WHITE PAPER

Closing the Booster Club Oversight Gap

A District Framework for Bringing Independent Booster Clubs and PTOs Into a Structured Compliance Program

Prepared for chief financial officers, school business officials, internal auditors, and district leadership responsible for organizations that operate outside student activity funds.

Published by BoosterHub

Booster club and district oversight technology

2026 Edition

Contents

HOW TO USE THIS PAPER

This document mixes four different kinds of content, and readers should treat them differently.

- **Explanatory guidance.** Sections 2, 3, 5, and 6 describe the regulatory and control landscape as it exists. These sections are sourced in the References and are intended to be checked.
- **Recommended models.** The maturity model in Section 7, the five phase framework in Section 8, the tiered control standard in Section 9, the registration packet in Section 10, the calendar in Section 11, and the metrics in Section 12 are frameworks developed by BoosterHub. They are recommendations, not regulatory requirements. No external authority mandates the specific thresholds, tiers, or targets they contain, and districts should adapt them.
- **Sample provisions requiring review.** The policy and agreement language in Appendices A and B, and the authority analysis in Section 4, are starting points for discussion with district counsel. They are not legal advice and have not been drafted for any particular state.
- **BoosterHub primary research.** Findings from a 2026 BoosterHub survey of school and district athletic leaders appear in Sections 1, 3, 6, and 7 and are identified as survey findings wherever they are used. The survey is a non-probability sample of self-selected respondents and is offered as an indication of conditions in the field rather than a measurement projectable to schools or districts nationally. Its method and limitations are stated in Section 3.1 and in reference [11].

Financial reporting conclusions in Section 5 reflect the authors' reading of the applicable standards and should be validated with the district's external auditor before the program is designed around them. Nothing in this paper substitutes for review by counsel, an external auditor, and applicable state agency guidance.

1. Executive Summary

Nearly every school district in the country has a population of independent support organizations operating in its buildings: athletic booster clubs, band and choir boosters, robotics and theater support groups, PTOs, PTAs, and grade level parent organizations. These entities raise money, collect payments from families, purchase goods, and pay for student experiences. Across a district the aggregate activity can readily reach six or seven figures a year.

Because these organizations are legally separate, much of that activity sits outside the district's general ledger, its enterprise resource planning system, its purchasing controls, and its annual audit scope. They are not student activity funds. They do not fall under Associated Student Body accounting. The district's chart of accounts has no line for them. How much of that activity is visible to the adults responsible for the programs it funds is a separate question, and the available evidence is not reassuring. In a 2026 BoosterHub survey of 65 school and district athletic leaders, two thirds reported that they do not receive financial reports from their booster organizations on a set schedule, and one in five reported that a booster organization at their school or district had experienced, or was suspected of experiencing, fraud, theft, or misuse of funds in the past five years. The survey is a non-probability sample, described with its limitations in Section 3.1 [11].

That legal separation is real, and it is frequently mistaken for a risk transfer. It is not. The district retains the reputational exposure, the Title IX exposure, the trademark exposure, the employee conduct exposure, and, when things go wrong, the board meeting.

School business officials describe the same three barriers when asked why they have not addressed this. First, they are unsure whether the district has the legal authority to impose requirements on an independent nonprofit. Second, they do not want oversight to pull those funds onto the district's financial statements under GASB Statement No. 84. Third, they do not have a repeatable process, so any effort collapses into a one time audit that decays within a year.

This paper offers a practical model for addressing all three.

- **On authority:** a district should not assume general authority over the internal affairs of a legally separate nonprofit. It does, however, control access to its name and marks, its facilities, its official communication channels, the participation of its staff, and school-sponsored access to students. Subject to state law and local policy, those points of access can provide the basis for an annual recognition program.
- **On GASB 84:** requiring transparency is not the same as exercising control. The control criterion in GASB 84 turns on the government's ability to direct the use of the resources, not on its ability to receive reports about them. A well drafted program is deliberately designed to increase visibility while explicitly disclaiming custody and directive authority.
- **On process:** this paper supplies a five phase first year framework, Identify and Assess, Draft and Issue Policy, Educate and Onboard, Register and Approve, and Monitor and Annual Review, with owners, deliverables, timelines, and metrics for each phase, plus a tiered minimum control standard that scales requirements to organizational size. Year one is the investment. From year two forward the program is monitoring and annual review, applied to a population that is already known and already onboarded.

THE ONE SENTENCE VERSION

You cannot audit booster clubs into lasting compliance. The workable model is to make compliance a condition of district recognition, and then make those conditions practical enough that volunteers can consistently meet them.

The Framework at a Glance

The two frameworks below carry the argument of this paper. Both are BoosterHub models rather than external standards. Section 7 develops the maturity model and Section 8 develops the phases.

The five phase implementation cycle

1. IDENTIFY & ASSESS	2. DRAFT & ISSUE POLICY	3. EDUCATE & ONBOARD	4. REGISTER & APPROVE	5. MONITOR & ANNUAL REVIEW
Who is raising money in our name, and what is the exposure?	On what authority do we require anything, and has everyone been told?	Do officers know the standard, and are they actually on it?	Can they prove it, and do we grant recognition?	What changed, and does recognition renew?
Census, verified status, risk tiers, board memo	Policy, regulation, affiliation agreement, distribution record	Training records, provisioned accounts, remediation plans	Evidence packets, executed agreements, published roster	Exception report, annual check-in, board dashboard
4 to 6 weeks	6 to 8 weeks	4 to 6 weeks	4 to 6 weeks	Permanent

Phases 1 through 4 are first year work. Phase 5 is the permanent state. No single phase exceeds two months, and adjacent phases overlap in practice, so a district with a modest population that runs drafting alongside assessment and begins approving as the first onboarding cohorts finish can complete the first four phases within roughly a quarter. A large district should plan closer to a semester. Note the order: officers are educated and organizations are onboarded before anyone is asked to register, so the packet they submit is evidence rather than a promise.

Level 0 Unaware	Level 1 Reactive	Level 2 Documented	Level 3 Managed	Level 4 Optimized
No inventory exists	Attention follows incidents	A standard exists on paper	Registration is required and administered	Continuous visibility, exception based oversight
Where districts begin	One club reviewed after a loss	Where districts that have tried something commonly sit	Where most of the risk reduction happens	Where the program becomes sustainable

The jump from Level 2 to Level 3 is where we would expect most of the available risk reduction, and it is fundamentally a jump from publishing a standard to conditioning recognition on meeting it. The jump from Level 3 to Level 4 is an efficiency jump, and it largely determines whether the program survives its second year.

2. The Structural Problem: Money Inside Your Perimeter, Outside Your Ledger

2.1 Defining the population

This paper addresses independent support organizations only. The distinction matters because the control model is entirely different.

Category	Legal status	Whose money is it?	Ordinarily in district reporting or audit scope?
Student activity funds (ASB)	District held; agency or special revenue fund	Students or district, held by district	Yes
Campus activity funds	District held; general fund subaccount	District	Yes
Independent booster club	Separate 501(c)(3), 501(c)(4), or unincorporated association with its own EIN	The organization	Generally no; subject to GASB 84 and GASB 39 analysis
PTO or PTA	Separate nonprofit, often with a national affiliation	The organization	Generally no; subject to GASB 84 and GASB 39 analysis
Informal parent group	Frequently no EIN and no filings; funds in a personal or unregistered account	Legally ambiguous	Generally no, but the ambiguity itself warrants analysis

The final two rows are where most of the risk concentrates, and they require a distinction that is frequently collapsed in practice. Nonprofit status under state law, incorporation, possession of an EIN, and federal recognition of tax exemption under section 501(c)(3) are four separate things. An unincorporated association can be a nonprofit under state law without ever having incorporated or obtained federal recognition. What it cannot do is demonstrate any of that to the district. From a control standpoint the practical position is the same. A group collecting or holding funds without verifiable legal identity, tax identification, governance documentation, or appropriate financial controls presents a significant risk condition that should be remediated before full district recognition. The district should treat unverifiable status as a finding rather than attempting to characterize the entity's legal nature.

2.2 Why separation does not equal insulation

The public does not distinguish between a district program and a district affiliated support organization. Neither do most reporters, most plaintiffs' attorneys, and most board members. When a booster treasurer is arrested, the headline names the school.

Beyond reputation, several exposures flow directly to the district as a matter of law or policy:

- **Title IX.** Athletic benefits provided to students are evaluated for equity regardless of funding source [5]. If the football booster club funds charter buses and new locker facilities while the girls' programs raise a fraction of that, the district, not the booster club, answers for the resulting disparity in treatment. Booster contributions are part of the equity analysis.
- **Employee conduct.** Coaches, directors, and sponsors who hold signature authority, handle deposits, or direct booster spending create a direct conflict of interest and, in many states, a policy or statutory violation. That is a district personnel matter.
- **Marks and identity.** Every unlicensed spirit wear run, every sponsor logo placement, and every social media account using the district's name is an unmanaged use of district intellectual property.

- **Facilities and premises.** Events held on district property without a certificate of insurance naming the district as an additional insured push liability onto the district's carrier.
- **Student data and payments.** Rosters, contact lists, and payment data shared with an organization that has no data agreement, no payment card industry compliance posture, and no defined retention practice create a privacy exposure with the district's name attached.
- **Charitable solicitation and gaming.** Raffles, bingo, and games of chance are regulated at the state level. Unregistered gaming conducted at a school event is a compliance event the district will be asked about.

2.3 Parent organizations carry a different risk profile

Much of the risk literature on support organizations is written around athletics, and the athletic booster club is the archetype: concessions, gate receipts, travel, merchandise, and a coach with strong opinions about the budget. PTOs, PTAs, and elementary parent organizations present a materially different profile, and a district that designs its program only around the athletic case will miss most of what these groups actually do.

- **Event driven cash.** Fall festivals, carnivals, book fairs, and spirit nights generate large volumes of small cash transactions handled by rotating volunteers over a few hours, which is a harder control problem than a single concession stand with a trained operator.
- **Direct payments to staff.** Teacher grants, classroom stipends, and appreciation spending route organizational funds to district employees. Even where the amounts are small and the intent is generous, this is compensation-adjacent activity that touches district personnel policy, gift acceptance rules, and in some cases tax reporting.
- **Capital contributions.** Playground equipment, shade structures, technology, and library refreshes become district property, are installed on district land, and carry warranty, maintenance, accessibility, and safety obligations the district inherits. These frequently proceed without a gift acceptance process.
- **Student and family data.** Family directories, room parent lists, and event registrations put student and household information in the hands of a volunteer group with no data agreement and no retention practice, often in a personal cloud account.
- **Third party vendors on campus.** Enrichment providers, photographers, book fair operators, and fundraising companies are engaged directly by the parent organization and appear on campus around students, outside the district's vendor vetting and background check processes.
- **Membership and dues.** Where membership carries a fee and confers benefits, the organization has both an equity question and a revenue recognition question that most volunteer treasurers have never considered.

The framework in this paper applies to both populations without modification. What changes is emphasis: for an athletic booster club the highest inherent risk is usually cash handling and travel; for an elementary parent organization it is more often event cash, gift acceptance, vendor access, and data handling. Tier the controls by size, as Section 9 recommends, but scope the education in Phase 3 to the activities each organization actually runs.

