

Review Report Information & Formats

Each Booster Club is required to have an organizational committee conduct an annual review of the organization's Financial Report and the related financial activity for the school year. The review committee may be two types: internal or external. An internal review committee includes officers and club members; however, the committee should have at least one non-officer member review the information. A CPA or other outside party may perform an external review at the Club's expense. The organizational review committee, whether internal or external, must prepare a written Review Report that communicates the results of the review to the organization.

IMPORTANT

- The Treasurer(s) [and Assistant Treasurer(s), if applicable] **should not** be on the Review Committee. **Since they are reviewees, they can not also be the reviewers.** However, they may meet with the committee or external reviewer to explain their records or answer questions.
- The Sponsor, Sponsor's spouse, or Officer's spouse can not be the designated "non-officer" member of the Review Committee. They may be part of the Review Committee; however, they would not be considered non-officers for the purpose of the review.

An internal Review Committee should use the examples of Review Reports included on the next few pages. However, an external party should show the results of the review in their own report format with their signature and date included. Although the examples included show space for four (4) members, the Club may have more or fewer committee members. However, the same information must be documented for **each committee member** (*as opposed to the group as a whole*), regardless of the size of the committee.

The Booster Club Review Report examples include:

- **Option A - Review was performed with no exceptions noted;** therefore, the Financial Report appears proper and correct.
- **Option B - Review was performed with immaterial exception(s) being noted.** The Financial Report was either corrected or exceptions did not have a material effect. Except for these minor exceptions, the Financial Report appears proper and correct.
- **Option C - Review was performed with material exception(s) being noted.** Because of the material exception(s), the Financial Report is not proper and correct.

In some instances, due to material exception(s), the committee may not be able to determine whether the Financial Report is proper and correct. When this situation occurs, the committee may state that the status of the Financial Report could not be determined because of material exception(s).

The Review Report along with the Financial Report should be submitted to the Sponsor, the School Principal, and the Internal & Systems Control Department by September 15th of each year.

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Suggested Review Committee Guidelines

The following suggested guidelines are designed to assist the Booster Club Review Committee in conducting a thorough review of the Booster Club's Financial Report and the financial activity for the applicable school year.

- Have the Treasurer prepare the written report of revenues and expenditures (Financial Report) for your Booster Club. The report should include information for the twelve months after the ending date of the previous year's Financial Report.
- The review must cover the period beginning with the reconciled cash balance from the previous written Financial Report and ending with the reconciled cash balance from the last day of the time period reported by the Booster Club. If the Club is using an accrual basis financial report, then the beginning retained earnings should equal the prior year's ending retained earnings balance plus/(minus) net income/(loss) for the current year.
- Foot all column totals of the Financial Report for accuracy.
- Review the reconciled bank statements and canceled checks to determine that:
 1. Disbursements have been properly documented with an invoice or receipt,
 2. Disbursements have been properly approved,
 3. Checks have been properly signed by two authorized signatories,
 4. Checks have been deposited or cashed by the payee indicated and that no information on the face of the check has been altered, and
 5. Checks have been accounted for in the proper sequence (no missing checks).
- Check addition and subtraction on cash receipts and deposits.
- Compare cash receipts and deposits to the bank statement.
- Verify that receipts and disbursements were recorded to the correct account category.
- Review the Treasurer's monthly reports and check them for accuracy. Review the beginning and ending balances on reports to verify that correct ending balances were carried forward as beginning balances on subsequent reports.
- Determine that only applicable Booster Club officers are authorized signers on the bank account(s). Former officers should not remain on the account(s) as authorized signers. **In addition, a District employee can not be the Treasurer or an authorized signer on the Booster Club's bank account(s). A District substitute or temporary worker may be a Treasurer or an authorized signer on the Booster Club's bank account(s) with proper written approval. (See *Authorization for Signer on PTO & Booster Club Bank Accounts in the Appendix.*)**
- Determine that the coaches and directors of UIL academics, athletics, and fine arts were not given more than \$500 in money, product(s), or service(s) in recognition for coaching, directing, or sponsoring UIL activities during a calendar year.

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- Obtain proof that all applicable sales tax reports were submitted to the Texas Comptroller's Office and that the related taxes were paid.
- Determine which two fund-raisers were chosen to be the "one-day, tax-free" sales/auctions, if applicable. **Only Booster Clubs that have received an exemption from the Texas Comptroller's Office are allowed two (2) "one-day, tax-free" sales/auctions per calendar year.**
- Review the tax-exempt status of the Booster Club to determine that the Club has received and maintained its federal tax-exempt status as a public 501(c)(3) charitable organization or other tax-exempt status by contacting the IRS.
- Determine that
 - (1) Form 990 has been filed properly with the IRS for the prior school year if the Club had \$200,000 or more in gross revenues, or
 - (2) Form 990-EZ has been filed properly with the IRS for the prior school year if the booster club had more than \$50,000 but less than \$200,000 in gross revenues, or
 - (3) Form 990-N (e-Postcard) has been filed properly with the IRS for the prior school year if the Club had \$50,000 or less in gross revenues.
- Determine that the Booster Club has not used individual accounts, which credit funds raised to individual students or parents.
- Verify that Copy B and Copy 2 of 1099s were issued to recipients by January 31st. The due date is extended to February 15th if you are reporting payments in boxes 8 or 14. In general, you have to issue a 1099-MISC (Miscellaneous Income) for each person to whom you have paid at least \$600 in rents, services, prizes & awards, attorney fees, and other similar situations **within a calendar year**.
- File Copy A of the 1099-MISC form with the IRS by February 28th. If you file electronically, the due date is April 1st.
- Verify that Form 1096 was filed by February 28th if paper Forms 1099s were issued or that Form 1096 was electronically filed by April 1st if Forms 1099s were electronically filed. For more information, please refer to the following link from the IRS website-
<http://www.irs.gov/pub/irs-pdf/i1099gi.pdf>.

