organization's Financial Report and the related financial activity for the school year. The review committee may be two types: internal or external. An internal review committee includes officers and organization members; however, the committee should have at least one non-officer member review the information. A CPA or other professional may perform an audit at the PTA/PTO/BOOSTER CLUB'S expense. The organizational review committee, whether internal or external, should prepare a written Review Committee Report that communicates the results of the review to the organization. This report should be presented to the PTA/PTO/BOOSTER CLUB board, the School Principal and the CISD Internal Auditor on an annual basis no later than September 1 for the prior school year.

### IMPORTANT

- The Treasurer(s) [and Assistant Treasurer(s), if applicable] **should not** be on the Review Committee. **Since they are reviewees, they can not also be the reviewers.** However, they may meet with the committee or external reviewer to explain their records or answer questions.

An internal Review Committee should use the examples of Review Committee Reports included on the next few pages. However, an external party should show the results of the review in their own report format with their signature and date included. Although the examples included show space for four (4) members, the Organization may have more or fewer committee members. However, the same information must be documented for **each committee member** (*as opposed to the group as a whole*), regardless of the size of the committee.

The PTA/PTO/BOOSTER CLUB Review Committee Report examples include:

- **Option A - Review was performed with no exceptions noted;** therefore, the Financial Report appears proper and correct.
- **Option B - Review was performed with immaterial exception(s) being noted.** The Financial Report was either corrected or exceptions did not have a material effect. Except for these minor exceptions, the Financial Report appears proper and correct.
- **Option C - Review was performed with material exception(s) being noted.** Because of the material exception(s), the Financial Report is not proper and correct.

In some instances, due to material exception(s), the committee may not be able to determine whether the Financial Report is proper and correct. When this situation occurs, the committee may state that the status of the Financial Report could not be determined because of material exception(s).

## Review Committee Report Information & Formats

**The Review Committee Report along with the Financial Report should be presented to the PTA/PTO/BOOSTER CLUB Board, the School Principal and the CISD Internal Auditor on an annual basis.**

### Suggested Review Committee Guidelines

The following suggested guidelines are designed to assist the PTA/PTO/BOOSTER CLUB Review Committee in conducting a thorough review of the PTA/PTO/BOOSTER CLUB'S Financial Report and the financial activity for the applicable school year.

- Have the Treasurer prepare the written report of revenues and expenditures (Financial Report) for your PTA/PTO/BOOSTER CLUB. The report should include information for the **full applicable year**.
- The review must cover the period beginning with the reconciled cash balance from the previous written Financial Report and ending with the reconciled cash balance from the last day of the time period reported by the PTA/PTO/BOOSTER CLUB. If the PTA/PTO/BOOSTER CLUB is using a retained earnings account, then the beginning retained earnings should equal the prior year's ending retained earnings balance.
- Review the reconciled bank statements and canceled checks to determine that:
  1. Disbursements have been properly documented with an invoice or receipt,
  2. Disbursements have been properly approved,
  3. Checks have been properly signed by two authorized signers,
  4. Checks have been deposited or cashed by the payee indicated and that no information on the face of the check has been altered, and
  5. Checks have been accounted for in the proper sequence (no missing checks).
- Check addition and subtraction on cash receipts and deposits.
- Compare cash receipts and deposits to the bank statement. Note if there is a delay from the time the checks were written until they are deposited.
- Verify that receipts and disbursements were recorded to the correct account category.
- Review the Treasurer's monthly reports and check them for accuracy. Review the beginning and ending balances on reports to verify that correct ending balances were carried forward as beginning balances on subsequent reports.
- Determine that only applicable PTA/PTO/BOOSTER CLUB officers are authorized signers on the bank account(s). Former officers should not remain on the account(s) as authorized signers. **In addition, the Principal, the Principal's Secretary, or the Financial Secretary can not be an authorized signer on the PTA/PTO/BOOSTER CLUB'S bank account(s). Other District employees also can not be authorized signers on the PTA/PTO/BOOSTER CLUB'S bank account(s)**

