



Money-Handling Procedures for Parent Organization/ Booster Clubs

Money refers to cash, checks, money orders, or cashier's checks. The following are suggestions related to handling money to assist in ensuring proper accountability.

a) Receiving Money

- The person receiving the money **while in the presence of the person turning in the money** should count all money received.
- The person receiving the money should give a receipt to the person delivering the money (both parties should retain their copy of the receipt).
- Any checks received should be restrictively endorsed immediately.
- Post-dated checks **should not be accepted** from any source.
- Receipts should indicate whether cash, check, money order, or cashier's check was received; date of the receipt; and signature of person receiving the money,

IMPORTANT

If a money order or cashier's check is received, the receipt should indicate the total check amount; brand name of the money order of the issuing bank's name of the cashier's check; and the complete check or money order number.

If a copy of the money order or cashier's check is made, the inclusion of this additional information on the receipt is not necessary.

- Copies or a list of checks, money orders, and cashier's checks received should be made to assist in recovery of money if these items are lost, stolen, or returned due to insufficient funds.

b) Recording and Depositing Money

- Prior to depositing money, at least two people should count the money.

- All money should be delivered to the Parent Organization/Booster Club Treasurer to deposit funds daily.
- Receipts should be reconciled with all money turned in and deposited.
- Money received should only be deposited in the Parent Organization/Booster Club's account(s).
- Deposit slips should be retained and reconciled monthly to the account.

c) Disbursing Money

- Require **two** signatures on each check.
- Do **NOT** sign blank checks.

d) Safeguarding Money

- Have people that handle money bonded. This may protect against theft, including embezzlement, depending on the type of bond purchased.
- Do not keep any money in an unlocked drawer, unlocked filing cabinet, vehicle, or other unsecured place.
- Do not store the records of the money received (i.e., receipts, copies of checks) in the same place as the money. If records and money are stored together and a theft occurs, the record of the money may be taken along with the money. Subsequently, determination and recovery of losses would be more difficult.
- Money received and not yet deposited should not be used for purchases, check cashing, loans, advances, reimbursements, or for any other purpose.
- All unused checks should be kept safe and secure at all times.
- "Blank" checks should never be issued and checks should never be pre-signed.

The sequence of check numbers should be accounted for when reconciling the bank statement to the Parent Organization/Booster Club's books.

- **Issuing checks payable to "Cash" or to the "Sponsor" should be avoided.** The IRS may examine these transactions in more detail than other transactions. If a check must be payable to "Cash" or to the "Sponsor," keep detailed documentation of the expense or use of the funds.

e) Carry-over Money

- Any funds not used by the organization in a year merely carry over to begin the next year, however, all efforts should be made so that money fund-raised for students should be used for those students.
- The carry-over amount should only be enough to “begin business”.

Raffles *(The following raffle information was downloaded in July 2019 from the Texas Attorney General’s website at <https://www.texasattorneygeneral.gov/divisions/financial-litigation/charitable-trusts/charitableraffles-and-casinopoker-nights>)*

"The Charitable Raffle Enabling Act (“CREA”) permits "qualified organizations" to hold up to two raffles per calendar year, with certain specified restrictions."

"The language of the law is very technical. If your organization is considering holding a raffle you should check the statute to be sure your organization qualifies."

Ken Paxton
Attorney General of Texas