

PARSIPPANY HILLS HIGH SCHOOL

Athletic Department
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Parsippany Hills High School Booster Club Guidelines

Organization

At the initial meetings of interested adults who want to establish a booster club, certain important elements should be agreed upon. These include:

- The determination of the purpose and goals of the club to be consistent with and enhancing the athletic program.
- The appointment and/or election of a slate of officers, to include, as a minimum, President, Vice President, Secretary, and Treasurer. Head Coach or a delegate must be present and work closely with the booster club to facilitate planning and communication.
- Preparation of a constitution or bylaws which must have as a minimum
 - 1) Establish a maximum tenure of office for individuals holding positions of honor and trust;
 - 2) Establish the fiscal year dates in which the booster club will operate;
 - 3) Establish provision for the appointment of a member audit committee or the selection of an audit firm to perform an annual audit of financial records;
 - 4) Provide for the preparation and member approval of an operating budget identifying fund raising projects and the purposes for which the funds are being raised;
 - 5) Identify the official records to be established and maintained by the elected officials of the booster club;
 - 6) Establish the criteria and define membership in the booster club as one comprising parents and other non-student adults who are interested in enhancing the district's athletic program;

“Achieving Athletic & Academic Excellence”

7) Action to be taken upon dissolving or suspending booster club;

“Achieving Athletic & Academic Excellence”

Financial Policies and Procedures

The following guidelines must be considered when establishing the booster club's bylaws.

- **Annual budgets** must be formulated and approved by the membership, setting forth the fund raising projects and the purpose for which the funds will be expended.
- Accounting records should be studied from previous year's annual reports to determine how well that budget met the organization's needs.
- Members should determine the projected financial requirements, taking into consideration the funds needed for the approved programs and projects. This information is used to develop the budget. Since the budget is only an estimate of the planned expenditures and income for the year, amendments may become necessary from time to time. When there are additional expenses or changes to expenditures or income, the budget must be amended by a vote at any regular meeting of the membership. Any time budgeted items do not have sufficient funds allotted in that line item to cover expenses or new projects are planned, the budget has to be amended. This is also true of the income items.
- Use of **pre-numbered bank checks** and a systematic record of bank deposit slips.
- Requirement for **two officer signatures on all checks** typically the Treasurer and the President. If these officers are related, someone else must be responsible for this.
- The **identity of the banking institution** should be included in the minutes designating where the checking and savings accounts are maintained.
- The president of the association shall have the authority to **authorize expenditures up to one hundred dollars (\$100.00)** each month from the association's funds when it is not feasible to call a special meeting of the Board of Directors. A report of those expenditures shall be given at the next regular meeting.
- The treasurer of the association shall **pay by check all debts of the association within seven (7) days** after receipt or on approval of the Board of Directors.
- **The treasurer of the association must be bonded** in the amount set by the Board of Directors. The fee for the bond is to be paid for by the association. No bonding company report shall be made public to the Board of Directors or officers of the association.
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The treasurer's records should consist of:

- 1) A double entry ledger system so the books can be balanced at the end of each period. A ledger book showing all income and expenditures should be maintained with supporting receipts and deposits. A ledger sheet for each budget category must be kept to reflect expenditures.
- 2) A system using receipts and invoices. All bills should be paid by check, never cash. Each check written must have a receipt or invoice attached. If a receipt or invoice is not available, a written document indicating purpose of expenditure, amount, payee and why receipt not available must be completed for documentation.
- 3) A receipt should be issued any time cash is collected. Receipts should be pre-numbered, issued consecutively and kept in a bound book. One copy must always remain in the receipt book. (Exception: concession sales)
- 4) Officers should collect monies and make deposits on a timely basis. However, financial responsibilities should be properly segregated among the officers. Officers who have physical custody of the assets of the club (i.e. the deposits, the checkbook) should not also have recording, reporting, and reconciling responsibilities. For example, if the club collects dues, the Membership Chair could deposit all of the cash and checks from new members, not the Treasurer. The Membership Chair should submit the deposit slip and adequate supporting documentation to the Treasurer (detailing how much was collected, from whom, amount) for record-keeping purposes.
- 5) Whenever possible, at least two people should count the monies collected and document the amount given to the officer for deposit.
- 6) The treasurer must prepare and distribute a financial report to the membership on a monthly basis. The report should detail the source and amount of all revenue collected (e.g. \$560 from concessions, \$220 from program sales, etc.). The financial report should also detail the expenditures for the month (how much was spent and for what purpose). In addition, the report should also indicate the bank balance at the beginning and ending of the month. The ending balance should tie back to the reconciled bank statement and previous treasurer's report.
- 7) Copies of the approved secretary's minutes of meetings;

Required Forms Submitted to the Athletic Director:

- Booster Club/Organization Statement of Purpose
- Proof of non-profit status
- Booster Club/Organization Budget
- Booster Club/Organization Annual Report
- Booster Club Bylaws
- Fund Raiser Request Form
- Audit Report
 - a. Arrangements should be made annually to have the **books audited** by at least three members designated as the Audit Committee. The audit findings should be a part of the club's documented files. The audit committee must make a **report** to be **presented at the first meeting held after the conclusion of the audit**. In the event a complete audit cannot be done due to the inadequacy or unavailability of the records, this must be reported to the members (Audit Report). **The Audit Report along with the Financial Report must be submitted to the Athletic Director by September 1 of each year.**

Audit Committee Guidelines:

Each Booster Club is required to have an audit committee conduct an annual review of the Financial Report and the related financial activity for the school year. *The Treasurer (and Assistant Treasurer, if applicable) **should not be on the audit committee.*** The audit committee must prepare a written Audit Committee Report that communicates the results of the audit to the members at the next regular meeting.

