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Section 3

Dollar\$ and \$en\$e

Financial Guide and Best Practices for PTAs

2024 -2025

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**ALL FORMS REFERENCED HEREIN ARE FOUND IN SECTION 3:
TREASURER FORMS**

Welcome!

Congratulations and thank you for taking on this important role for your PTA! This guide shares best practices for budgeting, reporting, banking, fundraising, and conducting a PTA Audit. Also included are the guidelines to meet the five annual Florida PTA Compliance Requirements and Standards of Affiliation and includes information for filing an IRS Form 990, insurance and liability information, Federal 501(c)(3) tax requirements and regulations, and Florida State regulations for non-profits. This guide is essential and beneficial for all PTA, officers and board members as it includes information on fiduciary responsibilities and required financial controls to protect the PTA funds and limit exposure to potential financial fraud or embezzlement. The Treasurer is the authorized custodian of the funds of the association, and receives and disburses all monies in accordance with the budget as approved by the association membership.

The PTA Mission:

Working in partnership with other PTA board members, the Treasurer helps to ensure that your PTA has the resources it needs to fulfill our mission:

“To make every child's potential a reality by engaging and empowering families and communities to advocate for all children”

Key points to remember:

- **Immediately put proper financial procedures in place** to help protect your PTA from theft and fraud.
- **Keep PTA funds separate.** The school, school clubs, boosters, and other organizations or groups cannot deposit their funds into the PTA 501(c)(3) tax-exempt bank account. Also, PTA funds should never be deposited into a school account, a personal account, or the account of any other club, organization, or group.
- **Reach out.** Effective financial management requires support from many PTA leaders and members, including budget, and audit/internal review committees. County Council PTA Board Members, Region Representatives, Florida PTA board members, and the Florida PTA staff are available to assist and support your local unit PTA.

SCHOOL DISTRICT POLICY

Each school district in Florida sets their own district school board policies on a wide range of topics. These policies vary from county to county. A PTA unit should be aware of their district policies directly relating to external groups or independent school related organizations (ISRO). Guidance is given on PTA insurance requirements, fundraising, use of school facilities, and when fees apply. Also, these policies provide information on whether **school district employees can serve on a PTA board of directors (and in what capacity, or if they are permitted to handle PTA funds)** and other important guidelines. Your school district may also have a Health & Wellness or similar policy. Review these policies for other requirements such as what items can and cannot be sold before, during, or after school, and what snacks and foods may or may not be served, and other important requirements.

Note: Most school district policies are posted and available on their website.

First 30 Days

These are the first steps to take when you take custody of the PTA books in your first month in office, and you will be off to a great start!

1: Get Connected

- **ENTER OFFICERS:** Ensure the **President or Secretary** has entered the **2024-2025 New and Returning Officers' Information** online on the Florida PTA website at this link: <https://floridapta.org/new-or-returning-officers-form/>. By entering your officers' information, you will get connected right away and your job will be much easier!
- **Florida PTA Kit of Materials:** When your new officers' information is received by Florida PTA, the President, Secretary, and Treasurer of your PTA will be emailed a copy of the complete *Florida PTA Kit of Materials*, which includes this guide, Section 3 - *Dollar\$ and \$en\$e*. Florida PTA, your County Council PTA or Region Representative and National PTA are here to help support you.
- **Givebacks Membership Setup:** Upon receipt of your New and Returning officers information, Florida PTA will add each of you to the Givebacks site using the same email addresses that were registered. The President and/or Treasurer may now submit the National and State portion of membership dues via ACH to Florida PTA electronically. Each members information must be entered into the Givebacks site to receive their membership cards.
- **Training:** Find out what training opportunities are scheduled locally that can help you and your board get off to a good start. Many County Council PTAs require attendance at training to meet compliance. Check your County Council websites and Facebook pages.
- **Explore Florida PTA and National PTA Resources:** Start with this guide, *Florida PTA Kit of Materials, Section 3, Dollar\$ and \$en\$e*, and the *National PTA Official Local PTA Leader Kit* on their website (Search Local PTA Leader Kit). You will be required to register with National PTA to obtain full access to the 2024-2025 information.)
 - **Florida PTA website:** www.floridapta.org
 - **National PTA website:** www.pta.org
 - **National PTA Thrive Learning Community** – <https://www.pta.org/home/run-your-pta/thrive> .
 - **Florida PTA State Office Phone Number:** **407-855-7604**
- **Request Assistance:** When you require one-on-one assistance, your **County Council PTA President**, or your **Florida PTA Region Representative**, and the **Florida PTA State Office** staff are always available to help you succeed. One of the most important phone numbers for all PTA Treasurers is **407-855-7604, the Florida PTA Office**. Call or email when you need assistance.
- **Get Social:** Search for Florida PTA and other local PTAs on your favorite social media platforms. To get updates and connect with other PTAs, follow Florida PTA and National PTA on Facebook, Twitter and Instagram. On YouTube, check out the National PTA channel for informational webinars and get inspired by other PTAs and **#PTAProud** Stories.

2: Gather

There are several items you'll want to collect right away to ensure a smooth transition and to be sure important records aren't lost in the transition. Collaborate with the immediate past officers to gather these records. If any records are missing, contact your County Council PTA, Florida PTA Region Representative, or Florida PTA for guidance.

If the outgoing Treasurer did not keep a procedure book, start one now with the following items:

- **Annual Audit as of 6-30-2024:** Per the bylaws, the incoming Treasurer shall assume all duties after the books have been audited. For your own protection, review and sign the audit report at the bottom of page 2 as "current Treasurer". Take note of the audit comments and recommendations. If an audit did not occur at the close of the fiscal year end, make sure to get one done. Per the bylaws, an audit committee must be appointed, to complete the audit on the required, standard two-page Florida PTA audit form **before** you take full custody of the books, are added to the bank account, and begin making financial transactions.
- **Your PTA Bylaws:** Immediately review the Bylaws (and Standing Rules, if any) for important information about reporting and compliance requirements, how finances are to be handled, and how funds are to be disbursed. Your Local Unit bylaws provide the responsibilities of the Treasurer in Article VII, Section 5.
- **List of Compliance Requirements:** Print the list of the five Florida PTA compliance requirements and standards of affiliation for your procedure book to stay on track with due dates.
- **Prior year's final budget with actuals.** The 2023-2024, prior year budget, will be needed to help the budget committee draft a budget/plan of work for the upcoming school year. **The Treasurer is the chair of the Budget Committee.** Also use this budget as a guide to make any immediate expenditures from the approved interim budget. Copies of all prior year budget reports can be useful when drafting the budget.
- **Receipt book** to acknowledge money received.
- **Checkbook** to disburse funds as authorized by the approved budget and bylaws.
- **Treasurer's account book** in which to keep the PTAs financial records. If this is an electronic file, such as QuickBooks or Excel, schedule time to be trained on how it works. If using online electronic software, copies must be printed regularly, at a minimum, monthly. **IRS tax information:** 9-digit Federal Employer Identification number (EIN), and copies of all filed Form 990s. If you cannot locate this information, call Florida PTA or send email to: compliance@floridapta.org If you need a copy of your 501(c)(3) Determination Letter for donations or banking purposes, you can apply for one online on our website. <https://floridapta.org/501c3-determination-letter-request/>
- **FLDOR Sales Tax Certificate of Exemption:** Your PTA may not have a sales tax certificate of exemption but you're entitled to apply for one as a 501(c)(3) in good standing with the IRS. As a good custodian of the PTA funds, you should use the sales tax certificate of exemption whenever possible when purchasing items that the PTA consumes. See information in this guide to apply, using Form DR-5. *(Enter page # where they can find the information)*
- **Bank statements and electronic access.** Gain access to and then remove/change all previous log-ins, users and passwords at bank and for any other e-commerce financial related accounts or files.

- Refer to the *Records Retention Schedule* in this Guide before discarding or destroying any documents or files.

3: Protect

Take these important steps right away to safeguard your PTAs nonprofit status and protect your local PTA from theft, fraud and liability.

- **Audit**

Make sure your PTA audit is completed for the 12-month period ending 6-30-2024. If not, an audit committee must be appointed to complete it before you write any checks or take custody of the books.

- **IRS 990**

After the audit is complete, **it is your responsibility to file the 2023 IRS Form 990 by November 15, 2024**. See these links on the National PTA website for more info: [and/or the](#) for more information. *(These links did not work)*

See this link on the National PTA website: [https://www.pta.org/local-leader-kit/finance/your-501©\(3\)-status](https://www.pta.org/local-leader-kit/finance/your-501©(3)-status)

- **Banks have different requirements for changing signatories.**

Call the bank and ask what documents they need before you go there to set up a new account or to change the bank signers. Sometimes the bank simply needs a copy of the bylaws and the General Meeting minutes listing the newly elected officers. However, they may require a legal banking 501(c)(3) determination letter showing your PTAs EIN. **Florida PTA holds your determination letter rather than the IRS since affiliated PTAs are covered under our IRS Group Exemption “Umbrella”.** This legal banking determination letter states that **your PTA is an “unincorporated association” and is NOT registered on SUNBIZ**. Apply for a banking 501(c)(3) determination letter online on our website at this link: <https://floridapta.org/501c3-determination-letter-request/> **(See page 19 for Banking Requirements)(Check page number when finalizing)**

- **Change the signatures on your PTAs bank account(s).**

First, you will want to be sure previous officers no longer have access to the PTA accounts. Check to make sure the PTA bank account is set up on your local unit PTAs tax-exempt EIN rather than an individual's social security number. Be sure to change all online log-ins and passwords.

- **Insurance:**

Locate a copy of the current PTA insurance policy and determine when the renewal payment is due. Insurance can protect your board members, events, and PTA property. PTAs are not immune from liability. Your PTA insurance policy will protect not only the assets of the PTA, the officers and board members, but can pay attorney fees for your defense if a lawsuit is brought against the PTA. Insurance requirements vary by school district. **Remember, the school district’s insurance policy does not cover PTA events.** Some County Council PTAs include insurance with the yearly County Council PTA dues payment. Check with your principal, school

district or County Council PTA (if any) on what coverage is required for your PTA. For information about insurance coverage for your PTA see our website at this link: <https://floridapta.org/insurance-for-your-pta/>

Budgeting

The budget shows your members your plan for how your PTA will raise money and spend money to implement the PTA mission and purposes. It represents what your PTA intends to do and is the financial guide and working document for your annual Plan of Work. A budget does not dictate what your PTA **MUST** do. It simply shows the members of the association what the PTA **PROPOSES** to do.

Key points to remember:

- **All PTA activities, including fundraising, should be focused on our mission and purposes**, in both how the funds are raised and how they are spent.
- **Transparency is key.** The ways in which funds are raised and spent should be communicated clearly to members in Treasurer's Reports, including the PTA Budget Report showing year-to-date actuals.
- All funds generated by a PTA, including the local portion of dues, should be budgeted for purposes that advance PTA work, such as enhancing student success or improving the school.
- PTAs often find that membership dues are not sufficient to achieve their goals. However, fundraising activities themselves should be conducted in alignment with the PTA Mission and serve the children in our schools.
- **Use the 3-to-1 Rule:** When planning the year's activities, there should be at least **THREE** non-fundraising programs or projects aimed at improving the educational experience, helping parents or children, or advocating for school improvements, for every **ONE** fundraiser proposed in the budget.
- **The proposed budget must be approved and adopted by the members** at a general meeting before new fundraisers are started or any expenses are paid.

The PTA Mission:

"To make every child's potential a reality by engaging and empowering families and communities to advocate for all children"

BUDGET COMMITTEE

The Treasurer serves as chair of the Budget Committee, and unless the *Standing Rules* state otherwise, the elected officers will make up the Budget Committee. This committee may be appointed or elected by the board of directors and usually consists of three or five members, one of whom must be the Treasurer. The budget committee usually meets during the summer, before the school year starts, to create a tentative budget for the new school year.

The budget must be voted upon and adopted by the MEMBERS before any funds are spent. Present the draft budget for review to the PTA board of directors for discussion. Incorporate feedback and then finalize the proposed budget to present to the PTA membership at the first general meeting where a quorum is determined to be present. **A majority vote of the members, present and voting, is required for adoption of the budget.**
See Sample budget on PAGE 16 in this Guide.

DEVELOPING A BUDGET

Per the local unit bylaws, the treasurer shall have custody of all of the funds of the association; shall keep a full and accurate account of receipts and expenditures; and shall make disbursements in accordance with the approved budget, as authorized by the association.

- **Consider your PTAs goals** and the resources needed to achieve your planned activities.
- **Study the previous year's final budget** of actual income and expenses and the prior year Treasurer's reports to determine how well that budget met the PTAs needs and adjust accordingly to each line item.
- **Fundraising - Use the 3-to-1 Rule: For every ONE fundraiser budgeted in the income section, there must be at least THREE non-fundraising programs and projects budgeted in the expense section.** When planning the year's activities, use this rule. This does not mean that you have to spend all of the receipts from that ONE fundraiser on these THREE programs in the expense section. Study the recommended Programs on the National PTA website that are available with minimal or no cost. <https://www.pta.org/home/programs>
- **IRS Charitable Class:** PTA fundraisers **cannot benefit individuals** in need. The programs and projects in the expense section of the budget must be equitably distributed to benefit all members of the 501(c)(3) "charitable class" designated in the bylaws.
- **Do not hold a fundraiser just because it is traditional and later decide how to spend the income.** Determine your PTAs projected financial needs, considering the funds needed for administrative expenses, approved programs, training and leadership development. Determine which fundraisers will be required to meet these proposed expenses.
- **Develop a one-year budget** that shows existing funds (carryover funds), as well as projected funds raised and anticipated expenditures or receipts for the year's activities. The Income section of the budget should equal the expense section. Be sure to include the carryover funds in the total income.
- **Include an Interim/Summer Budget** to allow for necessary expenditures in the interim between the end of the fiscal year on June 30 and before your new budget will be presented for approval at the beginning of the next school year. The "Interim/Summer Budget" may include line items for a welcome back breakfast for teachers during the pre-planning period or registration, standard administrative expenses that are due in the summer, travel and registration expenses related to the **Florida PTA Leadership Convention**.
- **Budget Line Items:** There is no right or wrong way to name budget line items. The **INCOME** section of the budget must be specific. There should be a separate line item for each source of income, including a line item for every proposed fundraiser, , sale of inventory, membership dues, grants, and donations. In the **EXPENSE** section, list all programs and projects in separate line items. A specific expense line should be listed for each proposed fundraiser, administrative expenses, training, bank fees, insurance, State & National portion of dues, County Council dues, etc. Be sure to explain the methodology used in naming the budget line items to the members.

USING YOUR BUDGET

Throughout the year, the Treasurer and the Budget Committee are responsible for tracking the actual income and expenses, comparing them to the approved budget. The treasurer must present a financial statement at every meeting of the association, including a report on the year-to-date budget actuals. If budget actuals exceed the proposed budget for a line item, a budget amendment must be made, and approved at a general membership meeting.

AMENDING A BUDGET

If a new opportunity arises to further the mission of the PTA (e.g., running an un-budgeted activity or obtaining new sponsor funding), the Budget Committee and the board of directors should carefully weigh whether it should be undertaken, and then present a proposed amended budget to the members to vote on at a general membership meeting.

