

Orchestrating Success



Session Materials can be downloaded here:  
<https://tinyurl.com/yxxz6q2p>



## Booster Groups





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### Laws, Laws, and More Laws

- West Virginia has a large volume of education laws.

1. Are there specific legalities that govern booster groups?
2. Do I really need to go through all the formalities?
3. How do I encourage my booster group to make compliance a reality?

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**Shall, May, Should,  
Must, Must Not**

- “Every school support organization should be officially organized with a set of published by-laws and be governed by an elected board of directors consisting of at least a president, a vice president, a secretary and a treasurer. All school support organizations **must** be approved annually by the county board of education.”

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**Order of  
Compliance**

1. Federal Laws
2. State Laws
3. County Board Policies

Even though state or county policy uses the word should, federal law may require it.

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**Focus on “Must”**

How does a school support organization apply for a FEIN?

“If the organization does not obtain a separate FEIN, the organization must operate as a subaccount of the school's funds and the organization's monies must be deposited into the school's bank account.”

Internal Audit Service  
Attn: EIN Operation  
Cincinnati, OH 45999



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**Focus on "Must"**

Are school support organizations required to be a 501(c)3?

**School support organizations are not required to be a 501(c)3**

- Exemption from sales tax, federal taxes and property taxes.
- The public legitimacy of IRS recognition.
- The ability to give donors tax deductions when they make charitable gifts to your organization.
- Increased opportunities for federal and state grants.

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**Focus on "Must"**

How does a school support organization register with the Secretary of State?

**Every outside school support organization *must* register with the Secretary of State to obtain a Business Registration Certificate.**

- Paper forms to register a school support organization can also be found at: <https://sos.wv.gov/business/pages/RegNewWVBus.aspx>

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**Policy 1224.1  
Chapter 2**

- "must be covered by liability insurance"
- "Volunteers must be acting on behalf of the school board when participating in fundraising activities in order to be covered by the school board's liability insurance."
- "Therefore, volunteers working for a school support organization with a separate FEIN number and/or 501(c)3 status are not covered by the school board's policy."

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**Policy 1224.1**  
**Chapter 2**

- “A list of all groups that will be collecting funds in the name of any school must be approved by the board in advance.”
- “Also, each school support organization must be approved annually by the school’s principal.”
- “All school support organizations must be approved annually by the county board of education.”

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**Policy 1224.1**  
**Chapter 2**

- “The bank signature cards must be maintained current at all times. Two signatures are required on every check issued by the organization. One of the signatures should be that of the organization’s president. Both signatures cannot be by the same individual.”
- “All disbursements must be made by check, except for those from petty cash.”

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**Policy 1224.1**  
**Chapter 2**

- “The check must be made payable to the individual or vendor to whom the payment is being made, not to another party that is subsequently making payment on behalf of the organization.”
- “Periodically, a profit and loss statement must be prepared to compare actual sales proceeds to the expected sales totals that should have been recognized from the amount of merchandise sold.” (Concession Stands)

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**Policy 1224.1  
Chapter 2**

- “All school support organizations must obtain prior approval of the school principal before conducting any fundraising activity in the name of a school.”
- “Local procedures must be established to regulate all fundraising activities conducted by school organizations to ensure that they are conducted in a proper manner.”

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**Policy 1224.1  
Chapter 2**

- “Private nonprofit organizations such as Parent Teacher Associations, booster groups and other school support organizations, are not exempt from paying the consumer sales and use tax by reason of their nonprofit status alone”
- “: provided that the food items purchased for resale are not purchased tax exempt.”

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**Formalities are tedious but necessary...**

- Receiving a FEIN
  - [irs.gov/ss4](https://irs.gov/ss4)
  - Requires an individual from your organization willing to provide their personal information.
- Already have a FEIN
  - Recommend checking whether it is accurate. IRS (800) 829-4933

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**Formalities are tedious but necessary...**

- Receiving a WV Business License
  - [business4.wv.gov](https://business4.wv.gov)
- Paper applications are available, but it is much simpler to complete and continue to stay licensed if you use the online system.

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**Formalities are tedious but necessary...**

- Why become a 501C(3)
  - Optional requirement but has benefits.
  - Allows contributions to your organization to be tax deductible.
  - Simplifies the filing process for your organization.
  - Acquiring a FEIN does not make you automatically tax exempt.
  - WV may view you as a tax-exempt organization, but the IRS requires a formal recognition.

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**Formalities are tedious but necessary...**

- **Becoming a 501C(3)**
  - [Pay.gov](https://www.pay.gov)
  - File an annual 990 to maintain tax exempt. 3 consecutive years without filing will have the status revoked.
  - Searchable list can be found here <https://apps.irs.gov/app/eos/>

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**Making compliance a reality...**

- The policy encourages groups to use a school account.
  - You can still be Board approved.
  - Some schools have designated financial secretaries.
  - Some counties give a pay increase to secretaries who also handle the financial transactions.
  - This option does lack some flexibility.

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**Making compliance a reality...**

- Encourage them to see the benefits of getting legal.
  - Praise them for how they are helping your students.
  - Promotes a greater sense of accountability.
  - Protects the individuals operating the organization.
  - Builds trust within the community.
  - Helps your “group” from becoming a “sole proprietorship.”

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**Making compliance a reality...**

- Encourage them to see the benefits of getting legal.
  - Gives you credibility when discussing system wide challenges.
  - Gives a structure to handle problems.
  - More and more County BOE’s are requiring evidence of compliance. Better to address it before they ask than hustle to correct problems when they ask.

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**Ask me!**

*I’m here to help.*

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