

Fontana Unified School District Booster Club Guidelines Fall 2022



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Dear Booster Officers and Members,

On behalf of Fontana Unified School District (FUSD), we would like to thank you for volunteering your time and service to an organization which enhances the experiences offered to our students. FUSD recognizes that the management of a booster club can be very challenging. Every FUSD booster club is an independent, non-profit organization which must abide by all applicable federal, state, and local laws.

These guidelines are provided as a tool for parents and community members involved with school booster clubs. They contain pertinent information required to start or continue to operate an authorized school-connected organization within our district. While these guidelines comply with the District's Board Policies, they are not intended to be a complete resource for all aspects of the management of a booster club.

We hope that you find these guidelines useful. If you have any questions, please contact the site Principal of your school for more information. Thank you for investing in our students.

Sincerely,

Ryan DiGiulio
Associate Superintendent, Business Services



What is a Booster Club?

Booster clubs provide financial support and assistance to help achieve the common goals of the booster club and school programs. They are formed to support specific school activities for the benefit of students.

Booster clubs are not legal components of the school district. They are their own non-profit school connected organization. Booster clubs are responsible for their own formation, governance, accounting, tax returns and insurance liabilities. The booster club must maintain a separate legal address from the school and must not use the school's address for correspondence.

Booster clubs are not to be confused with Associated Student Body (ASB) organizations. The main difference is that ABS's are comprised of and are governed by students. The ASB finance office, club advisors and students must follow the procedures set by the school district. Booster clubs should serve as supplementary support to the school programs, with all fundraising activities and operations being provided by parents and other adult community members.

At their discretion, employees may volunteer to perform activities for school-connected organizations during non-working hours only. For more details, please refer to the section titled, "School District Employees and Interaction"



Alternatives to Forming a Booster Club

Establishing and maintaining a booster club can be complicated and require significant volunteer time and effort. If you are only looking to perform a single fundraiser or only intend to operate for a short period of time, it may not be worthwhile to go through the organizational process of starting a new non-profit organization.

There are alternatives to starting a new booster club. You may want to consider some of the following options:

- Many schools already have an existing PTA/PTO organization in which you can volunteer.
- You may want to partner with an existing PTA/PTO organization to perform fundraising activities for your desired purpose and have the PTA/PTO donate funds to the school.
- You may want to volunteer for the school to help fundraise at school-sponsored fundraising events under the direction of the Principal.
- If there is an existing ASB club that is run by students, you may be able to volunteer to help the ASB with their fundraising activities, working with the Club Advisor or Coach.
- If your main intent is to provide a monetary donation, the school site is equipped to accept donations from outside parties. You may direct the donation for a specific purpose; this is called a restricted donation. All restricted donations are subject to review and acceptance by the Governing Board. If the donation is specified for a facilities or technology improvement, the district will need to review the donation in order to ensure that the item will integrate with existing technology and/or that the facility upgrade can be completed as per the state of California architecture requirements.



Part 1 – Formation of the Booster Club

Step 1 – Preliminary Approval from Site Administration

The very first step in forming a booster club includes reaching out to the school site Principal to express your desire to form a school-connected organization and to provide some preliminary information as to the purpose of the club. It is possible that there may be an existing Booster Club that is addressing a similar purpose. If that is the case, it is much easier to partner with an existing organization than it is to create and maintain a new organization.

Step 2 – File Articles of Incorporation

Articles of Incorporation are required to be filed with the State of California. Instructions and fileable PDF Articles of Incorporation can be found on the California Secretary of State website at:

[Forms | California Secretary of State](#)

Select the option for “Articles of Incorporation- Nonprofit Corporation- Public Benefit”. Follow the instructions and file the Articles of Incorporation accordingly.