Plan a mid-year budget review in December or January annually, and amend the budget line items to adjust the proposed budget to actual. You may have to adjust, remove, and add some line items in both the income and expense sections. The budget is only an estimate of the planned expenditures for the year. When there are additional expenses or a change in an allocated expenditure, the budget must be amended by a vote of the association at any regular meeting, or at a special meeting called for the specific purpose of amending the budget. If a fall fundraiser brought in more income than projected, amend the income line for that fundraiser to actual. Then adjust the expense line items to balance the budget as you will have more funds to allocate in the programs and projects line items in the expense section.

RESTRICTED FUNDS IN THE BUDGET

Please give careful consideration before you set up a restricted fund. While it is a common PTA rule that one board cannot obligate the next year's board, there is one exception to that rule. The IRS has strict rules on restricted funds. When money is raised for a specific purpose (e.g., Adopt a PTA, Scholarships, Student field trip to St. Augustine, , etc.), the money raised must be spent on that purpose. It does not matter if it is one year, five years, or 25 years from now. If your PTA wishes to use those restricted funds for an alternate purpose, the **donors must be notified and given the option to have their donation refunded to them.** However, if you advertise that money raised is going toward something specific as well as other PTA projects, the collected funds are not restricted, and your board — and future boards — are able to use that money for whatever budget purpose they desire.

CARRYOVER / EXCESS FUNDS

There is no ruling from the IRS or National PTA that limits the amount of money that a PTA may carry over to the next budget year. **No PTA board has the authority to write checks to the school or the principal for unbudgeted items to "clean out" the accounts at the end of the school year.** Expenditures must be approved by the general membership at a meeting. **Every PTA should leave sufficient funds for leadership training for the new board members (i.e., Regions & Councils trainings, Florida PTA Leadership Convention or National PTA Convention),**

and startup expenses for the new school year, such as the back to school lunch for teacher's in-service day, etc. Funds not spent in one budget year should be included in the new budget.

Fundraising & Allocating Funds

It is important to remember that fundraising is **NOT** a primary function of a PTA. The real working capital of the PTA lies in its volunteers and the membership. By investing their human resources in programs or action, PTAs are able to benefit children and youth with smaller amounts of money. **PTAs improve schools by supporting efforts to obtain funding; by working with the school staff to strengthen curriculum; by planning good programs for parents and students; and by providing volunteers for school activities and services.**

MATERIAL AID TO THE SCHOOL

Many times, it is the expectation of the public and, in some cases the members, that the PTA functions to provide material aid to the school. **Before approving proposals for material aid to the school such as equipment, services and improvements to school district property, a PTA should consider whether or not the proposal is a public responsibility.** A PTA gift of money or equipment to a school may have the effect of creating or increasing inequalities among schools in the district. A PTA renders a greater service by securing public support for education. **The purpose of PTA is to Advocate for all children, NOT to buy equipment and donate it to a school or school district.** If a PTA feels there is a specific need in their school, it is best to approach the principal or site-based team first, and encourage them to include this item in the school or school district's budget.

At times it is necessary for a PTA to finance certain services and equipment until the public accepts responsibility for these necessities. As soon as money becomes available from other sources, **a PTA should allocate more funds for educational, scientific and literary programs and projects for the entire charitable class, including PTA leadership training and parent education in the community.**

PLAYGROUNDS/SUNSHADES/WATER FOUNTAINS/ETC.

The mission and purpose of PTA includes the health and welfare of children, however; that does not mean that the PTA should invest its time in funding the purchase of a sunshade, water fountains, playgrounds, etc. It is **NOT** the duty of the PTA to provide things that are the responsibility of the school district. PTAs should advocate to the school district and the community to provide these items when needed.

ISSUES WITH PTAs FUNDRAISING FOR PLAYGROUNDS/SUNSHADES/WATER FOUNTAINS/ETC.

- All money raised is considered PTA income and must be kept in a separate "Restricted" account.
- If your PTA does not raise the required funds within a single fiscal year, the next years board is not required to continue to fundraise for additional funds.
- All money raised must be reported as income on the 990-EZ and Schedule A filing annually.

Example: If the funds remain in the PTA account for 3 years, it must be reported as income to the IRS all 3 years. Failure to report the income to the IRS could result in your PTA losing its 501(c)(3) nonprofit/ tax exempt status.

- The construction/purchase of such items are considered high-risk activity (red list) for the insurance coverage.

ISSUES WITH PTAs PROVIDING MATERIAL AID TO SCHOOLS

- It provides inequity among schools and school districts.
- A gift given by one PTA, puts other PTAs in the district in a difficult position by parents and school personnel who now exert pressure for a similar donation.
- It establishes a precedent that it is an acceptable practice.
- A donated gift does not necessarily remain in the school it was originally intended for.
- Gifts must be donated in accordance with your School Board's policies and the PTA relinquishes all control.
- The equipment becomes the property of the school district, and the district is free to use the equipment in any manner it deems appropriate. This could include moving it, selling it, not using it, or giving it away.
- Liability factors (in certain circumstances).
- Constant and unnecessary fundraising establishes PTA as a "fundraising" organization, and does not align with the Mission and Purpose of PTA.
- Where does the responsibility lie for maintenance and servicing of a donated gift?

Example: Water fountains installed at the school require new filters and must be serviced annually. The current board cannot require the next years board to maintain or service the fountains.

- **Remember, it is not PTAs job to provide financial assistance to schools. It is, however, their responsibility to be vocal during school district budget sessions to ensure that the needs of the children and teachers are met.**

Based on this information and in consideration of the fiscal and liability risks cited above, PTAs cannot provide these types of material aid to schools/school districts.

DONATING MONEY TO THE SCHOOL.

PTAs should not donate PTA funds directly to the school. It is recommended that PTAs establish a "grant" process that is supportive of school programs and the educational needs of its students. **A grant of funds to make specific purchases. This assures the funds will be used for their intended purpose, or they must be returned to the PTA.** The grant cannot target or limit its assistance to specific individuals, must be used to provide aid to its members, and benefit the community as a whole.

The PTA must retain records of invoices and receipts to show that the grant money was used as intended. All grants must be approved by the unit's general membership and documented in the meeting minutes.

GRADE LEVEL AND PROGRAM COMMITTEES

PTAs/PTSAs funds must be allocated to educational activities, projects, programs, etc. that are in-line with PTAs mission **and** benefit the entire “charitable class”. As a 501(c)(3) non-profit organization, PTAs/PTSAs cannot allocate funds for activities benefiting only a “part” of the student body. If a PTA allocates funds for one grade level, they must allocate for **all** grade levels. While different grade levels have different needs, it is recommended that a separate group outside of the PTA come together to raise funds to support a subset of students and activities that are not aligned with the purposes of PTA as outlined in Article 3 of your bylaws. Funds raised by this group cannot be deposited into the PTAs bank account and the PTAs insurance and sales tax exemption certificate cannot be used. PTA insurance is only for events run by the PTA unit or county council as a whole. See *Protecting PTA Funds: PTA Funds vs. school funds/internal accounts* for more information.

TEACHER’S SALARIES

PTAs cannot pay salaries or district required training for teachers or other school district employees. PTAs are not an additional funding source for goods, services and payroll for public schools. School funds should be budgeted and supplied by governmental entities. PTAs should advocate for the adequate funding of schools from governmental sources. Teachers’ salaries are budgeted and paid for by their employer, the school district who hired them. **PTAs cannot replace or supplement funds that are inadequately budgeted by a government entity.** PTAs do not have employees and cannot pay teachers’ salaries.

GoFundMe FUNDRAISERS

State, county council and local unit PTA can choose to use GoFundMe as a fundraising platform to raise money for PTA programs, projects, services, and activities for the benefit of the PTAs entire “charitable class” in support of the PTA mission set out in the bylaws. PTA GoFundMe campaigns **cannot benefit individuals**:

- The PTA organizing a GoFundMe campaign is named the beneficiary of that campaign.
- PTAs must use their own tax-exempt 9-digit Federal EIN to establish the campaign.
- If the PTA is registered as a 501(c)(3) nonprofit, is “in good standing” with the IRS and Florida PTA, donations made through GoFundMe are tax deductible.
- **Most importantly, A PTAs campaign cannot benefit an individual recipient!** Examples follow:
 - **Not Appropriate Example for a PTA Unit:** PTA organizes a GoFundMe campaign to help second grade teacher Mrs. Smith (beneficiary) to help pay her medical bills after an accident.
 - **Appropriate Example for a PTA Unit:** PTA organizes a GoFundMe campaign to raise money for the PTA (beneficiary) to purchase and distribute school supplies to supplement classrooms as needed.
- Please see detailed National PTA GoFundMe guidelines and information on their website and at this fundraising link on the Florida website. <https://floridapta.org/fundraising/>

MEMBERSHIP DUES IN THE BUDGET

The local unit is the agent for collecting and remitting the state and national portion of the membership dues. This is the \$3.50 per member that you pay to Florida PTA. Because this portion of dues is passed through the local unit books, it is not reported as revenue to the IRS on the local unit Form 990 tax return. According to the IRS, only

the local unit portion of remaining after the member is paid to is reported as income. State/National portion and the local unit the dues should be listed separate line items in section of the budget. State/National portion (\$3.50 per membership should also be shown as in the expense portion of

Also refer to *Budgets: Membership Dues in the Remember, you can payments for the State National Portion of the Florida PTA electronically through payment processor on Givebacks website known as MemberHub).*

PTA Name _____

July 1, 2024 - June 30, 2025

DRAFT BUDGET

Beginning Balance Checking	\$8,325.56
	\$8,325.56

Income	Budget	Actuals	Difference
Membership	\$2,000.00		
Walk-A-Thon	\$15,000.00		
Spring Carnival	\$15,000.00		
Silent Auction	\$5,000.00		
Donations/Sponsorships	\$5,000.00		
Total Income	\$42,000.00		

Expenses	Budget	Actuals	Difference
Hospitality (PTA Leaders and Members)	\$2,000.00		
Insurance	\$300.00		
Office Supplies	\$2,000.00		
PTA Leadership Training	\$3,000.00		
State & National Membership Dues	\$1,000.00		
County Council Dues & Scholarship	\$350.00		
Reflections Program	\$2,000.00		
Wal-A-Thon	\$2,000.00		
Spring Carnival	\$2,000.00		
Silent Auction	\$1,000.00		
Health & Wellness	\$1,000.00		
Reading Night	\$2,500.00		
Spring Event	\$2,500.00		
AR Reading Program	\$2,500.00		
Science Night	\$1,500.00		
Teacher Appreciation	\$2,000.00		
Holiday & End of Year Events	\$8,000.00		
Volunteer Appreciation Awards	\$2,000.00		
Communication	\$500.00		
2025-2026 Summer Interim Fund	\$3,850.00		
Total Expenses	\$42,000.00		

Beginning Balance July 1st	\$8,325.56		
Income	\$42,000.00		
Total Cash	\$50,325.56		
Expenses	\$42,000.00		
Balance on Hand	\$8,325.56		

the dues \$3.50 per Florida PTA The of the dues portion of as two the income The of the dues sold) a line item the budget.

Budget. now make and dues to the the (formerly

Insurance and Liability

The school district's insurance policy does not cover PTA events. PTA Insurance is required and varies by each school district in Florida. PTAs should consider including fidelity bonds and liability insurance, even if it is not required by your school district. Check with your principal, school district or County Council PTA for the insurance coverage that is required in your district.

If your local unit PTA is supported by a County Council PTA, check with them to see if your PTA insurance is covered through payment of your annual County Council dues. Your PTA insurance policy is intended to protect not only the assets of the PTA but also the officers and other board members under most circumstances. Insurance may also pay attorney fees for your defense in a lawsuit as long as you are acting lawfully and in accordance with all PTA requirements, policies and the bylaws.

Your Board should review your insurance policy annually, to make sure you have the right coverage and that you are following regulations set out in the insurance policy. You may need a "rider" for specific coverage (i.e., bounce house, food, etc.). Many school districts no longer allow bounce houses on school campuses. Be sure to check and only get coverage for the necessities.

Fidelity Bond: A fidelity bond covers losses sustained by a PTA through fraud or dishonesty committed by an elected officer, or any person authorized by an officer to handle PTA funds. **All individuals authorized to handle PTA funds should be covered by a fidelity bond.** A fidelity bond is in the best interest of the PTA and should be secured from a reliable insurance company, in an amount to be determined by your board.

General Liability Insurance: Provides coverage for a PTAs legal liability arising from bodily injury, personal injury (false arrest, libel, slander, and other defined injuries), advertising injury, and property damage. This insurance coverage may be purchased on a continuous, year-round, comprehensive coverage basis, or on a one-time basis for special events. Again, school district liability insurance does not extend to PTAs or their activities.

Accident Medical: Designed to "compliment" your General Liability insurance, it provides medical coverage for risks that are specifically excluded from the liability policy such as, but not limited to, mechanical rides, school buses, automobiles and watercraft.

Property Insurance: Protects your fundraising merchandise while it's in your possession. This policy protects most personal property of your PTA such as popcorn machine, snow cone makers, school store supplies, emergency preparedness supplies, etc.

Directors & Officers Liability: Protects officers for their good faith actions as board members. If someone sues the officers for mismanaging or misrepresenting the PTA, the insurance policy could pay legal bills and provide protection for these allegations.

Handling Money

Collecting funds and disbursing payments must be managed by effective PTA procedures. These procedures protect the PTA, officers and its membership by preventing fraud and ensuring the proper use of funds. Having the right procedures in place also makes it more likely that if a loss occurs, it will be found quickly and covered by insurance less the deductible. **Never make exceptions to the established rules and guidelines as provided in the PTA bylaws and the Florida PTA Kit of Materials.** Consistency is one of the most important requirements of a Treasurer. If you stick to these rules, you are well on your way to becoming a responsible Treasurer

BASIC INTERNAL CONTROLS & PTA GUIDELINES

- **Put it in writing.** Procedures must be put in writing in Standing Rules or Policies & Procedures. Train all PTA board members on these processes and ensure they follow these financial procedures consistently. Review policies and procedures annually.
- **Online Controls:** Establish dual administrators for all online/electronic accounts whenever possible.
- **Control of Invoices:** Make sure invoices are opened/received by a person who does not have the authority to approve payments.
- **Keep an accurate and detailed file.** An accurate and detailed account of all monies received and paid out is kept in the Treasurer's permanent file. A filing system is maintained for proper and complete storage of all financial records. (See *Records Retention Schedule in this guide.*)
- **Good organization skills:** Keep all financial documents and records in a procedure book.
- **Reporting:** Present accurate Treasurer's reports at **ALL** PTA meetings.
- **Good communication:** Make sure the board and membership are kept informed about PTA finances and compliance requirements.
- **Pre-approve debit/credit card and other EFT transactions** using the form at the end of this guide. The EFT approval form requires two signatures of signers on the account. After the purchase, the receipt is provided to the treasurer and attached to the signed pre-approval form.
- **Reconcile monthly.** When the bank statement is received, it should be **opened and reviewed** by a PTA member who is a **non-check signer**. The checkbook is reconciled to the bank statement immediately, and a copy of the monthly bank reconciliation must be submitted to the Board along with the monthly financial report.
- **It is good practice to record the bank statement review in the minutes, and announce at each board meeting which bank statement(s) have been reviewed and by whom.**
- Immediately upon receiving a bank statement, the Treasurer should reconcile and balance the ledger (books) and the check book and prepare a monthly report for the next meeting.
- **Keep a copy of the deposit receipt** given by the bank and a copy of the deposit slip you prepared.
- **Issue receipts for all payments received**, checks, credit card payments, and money received.
- **Issue receipts for the sales of inventory** and any sales made by the unit.
- **Require original receipts**, attached to a PTA check request form, for expense reimbursements.