2.4 Why districts stall

The failure mode is predictable. A district experiences an incident, commissions a one time review of a single club, issues findings, and then returns to normal operations. Eighteen months later the officers have turned over, the institutional memory is gone, and the next incident begins. Booster club leadership typically turns over completely on a two to three year cycle, since officers are parents whose involvement ends when their student moves on. Any control that depends on a specific volunteer remembering a specific rule will fail.

The design requirement is therefore not an audit. It is a **standing, annually renewing program** with a defined owner, a documented standard, and a system of record.

3. Quantifying the Exposure: A CFO Risk Register

Booster clubs display nearly every characteristic that fraud research associates with elevated risk: small size, high trust, cash intensity, minimal segregation of duties, volunteer bookkeepers with no accounting background, and no independent review.

The Association of Certified Fraud Examiners publishes the most widely cited global study of occupational fraud [8]. Its 2026 edition, drawn from 2,402 investigated cases across 143 countries and more than $3.4 billion in documented losses, reports findings that map almost perfectly onto the booster club profile:

- Organizations lose an estimated five percent of annual revenue to fraud.
- The median loss per case was approximately $104,000, and the median scheme ran twelve months before detection.
- Schemes caught within six months produced a median loss of $40,000. Schemes running five years or longer produced median losses above $1.1 million. Detection speed, not prevention alone, drives loss magnitude.
- Asset misappropriation, the category that includes skimming, check tampering, and fraudulent disbursements, appeared in roughly ninety percent of cases.
- Tips remain the leading detection method at forty three percent of cases, yet only about one quarter of small organizations have any reporting mechanism at all, compared with roughly eighty five percent of large organizations.

Translate that last point into district terms. Many booster organizations are likely to lack an anonymous reporting channel, independent review of the treasurer's work, or monthly reconciliation performed by someone other than the person writing the checks. The ACFE data speaks to differences between small and large organizations generally, not to any particular district's clubs, so a district should verify rather than assume whether those controls exist. Where they do not, every month of undetected activity compounds.

The study above describes occupational fraud generally rather than booster clubs specifically, and a reader is entitled to ask whether the profile transfers. One check available to a district is the loss experience of carriers that write this class of business. Association Insurance Management has written coverage for parent and booster organizations since 1989 and is licensed in all fifty states, which gives it claims experience across this specific class of business that no general fraud study can supply. AIM reports that embezzlement is the most frequent claim across the organizations it insures [10]. That is not a measurement of any particular district's clubs and should not be read as one. Its value lies in the source. An agency that underwrites and pays these claims has a direct financial reason to estimate the exposure correctly, and its loss history is booster club specific in a way the ACFE data is not.

3.1 What school and program leaders report

The study above measures occupational fraud generally rather than booster clubs specifically. To test whether the conditions it describes are present in this environment, BoosterHub surveyed 65 school and district athletic leaders in 2026 [11]. The findings are not projectable, for the reasons given in the box that follows, and they are offered as an indication of conditions in the field rather than a measurement of them.

What respondents reported	Share	What it indicates
Do not receive booster financial reports on a set schedule	66 percent	Reporting is requested or absent rather than scheduled. Only 34 percent described a defined cadence
Describe little or no visibility into booster finances	20 percent	Six percent had real time access to a system. The rest rely on asking

What respondents reported	Share	What it indicates
Are never required to report booster finances to district administration or the board	42 percent	A further 31 percent report only when an issue arises, so upward accountability is event driven
Booster funds held in separate booster club bank accounts	71 percent	Visibility cannot be obtained from the district's own ledger, consistent with Section 2.1
Cannot confirm that all of their booster organizations are independent 501(c)(3) entities	32 percent	Includes 11 percent who answered not sure. Legal status is assumed rather than verified
A booster organization experienced, or was suspected of experiencing, fraud, theft, or misuse of funds in the past five years	20 percent	Eight percent confirmed and 12 percent suspected but not confirmed. A further 12 percent could not say either way, which is itself a visibility finding
Booster organizations use consumer payment applications such as Venmo or PayPal	42 percent	The collection channel risks described in Section 6 are in active use, not hypothetical
Booster financial records kept in spreadsheets	80 percent	Records commonly live in personal files that do not reliably survive officer turnover
District or board adopted or discussed new booster oversight requirements in the past 12 months	18 percent	Oversight attention is rising, but for most respondents no standard is yet in motion

Percentages are calculated on all 65 respondents and rounded to the nearest whole number.

METHOD AND LIMITATIONS

The survey is a non-probability sample of 65 self-selected respondents fielded by BoosterHub in 2026: athletic directors (77 percent), district athletic administrators (17 percent), principals or assistant principals (5 percent), and other roles (2 percent). No respondent identified as a CFO, school business official, or internal auditor. The respondent population is athletic leadership rather than business office staff, so a reported absence of financial reporting describes what reached that respondent and not necessarily what the business office receives. Most respondents oversee a small number of organizations at a single school, so the findings speak more directly to school level conditions than to the full support organization population of a large district. The survey was fielded by a vendor with a commercial interest in the subject. The findings should be weighed accordingly and treated as directional.

Asked to name the single biggest challenge schools and districts face in working with booster organizations, one respondent answered: maintaining clear governance while preserving positive relationships with booster organizations. That is the problem this paper is written to solve. Every element of the framework that follows is an attempt to accomplish the first without sacrificing the second.

3.2 The register

The table below is structured for direct import into a district risk register or an internal audit plan.

Risk domain	Specific exposure	Leading indicator you can observe today
Misappropriation	Theft or diversion of concession cash, gate receipts, spirit wear proceeds, and dues	Single signer accounts; no dual count of cash; treasurer prepares and reconciles the same statements
Payment channel	Collections through unvetted digital tools that no one verified, where one person can redirect the deposit account without notice	Payment handles or checkout links in team communications that the district never registered or approved
Tax status	Automatic revocation of exempt status after three consecutive missed Form 990 filings; unrelated business income; private inurement	No IRS determination letter on file; officers unable to state the organization's EIN or filing month
Individual accounts	Crediting fundraising proceeds to specific students' accounts, which can jeopardize exempt status and convert proceeds to taxable income [9]	Fundraising described as reducing a specific family's trip cost in proportion to what that family sold
Title IX	Inequitable athletic benefits driven by disparate booster funding	No consolidated view of booster expenditures by program or by sex
Employee conflict	District staff serving as officers, signers, or custodians of booster funds	Coach or director listed on the bank signature card
Insurance and premises	Claims arising from booster events on district property with no coverage naming the district	No certificate of insurance on file for any club
Intellectual property	Unlicensed use of district name, mascot, and marks on merchandise and sponsorships	Spirit wear vendors engaged without district approval
State regulatory	Unregistered raffles or gaming; sales tax collection and remittance failures; charitable solicitation registration	No club can produce a sales tax permit or exemption certificate
Financial reporting	Incorrect determination under GASB 84 or GASB 39 leading to an audit finding or restatement	No documented, entity by entity classification analysis in the audit file
Records and transparency	Public records requests touching booster activity that the district cannot answer	No central inventory of clubs, officers, or bank accounts
Continuity	Loss of funds, records, and access when officers turn over	Accounts and cloud files controlled by a departing volunteer's personal credentials

BASELINE DIAGNOSTIC

If you cannot answer these four questions in under an hour, you do not have a control environment. You have an assumption.

1. How many support organizations raise or hold money in our district's name?
2. What is each one's legal status and EIN?
3. Where does each one bank, and who holds signature authority?
4. What did each one raise and spend last year?

4. The Authority Question: Can a District Require Registration?

This is the question that stops most programs before they start, and the answer is more favorable than most administrators assume.

4.1 Reframing the question

A district should not assume that it has general authority over the internal affairs of a legally separate nonprofit. Dictating an independent organization's bylaws, electing its officers, or directing its spending is outside the ordinary scope of district authority, and for the reasons developed in Section 5 a district should not want that authority even where it might be available.

The correct question is narrower and, in most states, more readily answered: may a district set conditions on the use of its own assets and its own affiliation? Districts do this routinely with vendors, contractors, facility renters, volunteers, and community partners, and a support organization is not different in kind. The specific conditions a district may impose, and the process required to impose them, remain matters of state law and local policy that counsel should confirm.

4.2 The six levers

Districts commonly control or administer several resources that support organizations seek, including use of district marks, facilities, official communication channels, staff coordination, school-sponsored fundraising access, and formal affiliation status. Each is a potential point of conditional access. The legal basis and the permissible conditions for each should be confirmed under applicable state law and district policy.

Lever	What the club needs	Instrument that conditions it
District name and marks	The right to call itself the Central High Band Boosters and use the mascot on merchandise	Trademark and name use license inside the affiliation agreement
Facilities	Gyms, cafeterias, stadiums, concession stands, storage, and meeting space	Facility use agreement with insurance and registration prerequisites
Access to students	The ability to fundraise from and provide benefits to enrolled students	Board policy governing fundraising and gift acceptance
District employees	A coach, director, or sponsor who coordinates with the club	Employee conduct and conflict of interest policy; staff role definition
Communication channels	School websites, marquees, email lists, apps, and program listings	Communications and data sharing policy
Official recognition	Standing to accept donations on the program's behalf and to be treated as the sanctioned support group	Recognized Support Organization designation, granted annually and revocable

The operative concept is the sixth. Recognition can be structured as an annually renewable affiliation status with written criteria, documented decisions, notice, an opportunity to cure where appropriate, and an appeal process, subject to applicable law and board policy. Structuring it that way converts a difficult enforcement problem into a manageable renewal problem. The district is not policing an independent entity; it is deciding once a year, against published criteria, whether to renew an affiliation.

4.3 The instrument stack

A defensible program rests on four layered documents. Each does distinct work, and a district that tries to compress them into one will find the resulting document is either unenforceable or overbroad.

1. **Board policy.** Adopted at the governance level. Establishes that support organizations must be recognized to affiliate with the district, delegates administration to the superintendent or designee, and sets the general standard. Short, durable, and rarely amended.
2. **Administrative regulation.** Adopted at the administrative level. Contains the operational detail: registration deadlines, required documents, tiered control standards, approved payment channels, and the annual calendar. Amendable without board action, which is essential because the details will change.
3. **Affiliation agreement.** Executed annually by the organization's president and treasurer. Includes the name and marks license, the insurance requirement, the conflict of interest attestation, the records access provision, and the revocation clause. This is the document that carries the legal weight.
4. **Facility use agreement.** The existing district instrument, amended so that recognized status is a prerequisite for a support organization to reserve space.

DRAFTING NOTE

Write the affiliation agreement so obligations run to the organization, not to individual volunteers, and so the remedy for non-compliance is loss of recognition rather than a monetary penalty. A district that reaches for indemnification and liquidated damages against volunteer parents will generate political resistance out of all proportion to the protection gained. Withdrawal of recognition is both a stronger and a less inflammatory remedy.

4.4 Can a district establish technology or payment-system standards?

Potentially. The answer depends on state law, procurement requirements, board authority, privacy and accessibility obligations, existing agreements, and district policy. Where it is available, the reasoning parallels the reasoning for any other district standard: a district may specify that recognized organizations transact through an approved platform, or a platform meeting defined criteria, in the same way it specifies approved vendors, approved payment processors, and approved facility rental procedures. Districts should confirm the approach with counsel before adopting it.

