Booster Group Financial Workshop

OCTOBER 27, 2026

Cincinnati, Ohio – Former Westwood PTO Treasurer Accused of Stealing Over $40K

- Kathryn Burry has been charged with grand theft, a fourth-degree felony, for allegedly embezzling in excess of $25,000
- August 2024 civil complaint filed by PTO claiming Burry stole more than $40,00 from the PTO. She was the PTO Treasurer since Aug 2021.
- Burry provided minimal financial reports to the board despite repeated requests and had avoided multiple requests for financial information, raising concerns regarding the financial activities of the organization.
- She engaged in a pattern of misrepresentations and presented the board with fraudulent statements.
- PTO president contacted the bank and learned account balances were significantly lower than they were led to believe with unauthorized payments being made from PTO funds.
- Sentenced to 90 days in the Geauga County Safety Center and had to pay restitution.

Fiduciary Duties and Responsibilities of Nonprofit Board Members

- Duty of Care
  - Prepare & attend meetings, establish policies, financial controls
- Duty of Loyalty
  - Interest of charity above personal interest, conflict of interest policy
- Duty to Maintain Accounts
  - Maintain accurate records, budgets, internal controls, record retention
- Duty of Compliance
  - Comply with federal & state law, governing documents, contracts, Attorney General, Secretary of State

Resources for YOU

- District website – Treasurer's Page
- PTO and Booster Group Resources
- Resources for new groups, Links for filings, Trainings and Resources, District-specific information, Relevant Board Policies

Policy KMA – Relations With Support Organizations

- Provides guidance and requirements to be a Board-recognized District-support organization
- Staff members are encouraged to join but not be the Treasurer or handle booster group funds
- Abide by minimum good accounting and internal control practices

Policy KMA Highlights

- Student participation on athletic teams or in co-curricular activities is completely independent of any fund-raising activities
- Timely depositing of cash/checks received
  - If more than $1,000, monies should be deposited on the next business day after the day of receipt.
  - If less than $1,000, monies should be deposited no more than 3 business days after the day of receipt.

Policy KMA Annual Requirements

- List of Current Officers with Contact information
- List of proposed fund-raising activities
- Copy of most recent charter documents if changed

Policy KMA Annual Requirements

- HCSD Board provides coverage under the District's liability insurance program at no cost to the organization to protect the entity against legal claims resulting from damage or injury from any act or omission.

- At a cost to the support organization, the District will purchase an insurance policy with crime coverage for officers of the organization to protect the funds in the event of a covered loss.
  - Fee is based on total revenues per 990 tax filing
  - Invoiced in February

Policy KMA Annual Requirements

- Each District support organization shall require its president and treasurer to complete training requirements provided by the Ohio Attorney General Charitable University, and to maintain Charitable University certification with the Ohio Attorney General at all times while serving in the roles of president and treasurer. Completion of the training shall be required within 90 days start of term of office, unless the individual already holds an unexpired certification.

Ohio Attorney General – Charitable University

- Beginning in January 2023, the Ohio AG debuted their Charitable University
- Online training program designed to equip nonprofit leaders with basic tools needed to support the ongoing efforts of their organization
- https://charitable.ohioago.gov/
- Covers fiduciary responsibilities, workshops, webinars, publications, FAQs
- Multiple modules, not all required for certification
- Approximately 60-90 minutes to complete

Internal Controls

- Any event involving cash should have two people count the cash
- Either deposit the cash immediately or safeguard the cash – deposit ASAP
- All cash should be deposited – don't pay bills with cash
- Try to limit the number of people handling cash
- No checks written to cash

Internal Controls

- Dual signatures on checks OR check review before sent
- Bank account reconciled monthly
- Financial reports provided monthly to members of the booster group
- Credit/debit card procedures – NO CASH WITHDRAWLS
- Audit – consider teaming up with other Booster group(s) and doing this internally

Venmo – Why you should reconsider

- Accounts are connected to one individual (phone number)
- Does not provide tax receipts to donors
- Charity profile cannot be edited on a computer, only through app
- Other platforms are catered to the specific needs of PTOs & Booster groups
- Look at controls, policies, procedures - How does the account get handed off from year to year if connected to a personal phone number? Gives one person sole control of something connected to your bank account.

PayPal offers multiple options for payment acceptance, including Venmo

- PayPal Point of Sale, formerly known as Zettle
- You can set up the POS system in a few steps. First, sign up for a PayPal Business account or log in if you already have one. Then, choose how you prefer to accept payments. Download the PayPal POS app. You'll be ready start taking payments in no time.
- You can accept the most popular payment types: credit cards, debit cards, gift cards, and contactless payments like digital wallets.
- Can also be used when accepting cash payments to collect contact information for sending a digital receipt.

Contract review process –
Updated April 2024

- All contracts for rentals, including inflatables, etc. must be reviewed by the district business office
- Our insurance company now requires this for the liability coverage
- This review process applies even if the Booster group is paying for the event instead of the district.