- **Contact Florida PTA with any concerns.** Fraud generally involves stolen or misappropriated assets such as cash, property, or equipment. If you believe that fraud has occurred, contact Florida PTA immediately.
- **Pay Dues to Florida PTA:** Coordinate with the Membership Chair that membership dues collected are remitted **monthly** to Florida PTA online via the **Givebacks website** (formerly known as Memberhub) or by mailing a check using the *Florida PTA State and National Dues Payment Form*.
- **Keep a running balance in the checkbook register**, and if you are using QuickBooks or other financial software for your checkbook register, backup all electronic files regularly. These should be printed monthly, for back-up.
- **Use licensed Florida vendors.** Refusal, or even hesitation, to pay sales taxes on fundraising events is reason to question the vendor's reliability. Refer to *Florida Department of Revenue* in this guide for more information.

COLLECTING, COUNTING AND DEPOSITING FUNDS:

- **Procedures for Counting Receipts/Money:** Count PTA funds received with the person presenting it. When receiving cash for an event, it is a best practice to have two people count the cash and write up the deposit together. Include extensive procedures for counting money in your Standing Rules.
- When two people are counting, they should both fill out and sign either a **Cash Count Form, Cash Verification Form and/or PTA Deposit Form**. And when appropriate, attach any supporting documentation (register receipt, order form tally sheet, carbonless copy pages of receipt book, etc.).
- **Deposit immediately.** Checks or cash received are logged and immediately deposited to the PTAs bank account. **The Treasurer should arrange to deposit money in the bank as soon as possible.** Night deposits, **mobile banking** and 24-hour banking can and should be used as needed. When necessary, the Treasurer should contact local police and ask for an escort to the bank. If the Treasurer contacts the bank about a night deposit in advance, they will provide a lock bag to place in the night depository.
- **Mobil Banking Deposits.** Use this procedure when making remote deposits utilizing a smartphone app:
 - First check with your bank on its policies regarding mobile/remote deposits.
 - When making a mobile deposit, write on the back of each check: For deposit only, the full name of the PTA, as shown on your bylaws, and the date of the deposit. For example, write: **FOR DEPOSIT ONLY, ABC ELEMENTARY PTA, 09/14/2024.**
 - We have been informed that some banks may charge a fee if the check is not endorsed properly. This also safeguards the check from being deposited again by you or another person.
 - Staple checks that were deposited remotely to the completed PTA deposit form. To utilize the remote deposit function – the deposit can, of course, only consist of checks. If there is cash or coin, a regular deposit slip must be completed and taken to the bank.
 - The treasurer should record the deposit in the ledger and file the deposit form in the appropriate file.
- **Restrictively endorse ALL checks immediately "for deposit only."** All checks that are to be deposited should be immediately marked "For Deposit Only to the PTA, the complete Account #12345678" and signed by your Treasurer with his or her title. Get a stamp with this info at the time your bank account is opened.

- When accepting a **check or a money order**, ensure it is dated and signed, and the check is made payable to your PTA and both the written and legal amounts are equal. It is advised that you only accept checks with a name, phone number, student name or some other way to track back whom to contact in the event the check does not clear the bank. **Consider adopting the same policy as your local school board for insufficient funds into your Standing Rules.**
- **Use a Cash Receipt Voucher**, a PTA Deposit Form and/or a Cash Count worksheet when counting money for deposit.
- **Record the transaction.** Duplicate deposit slips should be made so that the Treasurer will have a copy to retain for the record. Issue receipts of purchase for any cash received and reconcile the receipts issued to the bank deposit.
- **Make Deposits by Budget Line Item.** Make separate deposit slips for each budgeted income line item. Do not mix a deposit for membership dues with income from a fundraiser.
- **Don't take risks. Never deposit PTA funds (i.e., checks, cash, or money orders) in anyone's personal account or in the school account, and never leave funds in the school building or in someone's home.**
- **Do not allow other school groups and clubs to deposit their funds through the PTA bank account. A PTA may jeopardize its tax-exempt status by helping another organization avoid compliance with tax laws.**
- Keep **record of the deposit amount in an additional location in the books** other than with the actual deposit slip (If the deposit is lost or stolen prior to arriving at the bank, would you know the amount?).

PAYING EXPENSES

Your PTAs bylaws and standing rules govern how expenses should be paid.

According to local unit bylaws, "The Treasurer shall have custody of all of the funds of the association; shall keep a full and accurate account of receipts and expenditures; and shall make disbursements in accordance with the approved budget, as authorized by the association." The adoption of the budget authorizes the Treasurer to pay for routine expenses covered in the budget. **Follow these guidelines when paying expenses:**

- Obtain written authorization for purchases and require itemized bills and receipts with all requests.
- Pay all authorized bills by check, never by cash.
- Never pay bills based on a "Statement of Account." Only pay bills from an **original invoice**.
- **There must be three signatories registered on the bank account as two signatures are required on all checks. Signers on the bank account cannot sign a check written to them.**
- The three signers on the bank account cannot be of the same household or related by marriage or in any other way.
- **Dual-Signed Checks** - Two signatures are required on every PTA check written, no matter how small.
- **If using a debit or credit card** to pay a bill, before remitting, use the **EFT Pre-Approval Form** in this Guide as the form requires two signatures by bank account signers. (This is the same authorization as a dual signed check.)
- **Carefully manage cash flow**, verify you have the cash based on your checkbook balance and bank statement before authorizing payments of budgeted expenditures.
- **Never sign a blank check, and Never write or sign a check made out to "cash."**

CHECK REQUEST – VOUCHER SYSTEM

Your PTA may use a general check request (voucher) system for its expenditures. The check request form should include the date, a brief description, amount to be paid and budgeted line item. The check request should be signed by the requester and approved by the President before the check is written.

After the check is generated, enter the check number on the check request or attach a check stub. The invoice should be stamped "paid." Only **original receipts and invoices** should be approved for payment. These records will then be available to assist the audit committee in the completion of its work at the end of the PTA fiscal year.

Likewise, all electronic funds transactions must be pre-approved using the **Electronic Funds Transfer Pre-Approval Form** for debit/credit card or other EFT transactions. Again, **original receipts or invoices** must be submitted and available for the audit committee review at fiscal year-end.

A PTA Check Request Form and Electronic Funds Transfer Pre-Approval Form is included with the forms at the end of Section 3 – Financial Guide and is available on our website at this link: <https://floridapta.org/finance/>
(Forms are not currently on the Florida PTA website)



Treasurers Books, Files and Records

PTAs must keep books and records to show they comply with IRS tax regulations. If a PTA does not keep the required records, you may be unable to show that your PTA qualifies for exemption, and your PTA may lose your federal income 501(c)(3) tax-exempt status. In addition to the standard accounting and financial records (revenue, expense and balance sheets) the Treasurer's books, files and records should contain notes, tasks, and items more specific to your unit and the duties of the Treasurer.

ORGANIZATION OF RECORDS

The organization of the accounting records and associated documentation files are generally left to the discretion of the current Treasurer. For a list of items, the Treasurer should have or maintain, refer to *Contents of the Treasurer's File* in the *Finance Quick Reference Guide*. (IS THIS NATIONAL PTAs info?) **YES, this is National PTAs guide. Last updated 2019-2020**

Some Treasurers keep a file or tab in a binder correlating to each line item in the budget (to store the hard copy supporting documentation) while other Treasurers prefer to keep one tab, one folder, or similar for each committee or financial type regardless if it is a deposit or expense. Regardless of the method or filing system used, it is important to note that the board can create a Standing Rule dictating particulars on how the accounting records must be organized or maintained. Florida PTA recommend that Treasurers' keep the PTA records in procedure books in the order listed on the checklist of the Florida PTA Audit Form in Section A, shown here:

Section A

To the Audit Committee: Please check the boxes of the financial records provided to you from the Treasurer:

- | | |
|---|--|
| <input type="checkbox"/> Copy of last annual audit report (as of June 30 previous year) | <input type="checkbox"/> If any were conducted, copies of any interim audits that were conducted during the year |
| <input type="checkbox"/> All Bank Statements (including PayPal, Stripe, Square, Venmo, CashApp, etc.) | <input type="checkbox"/> Treasurer's reports from ALL PTA/PTSA meetings including final general membership Annual Meeting |
| <input type="checkbox"/> Checkbook register with running balance (handwritten, excel, QuickBooks, etc.) Checkbook | <input type="checkbox"/> Copy of Final Approved budget and all amendments (voted upon and approved by the membership at a general meeting) |
| <input type="checkbox"/> Cancelled checks | <input type="checkbox"/> Minutes of all board, executive committee and association meetings. |
| <input type="checkbox"/> Copies of ALL credit card statements (if applicable) | <input type="checkbox"/> A current copy of "Annual Financial Review (PTA Audit)" from Florida PTA Kit of Materials, Section 3, Dollars and Sense |
| <input type="checkbox"/> All Deposit Receipts/Records | <input type="checkbox"/> Bylaws - Current copy of your bylaws, Stamped Approved by FPTA |
| <input type="checkbox"/> All Cash Verification Forms and Receipts | <input type="checkbox"/> Filed copy of IRS Form 990, 990EZ or 990N "accepted" confirmation from previous tax year. |
| <input type="checkbox"/> All Check Request Forms with receipts/bills attached | |
| <input type="checkbox"/> Pre-Approval & Authorization Forms for credit, debit, and EFT expenses Receipts of bills paid or itemized statements | |
| <input type="checkbox"/> Treasurer's Ledger Book (Excel Spreadsheet, QuickBooks, etc.) | |

PTA RECORDS RETENTION

The PTA Treasurer and President must be aware of the location of **any and all** unit records including the older or prior year records of the unit. With the various reporting and document retention requirements put forth by the federal government (combined with the length of time some PTA units have been in existence), it is not uncommon for some units to have numerous boxes of prior year records! Some of the older records may be

moved to another storage area, but the location of **all PTAs records should be recorded in the minutes at the beginning of each year**. It is very important that records be retained according to the following guidelines:

PERMANENT STORAGE:

1. Annual Audit Reports
2. Bylaws, including all amendments
3. Canceled Checks (for important payments, i.e., taxes, special contracts, etc.)
4. Charter (Issued by Florida PTA)
5. Contracts and Leases (still in effect)
6. Correspondence (Legal)
7. Equipment owned by PTA
8. Insurance Records: Certificates, Accident Reports, Claims, Policies
9. Minute books of board of directors, committees and general membership
10. Your records retention policy
11. Standing Rules (currently approved)
12. Tax-exempt status documents as follows:
 - Sales & Use Tax Certificate of Exemption (Florida DOR Form DR-14)
 - Letter of determination from Florida PTA: recognition of 501(c)(3) federal tax-exempt status
 - Letter assigning IRS Employee Identification Number - EIN (IRS Form SS-4)
 - Copy of annual Form 990 filed with the IRS (Form 990/990-EZ and Schedule A, or IRS Form 990-N (e-Postcard)
 - IRS Form 990-T, if applicable, for reporting UBI, Unrelated Business Income Correspondence with IRS

10 YEARS

1. Treasurer's Financial Statements (Year-End) and Budgets
2. Grant Award Letters of Agreement

7 YEARS

1. Accounts payable records
2. Cash receipt records
3. Canceled Checks (Exception – See above “permanent”: Canceled checks for Important Payments such as taxes should be kept permanently and stored with the papers pertaining to the transaction)
4. Contracts and leases (expired)
5. Inventories (products and materials)
6. Purchase orders
7. Sales records
8. Vouchers for payments to vendors, officers, members, etc. (for travel and other expenses)

3 YEARS

1. General Correspondence (Secretary)
2. Membership Lists (Including names and full contact information)
3. Petty cash vouchers

1 YEAR

1. Bank reconciliations.
2. Correspondence with customers or vendors is non-contested.
3. Duplicate deposit slips
4. Inventories of products and materials (update annually)
5. Membership envelopes/forms for current membership

Also refer to the National PTA *Finance Quick Reference Guide* for the *Records Retention Schedule*. (Saved Records Retention Schedule in draft folder for review)

MEETINGS AGENDAS AND MINUTES

The Treasurer must maintain a copy of meeting agendas and minutes for **all** PTA business meetings (general, board and executive committee). Attached with these records, include a copy of the Treasurers report, budget or other financial related data shared or distributed at the meeting.

ACCOUNTING/FINANCIAL RECORDS OR LEDGER

The accounting records of the PTA include day-to-day, or month-to-month items documenting the flow of your unit's funds. Whether it's a hand-written General Ledger book (written in pen, not pencil), an official accounting software journal such as Quick Books, a general computer software application such as Excel, or anything in-between, **both the Treasurer and the board members should be confident in the manner in which the unit's financial accounting records are documented and maintained.**

THE CHECK BOOK

The Treasurer should always have the checkbook in their personal possession. It should not be given to another person to keep or left in the school building overnight. Secure all reserve supplies of checks, deposit slips and other banking documents. Upon discovery, report missing checks to your bank immediately! In addition to the amount, date and check number noted on the check request form and/or invoice. All written checks should be logged in the check register, on the check stub, on software or accounting system, or in a manual log book. **You must keep a running book balance in the checkbook register.**

REQUIRED TREASURER'S REPORTS

The bylaws **require** that a Treasurer's report is submitted at every meeting of the association. Local PTA Treasurers are responsible for presenting reports at the monthly board of directors meeting, at all scheduled general membership meetings, and the annual Treasurer's report is given at the end of the school year, at the last general meeting. The format of the Treasurer's financial reports is the option of each PTA. Please be sure the format complies with all requirements in this guide.

The numbers which the Treasurer **MUST** report out loud when giving a report at every meeting of the association are as follows:

- (1) The ending book balance as of the date of the previous meeting,
- (2) Total Income for the period covered,
- (3) Total Expense for the period covered,
- (4) The current book balance as of the date of the meeting.

The Secretary's minutes must include these four numbers as well.

All monthly treasurer's reports and meeting minutes will be submitted to the audit committee for review at the end of the fiscal year. The audit committee should be able to reconcile the numbers in the treasurer's reports to the numbers in the meeting minutes.

MONTHLY REPORTING:

- Treasurer prepares a signed financial report and presents it at the board of directors' meetings monthly. Copies are normally submitted via email to the President and Secretary for review prior to the meeting.
- The budget report must be updated and presented monthly as well, showing year-to-date actuals for each line item in the approved PTA budget. Include a third column that shows the variance between budget and actual so that amendments to the budget can be assessed.
- Be prepared to answer all questions promptly and have all records available at the meeting.

