

New York State
PTA
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Treasurer Workshop 2 2018 - 2019

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Frequently Asked Questions

- Insurance
- Letter of Determination
- On-Line Banking
- ATM/Credit Cards
- Contracts with Vendors
- Grants/Gifts to School
- Playgrounds
- Events or Donations Benefiting One Student or Family
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- We Lost our 501(c)(3) Status!
- We Forgot to File Our Taxes!

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Insurance

- Certificates of Insurance
- Directors and Officers, Crime, Liability
- **Stop/Pause/Play** Light Activities
- Reporting Incidents or Questions
 - AIM, Inc.
 - 1.800.876.4044
 - aim@aim-companies.com
 - Region Director




New York State PTA
Letter of Determination

PTAs qualify for exemption from federal income tax. New York State PTA has secured from the IRS a group or blanket federal income tax exemption under Section 501(c)(3) of the Internal Revenue Code; this group or blanket exemption applies to the state PTA's local units.

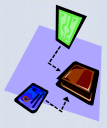
Your unit's Letter of Determination consists of the letter from the IRS confirming New York State PTA's 501(c)(3) status, and a letter from the NYS PTA Treasurer stating that your unit is covered under our group exemption.

If your unit does not have their letter of determination, please place a request with your Region Director.




New York State PTA
On-Line Banking

- e-Statements
 - Retention
 - Audit Committee
- Bill Pay
 - Two Signatures?
- Procedures/Internal Controls



New York State PTA
ATM/Credit Cards

- ATM Cards
 - Like Cash, Harder to control/protect the unit
 - ATM Deposit Only Cards - OK
 - **ATM Cards for purchases - Not recommended**
- Credit Cards
 - Low limit – e.g. \$500-\$1,000
 - Procedures/Internal Controls
 - FEIN of PTA Unit
- Insurance \$2,500 deductible on losses
- PayPal, the "Square"



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Contracts with Vendors


The PTA assumes the responsibility to comply with the terms and conditions of any contracts and to pay the stated sum. The fact that an activity is not a financial success or that the PTA has insufficient funds to meet its obligation has no effect on the responsibility assumed.

- Has the membership approved the project?
- Does the president have authorization from the board/executive committee to negotiate a contract?
- Have all contracts been received in writing?
- Is the length of the contract limited to the term of the participating officers, and does it not encumber future boards?
- When entering into a contract, the PTA president is responsible for the agreement and it should clearly identify that it is the PTA entering into the contract and not the president as an individual. The signature on a written contract should read, "PTA (or PTSA or council) by: John Doe, President."
- It is preferable to require two signatures on a contract (the president's signature plus another officer's).

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Grants/Gifts to School

- Giving Grants – Gifts to the School District
 - Application/Evaluation Criteria
 - School District must accept the grant funds or item – BOE resolution
 - No future responsibility for the PTA
 - Full accounting of the funds spent
 - Should not be to provide financial assistance to schools!




This DOES NOT absolve the PTA of all liability, but does lessen its exposure.

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Playgrounds

In reviewing it's mission and purpose, PTAs should not fund the construction of playgrounds.

- It should advocate to the school district and community to provide the playground.
- PTA parents and community can form a separate organization whose purpose is to raise funds to build/pay for a playground.
 - That group should have its own bank accounts, 501(c) (3) nonprofit status, insurance, etc. or use the destination school district accounts/insurance. That separate group should work closely with the school district and community to make sure that all local policies, procedures, and regulations are followed.
- The building of a playground is a high risk activity (Stop list) for the insurance coverage.



In consideration of the fiscal and liability risks cited, it is our official recommendation that PTAs do not take on the project of building/providing a playground.

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Events or Donations Benefiting One Student or Family


Due to IRS regulations, this is not allowed

- IRS regulations for 501(c)(3) organizations
 - Funds must be used to further the mission and purpose of the PTA
 - PTAs purpose is not general welfare or disaster relief
 - Individual beneficiaries must be eligible members of a charitable class
 - Must be large enough that the potential beneficiaries cannot be individually identified, or
 - Sufficiently indefinite that the community as a whole, rather than a pre-selected group of people, benefits when a charity provides assistance
- Help In Other Ways Outside PTA
- Sunshine Fund – *No Budget Line*
 - IRS regulations specifically forbid Sunshine/Rainy Day Funds
 - Must be blind to all PTA reports and procedures

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Working With Other Groups

- OK to team with other groups
 - School District
 - American Cancer Society, etc.
- Decide ahead of time – division of labor/expenses/proceeds
- Write it Down!
- Account for all funds – to both groups - income and outgo



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Field Trips

- PTA Position – PTAs should not pay for things the school district should be paying for as part of the students' educational program
- But if a PTA decides to fund/partially fund field trips, grant the funds to the district and let the district pay the vendors
- PTA should not pay providers directly

New York State PTA **We Lost our 501(c)(3) Status!**

If your unit receives notification that its tax-exempt 501(c)(3) status has been revoked, there is a process to have it reinstated. Contact your Region Director *immediately* for assistance.

If your status is revoked, then your unit

<p>May</p> <ul style="list-style-type: none"> Continue to be a PTA Sell memberships Run programs/events Pay bills Maintain PTA insurance Attend State/Region PTA events and trainings Advocate 	<p>May Not</p> <ul style="list-style-type: none"> Use the New York State Sales Tax Exempt form (ST-119.1) for purchases Solicit/accept tax-deductible donations Apply for grants for not-for-profits File the 990 until status is reinstated
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New York State PTA **We Forgot to File Our Taxes!**

Your unit should file its taxes (the 990, 990-N, or 990-EZ) by November 15 each year.

3 Rules for Keeping the IRS Happy

- File your annual return
- File on time
- File a *complete* return
If it's not complete, it's not filed!

If you absolutely, positively CANNOT file your taxes by November 15
FILE FOR AN EXTENSION!
You can get a six month extension just by applying, but you must apply before November 15!

Late or Non-Filed Taxes = Penalties & possible loss of exemption!

If you did not file your taxes (or request an extension) by November 15 **file your Form 990 IMMEDIATELY!**

- You may not be able to file the 990-EZ or 990-N
- Your unit may be imposed a penalty by the IRS
- If your unit has not filed for 3 consecutive years, you will automatically lose its tax exempt status.

New York State PTA **Treasurer Resources**

- NYS PTA Resource Guide – Section 5
- NYS PTA Website
 - www.nyspta.org > Your PTA > Treasurer Information
- NPTA eLearning Library
 - www.pta.org > Home > PTA Leaders > E-Learning
- NPTA – Back to School Kit: <http://www.ptakit.org/>
- Region Treasurer/Director
- Fast Facts, *NY Parent Teacher*
- NYS PTA Treasurer, Sean Hannam - treasurer@nyspta.org
- NYS PTA Financial Support Specialist, JoAnn Incalcaterra - financial.support@nyspta.org