## Review Committee Report Information & Formats

- Obtain proof that all applicable sales tax reports were submitted to the Texas State Comptroller’s Office and that the related taxes were paid.
- Determine which two fund-raisers were chosen to be the “one-day, tax-free” sales/auctions, if applicable. **Only PTA/PTO/BOOSTER CLUBS that have received a tax-exemption from the Texas State Comptroller’s Office are allowed two (2) “one-day, tax-free” sales/auctions per calendar year.**
- Review the tax-exempt status of the PTA/PTO/BOOSTER CLUB to determine that the organization has received and maintained its federal tax-exempt status as a public 501(c)(3) charitable organization or other tax-exempt status deemed by the IRS.
- Determine that either:
  - (1) The appropriate Form 990 has been filed properly with the IRS for the prior school year if the PTA/PTO/BOOSTER CLUB is a tax-exempt charitable organization. Almost all non-profit organizations must file one of the 990 forms. or
  - (2) Form 1120 has been filed properly with the IRS for the prior school year if the PTA/PTO/BOOSTER CLUB is not tax-exempt.
- Determine that a tax-exempt PTA/PTO/BOOSTER CLUB has not used individual accounts, which credit funds raised to individual students or parents.
- Verify that 1099s were issued, if applicable. In general, you may have to issue a 1099-MISC (Miscellaneous Income) for each person to whom you have paid at least \$600 in rents, services, prizes & awards, attorney fees, and other similar situations **within a calendar year**.
- ***Example:*** XYZ Elementary PTA/PTO/BOOSTER CLUB hires a consultant during the spring of the 2011-12 school year for a \$300 fee. The consultant is hired again in the fall of 2012-13 school year for a \$300 fee. The PTA/PTO/BOOSTER CLUB should issue a 1099-MISC form to this person since the total paid within the 2012 **calendar year** is \$600.

After the review is complete, prepare the applicable Review Committee Report (**only one** report type may be used per review):

<b>Option A</b>	No Exceptions (i.e., errors, irregularities)	Financial Report appears proper and correct
<b>Option B</b>	Immaterial Exceptions	Financial Report appears proper and correct, except for some immaterial exceptions
<b>Option C</b>	Material Exceptions	Financial Report does not appear proper and correct because of material exception(s)  or  Financial Report status can not be determined because of material exception(s)

## Review Committee Report Information & Formats

- If exceptions are noted during the review, consult with the organization's Treasurer and President (if necessary) to resolve the exception(s). The Treasurer is responsible for making any corrections to the records, checkbook, and Financial Report.
- If material exceptions have been noted, prepare recommendations to prevent the future occurrence of these exceptions.
- The organization's Treasurer and President are responsible for acting upon the recommendations made by the PTA/PTO/BOOSTER CLUB Review Committee.
- Retain the **original** written PTA/PTO/BOOSTER CLUB Financial Report and the **original** PTA/PTO/BOOSTER CLUB Review Committee Report on file with the Treasurer of the PTA/PTO/BOOSTER CLUB.

**Review Committee Report Information & Formats**

*Option A*

*Page 1 of 1*

(Proper & correct with no exceptions)

**XYZ Elementary PTA/PTO/BOOSTER CLUB  
REVIEW COMMITTEE REPORT  
FOR THE TIME PERIOD  
June 1, 2012 through May 31, 2013**

The Review Committee members named below have reviewed the attached Financial Report and related financial activity for the time period of June 1, 2012 through May 31, 2013, in detail. These members agree that the Financial Report and the related financial activity are proper and correct to the best of their knowledge. **No exceptions were noted during the review.**

_____ Printed Name	_____ Officer Title/Member	_____ Signature	_____ / / Date
_____ Printed Name	_____ Officer Title/Member	_____ Signature	_____ / / Date
_____ Printed Name	_____ Officer Title/Member	_____ Signature	_____ / / Date
_____ Printed Name	_____ Officer Title/Member	_____ Signature	_____ / / Date

***Note: If a reviewer is a non-officer, their title (second column) should be "Member".***



**Review Committee Report Information & Formats**

*Option B*

*Page 1 of 1*

(Proper & correct with immaterial exceptions)