GENERAL MEMBERSHIP MEETINGS:

- Treasurer's Reports at General Membership Meetings must cover the period since the last general meeting to the date of the current general meeting.
- The budget report must be updated and presented as well, showing year-to-date actuals for each line item in the **approved PTA budget**, and include a third column that shows the variance between budget and actual.
- Discuss all budget variances that may require an amendment to the budget.
- Be prepared to answer all questions promptly and have all records available at the meeting.
- Each time an audit is conducted on the Treasurer's books, the Treasurer must present the financial page of the audit to the members at the **NEXT** general meeting following the audit.

ANNUAL MEETING REPORTING

According to the bylaws the Annual Treasurer's Report is presented at the final general meeting of the year. When presenting the Treasurer's report at the annual meeting, be sure to discuss any anticipated revenue or expenditures which may occur after the annual meeting through the end of the fiscal period on June 30. (Annual meeting is usually held in April or May, check your Bylaws). The Treasurer's Annual Report, as well as each monthly report, is how the members of the PTA are informed of the financial standing of the association. **The PTA funds belong to the entire Membership and each member is entitled to a vote in all financial decisions. PTA funds do not belong to the Elected Officers, the Board of Directors, or the School.**



Protecting PTA Funds

Leaders may not be casual about handling money. As a member of the association's board of directors, PTA leaders must recognize they are liable for mismanagement, abuse or embezzlement of the unit's funds. This section includes basic information to help protect yourself as an individual and your unit from mismanagement of funds.

Also refer to the Finance Quick Reference Guide for information such as a Fraud Prevention Checklist, Specific Warning Signs – National PTAs guide, added to draft folder for review

BOARD & UNIT RESPONSIBILITIES

Even though the Treasurer has a major role in the financial and accounting operations of the unit, **all PTA board members have fiduciary responsibilities for the general oversight of the financial operations of the unit.** These leaders also have an obligation to their members to be responsible and accountable in how they conduct PTA business and spend PTA funds.

PTA FUNDS VS. SCHOOL FUNDS/INTERNAL ACCOUNTS

If your principal, teachers, or your school board try to assume control of your PTAs budget as though it were their own, **just say "no."** Remember that PTA doesn't work for the school—it works on behalf of children and families.

The executive board of a PTA, including the Treasurer, has the responsibility to keep the association's funds secure, establish and maintain general financial internal controls, and exercise financial responsibility of the unit's funds. Local PTAs work in harmony with school personnel but **PTAs are NOT supporting organizations for the school, clubs or booster groups at the school.** PTA units have their own bylaws that state their mission, purpose, and policy.

PTA funds are Private monies - School Funds are public monies. Only PTA funds shall be deposited into the PTA treasury. A PTA shall **NOT** act as a depository for funds of other organizations, clubs, or groups. School funds or funds belonging to **outside community or school groups or school clubs shall NOT be commingled with PTA funds in any way.** If a PTA sponsors a project or program in cooperation with the school, all funds shall be accounted for and separated **prior** to the immediate deposit of the PTA portion into the PTA bank account. **All funds deposited**

in the PTA account become the property of the PTA, and all expenditures must be made according to an approved budget and require a vote of the members of the association.

PTA funds belong to the PTA membership. The funds do not belong to the Treasurer, the officers, the executive board, or the principal. The membership makes the budgeting, fundraising, and financial decisions, and sets policy which the board executes. A member who attends every general meeting should understand the purpose and mission of PTA (as set forth in the unit bylaws) and be aware of where the funds come from and how they are spent. **See Revenue and Expenses: Standards of PTA Funds for more information.** (Could not find this information anywhere)

It is not sound financial practice to give money to the school or principal undesignated. The PTA may write a check to the school **only** in accordance with the budget approved by the members and with proper documentation. It may be necessary to write checks to the school to pay for a budgeted expense in order to take advantage of school purchasing contracts or other special deals. **However, the PTA must receive a receipt or copy of the invoice for their financial records indicating that the money was spent as stipulated by the approved budget. Also, PTA monies should never be deposited into a school account or be kept in a school safe.**

THE ROLE OF THE PRINCIPAL

As stated in the bylaws, the principal is designated as an executive board member and, as all other board members, the principal has **one** vote. However, the principal has the additional duty of being the manager of the school itself and must adhere to policies and procedures set by the school district. A principal does not have the power to force a PTA to perform a specific activity, but as the school steward, and as a practical matter, the principal should be able to approve or “veto” any matters which affect areas of their responsibility in the school district. **It is important to work with the principal and school administrators to ensure that the needs of the students in the school and the activities of the PTA are aligned.** Few of us would think it appropriate for any other organization or business to impose its decisions on our schools. Likewise, a PTA does not have special rights to make school management decisions. A PTA is successful when it earns its standing by developing responsible relationships within the school administrators and the community, keeping in mind that these are two separate entities.

SIGNING PTA CONTRACTS

In the course of the year, a PTA may enter into a variety of contracts. For instance, a PTA may contract with a band for a dance or purchase supplies for a fundraising venture. The PTA assumes the responsibility to comply with the terms and conditions of the contract 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 obligations has no effect on the responsibility assumed.

Before you enter into a contract on behalf of your PTA, consider the following:

- Has the membership approved the project?
- What is the duration of the contract?
- Does the president have the authorization from the board/executive committee to negotiate a contract?

Remember if there is any question about the terms or conditions of the contract the proper time to seek advice is before the contract is signed. Verbal contracts can also be binding, so be careful when talking with vendors.

Your Florida PTA office, treasurer, county council, and region representative are here to guide and support your unit.

All PTA contracts must be signed by the PTA President. The PTA Treasurer and school administrators are NOT eligible to sign contracts for the PTA. Before a contract can be negotiated and signed, the general membership must vote on and approve the project, program, or fundraiser that was proposed in the PTA budget. The Executive Board gives the President the authority to negotiate and ratify all contracts.

Florida PTA STRONGLY RECOMMENDS that PTAs DO NOT enter contracts LONGER THAN ONE YEAR.

GENERAL CONTROLS AND BEST PRACTICES

PREVENTING CONFLICT OF INTEREST (IRS - INUREMENT OF BENEFIT RULE)

The IRS private inurement prohibition requires that a public charity that has been granted tax-exempt status under section 501(c)(3) of the **Internal Revenue Code** operate so that none of its income or assets unreasonably benefits any of its board members, officers, or key employees. The IRS inurement prohibition forbids the use of the income or assets of a 501(c)(3) tax-exempt organization to directly or indirectly **unduly benefit an individual or other person that has a close relationship with the organization or is able to exercise significant control over the organization such as officers.**

When a nonprofit PTA engages in any type of conduct that results in an **improper benefit to an individual or insider**, the IRS can revoke the nonprofit's 501(c)(3) tax exemption or the IRS can impose penalties. These penalties can be substantial. Moreover, they are levied—not on the nonprofit—but on the individuals who participated in the prohibited transaction. **This is due to the IRS “inurement of benefit rule” which states the following:**

A section 501(c)(3) organization must not be organized or operated for the benefit of private interests, such as the creator or the creator's family, shareholders of the organization, other designated individuals, or persons controlled directly or indirectly by such private interests. No part of the net earnings of a section 501(c)(3) organization may inure to the benefit of any private shareholder or individual. A private shareholder or individual is a person having a personal and private interest in the activities of the organization.

“SUNSHINE FUNDS” ARE NOT ALLOWABLE

PTA FUNDRAISING MUST BENEFIT THE ENTIRE “CHARITABLE CLASS”

What is a “Sunshine Fund”? This refers to a PTA unit's effort to raise money to aid an individual or family in financial need due to a disaster, such as a fire, death or illness in family, or another catastrophic event. **PTA funds cannot benefit individuals and must benefit the entire “charitable class”.** The IRS has rigid requirements governing 501(c)(3) organizations, like PTA units, and the “charitable class” must be sufficiently large or indefinite so that potential beneficiaries cannot be individually identified, and fundraising should benefit the community as a whole, rather than a pre-selected individual or family. **Remember, you cannot set up a GoFundMe account to benefit an individual or family in need! (See page 14 of this guide.)**

While efforts to assist individuals in need are well intentioned and admirable, using PTA funds for such a cause is not allowable and could result in the PTA losing their Federal 501(c)(3) tax-exempt status with the IRS.

There are many schools that have a family or child in need that they would like to donate funds to. In this case, take your fundraising expertise outside of the PTA to ensure that your PTA works within its purpose to serve the entire “charitable class” defined in the bylaws. PTA members volunteer their time and efforts to further the goals that the PTA stands for. They have a strong sense of commitment to the community and those in it.

No matter how well intended it might be, as a 501(c)(3) charitable organization, “Sunshine Funds” are not allowable as this would be providing benefit to specific individuals or their families. As an alternative, the school could contact a disaster relief organization, such as the American Red Cross, to aid. However, if your community would like to collect funds to assist an individual or a family in need, the organization efforts must be conducted outside of the PTA.

Any funds collected must be made payable to that individual and must not be deposited into the PTA bank account. When donations are made payable to the PTA, the monies become PTA funds, and distribution of those funds to such individuals would be prohibited by IRS requirements.

The information below is from The National PTA “Local Leader Kit” under “Sunshine Funds”. This provides examples of what is and what is not allowable. Available at this link on the National PTA website.

<https://www.pta.org/local-leader-kit/finance/budgeting-special-funds#sunshinefunds>

There are programs that a local PTA can operate that address a need that do not put their tax-exempt status in jeopardy. These programs have to benefit the “charitable class” or group of individuals, rather than a specific individual or family.

EXAMPLE #1 – ALLOWABLE PROGRAM:

Lincoln Heights Elementary School Shoe Fund: The elementary school is in an economically depressed area. The Lincoln Heights Elementary School PTA has been informed that there are many children attending school that need new shoes. The PTA has started a special fund that will benefit the children of Lincoln Heights E.S., whether or not their parents are members of the PTA. Local businesses donate to the fund and the PTA is successful in helping children that attend the school to get new shoes.

In this example, any child that attends Lincoln Heights Elementary School, any member of the “charitable class”, can benefit from the effort and the program would NOT endanger the local PTAs tax-exempt status.

EXAMPLE #2 – NOT ALLOWABLE:

The Bower Family recently had their home destroyed by fire. Dave Bower attends John F. Kennedy High School, and he and his family are now living in a motel. The John F. Kennedy High School PTA used their reserve funds to help the Bower family in this time of need. These funds were given to the family and were a welcomed gift in this difficult time.

In this example, the program exclusively benefits a family and the program would endanger the local PTAs tax-exempt status. An alternative could include the PTA contacting a disaster relief organization, such as the American Red Cross, to aid the family.

WHAT TO DO IF MONEY IS MISSING

As fundraising dollars grow, so does the potential for fraud. This is why an annual audit is required. Contact your county council, or the Florida PTA State Office immediately if you suspect money is missing. They can assist and provide guidance on the steps to take.

IMPORTANT STEPS:

- **An IMMEDIATE interim audit is required if the discovery is made at any time during the year.**
- Promptly meet with your County Council or Region Representative to discuss your options, including contacting the authorities.
- **Don't make accusations!**
- **Avoid the rumor mill!** Don't speculate as to who may be involved.
- Document all information related to the event including allegations.
- Gather facts and documents.
- Identify all bank accounts involved and consider closing or freezing the accounts.
- If your PTA has Bonding Insurance to protect against loss of funds by embezzlement, robbery or theft, contact them, and ask what is required to recover lost or stolen funds.
- **Do not accept any restitution on your own (for any amount).** Even accepting \$1 could impair any potential criminal investigations and remove any legal recourse for restitution.

Also refer to *Theft, Fraud and Embezzlement Guidelines* section in the National PTA *Finance Quick Reference* Guide for more information on:

- *Preventing Theft, Fraud, and Embezzlement*
- *Fraud Prevention Checklist*
- *PTA-Specific Warning Signs*
- *Reasons Why Some PTAs Find it Difficult to Report Fraud*
- *The Cost of Not Prosecuting Fraud*
- *Suspected Fraud Action Step by Step*

CASH BOX

There are events and circumstances where change or a cash box is needed with startup monies. **Never borrow funds from another event or have a person "front the funds"**. Documentation for this request and transaction would be needed. Use either a traditional *Check Request Form* (check payable to the committee chair to get change personally) or a **Cash Box Request Form** (where the Treasurer makes a withdrawal from the bank). **To ease accounting, an equal deposit should be made at the end of the event.** Before depositing the proceeds from the event, make sure the cash box start balance is removed from the income of the event and, when deposited, document it as Cash Box Re-deposit and not as actual income from your event.

INVENTORY CONTROL – EQUIPMENT LOG

Because inventory is money, treat it as such! Keep inventory secure. Count or verify the inventory or product when originally received, compare it to the invoice and report discrepancies immediately. Have and use a master count or inventory worksheets. If people are aware the sheets are being used they are usually more careful.

If your PTA has purchased equipment such as cameras, coolers or other items of value, the PTA and the people using the item(s) have a responsibility to exercise efforts to keep those items secure. The Treasurer should maintain a list of these items for the unit's records, update the list as needed and validate the items on the list at least annually.

Especially for items that are stocked and maintained from year to year, it is beneficial to have and keep history data to refer to when making future orders. Inventory control and the management of inventories including thoughts and decisions such as:

- which items to stock,
- how much to stock to keep on hand,
- when to buy,
- how much to buy,
- Efforts made to minimize pilferage and damage.

Sometimes items are purchased by the PTA for use by different people throughout the school year. In that case you might consider using a log or check-out sheet and possibly create a usage statement for the people using the equipment to sign (simply reminding them that the item belongs to the PTA and to exercise reasonable care and whom to notify if they have questions or problems returning the item).

To prevent potential liability issues, there are also general guidelines to consider especially for electric, mechanical, and other types of items that may be more prone to have a safety concern, whether they are used by your PTA or purchased by your PTA and donated to the school or another entity. **Refer to your insurance policy and their related materials for more information.**

Banking

Banks are extremely competitive, and it is worthwhile to shop around to compare fees and services offered. Although many banks offer free checking services, the range of fees for bank statements, checks, minimum balance amount and penalties for falling below minimum balance can vary greatly. However, note that before you make a change, only the board of directors can vote and approve a change in banks. If a change is made, the information must be recorded in the meeting minutes and reported to the membership at the next general membership meeting.

ACCOUNT TYPES, SERVICES & FEES

PTAs are allowed to earn interest on their bank accounts. PTAs can maintain checking, savings, CDs or other forms of bank accounts. If your unit chooses to use online services, proceed with caution, establish internal controls and discuss security measures the bank offers to help reduce risk of fraud and embezzlement. The internal controls should be included in the meeting minutes, where they are approved. Also refer to *Electronic Commerce* in this guide and in the *Finance Quick Reference Guide* for more information.

With many checking accounts, some banks offer added security features such as text and email alerts when minimum balances are reached, withdrawals are made, etc. It is also worth inquiring on other services they offer when such as zippered money pouches, security sealed money bags, carbon checks, notary services and more. Inquire with your bank what they offer for free, and what items come at an additional cost. Refer to *Revenue and Expenses: Bad Check and Other Fees* for information on accounting and budgeting for these items.