Step 3 – Draft and Adopt Bylaws and Constitution

Minimum Elements of a Constitution and By-Laws

*A constitution should minimally include the following **Five** elements:*

1. Name and purpose of the organization
2. Membership (i.e., how membership is determined)
3. Executive Board or Officers
 - a. Positions and duties of each position defined
 - b. Position and term limitations (including officer resignations and impeachments)
4. Method of amendments to the constitution
 - a. By whom
 - b. By petition of ___ percent of members
 - c. By ballot
5. Adoptions or ratification of constitution and any subsequent amendments
 - a. Shall require (percentage) vote of (Executive Board)

*The by-laws should minimally include the following **Six** elements:*

1. Duties and powers of Executive Board and Officers
2. The composition and membership of committees
3. Successions
4. Elections and qualification for office
5. Finances
 - a. Statement of internal controls, authorization of financial activities
 - i. Who shall approve prior to any commitment
 - ii. How and when shall audits be conducted
6. Meeting schedule
 - a. For regular and special sessions
 - b. Time, manner, frequency



- c. What constitutes a quorum
- d. Who shall conduct meetings

Step 4 - Obtaining Tax Exempt Status

Booster clubs are not legal components of a school district. Each organization must have its own tax identification number, own bank account, and is directly responsible for compliance with IRS and state reporting and disclosure requirements. Organizations who provide receipts to donors as a “charitable tax deductible donation” must be officially approved by IRS as a 501(c)(3) tax-exempt organization. It is the organization’s responsibility to be both knowledgeable and compliant with all state and federal laws.

Booster and parent groups are encouraged to contact the Internal Revenue Service and the Franchise Tax Board in order to obtain a tax-exempt status for their organization.

The booster club shall not use the district's tax-exempt status and identification number. It shall be responsible for its own tax status, accounting, internal controls, financial reporting, retention of records, and other operations.

State and Federal forms and further information can be found at the following Web sites:

Tax Identification Number

Form SS-4, “Application for Employer Identification Number”

Instructions: <http://www.irs.gov/pub/irs-pdf/iss4.pdf>

Fill-in form: <http://www.irs.gov/pub/irs-pdf/fss4.pdf>

Non-Profit Status

Publication 557, “Tax-Exempt Status for Your Organization”

<http://www.irs.gov/pub/irs-pdf/p557.pdf>

Package 1023, “Application for Recognition of Exemption Under Section 501(c)(3) of the Internal Revenue Code” Includes fill-in form 1023, instructions for form 1023, and form 872-C: <http://www.irs.gov/charities/article/0,,id=139469,00.html>

Form 8718, “User Fee For Exempt Organization”

<http://www.irs.gov/pub/irs-pdf/f8718.pdf>

California Forms and Instructions Form 3500 Booklet, “Exemption Application Booklet”

Includes instructions and two copies of form 3500.

http://www.ftb.ca.gov/forms/2008/08_3500bk.pdf

Consult Tax Tips Pamphlet No. 18, “Sales and Use Tax Guide for Volunteer and Nonprofit Fundraising Organizations” to determine what may and may not be taxable.

<http://www.boe.ca.gov/pdf/pub18.pdf>

Step 5- Open a Bank Account

The booster club Board will need to take action in a regular board meeting to open a bank account. The motion/action should indicate which banking organization, who the authorized signers will be, and require a minimum of two to three signatures (the third signer can be helpful if one of the two main signers are not available). The action should also indicate if the Board authorizes anyone to be issued a debit card or prohibits it. In general, debit cards and credit cards are high risk for fraudulent transactions and embezzlement and should be avoided. Once this action is documented in the board minutes, contact the banking organization to find out the



requirements for opening an account. Many banks will require copies of Articles of Incorporation, bylaws, EIN, proof of 501 ©3 status, and minutes. Each banking entity is different and may have different requirements Complete the banking requirements and obtain checks for the checking account so operations may commence.

Step 6 – Obtain Liability Insurance

The booster club Board will need to take action to obtain liability insurance. Booster clubs are independent from the district and are required to maintain their own insurance policies. The district requires booster and parent organizations to provide proof of liability insurance in the minimum amount of \$1,000,000 combined single limit with the district named as an additional insured endorsement. When using school facilities, the club must submit a certificate of insurance that includes liability and property damage and names FUSD as additionally insured. 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.

