



Handling Cancelled Events, Donations and Other Matters During COVID-19

Questions and Answers

Q: The sole purpose of our organization is to raise money for a project graduation party for the seniors at our high school the night of graduation. Given that there is a high possibility there will not be a graduation — therefore, not a party — what do we do with all the money we have been working to raise for this one event for this particular senior class?

Generally speaking, once a donor has given a gift (cash or otherwise) and has taken a deduction for the gift on the donor's tax return, the gift belongs to the organization that received the gift. That said, maintaining good relationships with donors is key to donations in the future. PBUSA is recommending that booster clubs be flexible and engage in open communication. For example, let donors know about the current situation, and ask the donor if they would like their gift returned or for your organization to keep the gift for future use. With respect to Project Graduation, you may be able to be creative and hold an alternative virtual or other event for which the gifts may be used. If so, advise the donors of your plans and provide the donor with options on how you handle their donations.

Q: Can we hold our last Teacher Appreciation Lunch as a "Grab and Go" event similar to what the school is doing for the children's lunches?

If the school permits this, or you can use a restaurant or other business that is open, you may consider doing this. Think through the risks that you may have, and how you can avoid them. For example, what sanitary precautions do you need to implement to avoid possible spread of the COVID-19 virus? What precautions do you need to take for those handing out the lunches? And for those picking them up? Are you properly insured in case someone does get sick? It's all about risk management – consider the possible risks, and then how you can mitigate them or avoid the risks altogether. See our [article on risk management](#).

Q: We had a silent auction to fund our dance booster club? What about those funds?

If your organization has already held a fundraiser, but now won't be able to use the funds for the intended purpose, you may want to contact the donors and let them know your situation. You may want to offer donors the option of returning the donations or allowing your organization to keep the gifts for use when you are able to start your activities again.

Q: We are looking at the possibility of having to refund a trip to Disney World. What do we do with fundraising monies that were used for the trip payments? Can we use them as refunds if the companies don't give us a full refund?

Generally, you can only refund what your organization receives. As a result, if you receive 100% back of the payments made by students/parents for the trip, you may refund this money. If you receive only 80% of the money back, consider refunding each participant 80% of the total paid. Be as open and transparent with the parents and students as you can about what has happened, what you've done to try to reduce the booster club liability and receive refunds of amounts paid.

Q: Can we keep fundraising if our season is cancelled for this year or do we need to wait until next fiscal year?

It's up to each organization whether it continues fundraising or not. We always recommend being open with donors about how funds raised will be used.

Q: What if you have already had a fundraiser, but it was only 2 weeks before everything started cancelling. This is for a high school baseball team. What is fair? Most of the donations came from parents, and now it looks like the season will be cancelled. No one is asking for money back yet, but it would be understandable if that were discussed.

We recommend being proactive in communications with parents and students. If you don't know yet what will happen with the sports season, tell them that. If the entire season gets cancelled, let them know how you would like to use the donations, but consider offering refunds to anyone who would like to go that route.

Q: What about cancelling our monthly meeting?

Most states and localities have restricted any type of in-person meeting. As a result, in-person booster meetings generally should be cancelled. This is a great time to consider holding virtual meetings, however. Use [Facebook Live](#), [Zoom](#), [GoToMeeting](#) or other platforms to get everyone together. Who knows, continuing to offer virtual meetings in the future may even increase your parent engagement!

Q: What about unused dues? Can we give parents back a portion of what they paid with the season cancelled early?

Yes, you may refund any monies paid that will not be used.

Q: We are a booster club for a musical theater group. The musical is probably cancelled. What do I do with the companies that paid to advertise in the musical program book? Do I need to refund their money? The program already went to print.

PBUSA recommends that you let the companies know the situation. For example, if you raised \$10,000 but have already spent \$5,000 to print the programs, let the companies know this, and offer to refund 50% of their payments. You may also want to offer companies an alternative means of advertising in addition or instead, such as providing information about the donors on your theater website, or in newsletter or other virtual means.

Q: What about 3rd party donations for a trip that was in the donor's eyes earmarked for a particular participant of a trip (earmarked not by us, but in the donor's eyes)? Are we obligated to give that money back? Or from a different perspective, should we even address that with those donors?

We generally recommend transparency and disclosure with donors. This includes letting donors know that, under IRS rules, donations may not be earmarked for individual participants but rather must be donated to the organization as a whole. See our [article about Cooperative Fundraising/ Individual Fundraising Accounts](#) for more information. Be flexible if you can, and if you have not spent the funds, allow the donor to choose whether to ask for a refund or allow your organization to use the funds for a different purpose, or at a later date.

Q: Part of the "refund" we received was in the form of an airline credit, expiring in 12 months. Should that count as part of the expenses that we did not recover? There is a chance the travel credit will never be used and ultimately expire.

If you receive a credit that you can't use, this likely may be marked as an expense. It's always good, however, to check with an accountant or your tax advisor regarding how to record expenses on your financial records.



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 407-347-0063

 info@parentbooster.org

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