BASIC INTERNAL CONTROLS & PTA GUIDELINES

Each PTA must maintain a checking account in the name of the association. The checking account must be set up using the PTAs permanent address, (usually the school). Bank statements must be mailed to the legal address of the association. In most cases, this is a school or school district office. Statements should **NEVER** be mailed to the home address of a signer on the bank account.

The bank account must be set up with the PTAs nine-digit 501(c)(3) Federal Employer Number (EIN) listed on Florida PTA group Exemption List, GEN 2149. Some banks may state that your unit must be “incorporated” on SUNBIZ to open an account. This is not correct. As stated in the bylaws, PTAs exist as **unincorporated** associations of their members. **PTAs must NOT incorporate on SUNBIZ.**

Contact the Florida PTA office for assistance if needed or apply for a special legal banking 501(c)(3) letter of determination online on our website and we will email the letter to you to present to the bank. The personalized legal banking determination letter states your PTA is an “unincorporated association” and your federal tax-exempt 501(c)(3) status is covered as a subordinate under the central organizations group exemption list: GEN 2149.

Your EIN number is referenced on the **Givebacks website** (formerly known as Memberhub) but reach out to the Florida PTA state office if you cannot locate your PTAs EIN number to set up the bank account. **DO NOT** provide

the bank with an individual's personal Social Security Number to establish a new bank account. However, for identification purposes **only**, most banks require a driver's license and the social security numbers for all signers on the PTA bank account. See *Finance Quick Reference Guide* for more information on Banking.

SIGNATORIES ON PTA BANK ACCOUNT - CO-SIGNER RESPONSIBILITIES

Individuals authorized to sign checks and handle PTA funds cannot be of the same household or related by marriage or any other relationship. As indicated in your bylaws, there must be at least **three elected officers**, two of whom should be the President and the Treasurer, listed on the "bank signature card" as authorized signers on the account. A student may be a signatory on a PTA/PTSA account, as long as he/she is an elected officer of the association, is of legal age (18 YEARS OLD), and it complies with bank regulations. Contact the bank with questions about this issue.

PLEASE CHECK YOUR SCHOOL DISTRICT RULES: Some school districts do not allow school employees to serve as Treasurer or to be in control of any funds or monies, but they can be a co-signer of checks if they are an elected officer. Also, in some school districts, school employees are not permitted to be designated as a signer or handle PTA funds under any circumstances. In those districts, it is considered a conflict of interest for the school employee to handle PTA funds. Each school district has different policies. If unsure, check with your County Council PTA or your local school district for rules regarding employees holding the position of an elected officer or handling the funds of the PTA.

In other cases, an elected officer may not be permitted by the bank to be a signer on any bank account. In that case, the executive board must vote to elect a replacement, another member on the board, to be the signer. Although the bank doesn't allow them to sign checks, these officers do not need to be replaced and will maintain their other duties.

When signers on the bank account are changed, this information must be recorded in the minutes of the association, and the minutes should include the date the signers were changed at the bank, and the names of the three new/current signers should be listed in the meeting minutes.

GUIDELINES FOR ORDERING CHECKS

Order pre-numbered checks and deposit slips wisely and avoid excessive inventory. Checks must be imprinted with the legal name and address of the association. Two separate signature lines should be on each check for two authorized signatures. Checks should include the statements, **"Void if not cashed within 90 days"**, and **"Two signatures required"**. You may consider inquiring on "maximum dollar amount" checks. When you receive your check order, make sure all of the checks are there, and that none are missing. Report any missing checks to your bank immediately.

Although it is not required, some units prefer to keep the larger desk set check book that come three checks to a page and have attached stubs and carbonless copy for recordkeeping. Refer to the *Treasurers Books, Files and*

Records: The Check Book for more information related to checks. Refer to *Electronic Commerce* for information if your board approves usage for online banking or debit cards.

Electronic Commerce

As electronic banking has expanded so has the use of ATM, debit, and credit cards. Although these provide many conveniences, they can create an opportunity for misuse (just as with cash, check and other forms of payment). Any PTA unit considering using any form of electronic commerce, should first agree as a board and set internal controls. The policies and procedures for internal controls must be set out in the meeting minutes, where they are approved. This section of the guide provides some basic information and best practices that should be put into place in addition to the standard controls set forth for protecting your unit's financials and assets.

ELECTRONIC BANKING BEST PRACTICES

Many of you may have already been offered such cards by your financial institution as a way to make banking "easier." The local unit PTAs board of directors should discuss and set policy **BEFORE** obtaining any debit/credit/gift cards for use by the local unit PTA. All policies should be recorded in the meeting minutes.

Internal Controls for Electronic Banking:

- Policies/procedures should be in writing and **reviewed annually**.
- Financial responsibilities, including the monitoring of credit/debit card use should be separated between multiple people: A person(s) who does not have the authority to approve payment should review invoices for appropriate use of funds based on the pre-approved budget;
- Bank statements and bank reconciliations should be reviewed on a monthly basis by someone who does not have the authority to approve debit/credit card purchases.

The above procedures should be recorded in the meeting minutes. Refer to the *Finance Quick Reference Guide: Online Bill Payment* and *Online Banking* for more information,

CREDIT/DEBIT CARDS:

When allowing volunteers to use a PTA issued debit/credit card, you run the risk of fraud and misuse. If your board approves and allows their use, then you must have strong internal controls. National PTA highly recommends that the use of debit or gift cards not be used as a form of payment. However, deposit only ATM cards are acceptable if your bank offers this service. **ANY person who is given a debit/credit card MUST sign a PTA agreement, such as the one in Section 3: Treasurer Forms.**

By having pre-approved written internal controls, ensuring the controls are followed, your unit can reduce these risks while also maintaining accurate record-keeping. Include the following best practices regarding debit/credit usage in your Standing Rules or Policies and Procedures:

- **Use the Florida PTA EFT Pre-approval form which requires the signature of two signers on the bank account. After the purchase is made, the receipt is attached to the preapproval form.**
- Have no more than two debit/credit cards issued by bank;

- State in the written rules, by whom and for what the debit/credit card can be used as well as cardholder responsibilities.
- Require that each cardholder **MUST** sign a statement clearly stating they have received the debit/credit card and have read and agreed to the terms and conditions of the debit/credit card policy.
- Get a debit/credit card that allows limits by each user.
- **Establish an approval process to make sure all debit/credit card receipts are received and all charges are part of a budget pre-approved by the general membership.** (Example an expense form document would still be required, see sample Debit/Credit Card Expense Form in Section 3: Treasurer’s Forms.
- Require that all expense forms are signed and dated by the card holder as well as the designated approver.
- Immediately upon resignation, termination, or the end of a term of an officer, deactivate AND destroy the cards of all former volunteers.
- Assign a person who does not have a card to review receipts and reconcile them to the bank or credit card statement, and notify the bank immediately of any questionable charges or possible fraudulent activity.
- Have the bank send one copy of bank statement to a non-signer on the account.
- Set up with bank, to have text alerts sent to president, Treasurer and the designated non-signer on the account for all debit/credit card transactions.

For additional information refer to the *Finance Quick Reference Guide: Using Credit Cards for Bill Payments, and Use of ATM/Debit or Deposit Only Cards.*

ACCEPTING CREDIT/DEBIT CARDS FOR PAYMENT

If your board approves the use of credit or debit cards for payment (such as membership, donations or fundraising items) consider these items when establishing your unit’s policy:

- Research and understand the risk and potential liability verses benefits (compliance with Payment Card Industry Data Security Standards).
- Keep enough documentation, for example, signatures of cardholders, for each transaction to ensure that disputed charges do not become a problem.
- Store any physical documents containing credit card data in a locked drawer, locked file cabinet, or locked office which the PTA solely controls (shred when no longer needed).
- Do not transmit cardholder’s credit card data by email, mail or fax.
- Do not store credit card data, PIN or CVV2/CVC2/CID numbers for customers, on paper nor electronically in an unsecured area.
- Ensure that the person taking the credit card information and/or processing the transaction is properly trained in best practices.
- When a refund is necessary, the refund must be credited only to the same account from which the original purchase/donation was made.

For additional information refer to the *Finance Quick Reference Guide: Accepting Credit Cards and PayPal Nonprofit Services* for additional information.

CLOUD COMPUTING STORAGE – USE CAUTION!

Use with caution! Cloud storage is a service that allows customers to save data by transferring it over the internet or another network to an offsite storage system maintained by a third party. The use of cloud storage provides many benefits but should be used with caution. Refer to the National PTA Finance Quick Reference Guide for additional information.

CLOUD STORAGE SECURITY RISKS:

Data privacy

Your data is your data. You don't want anybody to access it unless you allow them to. This is easy enough to maintain when you store data on-site, but what about in the cloud? Because your data is stored elsewhere, it might be impossible to know just how closed off it is. How can you be sure no one can access it when you don't maintain the servers it's stored on? When you migrate sensitive data to the cloud, be aware that you might be losing essential privacy controls.

Lack of control

When you rely on a third-party to store data for you, you're lifting a lot of responsibility off of your shoulders. This is a double-edged sword, however. On one hand, you won't have to manage your data – on the other hand, somebody else will. If something affects your storage provider, like outages or malware infections, that will directly impact access to your data. You'll have to rely on the provider to fix the issues. The more time your data spends unprotected, the more at-risk it becomes.

Shared servers

Saying you store your data "on the cloud" compared to "on a server" isn't exactly true. Cloud-based storage systems still use servers to hold data, but users don't physically access them. Cloud storage providers don't build specific servers for each user; the server space is shared between different customers as needed. You may be putting your data at risk if others using your servers upload potentially anomalous or hazardous information.

Lack of backup services

One of the biggest complaints storage systems receive is that they don't offer automatic backup functionality. Instead, they expect you to make backups of the data you store on the cloud yourself. To be fair, this issue doesn't affect every storage provider – some will automatically provide backups of your data for you. However, those that don't provide backups also don't give you a safety net in the event of sudden data loss.



Revenue and Expenses

Management or the accounting of your unit's revenue and expenses is an important task. The membership may approve an expenditure, but you must have the money available before you spend it. Watch the cash flow for situations where a bill comes due before the cash comes in. Help your officers and chairs know that just because money is in the budget doesn't mean it is in the bank.

The Treasurer and President may consider meeting with committee chairs and spelling out procedures for deposits and expenses (which committee has them, which committees are allowed purchases and when). For example, the yearbook committee may not be allowed to have any expenses other than the invoice from the yearbook company. At times it is also necessary to hold off on a purchase until later in the year and to ensure the funds are available for the item. For example, most likely you should not be making purchases in the fall, if an event does not occur until late spring. Refer to Section 3: Treasurer Forms for a *Treasurers Planning Sheet* that your unit might chose to use to help coordinate and identify whom and when revenue and expenses occur for your unit.

ACCOUNTING FOR EXPENSES (CHECK REQUESTS AND BILL PAYMENTS)

Your PTA should adopt a general check request system to reimburse expenses or to pay bills. Based on your *Standing Rules*, either the president or committee chair must authorize the item, receipts are attached; then the Treasurer prepares the check (see sample *PTA Reimbursement/Check Request Form* in Section 3: Treasurer Forms). Don't just stare straight to the bottom line of the receipt or invoice, you should be reviewing the receipt for legitimacy and accuracy (items and quantities) and ask questions if needed. The Treasurer may request further documentation of approved expenses, but may not withhold writing checks because of personal preferences. In addition to the writing out the check itself, the Treasurer should record the check amount, date and check number in a minimum of three places such as check request form, on the invoice or receipt itself and logged or recorded in either the check register, on the check stub, a software or accounting system or in a manual log book. Attach the original receipt to the check request.

After a check is written and distributed, hold the documentation until the check clears and is listed on the bank statement. When the check clears the bank, you can file the paperwork accordingly (by line item or expense type) and check it off either in your check register, check stub, accounting system or manual log book.

BAD CHECKS AND OTHER BANK FEES

You should have a line item in the expense section of your budget to record bank fees. This may include a monthly charge, a special charge for copies of a statement, a stop check payment or bad checks. Although you cannot determine if or how many checks may be given to your PTA for which there are insufficient funds (check can't clear the bank, account closed, etc.) you can minimize your exposure and increase restitution based on your practices. Your unit should also consider including a procedure in your *Standing Rules* on how to handle bad checks. Include information on how restitution should be handled (formal letter, personally contact, how much time is allowed for repayment, can payments be made or must it be paid in full immediately, are checks allowed form this individual in the future).

Gift Cards and Gift Certificates

The PTA Mission:

“To make every child's potential a reality by engaging and empowering families and communities to advocate for all children”

After further review and consultation with National PTA and several CPA's, Florida PTA will approve PTAs to purchase gift cards and gift certificates with PTA funds for the purpose of appreciation, incentives, awards, etc., to benefit teachers, students, and members using specific limits and guidelines. **The limits and guidelines must be recorded in meeting minutes.** Gift cards and certificates are the same as having CASH on hand, and controls must be in place to protect the PTA funds.

Please read these guidelines and limits carefully.

INTERNAL CONTROLS & GUIDELINES

IMPORTANT: An individual is eligible to receive only two gift cards per fiscal year with the maximum value of \$25 for each gift card. (Total value of \$50 per fiscal year, per individual.)

- **PTAs must create a clear, written, process for handling gift cards. Include the process for receiving and logging a gift card, where gift cards are stored, who has access to the cards, and the process for distributing cards or checking out a card and submitting receipts.** These guidelines must be recorded in the meeting minutes.
- Prior to purchasing gift cards, a log should be set up to monitor the purchase and distribution.
- The Treasurer must keep all gift cards in a secure area just as you would with the PTA cash box.
- The value **cannot** exceed \$25 per gift card, certificate, or pre-paid card purchased.
- While it's preferred that PTAs show appreciation in other ways, gift cards for staff or teacher appreciation are generally allowed if the amount is insubstantial (\$25 or less) and the funds are part of a member-approved budget line item such as teacher/staff appreciation or Reflections awards.
- Remember that all gift cards or certificates purchased utilizing PTA funds that come with “bonus” cards belong to the PTA and must be logged and distributed through the same process.
- The Treasurer should provide a separate report of the gift card log at the board of directors meeting along with the Treasurer's Report, both should be recorded in the meeting minutes. The gift card log is to be entered into the meeting minutes for purposes of the audit at the end of the fiscal year.

Gift Card Log

Included is an example Gift Card Log with the Section 3 -Dollars & Sense Forms, and It is also available on our website. The gift card log must include the following information:

1. **Date of Purchase or Donation**
2. **Name of Person who made the purchase or donation**
3. **Certificate or Gift Card Number**
4. **Value of the of Card - Dollar Amount**
5. **Recipient's Name, phone number, and/or email address**
6. **Date Distributed to the Recipient**

7. Name of person who distributed the card
8. Budget line item to apply expense too

Additional Controls for Gift Cards: When purchased or when a donated card is received, copy the back of each gift card which reflects its number. You can copy more than one gift card on a page. Write on the copy the date when it was distributed and who the card or certificate was distributed to. Write the budget line item that the expense was applied to.