Step 7 – Application for School and District Approval

Once the organization is officially formed, complete the FUSD application and instructions included in the exhibits of this handbook. Submit the packet to the school site Principal. If approved, authorization is valid for a period of one school year (July 1- June 30). The application must be updated and re-submitted to the school each school year for re-authorization. FUSD retains the right to revoke authorization for any reason. Once you have received final approval from FUSD, you may commence fundraising and other operational activities.



PART II – Operating a Booster Club

Fundraising Activities

In accordance with Education Code Section 51521, programs, fundraisers or other activities sponsored by booster clubs must be authorized and conducted according to local board policy, local and state laws, and school rules. At the beginning of each school year, each booster club shall submit to the principal or designee a list of the fundraising events that each organization proposes to hold that year. The principal or designee shall review the proposed events and determine whether the events are in conflict with or detract from the school's educational program.

The following are guidelines for booster/parent organizations fundraising activities within Fontana Unified School District:

1. Use of the districts'/schools' name in fundraising activities should be approved by the school principal or designee and will comply with district policies and state law.
2. Students shall not be involved in fund raising activities except as volunteers for the booster organization and in accordance with California Education Code 51520, which limits solicitation of pupils on campus during the instructional day.
3. All booster funds are collected and maintained by the organization. The district's tax identification number cannot and will not be used. No booster funds shall be kept in ASB accounts.

Raffles, Opportunity Drawings or Games of Chance

Penal Code Sections 320 and 320.5 authorize, under defined circumstances, eligible organizations to conduct raffles, which require the payment of a fee for a chance to win a prize.. Public schools are not "eligible organizations to hold raffles" but parent organizations (i.e., booster clubs) with a 501(c)(3) status are. Information on how to conduct legal raffle can be obtained by going to the California Attorney General's Website: www.ag.ca.gov. A few basic guidelines are:

- At least 90% of the proceeds must go tot the organization (**50/50 drawings are illegal**)
- Opportunity drawings must have a general and indiscriminate distribution of tickets. All tickets are offered on the same terms and conditions as the tickets for which a donation is given **AND** the ticketholder does not have to pay to win.

Use of School Facilities

State law and Board Policy and Administrative Regulations 1330 (a)-(c) regulate community programs on district property. A FUSD Facility Use form should be submitted electronically [Rent fields, gyms, theaters and more in FUSD \(facilitron.com\)](http://Rent fields, gyms, theaters and more in FUSD (facilitron.com)) 30 days before the intended activity. The following documents must be uploaded:

1. A current insurance certificate showing Fontana Unified (not the school site) as a Certificate Holder in the minimum amount of \$1,000,000.
2. A current Additional Insured Endorsement showing Fontana Unified as an Additional insured.
3. Evidence that SAM (sexual abuse/molestation) insurance is not excluded.



In addition, if a booster club has an event to which an outside vendor is participating, the vendor's insurance, covering FUSD, is also required.

School-Connected Food Sales

Booster clubs must comply with state law as well as district policies and regulations on the sale of food on school premises. Food sales can only be held thirty (30) minutes before or after the school day. Booster and parent organizations are encouraged to review and become knowledgeable of applicable laws including county food handling requirements, State and Federal nutritional standards, as well as the district's Wellness Policy. Additional information is available from the department of Food Services.

Support Personnel

The booster club shall not hire or directly pay any district employee. If a booster club wishes to pay for additional and/or extracurricular services, the person to provide the services shall be hired through the district's personnel department, provided the Board approves the position. At their discretion, employees may volunteer to perform activities for the booster club during nonworking hours.

Procedure

1. A personnel requisition will be completed by the principal of the school receiving the services and submitted to the Fiscal Services department which will verify deposit of the booster or parent organization donation and forward the requisition to the Human Resources department.
2. The employee will be hired through normal channels and be subject to all rules and regulations imposed by the Human Resources department and the State of California.
3. The employee is not authorized to perform services until after Board approval and district receipt of the donated funds.
4. The personnel will be paid after the above procedure is completed and they have signed the timecard/timesheet at the site.