Fundraising – State Level Rules for Charities

- Bingo – license required
- Casino Night – run by volunteers on property owned by a non-profit, no craps or roulette
- Raffles – only charitable organizations, not individuals
- Silent Auctions – acceptable
- Squares – not permitted, considered illegal pools for profit; all money must be distributed to winners and none can be kept by the organization
- 50/50 raffles - acceptable

Fundraising

- No individual student accounts
- Every individual must receive an equal share of fundraising proceeds
- Disqualifier of Charitable 501(c)(3) status if fundraising proceeds are not shared
- Scholarships permitted for financial hardship, but should be a provision in organization's Bylaws
- No consequences permitted for lack of participation in fundraising activities

Raffles

- All 501(c)(3) organizations are permitted to hold raffles
- Businesses and individuals are prohibited from holding raffles
- No license or report is required
- Must distribute at least 50% of the net profit back to the district or a charitable purpose (ORC 2915.01(Z))
- Raffles CANNOT be conducted online using a random number generator to select a winner
  - **Raffle winners must be drawn from a receptacle containing detachable sections representing all tickets sold.**
  - **Permissible to sell tickets online, but the winning ticket must be drawn from a receptable**

Squares

- **100% of money pooled together must be paid out to the winners, organization cannot "take a cut"**
- Otherwise, considered **Impermissible Pool Conducted for Profit**
- Anytime any funds are diverted from going to the participants as prizes, even to a charitable organization, it's an ILLEGAL scheme of chance.
- Another component that makes these impermissible is that participants lack the element of control in their numbers, i.e. scheme of chance

Night at the Races

- Must be considered a "Game of Chance" under ORC to be permissible
- Also covered under AG opinion 2006-045
- Bettor cannot be pre-assigned a horse; element of choice must be present
- **Event must be held on property owned or leased by a governmental unit, or on premises leased from a veteran's or fraternal organization. Cannot legally be held at a business, even if the space is donated.**

Bingo

- Detailed requirements
- Highly regulated
- Reference Charitable Bingo page on AG's website
- **Must obtain a bingo license from Ohio Attorney General**
- License must be displayed at the event
- Requires proof of 2 years of 501(c)(3) status
- Includes ANY type of bingo, including purses

Requirements – Secretary of State

- Register with the Secretary of State
- File articles of incorporation
- Appoint Statutory Agent
- Pay initial $99 fee
- Recommend use of generic email that is passed on

- Every 5 years thereafter file a "Statement of Continued Existence" (Form 522)
- $25 filing fee

Annual Requirements - IRS

- Annually file Form 990
- Less than $50,000 in revenue 990-N
- Less than $200,000 in revenue 990-EZ
- File by the 15th day of the 5th month following fiscal year end (i.e. November 15 for June 30 fiscal year end)
- A 3 year failure to file equals automatic revocation of your tax exempt status

IRS 990-N

Information Needed to File e-Postcard

Completing the e-Postcard requires the eight items listed below:

1. Employer identification number (EIN), also known as a Taxpayer Identification Number (TIN).
2. Tax year
3. Legal name and mailing address
4. Any other names the organization uses
5. Name and address of a principal officer
6. Web site address if the organization has one
7. Confirmation that the organization's annual gross receipts are $50,000 or less
8. If applicable, a statement that the organization has terminated or is terminating (going out of business)

Annual Requirements – Ohio Attorney General

- Beginning in 2012, all charitable organizations must register with the Ohio AG.
- Ohio requires charitable organizations located in Ohio and groups that ask Ohioans for contributions to file annual reports with the AG's office.
- Online system to create accounts for organization members

Requirements – District Registration

- When forming a new Booster Support Group, first contact Building Athletic Director
- Submit copies of the following documents to the School District Treasurer:
  - Approved Bylaws
  - Articles of Incorporation and Tax Identification Number (EIN)
  - IRS Letter of Determination
  - List of Officers with contact information
  - List of proposed fundraising activities for upcoming school year

Ohio Attorney General – Cybersecurity Issues

- Fraudulent emails and text messages
- Beware of phishing schemes
- Investigate who emails are coming from
- Verify with sender using non-email method
- Stop email from going further – report/delete
- Router and Wi-fi security on your device

Records Retention

- Checklist created for ease
- Signed by outgoing and incoming Booster treasurer and president
- Ensure records are collected an passed on as board members change
- Ensure proper retention of documents
- Demonstrate compliance with tax rules and qualification for tax-exempt status
- Keep records supporting an item on federal returns until the statute of limitations for that return runs out

Records Retention – Permanent Records

- Application for recognition of tax-exempt status
- IRS determination letter
- Organizing documents, i.e. Articles of Incorporation, by-laws, including amendments
- Board minutes

Ethics - Compensation

- Ohio Ethics Advisory Opinion 2008-01
- **School district employees MAY NOT BE COMPENSATED by District Support Organization**
- No compensation or supplemental compensation permitted
- **Gift cards are considered compensation**

OHIO ETHICS COMMISSION

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INFORMATION SHEET: ADVISORY OPINION NO. 2008-01 SCHOOL OFFICIAL OR EMPLOYEE RECEIVING SUPPLEMENTAL COMPENSATION FOR COACHING

What is the question addressed in the opinion?

Does the Ethics Law prohibit a school employee, who is compensated by the board of education to serve as a coach or provide support for a school-related activity, from receiving compensation for the same services from any other source, including a booster group or other school support organization?

What is the answer in the opinion?

Yes. The Ethics Law and related statutes prohibit a school district employee from receiving compensation from any other source in exchange for the performance of the duties that the district board of education has authorized the employee to perform.

The law does not prohibit a booster group, school support organization, or other source that supports activities of a school district, from making a voluntary gift to the district. The district can use the donation in whatever way it chooses, within the limitations in the Ethics Law discussed in this opinion.

Other Issues?

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