



Lake Ridge Eagles Band Boosters By-Laws and Constitution

3/19/24 Proposed Changes to: Article VII (D) "Treasurer", Article XII "Budgeting", and New Section in Article VII "Assistant Treasurer"

Article VII - Duties of Officers

D. Treasurer

1. The Treasurer is the authorized custodian of the Organization's funds. The Treasurer receives and disburses all monies indicated in the budget and prescribed in these bylaws or as authorized by action of the Organization. All persons authorized to handle funds should be covered by a fidelity bond in an amount based upon the Organization's annual income and determined by the Officers.
2. The major duties include, but are not limited to, the following:
 - Maintain accurate and permanent records in accordance with MISD Guidelines and procedures;
 - Records should be kept for a period of ten (10) years for audit purposes;
 - Issue a receipt for all monies received and deposit said amounts;
 - Present a current financial report including bank statements, bank reconciliations, statements to the Organization at each monthly membership meeting. Copies should be available for review by Voting Members;
 - File current financial reports at the end of each fiscal year with the MISD business office;
 - Reconcile all bank statements as received and resolve any discrepancies with the bank immediately;

Original Text:

Text with Proposed Change:	<ul style="list-style-type: none"> ● <u>Support the Assistant Treasurer in Reconciling</u> all bank statements as received and resolve any discrepancies with the bank immediately;
Text After Change:	<ul style="list-style-type: none"> ● Support the Assistant Treasurer in Reconciling all bank statements as received and resolve any discrepancies with the bank immediately;

- File sales tax reports as required by the Texas Comptroller's Office (monthly, quarterly, or annually). Sales tax reports must be filed even if no sales tax was collected for the period reported. If not, a non-filing fee will be assessed by the Texas Comptroller's Office;



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**Original
Text:**

- File annual IRS form 990, 990-T, 990-N or 990-EZ in a timely manner;
- Provide IRS Form 1099 MISC, where applicable, in accordance with IRS guidelines;

**Text with
Proposed
Change:**

- Meet with and support the organization's designated CPA or Financial Service Provider in order to File annual IRS form 990, 990-T, 990-N or 990-EZ in a timely manner;
- Meet with and support the organization's designated CPA or Financial Service Provider in order to Provide IRS Form 1099 MISC, to those individuals, businesses, etc. who are paid \$600.00 or more in a calendar year upon receiving a completed W9~~where applicable~~, in accordance with IRS guidelines;

**Text
After
Change:**

- **Meet with and support the organization's designated CPA or Financial Service Provider in order to** File annual IRS form 990, 990-T, 990-N or 990-EZ in a timely manner;
- 1. **Meet with and support the organization's designated CPA or Financial Service Provider in order to** Provide IRS Form 1099 MISC, **to those individuals, businesses, etc. who are paid \$600.00 or more in a calendar year upon receiving a completed W9**, in accordance with IRS guidelines;

- Follow the budgeting guidelines established in Article XII;
 - Deliver financial records to the Audit Committee within ten (10) days of the end of the organization's fiscal year; and
 - Work with the Audit Committee at the end of the fiscal year to identify any discrepancies in the records.
3. Due to the increasing requirements placed on charitable organizations by the Internal Revenue Service, it is strongly recommended that the Treasurer have an accounting or business background.



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3/19/24 Proposed Changes to: Article VII (D) "Treasurer", Article XII "Budgeting", and New Section in Article VII "Assistant Treasurer"

Original Text (none):