The following suggested guidelines are designed to assist the audit committee in conducting a thorough review of the Booster Club's financial report and activity for the applicable school year:

- ✓ Make sure the beginning balance agrees to the balance on hand per the last audit report.
- ✓ Review the reconciled bank statements and canceled checks to determine that:
 - Disbursements have been properly documented with an invoice or receipt;
 - Disbursements have been properly approved;
 - Checks have been properly signed;
 - Checks have been deposited or cashed by the payee indicated and that no information on the face of the check has been altered;
 - Checks have been accounted for in the proper sequence (no missing checks); and
 - Checks have two signatures and are not being signed by the payee.
- ✓ Verify deposits are made in a timely manner by reviewing the dates of fund raisers. Check to see that cash was counted by two people.
- ✓ Verify that receipts and disbursements were recorded to the correct account category.
- ✓ Verify that bank reconciliations are done monthly and check accuracy.
- ✓ 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.
- ✓ Verify that money collected for a designated purpose was spent only for that purpose.
- ✓ Check the minutes to verify the budget and all amendments were adopted.
- ✓ If there are irregularities, the committee should take the following steps:
 - Contact the treasurer for additional records or information;
 - Contact the President if matter cannot be settled to the committee's satisfaction; and
 - Contact the Athletic Director for further assistance.

Fund Raising Projects

It is the policy of the District that funds received from Booster Clubs' fund raising activities must be used to benefit the students and programs in appropriate ways

Fund raising projects guidelines for parental groups:

- ✓ For the athletic benefit of the student-athletes examples of which may:
 - be capital improvement of the athletic facilities,
 - major equipment purchase for a sport,
 - championship or individual awards,
 - end or season banquets, or
 - any service above and beyond the Board of Education expenditure allowance.
- ✓ For a specific project as identified in the current approved club budget and not for the sake of raising money.
- ✓ In connection with the established goals and philosophies of the booster club constitution or bylaws.
- ✓ Booster club funds may not be used to fund any summer leagues, individual camps or clinics, and may not be used to compensate volunteer coaches in any manner.
- ✓ PTHSD forbids any student, regardless of grade, from participating in door-to-door sales.

Requirements

- ✓ Athletic Director must approve on-campus activities, including meeting times, place, dates, fundraisers and activities. Such activities cannot conflict with school schedules or activities, district policies or financial procedures. These will take precedence over booster club activities.
- ✓ The booster club must not be used to attempt to influence the sponsor, principal or other administrator's decisions or be a lobbying group concerning matters which are duties assigned to district personnel, such as trips, staffing, and schedules.
- ✓ All regularly scheduled booster club meetings must be held at Parsippany Hills High School. Private meetings are discouraged by the Athletic Department.
- ✓ The head coach or his designee must be present at all booster club meetings and shall not hold office, or have voting privileges on the executive board.
- ✓ The booster club will not, knowingly or unknowingly violate the rules set forth by the New Jersey State Interscholastic Athletic Association (NJSIAA), the Iron Hills Conference (IHC), or the Parsippany-Troy Hills School District.
- ✓ Based on the Parsippany-Troy Hills Board of Education Policy, any individual fund-raiser expected to generate between \$2000-\$5000 must be approved by the Superintendent. Any

individual fund-raiser expected to generate over more than \$5000 must be submitted to the Superintendent for Board of Education approval. Please utilize the Fundraiser Request Form.

- ✓ Any gift or donation to the school must be approved by the Board of Education. There are forms available through the Athletic Department. The Parsippany-Troy Hills Board of Education reserves the right to deny or remove any gift that was not approved.
- ✓ It is strongly recommended that funds not be held in reserve from year to year. The funds that are raised should be expended by the year in which they were raised.
- ✓ A reserve of funds for individual season start-up costs is fiscally responsible and recommended by the Athletic Department. Each club should designate their own start-up costs for their season and have that amount documented in their Booster Club's By-laws.
- ✓ On-campus activities, especially fund raisers, should not supplant, duplicate, nor interfere with those of other school or booster clubs. The athletic director has the authority to limit the number of on campus fund raisers.
- ✓ Funds raised by Booster Clubs are expected to be used to benefit the students who participated in the school organization that year.
- ✓ Booster Club members, parents, etc. are expected to follow the same standards of conduct as district employees when chaperoning, sponsoring, or attending student activities.

Disclaimer

- ✓ Booster Clubs are non-profit and must be in compliance with Internal Revenue Code 501 (c) (3). Most of the clubs would get treatment under Code 508 (c) (2). Please consult an accountant for specific information about non-profit and charitable organizations.
- ✓ There is a liability to students, employees and the general public resulting from activities and/or travel of the booster organization. The Parsippany-Troy Hills School District and its employees will not be responsible for any liability regarding accidents, injuries, medical expenses or other financial liability arising from the actions or activities of the booster club. It is recommended that booster clubs purchase liability exposure insurance from an agent or company of its choice.

According to the IRS, a group or club cannot require that a member participate in a fund-raiser nor require that each member raise a certain amount. In addition, the IRS stipulates that a member who does not participate in a fund-raiser would be entitled to the same benefits as those members who did participate.