Two drafting approaches are available, and districts should choose deliberately:

- **Standards based.** The regulation defines required capabilities, for example: an organizational bank account titled to the EIN, dual authorization on disbursements above a threshold, a complete and exportable transaction ledger, donor and payer receipting, role based access that survives officer turnover, and district read only visibility into summary financials. Any platform meeting the standard is acceptable. This approach is easier to adopt and harder to challenge as favoritism.
- **Designated platform.** The district selects and, in many cases, funds a single platform for all recognized organizations. This produces materially better outcomes because the data is comparable, the onboarding is repeatable, the district gets one dashboard instead of forty exports, and volunteers get one training path. It requires a procurement decision, which may be satisfied through a cooperative purchasing contract.

The trade-off to weigh is administrative. A standards based rule is easier to adopt but shifts cost onto the business office, which must then review evidence in whatever format each organization produces it. A designated platform concentrates cost in procurement but makes the evidence uniform. Districts should model that comparison against their own organization count and staffing rather than assume either answer, and should revisit it after the first cycle when the actual review burden is known.

5. The GASB 84 Line: Oversight Without Custody

The most sophisticated objection a business official raises is this: if we increase our oversight of booster funds, will our auditors conclude those funds are fiduciary activities that belong on our financial statements? It is a fair question and it deserves a precise answer.

ACCOUNTING JUDGMENT REQUIRED

GASB 84 and GASB 39 conclusions are fact-specific. The examples in this section are illustrative and should be evaluated against the district's complete legal and operational facts with its external auditor. Neither contractual labels nor any single control determines reporting treatment.

5.1 What the standard actually turns on

GASB Statement No. 84, Fiduciary Activities [1], identifies fiduciary activity by reference to whether the government controls the assets and whether those assets are for the benefit of parties that are not part of the government. Control, for this purpose, means the government holds the assets or has the ability to direct their use, exchange, or employment for the benefit of specified parties.

Receiving a copy of an organization's annual financial report does not confer the ability to direct the use of its assets. Requiring proof of an EIN does not confer it. Setting conditions on the use of your logo does not confer it. Reviewing a fundraising calendar does not confer it.

The distinction to hold onto is between **visibility** and **directive authority**. A compliance program is built entirely from the former.

5.2 Where districts accidentally create control

The activities that genuinely create GASB 84 exposure are custodial, not informational. Each of the following should be avoided unless the district has affirmatively decided to bring the funds onto its books:

- Holding booster funds in a district bank account or a district held subaccount.
- Requiring booster disbursements to be approved by a district employee before they are made.
- Having a district employee serve as the organization's treasurer or hold signature authority.
- Directing which programs, students, or purposes the organization must fund.
- Retaining the organization's assets on dissolution as a matter of district right rather than the organization's own dissolution clause.

Notice that several of these are common practice in districts that believe they are being conservative. Placing a coach on the signature card, or requiring the principal to countersign booster checks, feels like tighter control. It is in fact the specific behavior that creates both a reporting question and a conflict of interest. Removing district employees from booster financial roles simultaneously improves the control environment and reduces the reporting exposure.

Illustrative Practices and GASB 84 Considerations

Practice	Authors' assessment of GASB 84 control implications	Suggested posture, subject to auditor concurrence
Require registration and annual documentation	Generally does not indicate control	Require
Receive annual financial report and Form 990 confirmation	Generally does not indicate control	Require
Read only visibility into summary financials	Generally does not indicate control	Require
Approve fundraising calendar for scheduling and equity	Generally does not indicate control	Require
Mandate an approved transaction platform	Generally does not indicate control, though the specific facts matter	Require
District employee as signer or treasurer	Generally indicates control	Prohibit
District pre-approval of individual disbursements	Generally indicates control	Prohibit
Funds held in a district controlled account	Generally indicates control	Prohibit unless intentionally reported
District direction of the organization's spending priorities	Generally indicates control	Prohibit

Actual rights and practices control the analysis. A district cannot avoid a reporting conclusion merely by describing its role as oversight in policy or contract.

The assessments above are the authors' interpretation of GASB Statement No. 84 applied to typical fact patterns [1]. A district that adopts an unusual variant of any practice listed here, or that combines several of them, may reach a different conclusion, and that conclusion belongs to the district's external auditor.

5.3 The GASB 39 question

Separately from the fiduciary analysis, GASB Statement No. 39 [2] addresses organizations that are legally separate, tax exempt, raise or hold resources almost entirely for the benefit of the primary government or its constituents, and are significant enough that omitting them would make the district's statements misleading. Large education foundations frequently meet this test and are presented as discretely presented component units. Many individual booster clubs may not be material to district wide financial statements, but districts should document a component unit screening analysis rather than assume the answer, particularly for organizations with substantial assets, debt, capital projects, or unusually close operational or financial relationships with the district.

A short screening record for each organization, retained in the audit file, is usually sufficient. Screen for:

- Material assets or outstanding debt relative to the district's reporting thresholds.
- District rights to appoint or remove a voting majority of the organization's governing body.
- District approval rights over the organization's budget or spending.
- District rights to the organization's assets on dissolution.
- Substantial property holdings or capital projects benefiting the district.
- Unusual financial dependence in either direction, including guarantees or the assumption of district obligations.

WHAT TO TELL YOUR EXTERNAL AUDITOR

Bring the auditor into the design phase rather than the discovery phase. Present the program as an internal control and compliance initiative over affiliated entities, disclose the specific practices you are adopting and the custodial practices you are deliberately excluding, and ask for concurrence in writing before rollout. A one page memo in the audit file at the front end is worth considerably more than an explanation at the back end.

The paper's guidance is general. Financial reporting conclusions depend on facts, state law, and your auditor's professional judgment, and this document is not accounting or legal advice.

6. The Venmo Problem: Unmanaged Collection Channels and Personal Payment Accounts

Unvetted digital collection tools are among the most common control failures encountered in BoosterHub's work with booster organizations, and they are in wide use. Forty-two percent of the school and district athletic leaders surveyed reported that their booster organizations use consumer payment applications such as Venmo or PayPal, and 80 percent reported that booster financial records are kept in spreadsheets [11]. These tools deserve specific treatment because volunteers experience the prohibition as arbitrary unless the reasoning is made explicit.

The issue is not the brand of payment application. The issue is whether the specific account structure, legal ownership, permissions, settlement controls, audit trail, transition process, receipting, and reconciliation procedures meet the district's approved standard.

This paper uses the familiar name because that is what districts recognize, but the analysis applies equally to Cash App, Zelle, PayPal, Square, Stripe, and any other tool that one person can open in an afternoon and begin collecting money with. Several of these can be configured well, under the organization's own EIN and bank account with appropriate controls. The difficulty is that nothing in the tool requires that configuration, nothing verifies it, and nothing necessarily tells the organization or the district when it changes.

6.1 The three risks that matter most

Risk 1. Nobody verified who is collecting.

- Any individual can open a collection account and label it with a school name, a mascot, a team, or a program. The tool does not ask whether that person is authorized to represent the organization, because it has no way to know.
- Nothing in the setup ties the account to the organization's EIN, its elected officers, or a board authorization. There is no registry a family or a district can check.
- A family receiving a payment request has no way to distinguish an authorized collection from an unauthorized one. Neither does the campus, and neither does the district. Impersonation of a legitimate collection is among the easiest frauds to run in a school activity setting precisely because everyone expects to be asked for money.
- When it goes wrong, the district's name is on the request even though the district never approved the channel, never saw it, and had no mechanism to.

Risk 2. The destination bank account can be changed at any time, by one person, with no notice.

- In our experience this is the risk districts are least likely to have considered, and it is the reason verification at setup is not sufficient on its own. Confirming that an account is correctly configured is a point in time check on a setting that can be changed afterward.
- Depending on the product, account type, permissions, and configuration, an authorized user may be able to change settlement information without the independent approval or district notification contemplated by this framework. Districts should verify the controls in the specific configuration being used. That variability is itself the point: the control cannot be assumed to exist unless it has been checked.
- Every downstream control that assumes funds land in the organization's account is only as strong as that login. The signature card, the reconciliation requirement, and the dual authorization threshold all operate on a bank account the collection tool is not obligated to keep sending money to.
- Officer turnover compounds it. Credentials frequently pass informally, and are often never revoked, so the person able to redirect the deposit may no longer hold any office in the organization.
- The right control question is therefore not whether the account was set up correctly. It is who can change where the money goes, and who finds out when they do.

Risk 3. The volunteer carries exposure they did not knowingly accept.

- Whoever opens the account supplies personal identifying information during onboarding and is, in most configurations, the party the platform holds responsible.
- Payment settlement reporting may be associated with the person or entity identified in the processor's account and tax profile [6]. A personally established account can therefore create reporting confusion and potential tax issues for the volunteer even where the funds belong to the organization. Organizational accounts should use the organization's correct legal name and EIN, with tax treatment confirmed as needed with a qualified adviser.
- Chargebacks, disputed transactions, and negative balances are typically recovered from the account holder or the linked funding source, which in a personally established account can mean a parent's own bank account is debited over a disputed team fee.
- If funds are ever questioned or go missing, the person whose name is on the account is the first person asked to account for them, and that exposure frequently outlasts their term in office.
- This is why the requirement should be presented to volunteers as protection rather than suspicion. The district is not primarily protecting itself from the treasurer; it is removing a liability the treasurer took on without being told it existed.

6.2 What these tools do not provide, however they are configured

Beyond the three primary risks, self-service collection tools lack several capabilities the organization needs regardless of whether the account sits under an EIN or an individual.

- **No segregation of duties.** One person controls receipt, custody, and record keeping. There is no second approver because the tool has no concept of one.
- **The transaction history is not an audit trail.** Payment memos are freeform text. There is no linkage between a payment and the obligation it satisfies, no itemized receipt to the family, and no way to produce a reliable receivables aging or prove who still owes for a trip.
- **Continuity fails at turnover.** When the officer who opened the account resigns, the account and its history frequently leave with them. Successor officers routinely inherit nothing.
- **Donor substantiation is not produced, and a payment receipt is not a substitute.** A charitable contribution of $250 or more requires a contemporaneous written acknowledgment from the organization, and where the donor receives goods or services in return the organization must also disclose the value of what was received [7]. A payment application generates a transaction confirmation, which is a different document serving a different purpose. Most dues, fees, ticket, and merchandise payments are not charitable contributions at all, and an organization that issues the same receipt for everything risks implying a deduction it cannot support.
- **Where a personal account is used, commingling follows.** The same balance holds a reimbursement from a neighbor and several thousand dollars in uniform payments, with no ledger separating them, and the balance is exposed to the individual's own creditors and legal circumstances.

The same analysis applies to unmanaged cash. Concession stands and gate receipts with no dual count, no pre-numbered tickets, and no deposit within a defined window remain among the highest inherent risk activities in the booster environment.

6.3 The authorized systems standard

Rather than enumerating banned applications, which invites a game of substitution and dates the regulation the moment a new tool appears, define the required characteristics of an acceptable financial operating environment. The first three requirements below respond directly to the risks in Section 6.1 and are the ones most often omitted. This is the language to place in the administrative regulation.