Text with Proposed Change:	<p><u>(NEW) Assistant Treasurer</u></p> <ol style="list-style-type: none"> <u>1. The Assistant Treasurer shall not be designated as a signer on the financial accounts, but shall be provided online access to banking information to help facilitate communications between the Treasurer and other Officers.</u> <u>2. The Assistant Treasurer shall Create and Maintain Invoices and Payment Records for Band/Winterguard Registration Fees and provide statements to families.</u> <u>3. The Assistant Treasurer shall provide a detailed delinquent record of Registration/Uniform fees each month to the Band Directors.</u> <u>4. The Assistant Treasurer shall assist the Treasurer with financial responsibilities associated with major events involving tickets and/or concessions sales.</u> <u>5. In the event the Treasurer cannot fulfill his/her duties the Assistant Treasurer shall act as an interim Treasurer until one can be elected.</u> <u>6. The Assistant Treasurer shall prepare the bank reconciliation monthly.</u> <u>7. The Assistant Treasurer is intended to have the financial recording, reporting, and reconciliation responsibilities as a separation from the Treasure who is intended to have physical custody of assets of the organization (i.e. deposits and checkbook). The Treasurer is intended to complete deposits and then submit the deposit slip and supporting documentation to the Assistant Treasurer for record keeping.</u> <u>8. Due to the increasing requirements placed on charitable organizations by the Internal Revenue Service, it is strongly recommended that the Assistant Treasurer have an accounting or business background.</u>
Text After Change:	<p>Assistant Treasurer</p> <ol style="list-style-type: none"> 1. The Assistant Treasurer shall not be designated as a signer on the financial accounts, but shall be provided online access to banking information to help facilitate communications between the Treasurer and other Officers. 2. The Assistant Treasurer shall Create and Maintain Invoices and Payment Records for Band/Winterguard Registration Fees and provide statements to families. 3. The Assistant Treasurer shall provide a detailed delinquent record of Registration/Uniform fees each month to the Band Directors. 4. The Assistant Treasurer shall assist the Treasurer with financial responsibilities associated with major events involving tickets and/or concessions sales. 5. In the event the Treasurer cannot fulfill his/her duties the Assistant Treasurer shall act as an interim Treasurer until one can be elected. 6. The Assistant Treasurer shall prepare the bank reconciliation monthly. 7. The Assistant Treasurer is intended to have the financial recording, reporting, and reconciliation responsibilities as a separation from the Treasure who is intended to have physical custody of assets of the organization (i.e. deposits and checkbook). The Treasurer is intended to complete deposits and then submit the deposit slip and supporting documentation to the Assistant Treasurer for record keeping. 8. Due to the increasing requirements placed on charitable organizations by the Internal Revenue Service, it is strongly recommended that the Assistant Treasurer have an accounting or business background.



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Original Text:

Article XII – Budgeting

Text with Proposed Change:	Article XII – Budgeting <u>and Money Management</u>
Text After Change:	Article XII – Budgeting and Money Management

A. Annual budgets must be formulated and presented by the President during the May Monthly Meeting. The budget must be approved by the Organization upon a majority vote by all Voting Members present during the May monthly meeting. The annual budget must be prepared in such a manner to include the following details:

Original Text:

1. Set forth the anticipated fundraising project(s);
2. Anticipated donation proceeds;
3. Identify the Organization's expenditures: and
4. Describe the purpose of the funds.

Text with Proposed Change:	<p>The annual budget must be prepared in such a manner to include the following details:</p> <ol style="list-style-type: none"> 1. Set forth the anticipated fundraising project(s); 2. Anticipated donation, <u>registration fees, and other</u> proceeds; 3. Identify the Organization's expenditures; and 4. Describe the purpose of the funds; and- 5. <u>The revenue must be greater than or equal to the expenditures for the budget to be considered complete.</u>
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Text After Change:	<p>The annual budget must be prepared in such a manner to include the following details:</p> <ol style="list-style-type: none"> 1. Set forth the anticipated fundraising project(s); 2. Anticipated donation, registration fees, and other proceeds; 3. Identify the Organization's expenditures; 4. Describe the purpose of the funds; and 5. The revenue must be greater than or equal to the expenditures for the budget to be considered complete.
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Original Text:

B. The Organization shall maintain a checking account(s) with the Organization's EIN number. The account shall have three (3) authorized signatures: Treasurer, and two (2) other officers. It is suggested, but not required that these two other signers be the President and Vice-President.