Example: High-Kick Drill Team Booster Club hires a consultant during the Spring of the 2011-12 school year for a \$300 fee. The consultant is hired again in the Fall of 2012-13 school year for a \$300 fee. The Booster Club should issue a 1099-MISC form to this person since the total paid within the 2012 calendar year is \$600.

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After the review is complete, prepare the applicable Review Report (**only one** report type may be used per review):

Option A	No Exceptions (i.e., errors, irregularities)	Financial Report appears proper and correct
Option B	Immaterial Exceptions	Financial Report appears proper and correct, except for some immaterial exceptions
Option C	Material Exceptions	Financial Report does not appear proper and correct because of material exception(s) or Financial Report status can not be determined because of material exception(s)

- If exceptions are noted during the review, consult with the organization's Treasurer and President (if necessary) to resolve the exception(s). The Treasurer is responsible for making any corrections to the records, checkbook, and Financial Report.
- If material exceptions have been noted, prepare recommendations to prevent the future occurrence of these exceptions.
- The organization's Treasurer and President are responsible for acting upon the recommendations made by the Booster Club Review Committee.
- The Review Report includes reviewer's name, title, and signature and the period stated in the report, agrees with the period covered in the Financial Report.
- Retain the **original** written Booster Club Financial Report and the **original** Booster Club Review Report on file with the Treasurer of the Booster Club.
- Submit a **copy** of your Booster Club Financial Report along with the Review Report to the Sponsor, the School Principal, and the Department of Internal & Systems Control.

The Financial Report and the Review Report must be presented at a Booster Club Meeting that includes its general membership by October 31st of each year.

Review Report Information & Formats

Option A
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(proper & correct with no exceptions)

**XYZ High School Spirit Booster Club
REVIEW COMMITTEE REPORT
FOR THE TIME PERIOD
July 1, 2011 through June 30, 2012**

The Review Committee members named below have reviewed the attached Financial Report and related financial activity for the time period of July 1, 2011 through June 30, 2012, in detail. These members agree that the Financial Report and the related financial activity are proper and correct to the best of their knowledge. **No exceptions were noted during the review.**

_____	_____	_____	____/____/____
Printed Name	Officer Title/Member	Signature	Date
_____	_____	_____	____/____/____
Printed Name	Officer Title/Member	Signature	Date
_____	_____	_____	____/____/____
Printed Name	Officer Title/Member	Signature	Date
_____	_____	_____	____/____/____
Printed Name	Officer Title/Member	Signature	Date

Note: If a reviewer is a non-officer, their title (second column) should be "Member".

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Option B
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(proper & correct with immaterial exceptions)

XYZ High School Spirit Booster Club
REVIEW COMMITTEE REPORT
FOR THE TIME PERIOD
July 1, 2011 through June 30, 2012

The Review Committee members named below have reviewed the attached Financial Report and the related financial activity for the time period of July 1, 2011 through June 30, 2012, in detail. These members agree that the Financial Report and the related financial activity are proper and correct, except for the following exceptions:

- Check #12586 cleared the bank for \$25.20 instead of \$2.52.
- Check #12688 did not have 2 authorized signatures as required by the Booster Club bylaws. The check only contained 1 authorized signature.
- The Program Ad Expense account contains three expenses that did not have the related invoices as documentation for the expense. The undocumented expenses totaled \$42.87.

_____ Printed Name	_____ Officer Title/Member	_____ Signature	_____ / / Date
_____ Printed Name	_____ Officer Title/Member	_____ Signature	_____ / / Date
_____ Printed Name	_____ Officer Title/Member	_____ Signature	_____ / / Date
_____ Printed Name	_____ Officer Title/Member	_____ Signature	_____ / / Date

Note: If a reviewer is a non-officer, their title (second column) should be "Member".

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Option C
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(not proper or correct due to material exceptions)

XYZ High School Spirit Booster Club REVIEW COMMITTEE REPORT FOR THE TIME PERIOD July 1, 2011 through June 30, 2012

The Review Committee members named below have reviewed the attached Financial Report and related financial activity for the time period of July 1, 2011 through June 30, 2012, in detail. These members agree that the Financial Report and the related financial activity are not proper and correct, due to the following material exceptions:

- No documentation of cost existed for the 100 new uniforms purchased.
- Checking and savings accounts were not reconciled during the year.
- Only one (1) authorized signature appeared on all checks written instead of the two (2) required authorized signatures as indicated in the Booster Club bylaws.
- No documentation exists showing sales for the Christmas Cards sold to determine whether the amount recorded in the Financial Report is correct.

To prevent the above exceptions from occurring in the future, the following steps should be taken:

- Documentation of all expenses, such as an invoice, should be received prior to payment of expense. Documentation should be kept with the other Booster Club records.
- All bank accounts should be reconciled on a monthly basis.
- All checks issued should be signed by at least two authorized officers.
- For all fund-raisers, a record should be kept of the sales and the money deposited.

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Option C
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(not proper or correct due to material exceptions)

**XYZ High School Spirit Booster Club
REVIEW COMMITTEE REPORT
FOR THE TIME PERIOD
July 1, 2010 through June 30, 2011**

_____ Printed Name	_____ Officer Title/Member	_____ Signature	_____ / / Date
_____ Printed Name	_____ Officer Title/Member	_____ Signature	_____ / / Date
_____ Printed Name	_____ Officer Title/Member	_____ Signature	_____ / / Date
_____ Printed Name	_____ Officer Title/Member	_____ Signature	_____ / / Date

Note: If a reviewer is a non-officer, their title (second column) should be "Member".