Limitation of Liability

1. School personnel should not try to manage or direct booster clubs. Appropriate advice on use of the school's name by a booster or parent organization is recommended.
2. The school should not cause others to believe it is in charge or has any responsibility for a booster or parent organization.
3. The school should send a letter of understanding to each booster club that explains the organization is not authorized to act as an agent or represent itself as an agent of the school or district (**See Additional Documents**).
 - a. The same letter should clarify that booster clubs should not use district or school letterhead for carrying out its business.
 - b. The school should require the booster club to acknowledge receipt of the letter and to agree to abide by its terms.

Membership

1. Parents, community members, and staff may be members of any booster club.
2. The principal or designee shall maintain on-going communication with the organization.
3. Membership fees may be used for raising funds for specific projects for the schools,



but **school fees may not** be a requirement of parents or students to participate in school activities.

Liability

The booster club shall not act as an agent of the district or school.

The booster club shall use a separate name and logo. Any use of a name or logo affiliated with the district, a district school, or a school team shall require the prior consent of the Superintendent or designee.

District liability, however, for conduct and activities of an organization established for the purpose of supporting the district may be based upon the nature of the relationship between the two entities. That relationship may be contractual or based on the amount of district control or on the fact that the district is the beneficiary of the organization's activities.

Therefore, it is likely that a lawsuit based upon an activity of the organization will also name the district and seek a finding of joint liability. Whether the district is appropriately named or not, the district will incur legal expenses in defending the lawsuit.

A district may more effectively limit its exposure by adequately supervising and monitoring the activities of a booster club. Familiarization with applicable statutes, regulations and reporting requirements will assist the district in ensuring the proper conduct of the group's activities and therefore lessen the amount of district exposure.

Administration and Expenditure of Funds

Funds of the booster club shall not be co-mingled with district funds, including associated student body funds.

Administration and expenditure of funds guidelines:

1. The treasurer's books and accounts shall be open to audit by a committee of members, one of which may be the principal of the school or his/her designated representative.
2. Upon dissolution of the group, all funds shall be transferred to the respective school's general student body funds. The district business office shall be advised in writing of the dissolution.
3. Gifts to the student body of money or of approved materials may be made when approved by the principal or designee.

Purchases for Schools

Purchasing guidelines:

1. All purchases shall be donated to the school in accordance with board approved policies and procedures.
2. Staff may make requests through their principal or designee to the booster club for desired donations.
3. Donations may be made in cash to allow the purchasing department to buy items that are in line with district purchasing guidelines and statutory laws.
4. The maintenance and operations department must be consulted, prior to purchase, on all items requiring installation. The business services office must be consulted on purchase of items requiring a maintenance contract.
5. Capital improvements, equipment (over \$5,000), and uniforms may only be purchased



with the prior approval of the principal and the Associate Superintendent, Business Services. These purchases must be processed through the district purchasing department to ensure compliance with statutory laws. Organizations “donate” the funds to the district for the purchase of such capital outlay items.

Funds raised by booster organizations are to be used to support programs; however, **no student will be required to raise funds to participate in school programs and events.** There is no “pay to play” in California schools and booster clubs cannot require parents to contribute or fundraise in order to participate in school activities. Additionally, the California Constitution provides for a free public school system. **Students cannot be charged mandatory fees or charges as it relates to K-12 education.**

Any profits from fundraising activities that are not spent for the booster club’s exempt purpose **cannot be returned** to its members or families. In addition, funds shall not be deposited to the school and then directed to individual students or families. This is considered a gift of public funds and is prohibited by the California Constitution.

Financial and Accounting Requirements

Booster clubs are responsible for ensuring that proper internal controls exist for all their financial activities. In accordance with its bylaws, each booster club should elect a treasurer who is assigned responsibility for recording, documenting, and organizing all financial activities.