Donated Gift Cards Guidelines

Gift card donations should be handled like cash donations. The PTA should give the donor a cash receipt, keep a record of each donation, and track the funds as donation income in bookkeeping. Best practice would be to track donated gift cards as a separate, restricted fund, and to include this report in the monthly financial report.

Following are recommended controls and procedures for the distribution and use of gift cards, gift certificates, and pre-paid cards:

- **Keep a separate log for donated gift cards, gift certificates.** Include the same information on the donation log as you do for the log of purchased gift cards as shown above.
- The Treasurer must keep all donated gift cards in a secure area just as you would with the PTA cash box.
- When gift cards are used/distributed, make note of it in the log. A disbursement voucher, with the expense budget line item shown, should be completed with receipt(s) attached if the gift card is used by the PTA for supplies or for hospitality for a PTA program, etc.
- If a donated gift card is distributed to an individual, complete the gift card log stating the date, the amount of the gift card, and the name of the individual the gift card was given to.
- **Remember, when distributing gift cards to individuals, they may receive only two gift cards per fiscal year, with a maximum value of \$25 each, for a total value of \$50 per year.**

MEMBERSHIP DUES & THE GIVEBACKS WEBSITE (formerly known as Memberhub)

As memberships are sold, at least monthly, the state and national portion of membership dues (\$3.50 per membership sold) must be remitted to the Florida PTA State Office.

Florida PTA has partnered with **Givebacks!** The **Givebacks website** is an online tool designed to help you run your PTA, and we're providing it to all local units and county council PTAs in Florida.

To solicit and sell memberships and then fail to forward the state and national portion of the dues is a fraudulent act. Payment of the State & National portion of the membership dues is one of the five Florida PTA compliance requirements which must be met to maintain your unit's 501(c)(3) tax-exempt status. Refer to *PTAs and Federal Taxes* section of this guide for more information.

MEMBERSHIP CARDS

Membership cards are electronically provided through the Givebacks website. If you have any questions about using **The Givebacks website**, please send an email to: membership.data@floridapta.org.

Upon receipt of your 2024-2025 New and Returning Officer's information (submitted online through our website), Florida PTA will send an email to provide direction and information on how to log into **Givebacks.com**.

What are some of the advantages of the **Givebacks website** with regard to membership dues?

- After setting up your local unit information on the **Givebacks website**, you can now make an electronic payment to Florida PTA for your State and National membership dues through the payment processor.
- If you are NOT making dues payments through the **Givebacks website**, dues payments by check should be made payable to Florida PTA and mailed with the standard *State and National Dues Payment Form* available on our website: www.floridapta.org **under Forms**.
- **If you sold less than 10 members in one month, it is not cost effective to send a dues check to Florida PTA in that month.** You may hold your payment and submit dues when you have collected dues for at least 10 members.
- Members can now purchase a membership online on the **Givebacks website** (formerly known as Memberhub) and print their own membership card which is emailed in PDF format.
- When memberships are purchased with cash or check at your school, you enter their information on the **Givebacks website** and email a PDF membership card to them or you can print the card for them.

All local unit PTA members are also members of Florida PTA and National PTA. This membership fee supports PTA mission implementation, such as advocacy at school district, state and federal levels, as well as programs like Reflections or School of Excellence. State & National Membership dues pay for ongoing support for leaders like you—such as support and assistance from the Florida PTA office staff, the Florida PTA Kit of Materials, National PTA Local PTA Leader Kit, and National PTA eLearning courses.

REVENUE FROM E-COMMERCE AND AFFINITY PROGRAMS

E-commerce and affinity programs are popular sources of revenue. In both types of programs, a portion of the sale of a product or service is contributed to a particular charitable cause. The amount of the contribution is usually governed by the sales or the usage of a product or service.

E-commerce purchases are made through the Internet. PTAs can enter into agreements with companies whereby the companies return a percentage of member and nonmember purchases to PTAs as a “contribution”. PTAs can also be designated as recipients of charitable contributions whenever a customer is asked to designate a charity.

Affinity programs, such as PTA credit cards, are based on the usage of the card. Each time a holder of the credit card makes a purchase using the card, the sponsoring PTA receives a percentage of the purchase or a set amount. PTAs may also receive a sign-up fee for each card issued.

When either type of agreement is formulated, a PTA should verify that the agreement is structured to protect the PTAs tax-exempt status and does not compromise PTA policies. Either agreement can be structured to avoid unrelated business income (UBI) as earned income would be subject to additional tax report filings and possible fees and contributions are not. The money received by PTAs should be accounted for as contributions on their financial statements. See *PTAs and Federal Taxes* for additional information on UBI.

RAFFLES AND GAMES OF CHANCE

As a general matter, raffles, lotteries and other "drawings by chance" are considered a form of gambling and prohibited by law in Florida. Florida law provides a very narrow exception to the general prohibition on "gambling" for a drawing by chance or raffle, which is conducted by a 501(c)(3) tax-exempt organization such as PTA.

- **Yes!** PTAs are permitted to conduct raffles and games of chance as PTAs are non-profits that have obtained federal 501(c)(3) status from the Internal Revenue Service.
- **No!** PTAs are NOT permitted to conduct raffles and games of chance on School District property, including the school campus, due to regulations in the Florida Department of Education Red Book. Detailed information about raffles and games of chance in the Red Book follows.
- Even with this exception, however, nonprofit organizations, such as PTAs, must still comply with all state and federal laws governing the solicitation of funds. Required disclosures to conduct raffles and games of chance are detailed below per Florida Statute, Section 849.0935.

Florida Statute, Section 849.0935

Considerable care should be taken when and if a PTA Board decides to conduct a drawing or raffle as a fundraiser to be certain that regulations in **Florida Statute, Section 849.0935** are followed. This statute governs under what circumstances charitable groups (including PTAs) may conduct drawings and award prizes. Please note there are many conditions associated with the process. For the full statute and related chapters, refer to Title XLVI Crimes, Chapter 849 Gambling, at this link: <http://www.leg.state.fl.us/statutes/>

Gambling in Florida is broadly defined, and with certain limited exceptions, subject to prosecution. "Gambling" includes drawings, raffles, lotteries, and any other games of chance. (See Florida Statutes Section 849.08) Florida state law provides a very narrow exception to the general prohibition on "gambling" for a drawing by chance or raffle, which is conducted by a 501(c)(3) tax-exempt organization such as PTA. There are very specific requirements that must be followed to be eligible for this exception, which are discussed below. Any other "gambling" activities undertaken would be illegal in Florida. (See Florida Statute Section 849.0935)

REQUIRED DISCLOSURES TO CONDUCT A DRAWING OR RAFFLE:

Following is just a portion of the requirements that a PTA unit must comply with to be eligible for the exemption to conduct a drawing by chance or raffle. All brochures, advertisements, notices, tickets, or entry blanks used in connection with a drawing by chance shall **conspicuously disclose all of the following information:**

- The rules governing the conduct and operation of the drawing.
- The full name of the organization, and its principal place of business. (The complete name of your PTA as shown on the charter and the address of the school.)
- The source of the funds used to award cash prizes or to purchase prizes.
- The date, hour, and place where the winner will be chosen and the prizes will be awarded, unless the brochures, advertisements, notices, tickets, or entry blanks are not offered to the public more than 3 days prior to the drawing.

- That no purchase or contribution is necessary.

UNLAWFUL ACTIVITIES FOR DRAWINGS OR RAFFLES

Section 4 of Florida Statutes 849-0935 covers what would be considered unlawful activities by an organization conducting the drawing. All of the unlawful activities detailed must be avoided, but it is most important to note that you cannot require an entry fee.

- To design, engage in, promote, or conduct any drawing in which the winner is predetermined by means of matching, instant win, or preselected sweepstakes or otherwise or in which the selection of the winners is in any way rigged;
- **To require an entry fee, donation, substantial consideration, payment, proof of purchase, or contribution as a condition of entering the drawing or of being selected to win a prize. However, this paragraph does not prohibit an organization from suggesting a minimum donation or from including a statement of such suggested minimum donation on any printed material used in connection with the fundraising event or drawing;**
- To condition the drawing on a minimum number of tickets having been disbursed to contributors or on a minimum amount of contributions having been received;
- To arbitrarily remove, disqualify, disallow, or reject any entry or to discriminate in any manner between entrants who gave contributions to the organization and those who did not give such contributions;
- To fail to promptly notify, at the address set forth on the entry blank, any person whose entry is selected to win of the fact that he or she won;
- To condition the acquisition or giveaway of any prize upon the receipt of voluntary donations or contributions.

Again, it is important to read the statute in the entirety to make sure any drawing or raffle conducted by your PTA complies fully with all of the requirements of the law. If your members and the school approve a raffle to be held as a fundraiser, be sure to exercise good financial controls including recording the starting and ending ticket numbers for full accountability of the raffle.

RED BOOK - FLORIDA DEPARTMENT OF EDUCATION - RAFFLE GUIDELINES FOR SCHOOLS

The Florida Department of Education “Florida Red Book” for schools, states that raffles conducted by a charitable, nonprofit organization exempt from federal income tax may conduct raffles or drawing by chance in the name of the school but the **raffle may not be conducted on school district property.**

Following is the complete verbiage from the Florida Red Book, Chapter 8, 4.4 - COOPERATIVE ACTIVITIES:

“The district superintendent acts as the custodian of all school property pursuant to section 1001.51(4), F.S., and may delegate responsibilities to the school principal. The principal shall control the fundraising activities conducted in the name of the school and ensure that the purposes are worthwhile. Raffles and other activities of chance shall not be conducted by the school or on school property, including raffles conducted by charitable, nonprofit organizations leasing school property. Encouraging or permitting minors to participate in games of chance by playing or betting money or

other valuable things is prohibited pursuant to section 849.04, F.S. **Only a charitable, nonprofit organization exempt from federal income taxation pursuant to the Internal Revenue Code may conduct raffles or drawings by chance in the name of the school if the organization complies with all applicable provisions of chapter 496, F.S., and section 849.0935, F.S., and the raffle is not conducted on school property.**

Substantiation of Contribution (Donation)

Your PTA should consider providing written acknowledgment for donations, especially larger ones. The IRS has no disclosure requirements or formal forms to complete for organizations that receive cash, or non-cash contributions for which the organization provides no goods or services in return. However, a donor must obtain a written acknowledgement from a charity for any single contribution of \$250 or more before the donor can claim a charitable contribution on his or her federal income tax return.

If you provide written acknowledgement (letter, post-card or email) Include:

- Your PTA unit name.
- Amount of cash contribution or the description (but not the value) of a non-cash contribution
- Description and good faith estimate of the value of goods or services, if any, that was provided in return for the contribution
- A statement that no goods or services were provided by your PTA unit (if that was the case).

A donor may request a W-9 Tax Identification Number Certification or a 501(c)(3) Determination Letter prior to making a contribution (see these topics in the PTA and Federal Taxes section) then your PTA unit should still provide a written acknowledgement of their contribution.

Refer to *Substantiation Requirements for Charitable Contributions* in the *Finance Quick Reference Guide* for more information on contributions, including *Quid Pro Quo Contributions*, *Contributions of Cash*, *Sample Receipt Forms*, *Penalties*, *Documentation Requirements*, *Non-Cash Requirements* and *Special Validation Issues*.

There are also requirements for solicitation of funds for *Disaster Assistance*, refer to the *Finance Quick Reference Guide* for more information.



Florida Department of Revenue

There are several rules and regulations in our state related to the selling of goods, collecting sales tax, soliciting of funds, or donations. This section covers the most common information that PTA units must be familiar with to remain compliant with the Florida Department of Revenue (DOR). Florida also has special regulations on raffles and other games of chance. Refer to *Revenue and Expenses: Raffles and Games of Chance* for more information.

SALES TAX CERTIFICATE OF EXEMPTION

Because PTAs have an IRS classification of 501(c)(3) either a “charitable organization” or “educational organization,” Florida State Statutes allow them to be treated differently from businesses or organizations who exist to raise a large amount of money or who conduct frequent fundraising events. The key benefit PTAs receive from the State of Florida is a significant reduction in paperwork, such as reporting and record keeping, when certain limitations on the number and frequency of fund-raising events are observed. It is not illegal for a PTA to go beyond these limitations, as long as they comply with the additional requirements regarding collecting and submitting sales taxes.

- **The PTA is responsible for paying sales tax on all resale items.** When PTAs purchase items for resale, such as candy or T-shirts, applicable sales taxes **MUST** be paid on those items.
- **PTAs have been granted the privilege of paying sales tax to the vendor** (rather than the state directly) on the wholesale cost of any items (regardless how much the markup for resale might be). This includes school store and uniforms if operated within the school (tax must be paid and submitted at least on the wholesale amount either by the vendor or by your unit).
- If you are using percentages with a vendor, you would pay sales tax on their percentage and not the PTA portion. It is illegal for a vendor to furnish the money to pay the sales tax for you - the PTA remits the tax to the vendor and they simply turn it in along with the paperwork.
- The only known exception for a PTA on resale items is selling *used* uniforms at the school, for the students’ sales tax would not need to be collected or remitted.
- If a PTA provides volunteer staff for a school store or uniform shop run by the school, it is the school district which must comply with DOR reporting requirements. All school districts have the capability to comply.
- PTA must pay sales tax for yearbooks. The exemption for tax in the state statute referring to the sale of yearbooks, magazines, newspapers, directories, bulletins, and similar publications is only for schools.
- It is illegal to allow a vendor to pay or offer to pay your sales tax for you (there should be a separate line on the invoice indicating the sales tax amount). They remit what you pay to the state of Florida.

Remember, sales taxes pay for most children’s services. Cheating on sales tax cheats children. Refer to *Finance Quick Reference Guide* for additional information.

Florida Sales Tax Exemption - Form DR-5 (Consumer Certificate of Exemption)

Your PTA is not required to have a Florida Department of Revenue Sales and Use Tax Certificate of exemption; however, you are entitled to one if your 501(c)(3) federal income tax-exempt status is in good standing with the IRS. Many people confuse the 501(c)(3) Federal Income Tax Exemption and the Florida Department of Revenue Sales Tax Exemption. Although the two types of tax exemptions go hand-in-hand, please note the difference. In order to qualify to apply for the sales tax certificate using Florida Department of Revenue **Form DR-5**, your PTA must be in good standing with the IRS by timely filing an annual 990 informational income tax return. (See *PTAs and Federal Taxes* in this guide.)

This is the link for the FL DOR instructions and the current blank fillable form.

[Consumers Certificate of Exemption Application](#)

FORM DR-5 Application for Sales Tax Exemption Certificate

Exemption Category is: 501(c)(3) Organization

If you need assistance to complete Form DR-5 application for the Florida DOR Sales & Use Tax Certificate of Exemption, contact the Florida PTA State Office for assistance rather than calling the Department of Revenue directly. We can email information to you. DOR staff isn't familiar with the specific application procedures for PTAs. The Florida PTA staff understands the most common PTA questions and will contact the state DOR if necessary.

