



# Booster Club Basics

By Tiffany Gustin, MSBA Associate Director of Management and Insurance Trust Services

Booster clubs have become a very valuable component of many school districts' extracurricular and co-curricular activities. Booster club members raise funds, volunteer time, and provide an important connection between the school district and its community.

**Question: Can the school district create a booster club to support artistic, athletic, or academic programs?**

Answer: No. Minnesota law (M.S. 465.717) prohibits school districts from creating a nonprofit corporation, unless explicitly authorized to do so by law. The Office of the State Auditor created a Statement of Position about the relationship between school districts and outside organizations, including booster clubs.

While the school district itself cannot create a nonprofit corporation, a nonprofit corporation can be established by community volunteers.

**Question: Can a school board member be involved in a booster club?**

Answer: Yes. School board members are not prohibited from supporting or volunteering for booster club events and activities; neither are they prohibited from being members of booster clubs. However, school board members who choose to

be involved should be aware of possible conflict of interest and legal compliance issues. Before serving in an officer role or any decision-making capacity in a booster club, advice should be sought from legal counsel. Some school board members serve as ex-officio members of booster clubs to clearly demonstrate the separation between the individual's role in the booster club and the individual's position as a school board member.

**Question: Must the school board take action to approve donations from the booster club?**

Answer: Yes. Donations made to the school district must be accepted by the school board through a board resolution, approved by a two-thirds majority (M.S. 465.03). School districts should be cautious of any gifts that are given with conditions. Upon acceptance of the donation, the gift becomes the sole property of the school district.

**Question: Can booster clubs hire additional coaches?**

Answer: Booster clubs, with the school district's approval, can donate funds to offset the cost of additional coaching staff; however, they are not involved in the selection of the coach. Coaches are employees of the school district and are subject to school district employment practices and policies and are subject

to performance evaluations according to school district procedures.

Additional points to consider:

- Because the leadership of booster clubs tends to change regularly as students age out of programs, it is important to have good communication and established guidelines and expectations in place.
- Booster clubs, depending on how they are formed, have their own set of legal compliance requirements and bylaws.
- School districts must comply with Title IX. To maintain compliance, the school district may be required to deny a donation that has conditions.
- Booster clubs should not make purchases on vendor accounts held by the school district; likewise, booster clubs must not be allowed to use the school district's tax-exempt number.

MSBA has a resource available that addresses many other aspects of the school district/booster club relationship. This document includes recommended best practices for purchasing, fundraising, volunteers, and advertising. To access this resource, log in to the MSBA website and search for "Model Guidelines for Outside Organizations Supporting School Districts."

*Tiffany Gustin is the MSBA Associate Director of Management and Insurance Trust Services. Direct questions to Tiffany at [tgustin@mnmsba.org](mailto:tgustin@mnmsba.org).*