Requirement	Control objective
Every collection channel is registered with the district and verified against the organization's legal name and EIN before use	Establishes who is authorized to collect, and gives families and campuses a way to distinguish an authorized request from an impersonation
Changes to the settlement or deposit bank account require a second authorized officer and generate notice to the district	Closes the redirection risk; converts a point in time setup check into an ongoing control
No collection channel operates outside the registered set, including temporary or event specific ones	Prevents an unvetted tool from being introduced for a single fundraiser and then persisting
All funds held in an account titled to the organization's legal name and EIN	Establishes legal ownership and separates organizational assets from personal assets
Minimum of two unrelated authorized signers, neither of whom is a district employee	Segregation of duties; removes employee conflict and GASB 84 exposure
All electronic collections processed through the organization's account, never a personal handle	Correct tax reporting; complete audit trail; donor receipting
Every payer receives an itemized electronic receipt at the time of payment	Dispute resolution and receivable integrity. A payment receipt for dues, fees, or merchandise is not a charitable contribution acknowledgment
Charitable contributions receive a separate written acknowledgment meeting IRS requirements, with quid pro quo disclosure where the donor receives goods or services	Donor substantiation, and it prevents the organization from issuing a receipt that implies deductibility it cannot support
Complete, exportable transaction ledger retained for a defined period	Records retention; supports review and successor officers
Monthly reconciliation performed or reviewed by an officer other than the preparer	Detective control; one of the highest value controls available to a small organization
Dual authorization on disbursements above a stated threshold	Preventive control over fraudulent disbursement
Role based access that transfers on officer turnover without loss of history	Continuity; prevents the personal credential problem
Cash counted and documented by two people before deposit, deposited within a defined window	Addresses one of the highest inherent risk activities
District read only access to summary financial reporting	Visibility without custody or directive authority

6.4 Which controls require software and which do not

The standard above is a set of control objectives, not a product specification, and a district should be clear with itself about which of these can be met with discipline and a bank account and which practically require a system. That distinction protects the district from buying software it does not need, and from assuming that software alone will produce compliance.

Control objective	Can be met manually	What a system adds
Account titled to the organization's EIN	Yes, at the bank	Nothing. This is a banking task
Two authorized signers, no district employees	Yes, on the signature card	Visibility, so the district learns of a change without asking
Electronic collections through the organization's account	Partially, with a merchant account	Receipting, reconciliation, and linkage between a payment and the obligation it satisfies
Itemized receipt to every payer	Difficult at volume	Automatic issuance and a retrievable record
Complete exportable transaction ledger	Yes, with disciplined bookkeeping	Durability across officer turnover, and a consistent export format
Monthly reconciliation reviewed by a non-preparer	Yes	A bank feed that turns data entry into review, which is what makes the control get performed
Dual authorization above a threshold	Partially, with dual signature checks	Enforcement rather than reliance on memory, and coverage of electronic disbursements
Role based access surviving turnover	No	This is the core case for a system. Personal credentials do not transfer
Detecting a change to the deposit destination	No	Notification to the district when settlement details change, where the tool supports third party alerting and has been configured for it
Verifying which collection channels are authorized	Partially, by registration on paper	A current authoritative list, which is what makes an unauthorized request identifiable
Cash counted by two people before deposit	Yes, with a written procedure	A documented count record tied to the deposit
District read only visibility	Partially, via emailed reports	Current data rather than periodic snapshots, and a uniform format across all organizations
Annual check-in and document expiration tracking	Yes, at small scale	Practical viability above roughly a dozen organizations

Read down the middle column. A district with eight support organizations and a diligent business office can operate this standard largely by hand. The case for a system strengthens with organization count, with turnover, and with the district's appetite for exception based review rather than document collection. Districts should make that judgment on their own numbers.

THE VOLUNTEER'S OBJECTION, AND THE ANSWER

Volunteers will say the payment app is free and easy and everything else is a hassle. The honest answer is that it is free because the volunteer is personally absorbing the risk: their name on the account, their exposure to chargebacks and tax reporting, and their position as the first person asked to explain any shortfall. The second answer is that nobody has verified who is able to change the settlement details or whether anyone would be notified if they did. Framing the requirement as protection for the volunteer, rather than as suspicion of the volunteer, changes the reception substantially.

7. Booster Club Oversight Maturity Model

Before committing to a target state, establish where the district currently sits. The model below is a BoosterHub framework rather than an external standard. Its value is that it gives leadership a shared vocabulary and gives the business office a way to describe progress to the board over multiple budget cycles.

Level	Description	Observable characteristics
0. Unaware	No inventory exists	The district cannot state how many support organizations raise or hold money in its name, or how much
1. Reactive	Attention follows incidents	Individual clubs are reviewed after a complaint or a loss; no standing requirements; findings do not generalize
2. Documented	A standard exists on paper	Board policy and a handbook are adopted, but compliance is voluntary in practice and there is no enforcement mechanism or system of record
3. Managed	Registration is required and administered	Annual registration with documented prerequisites, a named program owner, a central inventory, and recognition contingent on completion
4. Optimized	Continuous visibility and exception based oversight	All recognized organizations transact on an approved platform; the district reviews exceptions rather than collecting documents; equity and financial data roll up for board reporting

In our experience, districts that have done any work at all commonly sit at Level 2. A handbook exists, was distributed at some point, and is not driving behavior. The jump from Level 2 to Level 3 is the one we would expect to produce most of the available risk reduction, and it is fundamentally a jump from publishing a standard to conditioning recognition on meeting it.

The survey described in Section 3.1 is consistent with a population concentrated at the lower levels, and arguably lower than Level 2. Eighteen percent of respondents reported that their district or board had adopted or discussed new booster oversight requirements in the past 12 months, 42 percent were never required to report booster finances upward, and 20 percent described little or no visibility into booster finances [11]. Those conditions describe Levels 0 and 1 more often than Level 2. The respondent population was athletic leadership rather than business officials, who may be aware of requirements an athletic director is not, so the true distribution is likely somewhat higher than these figures alone would suggest. A district assessing itself should locate its own level from the observable characteristics in the table above rather than from either estimate.

The jump from Level 3 to Level 4 is an efficiency jump rather than a risk jump. It matters because Level 3 administered on spreadsheets and email consumes an unsustainable amount of staff time and decays back toward Level 2 within two cycles.

Mapped to the framework in Section 8, Levels 0 and 1 are districts that have not completed Identify and Assess. Level 2 is a district that has drafted and issued policy but never operationalized Educate and Onboard or Register and Approve. Level 3 is a district that has completed all five phases. Level 4 is a district that completed them into a single system of record, where monitoring consumes exception review time rather than document collection time.

8. The First Year Framework: Five Phases to a Steady State

The framework below is a BoosterHub methodology, not a regulatory sequence, and districts should adapt the phasing to their own governance calendar. It is presented as a first year implementation sequence because the effort required in year one is not the effort required in year three, and districts that do not understand the difference either overestimate the ongoing commitment and never start, or underestimate the initial commitment and stall in the middle.

Phases 1 through 4 are front loaded work. Phase 5 is the permanent state. A district that completes the first four phases correctly finds that year two and beyond consist almost entirely of monitoring and annual review, with a light pass through the earlier phases applied only to newly formed organizations. Section 8.6 sets out what that steady state looks like.

Phase	Objective	Primary deliverable	Owner	Duration
1. Identify and Assess	Establish a complete census, verify legal status, assign risk tiers, and quantify exposure	Support organization inventory and risk assessment memo	CFO or business office, with campus administrators and internal audit	4 to 6 weeks
2. Draft and Issue Policy	Create and publish the governance basis for every downstream requirement	Board policy, administrative regulation, affiliation agreement	Superintendent, CFO, counsel, board	6 to 8 weeks
3. Educate and Onboard	Train officers and move organizations onto compliant financial infrastructure	Training records and fully provisioned accounts	Program owner with athletics and fine arts leadership	4 to 6 weeks
4. Register and Approve	Collect the evidence packet and make an explicit recognition decision	Registration files, executed agreements, published roster	Program owner, and superintendent or designee	4 to 6 weeks
5. Monitor and Annual Review	Sustain compliance through exception review and annual renewal	Exception reports and board dashboard	Program owner, reported to CFO	Ongoing, permanent

WHY EDUCATION PRECEDES REGISTRATION

Districts frequently sequence this the other way, opening a registration window first and training whoever responds. That order asks organizations to certify compliance with a standard nobody has explained and that many are not yet in a position to meet. Registration becomes an intake of unknowns, and the approval decision turns into a negotiation.

Educating and onboarding first inverts that. By the time the registration window opens, officers know what is required, their accounts are configured, and the packet they submit is evidence of work already completed rather than a promise about work to come. Approval becomes a verification step rather than an argument.

Phase 1. Identify and Assess

Objective: replace assumption with a census, then convert that census into a risk ranked picture and the evidence base that will carry a policy recommendation through a board meeting. These two activities are paired because neither is useful alone. A list without verified status tells the district nothing actionable, and verification cannot begin against a population that has not been established.

Identify

- Issue a census request to every principal, athletic director, and fine arts director asking them to name every organization operating in support of their campus or program, including informal parent groups with no legal structure.
- Require an affirmative response from every campus, including a response of none. A campus that does not reply is not a campus with no organizations; it is an open item.
- Cross reference the responses against facility use records, deposit and gift acceptance records, vendor files, and campus websites and social media accounts. Groups that have rented the cafeteria, donated equipment, or run a spirit wear store will appear even when no one reported them.
- Capture the basic record for each entity: legal name, campus, program supported, current officers and contacts, self-reported EIN, banking institution, number of signers, and collection channels in use.
- Flag entities that cannot be confirmed to exist as organizations. A group holding money with no EIN and no filings is a finding in its own right, not a data gap.

Assess

- Verify legal and tax exempt status for each entity: EIN, state registration, IRS determination letter, and current Form 990, 990-EZ, or 990-N filing. The IRS Tax Exempt Organization Search [3] will identify organizations whose exempt status has been automatically revoked for three consecutive missed filings [4].
- Estimate annual gross receipts per organization and assign each to a control tier under Section 9. Precision is not required at this stage; magnitude is.
- Identify the specific conditions that will require remediation in Phase 3: district employees holding signature authority, single signer accounts, unvetted digital collection channels, absent or expired insurance, and individual fundraising accounts.
- Assemble the Title IX view: booster supported expenditures by program, disaggregated by sex where applicable, so that inequities are visible before they are litigated.
- Quantify aggregate annual dollars currently operating outside the district's control environment. In our experience this is the output of the phase that boards respond to most directly, because it converts an abstract governance concern into a number.

Deliverables

- A support organization inventory with one row per entity and a completeness flag on each data element.
- A campus response log showing which campuses have reported and which have not.
- A risk assessment memo to the superintendent stating the organization count, aggregate dollars outside the control environment, the count with revoked or unverifiable exempt status, the count with district employees as signers, and the count using unregistered collection channels.
- A tier assignment for every organization and a remediation candidate list carried into Phase 3.

Success metric

One hundred percent of campuses have returned a census response, and ninety five percent of identified organizations have a verified legal status determination. The remainder are documented as unverifiable, which is itself a reportable condition.