- Check the first box on the DR-5 Application Form: 501(c)(3) Organization
- Apply for a 501(c)(3) determination letter to attach to your DR-5 application on the Florida PTA website under the PTA Leaders tab, "Local Unit Compliance", "Forms".
- We will email the necessary supporting document to you upon receipt of the request if your local unit is in good standing and has met all Florida PTA and IRS Compliance Requirements.
- The supporting document shows your local unit EIN on our group exemption list
- Do not apply as a PTA/PTO.

RENEWALS OF SALES TAX CERTIFICATES ARE AUTOMATIC AFTER 5 YEARS

Tax exemption certificates are only valid for five years. **Exemption certificate holders do not have to reapply to renew the exemption certificate. The Florida Department of Revenue will review each certificate approximately 60 days before expiration.** The FL DOR will use available public information to determine whether the nonprofit or governmental entity located in Florida still qualifies for the exemption certificate. If the nonprofit or governmental entity still qualifies, it will be mailed a new exemption certificate. If additional information is needed, the FDOR will issue a letter requesting documentation.

You can verify a state sales tax exemption certificate number by using the web link. This link takes you to the SUNTAX Portal Production System and required a user ID and password to login.

[Florida Department of Revenue Suntax Portal](#)

See Section 3: Treasurer Forms for a sample DR-5 Application/Renewal Form

USING THE SALES TAX CERTIFICATE OF EXEMPTION

The Treasurer should maintain the original and copies of the Consumer Certificate of Exemption and educate members on the rules for its usage when applicable.

Once the certificate is obtained, you are exempt from paying sales tax on items which the PTA consumes. For example, your PTA is exempt from paying sales tax on a tape recorder to be used by the secretary or a “For Deposit Only” stamp to be used by the Treasurer or taxable purchases made at the supermarket or office supply store for a PTA event. The same applies when a PTA purchases a gift for a school, such as a computer or a globe for the library. When you make these purchases, you must present the certificate of exemption and pay for the purchase with a PTA check or PTA card.

A Consumer Certificate of Exemption can only be used by the person or organization for whom it is issued, and the certificate should never be used for personal use! The PTA certificate cannot be used by the school, and the school certificate cannot be used by the PTA. The person using the certificate must make the purchase using PTA funds for items which the PTA unit will be using or consuming (and are not reselling in any form). Example: If purchasing materials to make an item that will be sold by the PTA, then tax must be paid. Either pay the tax when the materials are purchased, or collect tax when selling the finished product, and remit tax to the state.

The Sales Tax Certificate of Exemption will be the same name as on the PTA Charter/Bank account.

OCCASIONAL SALES OR EVENTS

Some PTA events will be considered *occasional sales* and you may need to remit sales tax to the Florida Department of Revenue based on the funds you charge and/or collect. The most common examples of occasional sales for a PTA would be an auction where items are donated or meal events, such as spaghetti dinners where food is prepared and served by PTA members. It will not be necessary to collect and submit sales tax when they occur no more frequently than twice during any 12-month period. There are exemptions for admission charges for an event or program sponsored if the purpose for which the group received a 501(c)(3) exception and the PTA takes an active role in planning and conducting. Contact the Florida PTA State Office and they can guide you to the correct procedures if you need to collect and remit tax for occasional sales (dealer certificate) if applicable.

Note: For the example above, if you purchase supplemental items to complete the spaghetti dinner and you are charging for the dinner then your PTA unit should NOT be using the Consumer Certificate of Exemption and should be paying sales tax when you purchased the items from the retailer as this would be considered reselling (see Sales Tax for more information).

SOLICITATION OF FUNDS – COUNTY COUNCIL AND COMMUNITY PTAS ONLY

Local Unit PTAs are NOT required to register for a Solicitation of Funds certificate if they are affiliated directly with a school. The Solicitation of Contributions Act (Chapter 496, Florida Statutes) requires businesses, groups, persons, organizations, and others who solicit donations from people in the state of Florida to register with the Department and renew annually, include copies of financial reports (copies of various IRS 990 Forms may be used to comply) and other item requirements to remain in compliance.

Only the Florida PTA State Office, County Council PTAs, and Community PTAs are required to register and renew their Solicitation of Funds certificates annually.

INCORPORATION (SUNBIZ)

Do not incorporate your PTA on SunBiz! If your PTA has an existing corporation on SunBiz, it must be closed. PTA bylaws state that your PTA is organized as an “**unincorporated association.**” Unfortunately, some uninformed banking and financial institutions indicate that you must be incorporated with the state and listed on SUNBIZ to open a checking account. This is not true for PTA units! If you are opening a new bank account, apply for a legal banking 501(c)(3) determination letter online on the Florida PTA website (www.floridapta.org), and we will email the determination letter to you. If your PTA was incorporated with SUNBIZ in error, you can dissolve the corporation simply by not filing the annual report.

Please contact the Florida PTA State Office for information on how to dissolve your corporation if necessary.

Here is the link on our website to apply for a determination letter.

<https://floridapta.org/501c3-determination-letter-request/>

COOPERATING WITH OTHER ORGANIZATIONS

Cooperation does not include participation in fundraising or membership enrollments of other organizations or contributing to finance the work of another organization (although a PTA may bear its share of the costs of a cooperative project). Contact the state office if you need additional information.

PTA Audit

PURPOSES OF THE AUDIT

- **ACCURACY:** Certify the accuracy of the PTA books and records of the Treasurer.
- **RECONCILIATION:** reconciliation of the check book balance with the bank statement balance.
- **BEST PRACTICES:** Assure the membership that the PTAs association's resources/funds are being managed according to best practices.
- **IRS & BYLAWS REQUIREMENT:** To meet IRS 501(c)(3) and Florida PTA compliance requirements as stated in the local unit bylaws. Article VII, Section 5.
- **GOOD STANDING:** PTAs are required to forward a copy of their audit report to Florida PTA annually by date given in the bylaws, August 31. Email to: audit@floridapta.org

WHEN TO CONDUCT AN AUDIT

- **Annually at the end of the 12-month Fiscal Period** after June 30 bank statement is received. According to the bylaws, the annual audit is completed by a committee of at least three members or by a professional auditor. The incoming/current treasurer must review and sign the completed audit report before taking custody of the PTA books.
- **When the Treasurer resigns mid-year.** After a resignation, a new Treasurer does not take custody of the books, write checks, or resume PTA business, until the audit is completed, using the same guidelines as the annual audit.
- **When PTA funds are suspected to be missing,** an interim audit must be conducted using the same guidelines set out for the annual audit

AUDIT COMMITTEE APPOINTMENT

- According to the bylaws, Article VII, Section 5, the Executive Board shall select an audit committee of **3 members or hire one outside accountant** or professional auditor **annually** before the end of the fiscal period.
- Appoint committee members who were not signers on the bank account and have not handled PTA funds during the period being audited. Audit committee members should not be of the same household or related to the Treasurer or President in any way. Treasurer and President during the period of the audit are not eligible to serve on the committee.
- The Treasurer submits all financial records and forms listed on the Florida PTA audit form checklist as soon as the June 30 bank statement is available.

ANNUAL AUDIT MUST BE COMPLETED BEFORE 990 IS FILED

- To prepare to file your taxes, the **Annual Audit must be completed first.**
- The numbers on the Annual Financial Report are needed to complete the IRS Form 990.
- **Gross income/receipts** and expenses calculated on the audit must be reported **exactly** to the IRS on Form 990.
- Assistance to complete your audit is available from County Council, Region Representative or Florida PTA.

PREPARING FOR THE ANNUAL AUDIT

Use the checklist in Section A on page 1 of the required Florida PTA two-page audit form on the website and in this Guide to collect and organize the records and documents necessary for the audit committee. It is recommended to keep the PTA records in the order of the checklist in a binder throughout the year. Then once the bank statement as of June 30 is received and reconciled, and the Treasurer’s Annual Report is produced, the books and financial records can be turned over to the audit committee. The Treasurer (no one else) should deliver the following records to the Audit Committee. The Treasurer does not have to be present during the audit, but must be available via phone to answer any questions the committee members may have during the audit.

See the checklist of records and documents to provide to the audit committee below:

Auditor/Audit Committee: Please complete Sections A and B. Audit Period Covered: July 1, 20 **to June 30, 20**

Section A

To the Audit Committee: Please check the boxes of the financial records provided to you from the Treasurer:

- | | |
|---|--|
| <ul style="list-style-type: none"> <input type="checkbox"/> Copy of last annual audit report (as of June 30 previous year) <input type="checkbox"/> All Bank Statements (including PayPal, Stripe, Square, Venmo, CashApp, etc.) <input type="checkbox"/> Checkbook register with running balance (handwritten, excel, QuickBooks, etc.) Checkbook <input type="checkbox"/> Cancelled checks <input type="checkbox"/> Copies of ALL credit card statements (if applicable) <input type="checkbox"/> All Deposit Receipts/Records <input type="checkbox"/> All Cash Verification Forms and Receipts <input type="checkbox"/> All Check Request Forms with receipts/bills attached <input type="checkbox"/> Pre-Approval & Authorization Forms for credit, debit, and EFT expenses Receipts of bills paid or itemized statements <input type="checkbox"/> Treasurer’s Ledger Book (Excel Spreadsheet, QuickBooks, etc.) | <ul style="list-style-type: none"> <input type="checkbox"/> If any were conducted, copies of any interim audits that were conducted during the year <input type="checkbox"/> Treasurer’s reports from ALL PTA/PTSA meetings including final general membership Annual Meeting <input type="checkbox"/> Copy of Final Approved budget and all amendments (voted upon and approved by the membership at a general meeting) <input type="checkbox"/> Minutes of all board, executive committee and association meetings. <input type="checkbox"/> A current copy of “Annual Financial Review (PTA Audit)” from Florida PTA Kit of Materials, Section 3, Dollars and Sense <input type="checkbox"/> Bylaws - Current copy of your bylaws, Stamped Approved by FPTA <input type="checkbox"/> Filed copy of IRS Form 990, 990EZ or 990N “accepted” confirmation from previous tax year. |
|---|--|

DURING THE AUDIT/REVIEW

The Treasurer (either incoming or outgoing) cannot write checks or make withdraws after the books are closed for the review; however, bank deposits may be made if needed. Basically, during an audit, they are establishing the validity of the Treasurer’s reports and tracing figures back through original deposit slips and receipts and comparing to documentation and the bank statements. Refer to *Finance Quick Reference Guide* for procedures on conducting an *Internal Financial Review and Additional Resources for a Sample Financial Review Form*.

Once the review is complete, the auditor, or the audit committee, prepares the two-page audit statement and signs it. In addition to the required information on the two-page audit form (beginning and ending balances, gross receipts, expenses/check issued, and a list of outstanding checks), a list of audit comments detailing any problems and the level or accuracy of records and any comments related to internal controls must be prepared. Refer to Kit of Materials, Section 3: Treasurer Forms, and the National PTA *Finance Quick Reference Guide* for sample reports.

AFTER THE AUDIT – SEND COMPLIANCE COPY TO FLORIDA PTA

The President and both the incoming and outgoing Treasurers must sign and date the audit report. **To meet compliance requirements, a signed and dated copy must be forwarded to Florida PTA. Email to: audit@floridapta.org.** Also check with your local school district as some require a copy of the annual financial report as well. Gross Receipts/ Income, as calculated on the audit, should now be reported to the IRS on Form 990, informational income tax return. (See *PTAs and Federal Taxes*.) The books and financial records may now be given to the incoming Treasurer.

PRESENT AUDIT REPORT TO THE MEMBERS: At the next general meeting after the audit, usually the first general meeting of the next school year, the Treasurer must present the annual audit report to the members, and it will be adopted by the general membership. Be sure to include “Adopt Audit Report” after “Treasurer’s Report” on the agenda for the first general membership meeting.

PTAs and Federal Taxes

INTERNAL REVENUE SERVICE (IRS) REQUIREMENTS

As a 501(c)(3) tax-exempt charitable organization, every PTA must file an annual IRS Form 990, informational tax return, at the end of the each fiscal year, regardless of income or gross revenue.

- Failure to file an IRS Form 990 return in one year may result in a penalty, late filing fee and/or the gross receipts for that year may be subject to income tax.
- Failure to file an IRS Form 990 return for three consecutive years will result in the automatic revocation, loss of your 501(c)(3) Federal income tax-exempt status.

REQUIRED ELECTRONIC FILING BY EXEMPT ORGANIZATIONS

Section 3101 of P.L. 116-25 of the IRS tax law **Requires** returns by exempt organizations be filed **Electronically!**

990 IRS Filing Due Date: November 15, 2024

IRS Form 990, Federal Income Tax Return, or **IRS Form 8868**, *application for extension of time to file an Exempt Organization Return*, must be filed with the IRS no later than midnight **November 15, 2024**. Please forward a copy of the accepted IRS Form 8868 to: 990@floridapta.org

GROSS INCOME AND REVENUE

IRS Definition of Gross Income: “The total amounts the organization received from all sources during the 12-month fiscal period, without subtracting any costs or expenses.”

Do not include or report income from the State and National Portion of the membership dues that are passed on to Florida PTA and National PTA (That is the \$3.50 per each member that you pay to Florida PTA.)

- Gross Income / Receipts Reported to IRS do not include income from state and national portion of membership dues.
- The \$3.50 per member paid to Florida PTA and National PTA are passed on and reported as income on the FPTA and NPTA 990 tax returns. Use the calculation at the bottom of the audit form to report Income and expense to the IRS on Form 990.
- Fiscal year-end: June 30, 2024
- 2023 Form 990 **Due on November 15, 2024**
- Form 8868 can be filed for an automatic six-month extension.
- **Form 8868 extension must be filed in time for IRS APPROVAL by midnight November 15, 2024**
- With the IRS Approved 8868 Extension, the due date is extended until MAY 15, 2025

ACCOUNTING PERIOD (FISCAL YEAR) & WHEN TO FILE

The term accounting period (also called tax year) refers to the PTAs fiscal year. All PTA units in Florida should have an **accounting period of July 1st through June 30th**. If you find that your filing period was set up on the calendar year (January to December) instead of the fiscal year, please contact the Florida PTA State Office for assistance to get this corrected. The IRS 990EZ and 990 (long form) require you to enter your accounting period. Your 990-filing due date is based on the date of the end of your accounting period, June 30. Your 990 informational tax return must be filed annually by the 15th day of the 5th month after the end of your accounting period. Thus, PTA units in Florida are required to file after July 1st but **before November 15th**.

WHO COMPLETES 990 INCOME TAX RETURN/FILES WITH IRS?

The bylaws state that the new Treasurer shall assume all duties AFTER the books have been audited. The audit should be conducted as soon as the bank statement as of June 30 is available, and as soon as the audit is complete, your PTA should prepare and file the 990. **The CURRENT Treasurer and President must ensure the IRS 990 is completed and electronically submitted to the IRS by November 15th, 2024.** The gross revenue/income and total expenses reported on the IRS 990 should be **EXACTLY the same** as calculated and confirmed on the audit report..

