

The Band Booster Club  
Following the Money Trail  
Presented by Wallace Dierolf for the Texas Bandmasters Association  
July 22-25, 2005

Below is a basic outline that I will follow during this session. My comments and suggestions are based on personal experience and research. There is a vast amount of material published on the management of money within an organization. So, as we move through this session please understand that I selected areas specific to the Band Booster Club as a financial nonprofit organization. I will open the floor up for your questions and contributions as time allows.

1. Basic money management within a nonprofit organization.
  - A. How to avoid going into debt.
  - B. Establishing a bank account.
  - C. The financial records of a Band Booster Club.
  - D. Handling the cash and checks accumulated by the Band Booster Club.
  - E. Handling the cash and checks distributed by the Band Booster Club.
  
2. Protecting the financial assets of a Band Booster Club as a nonprofit organization.
  - A. The importance of bonding (or financial insurance).
  - B. Filing letters of incorporation for additional protection.
  - C. The importance of a yearly audit and report.
  
3. The Internal Revenue Service in reference to nonprofit organizations.
  - A. Why a Band Booster Club must have an EIN (employer identification number).
  - B. How to obtain an EIN.
  - C. Application for recognition of exemption under section 501(C)(3).
  - D. How to file for a 501(C)(3) exemption using form 1023.
  - E. The importance of IRS publication 4220 and 4221.
  - F. The importance of IRS publication 557 when filing letters of incorporation.
  - G. Reporting paid employee income to the IRS.
  - H. The importance of a 1099 miscellaneous income form being issued to individuals employed by a Band Booster Organization.
  - I. Making certain you maintain your status as a nonprofit, 501(C)(3) organization.
  - J. Filing a form 990 (Report of Organization Exempt from Income Tax).
  - K. General information on how to stay out of trouble with the IRS.

There is a great deal of information on the web site for the Internal Revenue Service ([irs.gov](http://irs.gov)). I also strongly encourage any and all Band Booster Clubs to seek out the service of a CPA and Attorney when dealing with the major financial documents (letters of incorporation, tax forms, etc....).

I am not an employee of the Internal Revenue Service, a CPA or an Attorney. The information I shared with you during this session was the result of interviews with treasurers of successful nonprofit organizations, CPA's, Attorneys and long hours of research on the IRS web site.

Thank you and may the Pitch be with you,

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