EXPECT THE COUNT TO SURPRISE YOU

Districts frequently identify more organizations than leadership expected, and in our experience the entities that surface through cross referencing rather than self-reporting tend to be the ones with the weakest documentation. Budget time for the second pass, and treat the count itself as a finding worth reporting.

Phase 2. Draft and Issue Policy

Objective: create the governance instruments that make every downstream requirement enforceable, and publish them so that organizations have notice well before anything is asked of them. This phase is positioned second for a specific reason. A policy recommendation supported by the assessment findings is a fundamentally different conversation than a policy recommendation supported by general concern, and the board vote is easier to win once the exposure has been quantified.

This is also the phase that does not repeat. Once policy, regulation, and the affiliation agreement template are adopted, subsequent years require only periodic amendment of the administrative regulation based on the exceptions actually encountered.

Draft

- Draft board policy establishing recognized support organization status as a prerequisite for affiliation, use of district facilities, use of district name and marks, and school-based access to students.
- Draft the administrative regulation containing the operational standard: the tiered control requirements in Section 9, the approved collection channel standard in Section 6, the registration packet in Section 10, and the annual calendar.
- Draft the annual affiliation agreement, including the name and marks license, insurance requirement, conflict of interest attestation, records access provision, and the revocation and appeal process.
- Amend the facility use agreement so that recognized status is a prerequisite for a support organization to reserve space, and amend employee conduct policy to address district staff serving as officers, signers, or custodians of support organization funds.
- Obtain legal review, then written auditor concurrence on the GASB 84 posture described in Section 5, then board adoption.

Issue

- Publish the adopted policy, the administrative regulation, the handbook, the packet checklist, and the annual calendar to campuses, athletic and fine arts directors, and every organization identified in Phase 1. Issuing is a distinct step from adopting, and skipping it is how districts end up enforcing a standard that organizations can credibly say they never received.
- Set an effective date that gives organizations a full cycle to comply, and document any first year transition or grandfathering provision in writing.
- Name the program owner. This is a specific person with the responsibility written into their job description, most commonly a director of finance, an internal auditor, or an activity funds coordinator. Programs without a named owner do not survive year two.

Deliverables

- Adopted board policy and administrative regulation with a published effective date.
- Executable affiliation agreement template and a documented transition provision.
- Written auditor concurrence memo in the audit file.

- A distribution record showing that every identified organization received the standard.
- Named program owner with an assigned budget for administration and, if applicable, platform licensing.

Success metric

Policy and regulation adopted, program owner named and funded, and the standard issued to every identified organization before education begins.

Phase 3. Educate and Onboard

Objective: train the officers of every identified organization and move those organizations onto compliant financial infrastructure. These two activities belong in one phase because they fail separately. Education without provisioning produces knowledge that decays before it is applied. Provisioning without education produces systems that go unused while the treasurer quietly keeps using the account they already had.

This is the phase that determines whether the program succeeds, and the one where a district running many organizations at once will feel the load. It is also the phase in which the district is helping rather than requiring, which matters politically. Organizations meet the standard here, and only then are they asked to certify it in Phase 4.

Workstream A. Educate

- Hold a district wide kickoff for all officers, delivered by the CFO or superintendent rather than delegated. Senior visibility signals that this is institutional rather than a business office initiative.
- Deliver role specific training. A treasurer track covering reconciliation, deposits, disbursement approval, cash handling, and reporting. A president track covering governance, meetings, conflicts of interest, and officer transition. A fundraising track covering approval, gaming and raffle rules, sales tax, and Title IX equity.
- Scope the content to what each organization actually runs. An athletic booster club needs depth on cash handling and travel; an elementary parent organization needs depth on event cash, gift acceptance, vendor access, and data handling, as Section 2.3 describes.
- Train campus administrators and program directors separately. They are the front line, and they are frequently the source of the practices the program is trying to eliminate.
- Publish a frequently asked questions document before the questions are asked. Sections 6 and 13 of this paper supply most of the content.
- Track training completion by organization and treat it as a registration prerequisite rather than an encouragement.

Workstream B. Onboard

Provisioning is a step districts frequently underestimate. Creating a login is not onboarding. An organization is onboarded when its money, its records, and its people have all moved, when the legacy channels are closed rather than merely discouraged, and when the district can see what it needs to see without asking anyone for it. Treat this as four sequential stages.

Stage 1. Prerequisites, completed before any account is created

- Confirm the organization's legal name and EIN exactly as they appear on the IRS determination letter. Payment processor underwriting matches against that record, and a mismatch of even a word can stall the account for weeks.
- Confirm an organizational bank account titled to that EIN, with at least two authorized signers and no district employee among them. This is a prerequisite, not a task to be completed later, because the account is what everything else attaches to.

- Identify the officers who will hold platform roles and record their terms, so that access expiration is scheduled rather than discovered.
- Confirm the organization's fiscal year end, which frequently differs from the district's and determines the reporting calendar.

Stage 2. Account configuration

- **Standardize the chart of accounts.** Publish a district wide category structure and map every organization to it: revenue categories for dues, concessions, spirit wear, sponsorships, fundraisers, donations, and ticket sales, and expense categories for student support, equipment, travel, uniforms, administration, and fees. Without this step, forty organizations produce forty incompatible reports and the district loses the ability to roll anything up. In our experience this is the configuration decision with the greatest effect on whether district level reporting is usable at all.
- **Define roles and permissions centrally.** President, treasurer, secretary, committee chairs with scoped access, and a district read only role. Configure the district role once at the district level so it is identical across every organization, rather than negotiated club by club.
- **Enforce the approval threshold in the system.** Set dual authorization on disbursements at the threshold defined in the organization's tier under Section 9. A control the platform enforces survives officer turnover; a control a volunteer is asked to remember does not.
- **Register and verify every collection channel.** Record each channel the organization will use, confirm that it settles to the organization's own account, and establish who must approve a change to those settlement details. This is the operational answer to the risks in Section 6.1.
- **Connect the bank account.** Establish the reconciliation feed so that monthly reconciliation becomes a review task rather than a data entry task, which is the difference between a control that gets performed and one that gets skipped.
- **Start payment processing underwriting first.** Merchant underwriting has the longest lead time of any onboarding step, typically requiring EIN documentation, officer identity verification, and bank account verification. Begin it in the first week of an organization's onboarding rather than the last, or it will become the item that holds up recognition in Phase 4.
- **Configure the annual check-in inside the same system.** Load the district's document requirements, expiration dates, and exception conditions now, so that Phase 5 runs from the system of record rather than from a parallel spreadsheet.

Stage 3. Data migration

- Set a single cutover date, ideally the first day of the fiscal year or the first day of the activity season. Mid-season cutovers create two sets of books for the same events.
- Enter opening balances as of the cutover date and reconcile them to the bank statement before anything else is loaded. An unreconciled opening balance contaminates every report that follows.
- Load open receivables: every family that still owes for a trip, a uniform, a fee, or a payment plan. This is a commonly skipped item and a costly one to skip, because in many organizations the only record of who owes what lives in a departing treasurer's spreadsheet or memory.
- Load the member and family roster, and confirm that data sharing and consent align with district policy and the data provisions of the affiliation agreement.
- Load the vendor list, recurring obligations, and any outstanding purchase commitments so the organization's true position is visible from day one.
- Load a prior year financial summary to enable comparative reporting, which is what makes the first year of exception review meaningful.

- Document where legacy records are stored, who retains access, and for how long, consistent with the organization's retention schedule.

Stage 4. Cutover and parallel review

- Announce one hard cutover date to families through the organization's normal channels. Running two active collection channels through a transition creates reconciliation problems and undermines the credibility of the change.
- Close the legacy channels rather than discouraging them. Deactivate personal payment handles, retire old collection links and QR codes, and transfer any outstanding balances into the new system rather than leaving them behind.
- Run one month of parallel review in which the treasurer reconciles inside the new system while the program owner spot checks the result. This is a training exercise as much as a verification exercise.
- Require one complete reconciled month before the organization is treated as onboarded. Completion is a reconciliation, not a login.

The table below is the definition of done for onboarding. An organization that cannot produce every item on the right is not ready to register in Phase 4.

Onboarding item	Evidence that it is complete
Organizational account	Bank confirmation showing the account titled to the legal name and EIN
Authorized signers	Signature card showing at least two signers with no district employee among them
Platform roles	Named president and treasurer with active credentials and recorded terms
District visibility	District read only role active and returning summary financials
Chart of accounts	Organization mapped to the district standard category structure
Approval threshold	Dual authorization configured at the organization's tier threshold
Collection channels	Every channel registered, verified to settle to the organization's account, with a change approval rule in place
Payment processing	Underwriting approved and a live test transaction settled into the organization's account
Opening balances	Entered as of the cutover date and reconciled to the bank statement
Open receivables	Outstanding family balances loaded and agreed to prior records
Roster and data handling	Member roster loaded under terms consistent with the affiliation agreement
Legacy channels closed	Personal payment handles deactivated and old collection links retired
First reconciliation	One complete month reconciled in the new system and reviewed by a non-preparer

ONBOARD IN COHORTS, NOT ALL AT ONCE

Do not move the entire population in a single wave. Start with a pilot cohort of three to five organizations chosen for contrast rather than enthusiasm: one large athletic booster with concessions and a merchant account, one mid-size fine arts booster carrying trip receivables, and one small elementary parent organization with minimal activity. The problems that surface in that cohort are the problems that will surface many times over. Solving them once, and updating the handbook and the configuration standard before the main wave, is the difference between a manageable rollout and a support queue the business office cannot clear.

Sequence the remaining waves by season rather than by size. Fall programs onboard first, winter next, spring last, so that each organization moves during its own quiet period.

Two further activities belong in this phase and are easy to lose in the mechanics of account setup:

- **Issue dated remediation plans** to organizations with lapsed exempt status, no legal structure, missing insurance, or single signer accounts. These organizations need support, not a denial letter, and the plan is what makes the eventual recognition decision defensible.
- **Launch an anonymous reporting channel** and publicize it to booster membership. Given that tips are the leading detection method for occupational fraud [8] and that small organizations report having such a channel far less often than large ones [8], this is a low cost control with meaningful expected return.

Deliverables

- Training completion recorded by organization.
- Provisioned accounts meeting every item in the onboarding definition of done.
- A district standard chart of accounts published and mapped across every organization, so financial reporting rolls up.
- Legacy collection channels documented as closed, organization by organization.
- Dated remediation plans for every organization not yet meeting its tier standard.
- A live anonymous reporting channel.

Success metric

At least one officer from every identified organization has completed the required training, and every organization either meets its tier control standard or holds a remediation plan with a completion date.

Phase 4. Register and Approve

Objective: collect a complete evidence packet from every organization and make an explicit, documented recognition decision. These two steps are paired because registration without an approval decision is a filing exercise, and an approval decision without a documented packet is an opinion.

Approval is the step districts most often skip, and skipping it is what causes the program to lose force. If recognition is never actually granted, it can never actually be withheld, and the entire structure reverts to a handbook that nobody follows.

Register

- Open the registration window with a firm deadline tied to the start of the activity season rather than the fiscal year. A band booster organization is operating in July regardless of when the district's books turn.
- Collect the packet defined in Section 10 through one intake. Packets arriving as email attachments to several different staff members is the failure pattern that converts a manageable program into an unmanageable one.