Text with Proposed Change:	<p>B. The Organization shall maintain a checking<u>one or more bank</u> account(s) with the Organization's EIN number. The account<u>s</u> shall have three (3) authorized signatures: Treasurer, and two (2) other officers. It is suggested, but not required that these two other signers be the President and <u>a</u> Vice-President.</p>
Text After Change:	<p>B. The Organization shall maintain one or more bank accounts with the Organization's EIN number. The accounts shall have three (3) authorized signatures: Treasurer, and two (2) other officers. It is suggested, but not required that these two other signers be the President and a Vice-President.</p>

- C. Two (2) authorized persons shall sign all checks.
 - 1. An authorized person cannot sign a check issued to them.
 - 2. The Director of Bands shall not have check signature authority.
- D. Checks must never be signed with a blank payee or made out to "Cash" on the 'Pay to the Order of' line.



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3/19/24 Proposed Changes to: Article VII (D) "Treasurer", Article XII "Budgeting", and New Section in Article VII "Assistant Treasurer"

Original Text:

E. All expenditures are to be made by check, credit, or debit card, never cash.

Text with Proposed Change:

E. All expenditures ~~are to shall~~ be made by check, credit ~~card~~, ~~or~~ debit card, Zelle, Electronic Funds Transfer (EFT/ACH), or Bank Withdrawal ~~never cash~~. Expenditures shall never be made with cash. Any purchase by the above payment methods shall be pre-approved in writing by at least two of the authorized account signers in paragraph B above. The record of pre-approval shall be attached to the permanent treasurer record associated with that expenditure. This is the same principle as requiring two signatures on checks. Any debit/credit/Zelle purchase or Electronic Funds Transfer or Bank Withdrawal over \$500 must be pre-approved by an additional executive board member via email in writing for inclusion in the Treasurer records for that expenditure.

Text After Change:

E. All expenditures ~~are to shall~~ be made by check, credit card, or debit card, Zelle, Electronic Funds Transfer (EFT/ACH), or Bank Withdrawal ~~never cash~~. Expenditures shall never be made with cash. Any purchase by the above payment methods shall be pre-approved in writing by at least two of the authorized account signers in paragraph B above. The record of pre-approval shall be attached to the permanent treasurer record associated with that expenditure. This is the same principle as requiring two signatures on checks. Any debit/credit/Zelle purchase or Electronic Funds Transfer or Bank Withdrawal over \$500 must be pre-approved by an additional executive board member via email in writing for inclusion in the Treasurer records for that expenditure.



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3/19/24 Proposed Changes to: Article VII (D) "Treasurer", Article XII "Budgeting", and New Section in Article VII "Assistant Treasurer"

Original Text:

The Organization must NEVER have more than two debit or credit cards issued in the Organizations name at a time. Debit and/or credit cards will be directly linked to the Booster Bank Account. The debit and/or credit cards shall have three authorized users: President, Treasurer and Volunteer Coordinator. Any purchase over \$500 must be approved by an additional executive board member via email.

Text with
Proposed
Change:

The Organization must NEVER have more than two debit ~~or cards and one credit cards~~ issued in the Organizations name at a time.
Debit and/or credit cards will be directly linked to the Booster Bank Account.
The Each debit and/or credit cards (if any) are issued by the bank to one of the authorized account signers in paragraph B above. shall have three authorized users: President, Treasurer and Volunteer Coordinator.
It is suggested, but not required, that debit cards (if any) are assigned to the Treasurer and either the President or a Vice-President.
It is suggested, but not required, that the credit card (if any) is assigned to the Treasurer.
At the May or June Booster meeting a vote shall be taken and the minutes shall clearly record the updated list of authorized account signers (who is being added and who is being removed) as well as specifically which officers are authorized to be issued debit and/or credit cards (who will be issued new cards, and whose cards will be cancelled).
Debit/Credit Cards that have been issued to officers must be canceled immediately at the beginning of the fiscal year for which they are no longer an authorized card holder.
Any purchase over \$500 must be approved by an additional executive board member via email.

