



HOLLISTER SCHOOL DISTRICT

Guidelines for Parent Organizations & Booster Clubs

2690 Cienega Road
Hollister, CA 95023
(831) 630-6300
www.hesd.org

Hollister School District Guidelines for Parent Organizations and Booster Clubs

Table of Contents

Executive Summary	1
Definitions	1-2
Booster/Parent Organization Key Points	3-4
General Do's and Don'ts	4
Application for Board Approval	5
Parent Organization/Booster Club Application Link	5
Obtaining Tax-Exempt Status	6
Minimum Elements of a Constitution and Bylaws	6-7
Membership	7
Liability	7-8
Fundraising Activities	8-9
Use of School Facilities	9
School-Connected Food Sales	9
Administration and Expenditure of Funds	9
Purchases for Schools	9-10
Support Personnel	10
Transportation	10
Retention of Records	11
Limit of Liability	11
School Apparel/Uniform Purchases	11

Hollister School District

Executive Summary of the

Parent Organization and Booster Club Regulations

Booster clubs, PTAs, foundations, parent auxiliary school organizations, and other types of parent organizations, are separate from the district. They are not under the control of, nor are they the responsibility of, the site administrator, superintendent, or governing board of the Hollister School District. Their funds are not controlled by the district or students, nor should they be involved in the administering or supervising of the activities of student organizations.

The Hollister School District Board of Education approves guidelines for these groups to follow. California Education Code Section 51521 requires that all organizations that conduct fundraising to benefit clubs, schools, students, or the district at the K-12 level have prior approval from the school district's governing board. The code states the following:

No person shall solicit any other person to contribute to any fund or to purchase any item of personal property upon the representation that the money received is to be used wholly or in part for the benefit of any public school or the student body of any public school unless such person obtains the prior written approval of either the governing board of the school district in which such solicitation is to be made or the governing board of the school district having jurisdiction over the school or student body represented to be benefited by such solicitation, or the designee of either of such boards.

Definitions

ASB

Associated Student Body (ASB) organizations are composed of students for the purpose of conducting activities on behalf of students. Education Code Section 48930 defines the purpose of an ASB organization as "the conduct of activities on behalf of the students approved by the school authorities and not in conflict with the authority and responsibility of the public school officials." As such, ASB groups have been given the authority to conduct fundraisers and to spend money for the benefit of students.

All activities and fundraising events that involve the primary participation of students should be conducted through the ASB. This would include all student events for which gate receipts or honorariums are received, all student-conducted fundraisers, all collections from students of funds in relation to district-sanctioned student events, programs, and activities.

The business office, along with the advisors/coaches and students must follow the procedures as set by the ASB. These procedures cover all student performances or events

for which gate receipts or honorariums are received, all student-conducted fundraisers, all collections from students of funds in relation to district-sanctioned student events, programs, and activities. These fundraising activities are primarily on campus.

Booster Clubs and Parent Organizations

Booster and parent organizations are composed of parents, community members, and staff members coming together for the purpose of supporting specific school activities for the benefit of students such as scholastic programs, athletic teams, drama, art, and musical programs. The most formal parent support group is the National Parent Teachers Association (PTA). The California State PTA publishes governance, fundraising, and financial guidance for members on its website: www.capta.org.

Such groups are commonly referred to as *school-connected* organizations. They are important means of connecting parents and other community members with the curricular and co-curricular activities of students, and the HESD Board welcomes and encourages parental interest and participation.

Booster and parent organizations are separate from schools with which they are associated and are not governed by HESD. However, booster and parent organizations do not have free access to schools and their students. The school district governing board and administration have, and must maintain, exclusive control and management of its public school system. Education Code Sections 51520 and 51521 require that any school-connected organization and/or activity be one that is authorized by law and permitted by board policy.

In addition, Education Code Section 51520 prohibits the solicitation of pupils by outside organizations on school property during school hours. Solicitation is defined as “to subscribe or contribute to the funds of, to become members of, or to work for any organization not directly under the control of the school authorities.” A clear separation of responsibilities between the ASB and the various booster and parent organizations must be maintained.

Booster/parent organizations should serve as auxiliaries to the school program and should conduct activities and fundraising events involving the primary participation of parents and other adult community members. Funds raised by booster/parent organizations are to be used to support programs; however, no student will be required to raise funds in order to participate in school programs and events. Booster/parent organization funds so raised should then be donated to the district for specific purposes, such as the purchase of specific items of equipment or to provide financial assistance to students with need in relation to participation in events, programs, or activities. This is the preferred method. However, if particular items are purchased by the booster/parent organization, these items must then be donated to the school for use by the designated group in accordance with

district policies and procedures. Once donated, these items become the sole property of HESD. Booster/parent organization funds will not be commingled with the student body funds.