Booster clubs should adhere to sound business practices and maintain adequate systems of control. These include, but are not limited to, the following:

Financial Statements and Treasury

The treasurer or designated officer should prepare monthly financial statements that are presented to the organization along with a copy of the most current bank statement and reconciliation. Financial statements may include cash receipts, cash disbursements, checking account beginning and ending balances, balance sheets, income statements and other relevant items. A budget should be developed at the beginning of the year to project expected revenues and expenses and should be reviewed frequently and revised as needed. An auditor who is independent of the treasurer should be appointed and should report directly to the booster club board. The auditor should review all the financial records, journals, check registers, invoices, receipts, bank statements, and other financial information at least annually.

Cash Receipts and Bank Reconciliation

Use pre-numbered receipt books and maintain supporting backup documentation. Ensure preparation of duplicate deposit, cash count, and fundraising forms. Bank deposits should be made intact and in a timely manner. Someone other than the individuals(s) responsible for depositing funds and writing checks should perform bank reconciliations monthly.

Booster clubs are required to maintain their own bank accounts. Funds should not be comingled with personal funds and/or deposited into personal bank accounts.

Cash Disbursements

Purchases should be approved in advance by the board and evidenced in the board meeting minutes. Checks should require a minimum of two signatures. Backup for the check (i.e., copy of invoice) should be provided and reviewed while the check is being



signed by the appropriate check signer(s).

Audits and Audit Committee

The treasurer's books and accounts shall be open to audit by a committee of booster members. An audit of the booster club's financial records should be conducted at the conclusion of each fiscal year. The audit committee should be composed of individuals who are independent of day-to-day financial activities. Once completed, the audit committee should report to the Booster Board and general membership as to any findings or considerations discovered in the audit. Any discrepancies noted shall be brought to the attention of the president of the organization and a resolution reached and implemented. All officers of the organization shall make records available as requested by the committee. As an alternative to an audit committee, an audit may be conducted by an outside party such as a CPA.

As per FUSD Board Policy and Administrative Regulation 1230, at any time, the district may request (and the organization shall grant) the right to audit the group's financial records, either by district personnel or a certified public accountant, whenever any concern is raised regarding the use of the funds.

Retention of Records

Since voluntary organizations often suffer from the constant turnover of officers and members, it is important that the activities of the organization be clearly documented and that a procedure for retaining those documents be established. Among the documents that should be retained by the organization are:

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 by-laws

It is recommended that the organization obtain a safety deposit box or a similar storage facility to ensure security of important documents.

Termination or Dissolution of the Booster Organization

Upon dissolution of the booster organization, all funds shall be transferred to the respective school's general student body funds. The organization maintains responsibility for filing all final tax returns and appropriate documentation with the State and Federal authorities to officially close the organization and cease all operations.



General Do's and Don'ts of Booster Clubs

What to do:

- Obtain tax identification number and tax-exempt status, if applicable.
- Open financial account under the above criteria. Maintain records for continued status.
- Create logo and name to be used; the school or district is separate. High school or district logos should not be used without specific authorization of the Superintendent/designee; booster clubs and parent organizations have their own identity.
- Raise funds by using adult membership. Special projects may include students who volunteer.
- Maintain relationship with principal and his/her designee for input of needs.
- Donate all purchases to the school district in accordance with District policy.
- Donate funds to ASB accounts for specific student teams/groups
- .
- Consult District maintenance department prior to purchasing items that require installation or business office prior to purchasing goods or services that require on-going maintenance contracts.
- All capitalized expenditures over \$5,000 must be processed through the District's purchasing department.

What NOT to do:

- Conduct fundraiser activities requiring students to participate.
- Co-mingle booster or parent organization funds with ASB funds.
- Represent booster or parent organization activities as those of the Fontana Unified School District or one of its schools.



Additional Documents



Letter from School to Booster Club

Please insert the following into School letterhead:

Dear _____ Booster Club (or Name of President),

This letter is to formally notify you that as a booster club, you are NOT authorized to act as an agent or represent yourself as an agent of either _____ School or Fontana Unified School District. Further, your booster club is NOT to use _____ School or Fontana Unified School District letterhead or logos for carrying out any of your business.