Text After
Change:

The Organization must NEVER have more than two debit **cards and one credit card** issued in the Organizations name at a time.
Debit cards will be directly linked to the Booster Bank Account.
Each debit and/or credit cards (if any) are issued by the bank to one of the authorized account signers in paragraph B above. .
 It is suggested, but not required, that debit cards (if any) are assigned to the Treasurer and either the President or a Vice-President.
 It is suggested, but not required, that the credit card (if any) is assigned to the Treasurer.
 At the May or June Booster meeting a vote shall be taken and the minutes shall clearly record the updated list of authorized account signers (who is being added and who is being removed) as well as specifically which officers are authorized to be issued debit and/or credit cards (who will be issued new cards, and whose cards will be cancelled).
 Debit/Credit Cards that have been issued to officers must be canceled immediately at the beginning of the fiscal year for which they are no longer an authorized card holder.



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Original Text:

The debit and/or credit cards shall only be used for the following:

1. Meals – Student/ Adult Volunteers/ Director of Bands and Staff meals for Games, competitions, and other events as requested by the Director of Bands.
2. Event Support – Supplies for events including but not limited to: Marching Competitions, Concession Stands, Banquets, student recognition events, and other events requested by the Director of Bands.
3. Ad-Hoc – After school band activities, social events, and other events as requested by the Director of Bands.

Text with Proposed Change:	<p>The debit and/or credit Debit cards (if any) shall only be used for the following:</p> <ol style="list-style-type: none"> 1. Meals – Student/ Adult Volunteers/ Director of Bands and Staff meals for Games, competitions, and other events as requested by the Director of Bands. 2. Event Support – Supplies for events including but not limited to: Marching Competitions, Concession Stands, Banquets, student recognition events, and other events requested by the Director of Bands. 3. Ad-Hoc – After school band activities, social events, and other events as requested by the Director of Bands. 4. <u>Online payments where payment by check is not possible (Examples include online purchase for urgent Props/Uniform items or monthly/annual administrative fees/subscriptions such as square services or storage unit).</u> <p><u>The Credit Card (if any) shall only be used for travel-related emergencies associated with multi-day band trips (for example: to react to a flight cancellation).</u></p> <p><u>Zelle Payments (if any) shall only be authorized from the primary checking account and only for monthly payments to Master Class teachers.</u></p> <p><u>Bank Withdrawals shall only be authorized for events requiring cash boxes.</u></p>
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Text After Change:	<p>Debit cards (if any) shall only be used for the following:</p> <ol style="list-style-type: none"> 1. Meals – Student/ Adult Volunteers/ Director of Bands and Staff meals for Games, competitions, and other events as requested by the Director of Bands. 2. Event Support – Supplies for events including but not limited to: Marching Competitions, Concession Stands, Banquets, student recognition events, and other events requested by the Director of Bands. 3. Ad-Hoc – After school band activities, social events, and other events as requested by the Director of Bands. 4. Online payments where payment by check is not possible (Examples include online purchase for urgent Props/Uniform items or monthly/annual administrative fees/subscriptions such as square services or storage unit). <p>The Credit Card (if any) shall only be used for travel-related emergencies associated with multi-day band trips (for example: to react to a flight cancellation).</p> <p>Zelle Payments (if any) shall only be authorized from the primary checking account and only for monthly payments to Master Class teachers.</p> <p>Bank Withdrawals shall only be authorized for events requiring cash boxes.</p>
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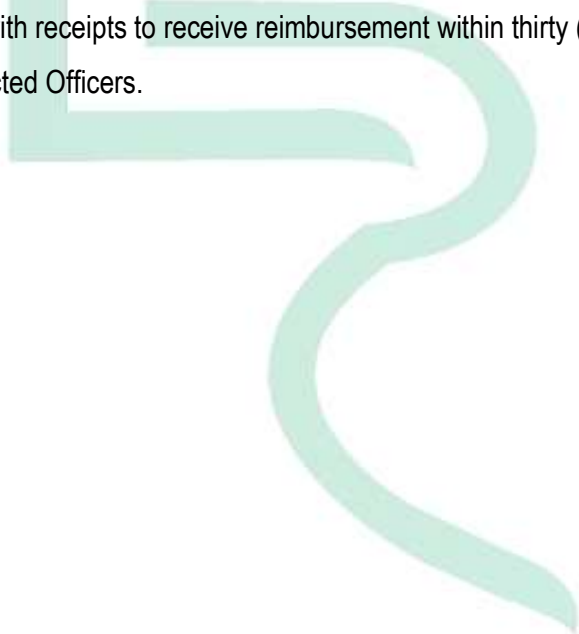
Original Text:

F. All requests for disbursement must be made from established budget line items. If a request exceeds the budget or is for an item not previously included in the budget process, a vote must be taken prior to expenditure.