Booster/Parent Organization Key Points

- Submit an application for approval with the Hollister School District.
- Submit adopted constitution and bylaws, with officer names and contact information.
- Submit for approval annually a copy of the application and an updated plan of activities.
- Submit a budget and the activities planned for that budget for the upcoming school year.
- Authorization of a booster/parent organization is valid for up to one year; however, if the HESD Board of Trustees considers it necessary, they may revoke the booster/parent organization's authorization to conduct activities in the district.
- Each booster club or parent organization will have its own tax identification number (TIN); no group is allowed to use the school district's tax identification number.
- Booster/parent organizations are responsible for their own tax status, accounting, and financial records, and must make their own arrangements for audit if an audit is needed. The booster club and parent organization is not audited as part of the district's own annual financial audit.
- District officials may require booster clubs and parent organizations to be officially recognized as tax-exempt organizations under internal revenue code section 501(c)(3) and may require them to provide a copy of their determination letter or certificate of nonprofit status (exempt status is discussed further below).
- Booster/parent organization funds should never be commingled with ASB funds or any other district funds.
- The booster/parent organization must have its own \$1 million of liability insurance as is required by the Hollister School District.
- California Education Code Section 51520 must be followed in the case of booster/parent organizations at K-12 districts that wish to have students help with activities.
- Booster/parent organizations' ability to use school facilities at K-12 districts is regulated by California Education Code 38130-38139, known as the Civic Center Act.
- Any rules and regulations developed for the organization must conform to the law, the board of education's policies and regulations, and the school site's rules and procedures of the Hollister School District.

- No individual should personally benefit from the activities conducted by the parent organization/booster club. Activities of the parent organization/booster club must benefit the entire parent organization/booster club and the group it supports, and not any particular individual.
- Any profits from fundraising activities that are not spent for a parent organization/booster club's nonprofit exempt purpose cannot be returned directly to members or their families.
- Submit annual financial statement for the year just ended, which includes all expenditures and all income for all events and fundraisers.
- The district has the express right to review and/or audit booster/parent organization financial statements to ensure the club's financial integrity.

General Do's and Don'ts of Booster/Parent Organizations

What to do:

- Obtain a tax identification number.
- Suggest that a financial account be opened to maintain accurate and appropriate records.
- 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.
- Consult district maintenance department prior to purchasing items that require installation, or Chief Business Officer of HESD prior to purchasing goods or services that require ongoing maintenance contracts.
- Ensure all capitalized expenditures over \$5,000 are processed through the district's purchasing department.

What NOT to do:

- District logos should not be used without specific authorization of the superintendent/designee; booster and parent organizations must have their own identity.
- Conduct fundraiser activities requiring students to participate.
- Commingle booster or parent organization funds with ASB funds.
- Represent booster or parent organization activities as being those of the Hollister School District or one of its schools.
- Represent booster or parent organization members as employees or agents of Hollister School District.

Application for Board Approval

In order to fulfill its legal and fiduciary requirements, the school board must require school-connected organizations to submit an application (if new) or request for continuance (if previously approved). Any request for approval must include the following information as required by Board Policy and Administrative Regulation 1230:

1. Completed district application, and the date of application
2. Tax Identification Number
3. Proof of 501(c) (3) status, if applicable
4. The school year for which application is being made
5. Constitution and bylaws, rules, and procedures under which the organization will operate
6. The names, addresses, and phone numbers of all officers
7. A brief description of the organization's purpose
8. A list of specific annual objectives and meeting schedule
9. The name of the bank where the group's account will be located and the names of those authorized to withdraw funds
10. The signature of a site administrator who supports the request for authorization
11. Desired use for any money remaining at the end of the year if the organization is not continued or authorized to continue in the future
12. An agreement to provide evidence of liability insurance in the amount of \$1 million with HESD listed as an additional insured

Approval shall be granted for a period of **one year**. Requests for subsequent years must be presented annually. Upon completion of the application and supporting documentation, the organization will submit the entire packet to the Chief Business Officer who will place it on a meeting agenda for approval by the Board. The site principal will make approval notification to the organization.

Hollister School District Parent Organization/Booster Club Registration

[Link](#)

Obtaining Tax-Exempt Status

Parent organizations and 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 that 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. Current returns should be available to HESD upon request.

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. 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>

Minimum Elements of a Constitution and Bylaws

A constitution is the framework of an organization and its purpose.

Minimally, a constitution should include the following elements:

1. Name and purpose of the organization
2. Membership – who can be a member
3. Executive Board or Officers

- a. Positions and duties of each position defined
 - b. Positions and term limitations
- 4. Method of amendments to the constitution
 - a. Who can amend and why
 - b. How will amendment be approved and by whom

The bylaws are the regulations and procedures of operations for the organization.

Minimally the bylaws should include the following elements:

- 1. Duties and powers of Executive Board and Officers
- 2. The composition and membership of committees
- 3. Elections and qualification for office
- 4. Finances
 - a. Statement of internal controls, authorization of financial activities, and who approves expenditures

Meeting Schedule

- 1. Regular and special meetings
- 2. Time, frequency, and type of meetings
- 3. What constitutes a quorum
- 4. Who shall conduct meetings

Membership

- 1. Parents, community members, and staff may be members of any parent organization or booster club.
- 2. The principal or designee shall maintain ongoing communication with the parent 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

District liability 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.