Please sign below as acknowledgement of receipt and agreement to abide by the terms of this letter.

Thank you for understanding.

Sincerely,

Insert Name, Principal

Acknowledgement:

By

Print Name

Position/Title

Date



FONTANA UNIFIED SCHOOL DISTRICT

Application for Booster Club

New Application		Renewal Application <i>(Required each school year)</i>	
Complete Sections I thru IV. Complete Financial Section. Attach required copies.			
I.) GENERAL INFORMATION			
Name of Organization		School Site	
Mailing Address		School Year	
		Date Requested	
II.) EXECUTIVE BOARD OFFICERS			
	Name	Address	Phone
Email			
President			
Vice President			
Secretary			
Treasurer			
III.) PURPOSE (Describe the purpose of the organization)			
IV.) ANNUAL OBJECTIVES (List specific goals for the school year)			



FINANCIAL INFORMATION	
Name of Bank:	Authorized Signers: 1.
Address of Bank:	2.
Booster Tax ID # (EIN)	3.
REQUIRED DOCUMENTS Attach Copies	
<ul style="list-style-type: none"> ➤ Booster Club Constitution & Bylaws ➤ Hold Harmless Agreement ➤ Liability Insurance with the following: <ul style="list-style-type: none"> • A current insurance certificate showing Fontana Unified (not the school site) as a Certificate Holder in the minimum amount of \$1,000,000. • A current Additional Insured Endorsement showing Fontana Unified as an Additional insured. • Evidence that SAM (sexual abuse/molestation) insurance is not excluded. ➤ Annual Financial Statement (if returning organization) ➤ List of Proposed Fundraisers ➤ Proof of Tax ID Number ➤ Proof of State Tax Exempt Status ➤ 501 (c) (3) Federal Determination Letter 	
APPROVAL You are not authorized to operate as a booster organization until all sections have been satisfied and signature for final approval is received from the school site administrator and the FUSD Board of Education or their designee.	
This certifies you have satisfied all sections of the Fontana Unified School District Application for Booster Club organizations. Authorizations are granted per school year. An application must be submitted annually.	
Signature School Site Administrator: _____ Date _____	
Printed Name: _____	
Authorized to operate for school year : _____	



BOOSTER CLUBS HOLD HARMLESS AGREEMENT

Booster clubs and its officers or operators will agree to indemnify, defend, and hold harmless the Fontana Unified School District, its Board Members, officers, agents, teachers, staff or any other employees from any damage injury or harm involving any student, parent or third party arising from or which occurs in any way as a result of or related to Booster Club activity regardless of location, including every claim or demand made, every liability, loss, damage, or expense, of any nature whatsoever by any student, parent or third party which may be incurred by reason of:

Death or bodily injury to persons, loss of or injury to property, or any loss, damage or expense which may have been sustained by the Booster Club or its representatives or participants, including any corporations, district employees, firm or corporation employed by the Booster Club which arises from negligence or misconduct on the part of the Booster Club, its representatives, students or participants, or which in any way is related to Booster Club activity, regardless of date, time or location.

Any injury to or death of persons or damage to property, any loss or theft sustained by persons, firms or corporations, including the applicant participating in Booster Club activity or conduct related to Booster Club activity, or otherwise arising from any act of neglect, default, omission, negligence or willful misconduct of the Applicant, its members, or any person, firm or corporation employed by the Applicant, either directly or by independent contract, and attributable in connection with the activity covered by this agreement, on or off District property and during or outside of school hours.

Booster clubs, at their own expense, cost, and risk, shall defend any and all actions, suits or other proceedings that may be brought or instituted against the District, its Board, officers, agents, or employees and shall pay or satisfy any such claim, demand, liability or judgment rendered against the District, its Board, officers, agents, or employees in any action, suit or other proceedings arising out of the booster activities.

ACKNOWLEDGED BY BOOSTER CLUB PRESIDENT:

Print Name/ Signature: _____

Date: _____