- Require submission by both the president and the treasurer. This distributes accountability and removes the single point of failure that occurs when one officer holds the entire relationship.
- Because education and onboarding are already complete, registration is a submission of evidence rather than an intake of unknowns. Most of the packet should already exist as a byproduct of Phase 3.
- Track completeness by exception and follow up campus by campus rather than organization by organization. Principals and athletic directors have leverage that the business office does not.
- Document any identified organization that does not register. That is a decision the district must act on in this phase, not a gap it can carry forward.

Approve

- Review each registration file against the organization's assigned tier standard and reach one of three dispositions: full recognition, provisional recognition with a stated remediation deadline, or denial.
- Execute the affiliation agreement, signed by the organization's president and treasurer and countersigned by the district's designated program owner. Recognition takes effect on countersignature, not on submission.
- Document the basis for every disposition, particularly denials and provisional grants. The appeal process assumes a record exists.
- Publish the recognized organization roster to campus administrators, athletic and fine arts directors, the facility scheduling office, the communications office, and the district website.
- Wire recognition status into the systems where it becomes enforceable. Facility scheduling should be unable to confirm a reservation for an unrecognized organization, and communications should not list one as a program's support group. A roster that lives only in the business office is a document; a roster that gates facility reservations is a control.

Deliverables

- A complete registration file for every organization, with expiration dates tracked on time limited documents such as insurance certificates.
- Executed affiliation agreements on file for every recognized organization.
- A disposition log recording the decision and basis for every identified organization, including those denied and those that never registered.
- A published recognized organization roster with an effective period.

Success metric

Eighty percent or more of identified organizations hold full recognized status in the first cycle, with the remainder holding provisional status against an active remediation plan or a documented denial. Do not target one hundred percent in year one. Target zero organizations in an unknown state.

> **DESIGN PRINCIPLE FOR THIS PHASE**
>
> Every additional form, portal, and email thread reduces completion rates measurably. Registration should be designed so that a volunteer treasurer with a full time job can complete it in one sitting of roughly thirty minutes. Where it cannot be, the program will underperform regardless of how well the policy is drafted. In our experience administrative friction, rather than volunteer resistance, is the more common cause of failure at this stage.

Phase 5. Monitor and Annual Review

Objective: sustain the program across officer turnover through exception based review and an annual renewal cycle. This is the permanent state of the program and the only phase that never ends. Its purpose is to ensure that year three looks like year one, which is precisely what does not happen in districts that treat this as a project.

Monitor

- Define exception conditions in advance and review against them rather than re-reading every document: exempt status lapsed, insurance expired, only one authorized signer, a district employee added as a signer, an unregistered collection channel in use, a change to settlement details, no reconciliation evidence for a defined number of months, a remediation deadline passed, or gross receipts materially exceeding the prior year without a corresponding budget amendment.
- Re-tier organizations whose gross receipts have crossed a threshold, since a club that grew from $80,000 to $140,000 now carries Tier 3 obligations it does not know about.
- Produce the Title IX equity view showing booster supported expenditures by program and route it to the Title IX coordinator on a defined schedule.

Annual review

- Run the annual check-in for every recognized organization: updated officer roster, updated signature card, current insurance certificate, prior year financial report, current year budget, Form 990 filing confirmation, confirmation of registered collection channels, and a re-executed affiliation agreement.
- Grant renewal on a completed check-in rather than through a separate review cycle. In the steady state the check-in is the register and approve process, compressed.
- Refresh training annually and treat first year officers as a distinct cohort, because a substantial share of the officer population is new every year.
- Report to the board annually: recognized organization count, aggregate dollars now within the visibility perimeter, exception count and disposition, and remediation status.
- Update the administrative regulation based on the exceptions actually encountered rather than on anticipated ones, and reissue it to every recognized organization.

Deliverables

- Completed annual check-in file for every recognized organization.
- Exception report with dispositions.
- Board level dashboard.
- Title IX equity summary.

Success metric

Annual renewal completed by ninety percent or more of recognized organizations before the published deadline, with exception volume trending down year over year.

8.6 The steady state: what year two looks like

The first year is the expensive one. Once the census exists, the policy is adopted and issued, and every organization has been onboarded and formally recognized, the program collapses into Phase 5, with a narrow slice of the earlier phases applied only to organizations that are new.

Phase	Year one	Year two and beyond
1. Identify and Assess	Full census, legal status verified, and tiers assigned for every organization	Verification only. Confirm no new organizations have formed, re-tier those that crossed a threshold, and fully assess new entrants
2. Draft and Issue Policy	Policy, regulation, and affiliation agreement drafted, adopted, and distributed	Does not repeat. Periodic amendment of the administrative regulation, reissued to recognized organizations
3. Educate and Onboard	Every organization trained and provisioned onto the standard	New organizations only, plus refresher training for first year officers
4. Register and Approve	Evidence packet collected and a recognition decision made for every identified organization	Folded into the annual check-in. Renewal is granted on a completed check-in rather than a separate cycle
5. Monitor and Annual Review	Begins in the final weeks of the year	The entire program. Exception review, annual check-in, and board reporting

This is the message to carry into a budget conversation. The first year requires a real investment of staff time and, as organization count and complexity increase, often benefits from a system of record. Every year after that is an exception review cycle, and the marginal cost per organization falls because the file already exists and the officers already know the process.

THE VARIABLE THAT DETERMINES WHETHER YEAR TWO IS ACTUALLY EASIER

Whether the year one work landed in a system of record or in a shared drive. A district that onboarded forty organizations through email attachments and spreadsheets has not reduced its year two workload at all, because the check-in requires re-collecting and re-reading everything. A district that onboarded into a system carries forward officer records, documents, expiration dates, and financial history, and reviews only what changed. This is the difference between maturity Level 3 and Level 4 in Section 7, and it is why Level 3 districts running on spreadsheets tend to decay back toward Level 2.

9. Recommended Model Minimum Control Standard

A uniform standard applied to every organization will be simultaneously too heavy for the fourth grade classroom parent group and too light for the athletic booster club running a concession operation. Tiering by annual gross receipts is intuitive to volunteers and mirrors how districts already scale procurement thresholds, which is why it is the approach recommended here.

The thresholds below are a BoosterHub recommended model. No federal or state authority sets a $25,000 or $100,000 line for support organization controls, and readers should not treat these figures as regulatory triggers. Adjust them to the district's scale and to any applicable state requirements, but adopt them in writing so that requirements are predictable rather than discretionary.

Control	Tier 1 Under $25,000	Tier 2 $25,000 to $100,000	Tier 3 Over $100,000
EIN and verified legal status	Required	Required	Required
Account titled to organization EIN	Required	Required	Required
Two authorized signers, no district employees	Required	Required	Required
Approved payment platform; no personal peer to peer accounts	Required	Required	Required
Current bylaws and officer roster on file	Required	Required	Required
Annual budget approved by the membership	Required	Required	Required
Certificate of insurance naming the district as additional insured	Required	Required	Required
Conflict of interest statement from each officer	Recommended	Required	Required
Monthly reconciliation reviewed by a non-preparer	Recommended	Required	Required
Dual authorization on disbursements above a threshold	Recommended	Required	Required
Written cash handling procedure with dual count	Required if cash events are held	Required	Required
Annual internal financial review by a committee of two or more non-signers	Recommended	Required	Required
Form 990-N, 990-EZ, or 990 filing confirmation	Required	Required	Required
External CPA engagement appropriate to risk and assurance objective	Not required	Recommended	Required
Written records retention schedule	Recommended	Required	Required
Fidelity or crime coverage on officers handling funds	Recommended	Required	Required
District read only visibility into summary financials	Required	Required	Required

CONTROLS THE CLUB'S OWN CARRIER MAY ALREADY REQUIRE

Several requirements in the table above are also common conditions of coverage. Carriers writing crime and fidelity coverage for parent organizations commonly condition it on specified financial controls. AIM, an agency writing this class of business in all fifty states, states in writing that its fidelity bond and crime conditions require monthly bank statements to be reviewed and signed by an individual who is not authorized to sign checks, annual audits of the books by an audit committee or a qualified accountant, and retention of both on file for at least three years and available for carrier review, at the risk of a declination of coverage [10]. Where conditions like these apply, a district requiring those controls is not adding an obligation. It is asking the organization to demonstrate a practice its own policy already contemplates, and an organization that cannot demonstrate it may have a coverage problem it has not recognized. Conditions vary by carrier and policy form, so organizations should confirm the requirements in their own policy rather than assume the general pattern applies to them.

RISK ESCALATORS

A district may apply higher tier controls regardless of annual receipts where an organization has significant cash activity, overnight travel, gaming or raffles, capital projects, substantial reserves or debt, custody of student or family data, significant employee involvement, prior control exceptions, or other elevated risk activities. Gross receipts are a proxy for risk, not a measure of it, and the escalator preserves the simplicity of the tiers while allowing the district to place a small but complex organization where it belongs.

9.1 Choosing the external engagement

The Tier 3 external engagement is a recommended district requirement rather than a regulatory threshold, and the right engagement depends on what the district is trying to learn. The appropriate engagement may be a compilation, an agreed upon procedures engagement, a review, or an audit. The choice should reflect the organization's size and risk, any applicable legal or lender requirements, and the level of assurance or testing the district is seeking.

Engagement	What the district gets
Compilation	Financial statements prepared by a CPA from information the organization provides. No assurance is expressed
Agreed upon procedures	Findings from specific procedures the district and the CPA define in advance. No opinion or assurance is expressed on the statements as a whole
Review	Limited assurance that the CPA is not aware of material modifications needed for the statements to conform with the applicable framework
Audit	Reasonable assurance, expressed as an opinion on whether the statements are free of material misstatement

For most organizations at this level, an agreed upon procedures engagement targeting the specific risks the district cares about, such as cash receipts, disbursement authorization, and reconciliation, delivers more useful information per dollar than a full audit. Districts may also consider negotiating a group rate across all Tier 3 organizations, which may reduce per organization cost and standardize the deliverable. The engagement type should be selected with a CPA rather than specified in policy without that input.

10. Registration Packet: Required Documentation

The packet below is the complete list for a Tier 2 or Tier 3 organization. Publish it as a checklist with the annual calendar so organizations can prepare in advance rather than scrambling at the deadline.

Document	Purpose	Refresh cadence
IRS determination letter or exemption confirmation	Establishes legal status and exempt classification	Once, then verified annually against IRS records
EIN assignment notice	Confirms the organization has its own taxpayer identification number	Once
Articles of incorporation and current bylaws	Governance structure, dissolution clause, officer terms	On amendment
Current officer roster with contact information and terms	Identifies accountable parties and enables continuity	Annually and on change
Bank account confirmation showing account title and signers	Verifies EIN titling, signer count, and absence of district employees	Annually and on change
Prior fiscal year financial report	Beginning and ending balances, revenue and expense by category	Annually
Current fiscal year budget approved by the membership	Evidence of member approval and planned activity	Annually
Most recent Form 990, 990-EZ, or 990-N confirmation	Demonstrates filing compliance and protects exempt status	Annually
Certificate of insurance naming the district as additional insured	Transfers premises and event liability appropriately	Annually or on policy renewal
Signed conflict of interest statements from all officers	Documents related party relationships and staff conflicts	Annually
Proposed fundraising calendar	Enables scheduling coordination, gaming and sales tax review, and Title IX equity analysis	Annually with amendments
Executed affiliation agreement	The binding instrument granting recognized status	Annually
Training completion confirmation	Evidence that officers received the required instruction	Annually
Sales tax permit or exemption documentation as applicable	State tax compliance for merchandise and concession sales	Per state requirement
Gaming or raffle registration if applicable	State regulatory compliance for games of chance	Per event or per state requirement

10.1 What the certificate should show

A certificate on file is not the same as adequate coverage on file. The line item in the packet is frequently satisfied with a general liability certificate alone, which leaves the exposure in Section 3 uninsured. Carriers serving parent and booster organizations generally describe four coverages for organizations of this type [10]. Districts reviewing certificates should know what each one does.

