

New PTO/Booster Checklist

To be an Association:

-An association has no legal status. People working together for a cause as individuals.

Define your mission:

Your mission statement should define who the booster is, why you exist, who will benefit from your work and what your core priorities and activities are.

To Be a Nonprofit Corporation:

-A nonprofit corporation is a legal not-for-profit business recognized by the MN Secretary of State. Being a Minnesota nonprofit corporation does not in itself exempt an organization from paying taxes.

Choose a name:

Check for name availability and reserve your booster club name with the Minnesota Secretary of State Office – <https://www.sos.state.mn.us/business-liens/start-a-business/how-to-start-a-business-in-minnesota/>

Enlist & Elect a board of directors:

At minimum you will need to have a *President, Treasurer & Secretary*. It is also recommended to have a Vice President and chairs for your various activity committees.

Obtain a Federal Tax ID:

Organizations must be incorporated before applying for a Federal ID #(EIN). When opening a bank account, you may be asked to provide your EIN. [https://www.irs.gov/Businesses/Small-Businesses-&Self-Employed/Apply-for-an-Employer-Identification-Number-\(EIN\)-Online](https://www.irs.gov/Businesses/Small-Businesses-&Self-Employed/Apply-for-an-Employer-Identification-Number-(EIN)-Online)

Complete your Articles of Incorporation:

The articles establish the existence of your new nonprofit organization. The Minnesota Council of Nonprofits website has templates for creating your Articles of Incorporation visit <https://www.minnesotanonprofits.org/resources-tools/starting-a-nonprofit/incorporation-and-bylaws> We highly recommend using this template for your articles of incorporation. If you choose to become a 501c3, at any time, this is the template that is needed.

Develop your Bylaws:

How your organization will run on a day to day basis is defined in the bylaws. The roles of the board members are explained and the rules of how the organization will operate. For more information on bylaws go to - <https://www.minnesotanonprofits.org/resources-tools/starting-a-nonprofit/incorporation-and-bylaws>

Incorporate as a Non-Profit Organization:

File your Articles of Incorporation with the Minnesota Secretary of State. This can be done online and there is a fee of \$90. <https://www.sos.state.mn.us/business-liens/business-forms-fees/minnesota-non-profit-corporation-forms/>

To become a 501c3 – Income Tax Exempt:

-A 501c3 is a specific type of public charity that has gained permission from the IRS to raise money from the public for an approved purpose and is exempted from paying federal income tax. Applications and annual filings are required.

Obtain Income Tax Exemption from the IRS:

File form 1023-ez to be an exempt organization. <https://www.irs.gov/uac/about-form-1023ez>

To be a Charitable Organization:

-An organization that solicits or intends to solicit contributions from Minnesota residents in excess of \$25,000 are required to register with the Charities Divisions of the Attorney General's Office.

Charitable Organization Status:

Register online with the State of Minnesota (Attorney General) to be recognized as a registered charity.
<https://mn.gov/elicense/a-z/?id=1083-231657#/list/appld//filterType//filterValue//page/1//sort//order/>

Optional Steps for PTO/Booster Clubs

Apply for Sales Tax Exemption from the state of Minnesota:

For Minnesota sales Tax Exemption complete form ST16 with the Minnesota Department of Revenue.
<https://www.revenue.state.mn.us/media/document/2026>

Insurance

Groups should have insurance to protect them against injuries or damages at events they sponsor. Also, insurance will protect themselves against embezzlers

Reminders

Once your club is established it is important to remain in good standing with the State and Federal Laws to be recognized as a "PTO" by the district.

Complete the annual 990 tax return.

PTOs with a gross income of less than \$50,000 use a very simple online form, the 990N.

If you are a Charitable Organization file an Annual Report with the Minnesota Attorney General's Office.

Complete the annual online questionnaire with the Secretary of State.

You must first create an individual account and then you can proceed to the business area on the website.

Prior to the 1st practice of the season, the school would appreciate the names and contact information of your board members.

Notify the school/administration. Please provide the principal at your school with your new PTO information