The district requires parent organizations and booster clubs 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**, and the parent organization/booster club named as the primary insured party for all parent organization/booster club events. This

includes summer camps and all recreational-sponsored programs by the parent organization/booster club. When using school facilities, the district may, at its discretion, require a higher level of coverage based on the type of use requested, such as athletic activities and large events. If alcohol is sold or provided at a booster/parent organization event, they need to have Liquor Legal Liability.

A district may more effectively limit its exposure by adequately supervising and monitoring the activities of a school-connected organization. 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.

Fundraising Activities

In accordance with Education Code Section 51521, programs, fundraisers or other activities sponsored by booster and parent organizations must be authorized and conducted according to local board policy, laws, and school rules. At the beginning of each school year, each booster and parent organization shall submit to the principal/designee a list of the fundraising events that each organization proposes to hold that year. The principal/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 the Hollister School District:

1. Use of the district's/schools' names in fundraising activities should be approved by the school principal/designee and will comply with district policies and state law.
2. Students shall not be involved in fundraising activities except as volunteers for the booster/parent organization.
3. 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. Raffles may include events like 50/50 raffles, donation drawings, cow chip bingo, etc. Public schools are not "eligible organizations" but booster/parent organizations with a 501(c) (3) status may be. Information on how to conduct a legal raffle can be obtained by going to the California Attorney General's website: www.ag.ca.gov. Any organization proposing to conduct a raffle will have to provide a copy of their permit to the District.
4. All booster/parent organization funds are collected and maintained by the organization. The district's tax identification number cannot and will not be used. No booster/parent organization funds shall be kept in ASB accounts.
5. Alcohol, weapons, ammunition, and all other items prohibited on school grounds in accordance with Education Code Section 48900, are not to be sold at school for fundraisers.

6. The district does not allow door-to-door requests for cash donations by students.

Use of School Facilities

State law and Board Policy/Administrative Regulation 1330 regulate community programs on district property. A district *Use of Facility* form should generally be submitted one month before the intended activity with a *Certificate of Insurance* with bodily injury and property damage liability, and endorsing the district as additionally insured. Facility Use Permits may be applied for online by visiting the HESD website, Facilities Department under Quick Links.

School-Connected Food Sales

Booster and parent organizations must comply with state law as well as district policies and regulations on the sale of food on school premises. 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 HESD Food Service Department.

Administration and Expenditure of Funds

1. The treasurer's books and accounts shall be open to audit by the Chief Business Officer of HESD, the principal of the school, and the Superintendent of HESD.
2. Upon dissolution of the group, all remaining funds shall be transferred to the respective school's donation account. The Chief Business Officer of HESD 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. These should be presented in conjunction with HESD Board Meetings for regular approval and submitted two weeks prior to the actual Board Meeting date.

Purchases for Schools

1. All purchases shall be donated to the school in accordance with Board Policy 3290.
2. Staff may make requests through their principal or designee to the booster club or parent organization 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 department must be consulted, prior to purchase, on all items requiring installation. The business division must be consulted on purchase of all items requiring a maintenance contract.
5. Capital improvements and equipment (over \$5,000) may only be purchased with the prior approval of the principal and Chief Business Officer of HESD, as per Board Policy 3400. These purchases must be processed through the district business department to ensure compliance with statutory laws. Organizations “donate” the funds to the district for purchase of such capital outlay items.

Support Personnel

The Hollister School District does not allow parent organizations or booster clubs to hire staff to perform services for the Hollister School District. If a booster or parent organization wishes to pay for additional and/or extra-curricular services, the person to provide the services must be hired through the Human Resources Department of the Hollister School District. The booster or parent organization will deposit such funds into a district account for the proposed expenses. The funds must be sufficient to pay for the actual services plus benefits due the employee.

Procedure

1. A personnel requisition will be completed by the principal of the school receiving the services and submitted to the Business 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 Hollister School District 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. Hired personnel will be paid after the above procedure is completed and they have signed the required paperwork at the school site.

Transportation

Booster/parent organizations may fund district-arranged or private transportation or otherwise follow all district requirements surrounding private transportation, including volunteer livescan, driving report, and proof of insurance.

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 for 5 years 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 bylaws

Limit of Liability

1. School personnel should not try to manage or direct booster or parent organizations. Appropriate advice on use of the school 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 or parent organization that explains that the organization is not authorized to act as an agent or represent itself as an agent of the school or district.
 - a. The same letter should clarify that booster or parent organizations should not use district or school letterhead for carrying out its business.
 - b. The school should require the booster or parent organization to acknowledge receipt of the letter and to agree to abide by its terms.

School Apparel/Uniform Purchases

The school site principal has the final authority/approval over all apparel/uniform purchases for students at all schools in the Hollister School District.