Coverage	What it addresses	Why the district cares
General liability	Bodily injury and property damage arising from the organization's activities and events	This is the coverage the additional insured endorsement ordinarily attaches to, and the one premises exposure runs through
Crime or fidelity	Theft or diversion of organizational funds by an officer, volunteer, or employee	The only coverage responsive to the loss described in Section 3. The limit should bear some relationship to funds handled, not to a default figure
Directors and officers	Claims against the board arising from governance decisions	Volunteer officers can be named individually. This is the coverage volunteers most often assume they do not need
Property	Equipment, uniforms, inventory, and concession assets	These assets are frequently stored on district premises, which affects whose policy is expected to respond

When reviewing a submitted certificate, confirm each of the following.

- The named insured matches the organization's legal name as it appears on the IRS determination letter, not a campus nickname or a program name.
- The policy period covers the full recognition period, and the expiration date is tracked as a time limited document under Section 10.
- The district is named as an additional insured, consistent with the affiliation agreement and the facility use agreement.
- A crime or fidelity limit is present for organizations at the tier where it is required, and the limit is compared against prior year gross receipts and peak cash on hand rather than accepted at face value.

Coverage terms also vary by activity. Certain games of chance, and events involving fireworks, inflatables, or motor vehicles, are commonly restricted or excluded [10]. The proposed fundraising calendar already collected in the packet is the practical place for a district to identify those activities in advance, so that an organization confirms coverage with its carrier before the event rather than after a claim.

11. Twelve-Month Implementation Calendar

The calendar below assumes a July through June fiscal year and a district beginning at maturity Level 0 to 2. The four implementation phases occupy roughly the first half of the year, and the program is live and in monitoring for the second half. Section 8.6 describes how the same calendar compresses further from year two forward.

Districts that overlap adjacent phases, beginning to draft while assessment finishes and beginning to approve as the first onboarding cohorts complete, can pull the implementation window down toward a single quarter. The sequential layout below is the conservative version.

Months	Phase	Milestones
1 to 2	1. Identify and Assess	Census request issued to every campus and program; affirmative responses returned including responses of none; cross reference against facility use, deposit, gift, and vendor records; legal and exempt status verified against IRS records; gross receipts estimated and tiers assigned; employee signers, single signer accounts, and unregistered collection channels flagged; risk assessment memo delivered to the superintendent
2 to 4	2. Draft and Issue Policy	Board policy and administrative regulation drafted; legal review completed; written auditor concurrence obtained; board adoption; facility use and employee conduct policies amended; program owner named and funded; handbook, packet checklist, and annual calendar published and distributed to every identified organization
4 to 5	3. Educate and Onboard	District wide kickoff delivered by the CFO or superintendent; treasurer, president, and fundraising tracks completed; campus administrators trained separately; pilot cohort onboarded and the configuration standard updated; remaining cohorts onboarded in parallel; accounts provisioned and EIN titling verified; collection channels registered and verified; district employees removed from signature cards; legacy channels closed; anonymous reporting channel launched; remediation plans issued
5 to 6	4. Register and Approve	Registration window opens with a deadline tied to the activity season; evidence packets collected through a single intake; completeness tracked by exception; files reviewed against tier standards; dispositions recorded as full, provisional, or denied; affiliation agreements executed and countersigned; recognized roster published to campuses, athletics, facility scheduling, communications, and the district website
6 to 12	5. Monitor and Annual Review	Program live. Exception review runs continuously; provisional organizations reviewed against remediation deadlines; first board report delivered; Title IX equity summary routed to the coordinator; administrative regulation updated based on observed exceptions and reissued; next year check-in window and calendar published

11.1 Scheduling notes

- **Anchor the registration deadline to the activity season, not the fiscal year.** A band booster organization is operating in July and an athletic booster club is operating in August, regardless of when the district's books turn. A deadline that ignores this produces organizations already collecting money before they are recognized.
- **Do not compress Phase 2.** Legal review, auditor concurrence, and board agenda cycles are the least controllable items on this calendar. Build the schedule around board meeting dates rather than assuming policy adoption fits into a fixed number of weeks.

- **Do not shorten Phase 3 to open registration sooner.** Educating and onboarding is the work that makes Phase 4 quick. A district that compresses it will spend the difference resolving incomplete packets, and the four to six week estimate assumes cohorts running in parallel rather than one organization at a time.
- **Run the pilot cohort at the front of Phase 3.** Onboarding three to five deliberately different organizations first, then revising the handbook and configuration standard, prevents the same problem from being solved forty times.
- **Publish next year's calendar as you close the current one.** Officer transitions typically occur in the spring. An outgoing treasurer who can hand a known schedule to a successor is the cheapest continuity control the district has.
- **Expect year two to look materially different.** With policy issued and the population already onboarded, the calendar collapses to a single annual check-in window and a continuous exception review, typically consuming a fraction of the first year effort.

12. Measuring the Program: KPIs and Board Reporting

A compliance program that cannot demonstrate its own effectiveness will lose funding in the second or third budget cycle. Define the measures at the outset and report them on a fixed schedule. The metrics and year one targets below are BoosterHub suggestions calibrated to a district starting from no program at all, not benchmarks drawn from a published dataset. Set targets against the district's own baseline.

Metric	Definition	Year one target
Inventory completeness	Identified organizations with verified legal status, divided by total identified	95 percent
Recognition rate	Organizations holding full recognized status, divided by total identified	80 percent
Dollars within perimeter	Aggregate annual gross receipts of recognized organizations	Establish baseline
Approved channel adoption	Recognized organizations transacting exclusively on an approved platform	75 percent
Employee conflict remediation	Organizations with zero district employees holding signature authority	100 percent
Exempt status currency	Organizations with current filings and no automatic revocation	95 percent
Insurance currency	Organizations with an unexpired certificate on file	100 percent
Training coverage	Organizations with at least one officer trained in the current year	100 percent
On-time renewal	Annual check-ins completed before the published deadline	90 percent by year two
Exception closure	Exceptions resolved within the defined remediation window	85 percent
Administrative cost per organization	Staff hours plus platform cost, divided by recognized organizations	Establish baseline, then reduce

The dollars within perimeter measure deserves particular emphasis in board communication. It converts an abstract governance improvement into a concrete statement: the district previously had visibility into zero dollars of support organization activity and now has visibility into a specific, defensible figure. That framing is what sustains the program through a budget review.

13. Anticipated Objections and Prepared Responses

Every district encounters the same objections. Preparing responses in advance, and distributing them to campus administrators and program directors before the kickoff, prevents inconsistent messaging that undermines the program.

Objection	Prepared response
We are a separate 501(c)(3). The district has no authority over us.	Correct, and the district is not asserting authority over your organization's internal governance. The district is setting conditions for the use of its name, facilities, students, staff, and communication channels. Those are district assets, and access to them has always been conditional.
This is an enormous amount of paperwork for volunteers.	Most of the packet consists of documents a properly operating organization already maintains. The remainder is an annual confirmation that can be designed to take roughly thirty minutes on an approved platform. The alternative is a treasurer who personally absorbs tax exposure and legal risk they did not know they had.
We have used the same payment app for years with no problem.	The absence of a detected problem is not evidence of a control. Fraud research finds a median detection lag of about twelve months, and losses rise sharply the longer a scheme runs. Two specific gaps are worth naming. First, no one verified that the account collecting under the school's name is authorized to do so. Second, depending on the product, account type, and permissions, an authorized user may be able to change settlement information without the independent approval or district notification this framework contemplates, and nobody has verified the controls in the configuration actually in use. The requirement protects the volunteer holding the account at least as much as it protects the district.
Will the district now control our money?	No, and the program is deliberately designed to avoid that. The district receives summary reporting and does not hold funds, approve individual disbursements, or direct spending. That separation is intentional and is documented with the district's external auditor.
We cannot afford an external CPA engagement.	The requirement applies only above the Tier 3 threshold, and it can typically be satisfied with an agreed upon procedures engagement rather than a full audit. Districts can also consider negotiating a group rate across all Tier 3 organizations, which may reduce the per organization cost.
Our coach has always handled the deposits.	That practice creates a conflict of interest for the employee, exposes them personally if funds are ever questioned, and creates a financial reporting question for the district. Removing district employees from booster financial roles protects the employee first.
We are covered under the school's insurance.	Generally not. A district's policy responds to district operations, and a legally separate organization ordinarily sits outside it. That is the reason the affiliation agreement requires the organization to carry its own coverage and to name the district as an additional insured. Coverage should be confirmed against the organization's own policy rather than assumed from the relationship. It is also worth telling officers plainly that directors and officers coverage exists because volunteer board members can be named personally in a claim, which is the exposure volunteers are least likely to have considered.
What happens if we do not register?	The organization loses recognized status. It may not use the district's name or marks, reserve district facilities, conduct school-sponsored fundraising involving students, appear in district communications, or be identified as the sanctioned support organization for the program. The district is not restricting what a private organization does independently, off campus, under its own name. Recognition can be restored on completion of the requirements.

14. Conclusion

The booster club oversight gap is not a mystery to district leadership. It is a known condition that persists because the perceived barriers to addressing it, uncertain authority, financial reporting risk, and administrative burden, have never been resolved simultaneously.

Each of the three yields to a straightforward analysis. Authority does not require jurisdiction over an independent nonprofit; it requires conditioning access to district assets, which districts already do routinely. Financial reporting exposure is created by custody and directive authority, not by transparency, and a program can be designed to increase one while explicitly excluding the other. Administrative burden is a function of process design, and it falls sharply when registration, documentation, and monitoring run through a single system of record rather than through email and spreadsheets.

What remains is sequencing. Identify and assess together, because a list of organizations without verified status tells a district nothing it can act on. Draft and issue policy on the strength of those findings, since a board vote supported by evidence is a different conversation than one supported by concern, and a standard that was adopted but never distributed is not enforceable in practice. Educate and onboard before asking anyone to register, so that the packet an organization submits is evidence of work already done rather than a promise. Register and approve as a single paired decision, since recognition that is never granted can never be withheld. Then monitor and review annually, which is where the program permanently lives.

The goal is not to eliminate booster clubs or to burden the parents who run them. These organizations fund experiences that districts cannot fund from the general fund, and the volunteers who operate them are among the district's most committed constituents. The goal is to give them a structure in which their work is protected, their exposure is limited, and their contribution is visible to the board that ultimately answers for it.