**XYZ Elementary PTA/PTO/BOOSTER CLUB  
REVIEW COMMITTEE REPORT  
FOR THE TIME PERIOD  
June 1, 2012 through May 31, 2013**

The Review Committee members named below have reviewed the attached Financial Report and the related financial activity for the time period of June 1, 2012 through May 31, 2013, in detail. These members agree that the Financial Report and the related financial activity are proper and correct, except for the following exceptions:

- Check #12586 cleared the bank for \$25.20 instead of \$2.52.
- Check #12688 did not have 2 authorized signatures as required by the PTA/PTO/BOOSTER CLUB bylaws. The check only contained 1 authorized signature.
- The Supply Expense account contains six expenses that did not have the related invoices as documentation for the expense. The undocumented expenses totaled \$42.87.

Printed Name	Officer Title/Member	Signature	/ / Date
Printed Name	Officer Title/Member	Signature	/ / Date
Printed Name	Officer Title/Member	Signature	/ / Date
Printed Name	Officer Title/Member	Signature	/ / Date

***Note: If a reviewer is a non-officer, their title (second column) should be "Member".***

**XYZ Elementary PTA/PTO/BOOSTER CLUB  
REVIEW COMMITTEE REPORT  
FOR THE TIME PERIOD  
June 1, 2012 through May 31, 2013**

The Review Committee members named below have reviewed the attached Financial Report and related financial activity for the time period of June 1, 2012 through May 31, 2013, in detail. These members agree that the Financial Report and the related financial activity are not proper and correct, due to the following material exceptions:

- No documentation of cost existed for the 100 new books purchased.
- Checking and savings accounts were not reconciled during the year.
- Only one (1) authorized signature appeared on all checks written instead of the two (2) required authorized signatures as indicated in the PTA/PTO/BOOSTER CLUB bylaws.
- No documentation exists for the Christmas Cards sale to determine whether the amount recorded in the Financial Report is correct.

To prevent the above exceptions from occurring in the future, the following steps should be taken:

- Documentation of all expenses, such as an invoice, should be received prior to payment of expense. Documentation should be kept with the other PTA/PTO/BOOSTER CLUB records.
- All bank accounts should be reconciled on a monthly basis.
- All checks issued should be signed by at least two authorized officers.
- For all fund-raisers, a record should be kept of the sales and the money deposited.
- All payments should be approved, per the By-laws, before checks are prepared.

**Review Committee Report Information & Formats**

*Option C*  
*Page 2 of 2*

(Not proper or correct due to material exceptions)

**XYZ Elementary PTA/PTO/BOOSTER CLUB  
REVIEW COMMITTEE REPORT  
FOR THE TIME PERIOD  
June 1, 2012 through May 31, 2013**

_____ Printed Name	_____ Officer Title/Member	_____ Signature	_____ / / Date
_____ Printed Name	_____ Officer Title/Member	_____ Signature	_____ / / Date
_____ Printed Name	_____ Officer Title/Member	_____ Signature	_____ / / Date
_____ Printed Name	_____ Officer Title/Member	_____ Signature	_____ / / Date

***Note: If a reviewer is a non-officer, their title (second column) should be "Member".***

## PTO/BOOSTER CLUB TAX-EXEMPT STATUS

Please indicate below your Booster Club or PTO's preference regarding tax-exempt status.

\_\_\_\_\_ We are interested in a group tax exemption.

\_\_\_\_\_ We are interested in individual tax exemption.

\_\_\_\_\_ We have already obtained tax exempt status.

Name of Booster Club/PTO \_\_\_\_\_

Contact Person \_\_\_\_\_

Office Held \_\_\_\_\_

Address \_\_\_\_\_

Phone Number \_\_\_\_\_ School \_\_\_\_\_

e-mail address \_\_\_\_\_

Booster Club/PTO fiscal year ends \_\_\_\_\_

**Return to Conroe ISD Internal Audit Department, 3205 W. Davis Street, Conroe, TX 77304**