

A White Paper to Help Determine if Your Fundraising Activities are Legal

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Some parent school support groups, often called booster clubs, provide "credit" to volunteers who participate in fundraising activities. Parents and students often feel that people won't volunteer to raise funds for the group unless

exempt activities, including unrelated business activities and cooperative fundraising activities, will not be

organization from public charity status.

Key IRS writing on booster clubs

The key IRS writing regarding school booster clubs and their fundraising activities is the 1993 article, *Athletic Booster Clubs: Are They Exempt?*

The citrus sale is a type of cooperative fundraising activity. So, the answer to the first question on the flow chart, "Does your booster club engage in cooperative fundraising?" is "yes". The band booster club also answers "yes" to the next question, "Is cooperative fundraising an insubstantial amount of overall activities"? The band has a variety of fundraising activities, most of which do not involve IFAs. In addition, some, but not all, of the proceeds from the

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

"Does your booster club support a public school". As a result, the band booster club determines that its limited cooperative fundraising activities are likely not an issue with respect to the booster club's qualification as 501(c)(3)

[REDACTED]

[REDACTED]

The IPS article also links to a 1991 General Council Memorandum (GCM) 20903, representing the "latest and clearest

[REDACTED]

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[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

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DEFINITION
Cooperatives
participate
Work-ers
must earn
their child
Tax-exempt
benefits
primarily
that are

No