START HERE

If your district does nothing else this year, complete Phases 1 and 2. A census with verified legal status for every support organization raising or holding money in the district's name costs a few weeks of staff time, requires no board action, and converts an unbounded exposure into a defined one. It also produces the memo that makes the policy conversation possible. Every subsequent decision becomes easier once the population is known.

Appendix A. Sample Board Policy Language

The language below is illustrative and must be reviewed by district counsel and conformed to state law and to the district's existing policy framework before adoption.

Recognition of support organizations

Organizations that are legally separate from the District and that exist to support District students, programs, campuses, or activities may be granted status as a Recognized Support Organization. Recognition is required before an organization may use the District name, mascot, or marks; reserve or use District facilities; conduct school-sponsored fundraising involving District students; be identified in District communications as a support organization for a District program; or receive the cooperation of District employees in its activities. This policy governs the use of District resources and District affiliation. It does not purport to regulate the internal affairs of a legally separate organization or activities it conducts independently of the District.

Conditions of recognition

The Superintendent or designee shall establish administrative regulations governing recognition, which shall address at minimum: verification of legal and tax exempt status; maintenance of financial accounts titled to the organization; segregation of financial duties and authorized signers; approved methods for collecting and disbursing funds; insurance requirements; annual financial and governance reporting; officer training; conflict of interest disclosure; and the process for granting, renewing, denying, and revoking recognition.

Separation of funds and authority

Funds of a Recognized Support Organization are the property of that organization and are not District funds. The District does not hold, control, or direct the use of such funds. No District employee shall serve as an officer, authorized signer, or custodian of funds of a Recognized Support Organization. District employees may serve as non-voting liaisons in a manner defined by administrative regulation.

Equity

The District shall consider contributions from Recognized Support Organizations in evaluating equitable treatment of students and shall not permit support organization funding to result in inequitable benefits among programs.

Term and revocation

Recognition is granted for one school year and must be renewed annually. The Superintendent or designee may revoke or condition recognition for failure to satisfy the requirements of administrative regulation, subject to a process for notice and appeal.

Appendix B. Sample Affiliation Agreement Provisions

The provisions below identify the substantive clauses an affiliation agreement should contain. Drafting must be completed by counsel.

- **Grant of recognition.** States the term, the programs covered, and that recognition is an annually renewable affiliation status rather than a property interest. Counsel should pair this with the written criteria, notice, cure, and appeal provisions below, since the process safeguards are what make a revocation defensible.
- **Name and marks license.** Grants limited, non-exclusive, non-transferable, revocable permission to use specified district names and marks for defined purposes, with approval required for merchandise and sponsorship uses.

- **Independent status.** Confirms the organization is not an agent, employee, joint venturer, or instrumentality of the district, that the district does not hold or direct its funds, and that the organization holds itself out accordingly.
- **Financial operating requirements.** Incorporates the applicable tier of the minimum control standard by reference to the administrative regulation, so the agreement need not be reopened when the standard is updated.
- **Prohibition on district employee financial roles.** Bars district employees from serving as officers, signers, or custodians, and requires the organization to notify the district of any change in signers.
- **Insurance.** Specifies coverage types and limits, requires the district to be named as an additional insured, and requires certificates before facility use.
- **Reporting and records access.** Requires annual submission of specified financial and governance documents and grants the district the right to request supporting records, while expressly stating that this right does not confer control over the organization's assets.
- **Compliance with law.** Addresses tax filings, charitable solicitation, gaming and raffles, sales tax, and student data handling.
- **Equity acknowledgment.** The organization acknowledges the district's obligation to ensure equitable treatment and agrees to coordinate significant contributions in advance.
- **Prohibited practices.** Individual fundraising accounts that credit proceeds to specific students, personal payment accounts, cash disbursements without documentation, and unapproved use of district property.
- **Term, renewal, revocation, and appeal.** One year term, annual renewal contingent on the check-in, revocation standard, notice, cure period where appropriate, and appeal path.
- **Signatures.** Executed by the organization's president and treasurer, and countersigned by the district's designated program owner.

Appendix C. Glossary of Terms

Term	Definition
Associated Student Body (ASB) funds	Funds raised by and for students that are held and accounted for by the district. Not the subject of this paper.
Campus activity funds	District funds raised at a campus for campus purposes, accounted for within the district's general fund.
Component unit	A legally separate organization for which the primary government is financially accountable, or whose omission would render the district's financial statements misleading.
Discretely presented component unit	A component unit reported in a separate column of the district's government wide statements.
Fiduciary activity	Activity in which a government controls assets that are not its own and that are for the benefit of parties outside the government, as defined by GASB Statement No. 84.
GASB 39	Governmental Accounting Standards Board Statement No. 39, addressing certain affiliated organizations as component units.
GASB 84	Governmental Accounting Standards Board Statement No. 84, Fiduciary Activities, which governs identification and reporting of fiduciary activities.
Individual fundraising account	A practice in which fundraising proceeds are credited to specific students in proportion to their participation, which can jeopardize exempt status and create taxable income.
Independent support organization	A legally separate entity, typically a booster club or PTO, that supports district programs and holds its own funds.
Private inurement	The impermissible transfer of a tax exempt organization's earnings or assets to an insider, which can result in loss of exempt status.
Recognized Support Organization	A support organization granted annual, revocable status by the district after satisfying defined requirements.
Segregation of duties	The separation of authorization, custody, and record keeping among different individuals so that no single person controls a complete transaction cycle.
Unrelated business income	Income from a trade or business regularly carried on by an exempt organization that is not substantially related to its exempt purpose, which may be taxable.

References

Sources below support the explanatory sections of this paper. Reference [11] is BoosterHub primary research rather than an external source, and is identified as such wherever it is cited. Frameworks, thresholds, tiers, maturity levels, and targets identified as BoosterHub recommended models are not drawn from these sources and are not established by any external authority. Regulatory citations reflect the authors' reading as of publication. Standards, thresholds, and guidance change, and links were current when this paper was issued; readers tracing a claim should confirm it against the current source.

[1] Governmental Accounting Standards Board, Statement No. 84, Fiduciary Activities (issued January 2017; effective for reporting periods beginning after December 15, 2018). See paragraphs 6 through 11 on the criteria for identifying fiduciary activities, and paragraph 12 on what it means for a government to control assets. See also GASB Implementation Guide No. 2019-2, Fiduciary Activities. gasb.org

[2] Governmental Accounting Standards Board, Statement No. 39, Determining Whether Certain Organizations Are Component Units (issued May 2002), paragraph 5, as amended by Statement No. 61, The Financial Reporting Entity: Omnibus (issued November 2010). gasb.org

[3] Internal Revenue Service, Tax Exempt Organization Search. irs.gov/charities-non-profits/tax-exempt-organization-search

[4] Internal Revenue Code section 6033(j), providing for automatic revocation of exempt status where an organization fails to file a required annual return or notice for three consecutive years. See also IRS annual filing requirements for Form 990, Form 990-EZ, and Form 990-N (e-Postcard), and the IRS Automatic Revocation of Exemption List. irs.gov

[5] Title IX of the Education Amendments of 1972, 20 U.S.C. sections 1681 and following; implementing regulations at 34 C.F.R. Part 106, in particular section 106.41(c), which sets out the factors considered in assessing equal athletic opportunity. See also U.S. Department of Education Office for Civil Rights, Policy Interpretation on Title IX and Intercollegiate Athletics, 44 Fed. Reg. 71413 (December 11, 1979), and subsequent OCR guidance addressing benefits provided to student athletes irrespective of funding source. ecfr.gov and ed.gov

[6] Internal Revenue Code section 6050W and the Internal Revenue Service instructions for Form 1099-K, governing information reporting by payment settlement entities. Reporting thresholds have been adjusted repeatedly in recent years; confirm the threshold in effect for the applicable tax year before advising volunteers. irs.gov

[7] Internal Revenue Service Publication 1771, Charitable Contributions: Substantiation and Disclosure Requirements, addressing the contemporaneous written acknowledgment a donor must obtain for a contribution of $250 or more. irs.gov/pub/irs-pdf/p1771.pdf

[8] Association of Certified Fraud Examiners, Occupational Fraud 2026: A Report to the Nations (14th edition, 2026), based on 2,402 cases across 143 countries and more than $3.4 billion in documented losses. Findings cited in this paper include the median loss per case, the median detection lag, loss by detection interval, the share of cases first detected by tip, and the difference in reporting mechanism prevalence between small and large organizations. acfe.com

[9] Internal Revenue Code section 501(c)(3) and Treasury Regulation section 1.501(c)(3)-1(d)(1)(ii), addressing operation for the benefit of private interests, together with section 1.501(c)(3)-1(c)(2) on inurement. IRS Exempt Organizations technical instruction materials addressing athletic booster clubs and cooperative fundraising discuss how these principles apply to individual participant accounts. irs.gov

[10] Association Insurance Management (AIM), an agency writing insurance for parent and booster organizations since 1989 and licensed in all fifty states. Statements in this paper regarding claims experience and the conditions of crime and fidelity coverage are drawn from a written statement provided by Jamie Fagan, President, on AIM letterhead, dated August 26, 2026, and on file with BoosterHub. Statements regarding coverage categories and activity restrictions are drawn from an interview with Elgin Allen Jr., Founder and Chief Executive Officer, and Jamie Fagan, President, recorded for The Boosted Volunteer, a podcast produced by BoosterHub, 2026; the interview is a BoosterHub produced source and is identified as such. Coverage terms, conditions, and availability vary by carrier, policy form, activity, and state, and organizations should confirm the terms of their own policies with their agent. boosterhub.com

[11] BoosterHub Market Interest Survey, 2026. A non-probability survey of 65 self-selected school and district athletic leaders fielded by BoosterHub in 2026: athletic directors (77 percent), district athletic administrators (17 percent), principals or assistant principals (5 percent), and other roles (2 percent). No respondent identified as a CFO, school business official, or internal auditor. Percentages are calculated on all 65 respondents and rounded to the nearest whole number. Findings are directional and are not projectable to schools or districts nationally. The survey instrument and aggregate results are available from BoosterHub on request. boosterhub.com

Additional matters treated in this paper are governed by state law and vary materially by jurisdiction, including charitable solicitation registration, gaming and raffle authorization, sales and use tax collection and exemption, nonprofit incorporation and unincorporated association status, public records obligations, insurance requirements, procurement and cooperative purchasing rules, and the scope of local board authority over affiliated organizations. No federal source establishes a uniform answer on any of these. Districts should consult their state agency guidance and counsel on each.

About BoosterHub

BoosterHub provides accounting, payment processing, fundraising, communication, website, and volunteer management tools purpose built for K-12 booster clubs and parent organizations. Nearly 1,000 organizations across more than 44 states operate on the platform, which has processed over $55 million for student programs.

DistrictHub extends that infrastructure to the district level, giving school business officials a single system of record for support organization registration, annual check-in, documentation, exception reporting, and financial visibility, without the district taking custody of or directive authority over organization funds.

To discuss how the framework in this paper applies to your district, contact BoosterHub at boosterhub.com.

Disclaimer: This paper is provided for general informational purposes and does not constitute legal, tax, accounting, or auditing advice. Districts should consult their own counsel, external auditor, and state agency guidance before adopting policy, and should conform any framework described here to applicable state law and local requirements.