Text with Proposed Change:	<p>F. All requests for disbursement must be made from established <u>or pending</u> budget line items. <u>A pending budget line item is one that the Treasurer and another officer (preferably the President) have agreed prior to disbursement in writing to propose for vote at the next booster meeting. This can be a new line item or a change to a line item amount.</u> If a request exceeds the budget or is for an item not previously included in the budget process, a vote must be taken <u>for incorporation of a pending budget line item prior to within 1 month of the</u> expenditure.</p>
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Text After Change:	<p>F. All requests for disbursement must be made from established or pending budget line items. A pending budget line item is one that the Treasurer and another officer (preferably the President) have agreed prior to disbursement in writing to propose for vote at the next booster meeting. This can be a new line item or a change to a line item amount. If a request exceeds the budget or is for an item not previously included in the budget process, a vote must be taken for incorporation of a pending budget line item within 1 month of the expenditure.</p>
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G. Where the organization is not billed directly, there must be a completed check request documenting expenditure amount and type submitted with receipts to receive reimbursement within thirty (30) days of the expense unless prior authorization by the elected Officers.





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Original Text:

H. All collected monies should be deposited within five (5) business days of receipt.

Text with Proposed Change:

H. All collected monies ~~should~~ shall be deposited on the same day (within 24 hours) of receipt utilizing the Bank night drop if necessary ~~within five (5) business days of receipt.~~ At no time shall collected funds be maintained at a member's home. The officers should provision options for a lockbox or safe to mitigate scenarios where insufficient paperwork, number of counters, number and size of sealable cash bags, or other issues may prevent the utilization of the Bank's night drop. Cash shall be adequately safeguarded at all times. Cash transfers shall be handled the same as a check or EFT with authorization of two officers or designated representative required. Officers who have physical custody of assets of the organization (i.e. deposits and checkbook) should not also have recording, reporting, and reconciliation responsibilities. In other words, if the Treasurer is physically making cash deposits or cash withdrawals, there must be an Assistant Treasurer or other person maintaining and reconciling the financial books/records monthly.

Text After Change:

H. All collected monies shall be deposited on the same day (within 24 hours) of receipt utilizing the Bank night drop if necessary. At no time shall collected funds be maintained at a member's home. The officers should provision options for a lockbox or safe to mitigate scenarios where insufficient paperwork, number of counters, number and size of sealable cash bags, or other issues may prevent the utilization of the Bank's night drop. Cash shall be adequately safeguarded at all times. Cash transfers shall be handled the same as a check or EFT with authorization of two officers or designated representative required. Officers who have physical custody of assets of the organization (i.e. deposits and checkbook) should not also have recording, reporting, and reconciliation responsibilities. In other words, if the Treasurer is physically making cash deposits or cash withdrawals, there must be an Assistant Treasurer or other person maintaining and reconciling the financial books/records monthly.

I. Two (2) Voting Members should always count the money, and both Voting Members should sign the receipt verifying the amount. The Treasurer shall sign a deposit form confirming the money count, which is kept as part of the Treasurer's annual records.



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- J. Bank statements should be mailed or emailed to the address maintained by the Organization so that they can be reviewed by a Voting Member who does not have check signing authority. Said Voting Member shall review the bank statement monthly looking for red flags including: checks showing up in non-sequential order, checks made out to cash, cash withdrawals, checks written out to non-approved vendors, checks written for non-approved expenses, and checks written out to individuals.
- K. Expenses not approved in the annual budget or significant modifications of the approved budget must be approved by simple majority vote by the Voting Members of the Organization.
- L. The President and Treasurer are responsible for ensuring budgeting adheres to MISD Booster Club Guidelines.