IRS FORMS & SCHEDULES

Following are the Form 990 Filing Requirements / Thresholds based on “normal” gross receipts. The gross receipts to report to the IRS, calculated on the audit as of June 30, 2024, determines the correct 990 form your PTA unit must file with the IRS. **The Three-Year Average of gross receipts will determine the correct Form 990 to file.**

How to Calculate “Normal” Gross Receipts per the IRS:

Tax-exempt organizations with annual gross receipts that are "normally" greater than \$50,000 are **NOT** eligible to file Form 990N (e-Postcard) and must file either Form 990EZ or Form 990 (Long Form) Calculate the three-year average of your gross receipts to determine which Form 990 to file.

Take the average of prior three years gross receipts, including the tax year you are reporting. In the example below the three-year average of gross receipts = \$52,000. Even though the gross receipts dropped below \$50,000 in the last two years, they are still required to file Form 990EZ rather than 990N since the three-year average of gross receipts is greater than \$50,000.

2021-22 Gross Receipts: \$75,000

2022-23 Gross Receipts: \$39,000

2023-24 Gross Receipts: \$42,000

Three-Year Average / Normal Gross Receipts = \$52,000 Must File 2023 IRS Form 990EZ

990 Filing Requirements / Thresholds

	If your PTAs normal gross receipts are:
990N (e-Postcard)	3-Year Average of Receipts must be equal to or less than \$50,000
990EZ	3-Year Average of Receipts must be equal to or more than \$50,000 and less than \$200,000
990	3-Year Average of Receipts must be equal to or more than \$200,000

Filing Form 990 (Long Form)

The CPA, who serves the Florida PTA, recommends that a PTA with gross receipts exceeding \$200,000 should obtain the services of a professional accountant or CPA to file Form 990(long form) with the required schedules.

990N (e-Postcard) Filing Information

The IRS 990N (*e-Postcard*) is for small organizations with gross receipts NORMALLY less than or equal to \$50,000.

How do I file Form 990-N, the e-Postcard?

See IRS Step-by-Step Guide to file Form 990N on the Florida PTA Website.

Use the Form 990-N Electronic Filing system (e-Postcard) to electronically submit Form 990-N, *Electronic Notice (e-Postcard) for Tax-Exempt Organizations Not Required to File Form 990 or Form 990EZ*.

FORM 990N (e-Postcard) can be accessed at this link on the IRS website:

<https://www.irs.gov/charities-non-profits/annual-electronic-notice-form-990-n-for-small-organizations-faqs-how-to-file>

990EZ Filing Information

Please refer to the 990EZ Step-By-Step Filing Guides on the Florida PTA website. This information is intended to supplement, and not replace the Internal Revenue Service's instructions for filing Form 990EZ. IRS 990 Series Forms and IRS Instructions to file form 990EZ can be obtained through this link:

<http://www.irs.gov/uac/Current-Form-990-Series-Forms-and-Instructions>

The activities your unit performs and the type of fundraising you engage in determines what schedule(s) need to be filed with 990 or 990EZ. Every PTA who files a 990EZ (Short Form) or 990 (Long Form), are quired to prepare Schedule A since your association is a 501(c)(3).

- Schedule A, Part III (Public Charity Status and Public Support) required to be filed with all 990EZ and 990 forms.
- Schedule B (Schedule of Contributors if you received more than \$5,000 from any one donor)
- Schedule G (Supplemental Information Regarding Fundraising or Gaming Activities)
- Schedule M (Non-Cash Contributions) based on questions answered on the 990.
- Schedule O (Supplemental Information to Form 990)
- Form 1099-K (Noncash Charitable Contributions)
- 1099-Misc (If the PTA paid a person, not a business, at least \$600 for services/fees during the calendar year – Contact the state office for more information)

EXAMPLE: Properly Completed Header for 990EZ Calendar Year Beginning July 1, 2023, and ending June 30, 2024

Form 990-EZ Department of the Treasury Internal Revenue Service	Short Form Return of Organization Exempt From Income Tax Under section 501(c), 527, or 4947(a)(1) of the Internal Revenue Code (except private foundations) Do not enter social security numbers on this form, as it may be made public. Go to www.irs.gov/Form990EZ for instructions and the latest information.	OMB No. 1545-0047 2023 Open to Public Inspection
A For the 2023 calendar year, or tax year beginning <u>July 1</u> , 20 <u>23</u> , and ending <u>June 30</u> , 20 <u>24</u>		
B Check if applicable: <input type="checkbox"/> Address change <input type="checkbox"/> Name change <input type="checkbox"/> Initial return <input type="checkbox"/> Final return/terminated <input type="checkbox"/> Amended return <input type="checkbox"/> Application pending		
C Name of organization PTA FLORIDA CONGRESS - EXAMPLE ELEMENTARY PTA Number and street (or P.O. box if mail is not delivered to street address) Room/suite 1234 SESAME STREET City or town, state or province, country, and ZIP or foreign postal code ORLANDO, FL 90210		D Employer identification number 12-3456789 E Telephone number 407-123-4567 F Group Exemption Number 2149
G Accounting Method: <input checked="" type="checkbox"/> Cash <input type="checkbox"/> Accrual Other (specify):		H Check <input checked="" type="checkbox"/> if the organization is not required to attach Schedule B (Form 990).
I Website:		
J Tax-exempt status (check only one) - <input checked="" type="checkbox"/> 501(c)(3) <input type="checkbox"/> 501(c)() (insert no.) <input type="checkbox"/> 4947(a)(1) or <input type="checkbox"/> 527		
K Form of organization: <input type="checkbox"/> Corporation <input type="checkbox"/> Trust <input checked="" type="checkbox"/> Association <input type="checkbox"/> Other:		
L Add lines 5b, 6c, and 7b to line 9 to determine gross receipts. If gross receipts are \$200,000 or more, or if total assets (Part II, column (B)) are \$500,000 or more, file Form 990 instead of Form 990-EZ \$ 55,178		

- A. Fiscal Year – This fiscal year is the 12-month period. This year it is **July 1, 2023, through June 30, 2024**.
- B. Check if applicable – frequently used for address changes and filing amended returns.
- C. Name and address – Enter **PTA Florida Congress** followed by your PTAs exact name, as shown on your bylaws
- D. Enter your **PTAs unique 9-Digit (EIN) Federal Employer Identification Number**
- E. Telephone Number – use the **phone number of the officer signing the return**.
- F. Enter the Florida PTA Four-digit group exemption number - **GEN: 2149**
- G. Accounting Method: Cash – PTAs should check the box marked “Cash”.
- H. **If your PTA DID NOT receive contributions from any one source more than \$5,000, check NO.** If you did, complete Schedule B –provides a list of contributors. (These are donations not fundraisers)
- I. Website – **Enter your PTAs website, if any.**
- J. Tax Exempt Status - PTAs are **501(c)(3) organizations**; therefore, check the first box.
- K. Form of Organization: **ASSOCIATION**. PTAs exist as “unincorporated association of its members.
- L. Calculate **Gross Receipts** in the Revenue Section, add lines 5b, 6c, and 7b to line 9 and enter here.

EXAMPLE: Tips and Suggestions to Complete Revenue – Part I 990EZ

L Add lines 5b, 6c, and 7b to line 9 to determine gross receipts. If gross receipts are \$200,000 or more, or if total assets (Part II, column (B)) are \$500,000 or more, file Form 990 instead of Form 990-EZ. \$ **55,178**

Part I Revenue, Expenses, and Changes in Net Assets or Fund Balances (see the instructions for Part I)		Check if the organization used Schedule O to respond to any question in this Part I <input type="checkbox"/>	
1	Contributions, gifts, grants, and similar amounts received	1	1,096
2	Program service revenue including government fees and contracts	2	
3	Membership dues and assessments	3	879
4	Investment income	4	
5a	Gross amount from sale of assets other than inventory	5a	
b	Less: cost or other basis and sales expenses	5b	
c	Gain or (loss) from sale of assets other than inventory (subtract line 5b from line 5a)	5c	
6	Gaming and fundraising events:		
a	Gross income from gaming (attach Schedule G if greater than \$15,000)	6a	
b	Gross income from fundraising events (not including \$ of contributions from fundraising events reported on line 1) (attach Schedule G if the sum of such gross income and contributions exceeds \$15,000)	6b	46,274
c	Less: direct expenses from gaming and fundraising events	6c	27,214
d	Net income or (loss) from gaming and fundraising events (add lines 6a and 6b and subtract line 6c)	6d	19,060
7a	Gross sales of inventory, less returns and allowances	7a	6,930
b	Less: cost of goods sold	7b	6,574
c	Gross profit or (loss) from sales of inventory (subtract line 7b from line 7a)	7c	355
8	Other revenue (describe in Schedule O)	8	
9	Total revenue. Add lines 1, 2, 3, 4, 5c, 6d, 7c, and 8	9	21390

- Line 1: Report only contributions, gifts, grants and similar amounts here --**Do not report income from standard fundraisers or income from sale of inventory on this line.**
- Line 2: Program Service Revenue -- Read IRS instructions for this line. Program services are primarily those services that form the basis of a PTAs exemption Example: Income from the sale of tickets to a PTA awards dinner. **Do not report income from standard fundraisers or income from sale of inventory on this line.**
- Line 3: Enter the membership dues collected by the PTA. Report only the portion of the dues your unit gets to keep – not the portion paid to FPTA for State & National Dues.
- Line 4: – Any interest earned from sources such as a savings account, checking account, etc.
- Lines 5a, 5b, and 5c – Most PTAs will not have entries on these lines (income from sale of assets)
- Line 6a: Enter gross income from gaming activities such as raffles, or other gaming activities. **If line 6a exceeds \$15,000 you are required to file Schedule G**
- Line 6b – Enter the gross receipts from all standard fundraisers, such as: catalog or online sales of merchandise such as candy or candles, special events and activities such as dinners, dances, carnivals, auctions, **If line 6b is greater than \$15,000 you are required to file Schedule G**
- Line 6c – Enter direct expenses from fundraising events and gaming.
- Line 6d –Calculate Net Income from fundraising events
- Line 7a – Enter the gross revenue from the sale of merchandise, such as yearbooks, t-shirts, book fairs, Holiday Shop, items in the school store, uniforms, etc.
- Line 7b – Enter the cost of goods sold from sales of inventory/merchandise
- Line 7c – Calculate Gross profit or loss from sales of inventory
- Line 9 - Calculate total revenue – net receipts

EXAMPLE: Tips and Suggestions to Complete Expenses – Part I 990EZ

Expenses			
10	Grants and similar amounts paid (list in Schedule O)	10	5,332
11	Benefits paid to or for members	11	
12	Salaries, other compensation, and employee benefits	12	
13	Professional fees and other payments to independent contractors	13	125
14	Occupancy, rent, utilities, and maintenance	14	
15	Printing, publications, postage, and shipping	15	207
16	Other expenses (describe in Schedule O)	16	13,528
17	Total expenses. Add lines 10 through 16	17	19,192
Net Assets			
18	Excess or (deficit) for the year (subtract line 17 from line 9)	18	2,198
19	Net assets or fund balances at beginning of year (from line 27, column (A)) (must agree with end-of-year figure reported on prior year's return)	19	18,520
20	Other changes in net assets or fund balances (explain in Schedule O)	20	
21	Net assets or fund balances at end of year. Combine lines 18 through 20	21	20,718

For Paperwork Reduction Act Notice, see the separate instructions.

Cat. No. 106421

Form 990-EZ (2023)

Form 990-EZ (2023)

Page 2

Part II Balance Sheets (see the instructions for Part II)
Check if the organization used Schedule O to respond to any question in this Part II

	(A) Beginning of year	(B) End of year
22 Cash, savings, and investments	18,520	22 20,718
23 Land and buildings		23
24 Other assets (describe in Schedule O)		24
25 Total assets	18,520	25 20,718
26 Total liabilities (describe in Schedule O)		26
27 Net assets or fund balances (line 27 of column (B) must agree with line 21)	18,520	27 20,718

EXPENSES - Lines 10–17

- Line 10 – Enter the total amount of money that was paid in the form of grants and scholarships. **List detail in Schedule O.**
- Line 11 – A PTA cannot pay benefits to or for members. Line 11 must be zero.
- Line 12 – A PTA would not have an entry on this line since we do not have employees or pay salaries or employee benefits.
- Line 13 – If any, enter the amount of money spent on professional fees, such as tax accountant, legal fees, or to independent contractors who provided services. If payments were made to one vendor in excess of \$600, a form 1099-Misc needs to be filed.
- Line 14 – A PTA most likely would not have an entry on this line
- Line 15 – Enter total printing, publication, postage, and shipping expenses incurred.
- Line 16 – **OTHER EXPENSES** -Enter any expenses not included on lines 10-15. **Provide detail on Schedule O. It is easiest to enter your PTA budget expense actuals on Schedule O**
- Line 17 – Calculation of Total Expenses: Sum of Lines 10, 11, 12, 13, 14, 15, and 16

- Line 18 – Subtract line 17-Total Expenses from line 9-Total Revenue to calculate Excess or (deficit) for the year. **This is the fund balance at the end of the year from the PTA audit report.**
- Line 19 – Enter the amount reported on the prior year’s Form 990-EZ, line 21; fund balance - it is the ‘carry over’ from last year on first line of the audit report.
- Line 20 – A PTA should not have other changes in net assets. Line 20 should be 0.
- Line 21 – Calculate Net Assets. Add lines 18, 19, and 20

EXAMPLE: Tips to Complete Balance Sheet – Part II 990EZ

BALANCE SHEETS – Lines 22-27

- Line 22 - Total all PTA’s funds in its checking and savings accounts, and investments at the beginning and end of Year. These are the beginning and ending balances on the PTA audit report. These will be the same as line 19 (beginning of year) and Line 21 (end of year)
- Line 23 - a local PTA would not have an entry on this line (land and building)
- Line 24 – A local PTA would not usually have “other assets” if so enter and explain on Schedule O.
- Line 25 – Calculation of total assets. Add Lines 22, 23, 24.
- Line 26 – Total Liabilities – PTAs operate on a cash basis do not typically do not have liabilities. This should be zero unless there are outstanding debts such as a balance due to State for dues.
- Line 27 – Calculate Net Assets (line 27 of Column B must agree with Line 21.)

EXAMPLE: Tips on Completing – Part III 990EZ

501(c)(3) organizations are REQUIRED to complete these lines.

Part III Statement of Program Service Accomplishments (see the instructions for Part III) Check if the organization used Schedule O to respond to any question in this Part III <input checked="" type="checkbox"/>		Expenses (Required for section 501(c)(3) and 501(c)(4) organizations; optional for others.)
What is the organization’s primary exempt purpose? See Schedule O		
Describe the organization’s program service accomplishments for each of its <u>three</u> largest program services, as measured by expenses. In a clear and concise manner, describe the services provided, the number of persons benefited, and other relevant information for each program title.		
28 PTA purchased 6 picnic tables for students to eat lunch outside. These tables are used by over 2000 teachers, students, and families to enjoy lunch together throughout the year.		
(Grants \$) If this amount includes foreign grants, check here <input type="checkbox"/>	28a	681
29 Global Corner was an event for all the students to travel to different country themed areas around the school. Students get to taste unique foods, listen to different types of music, and enjoy various pieces of art.		
(Grants \$) If this amount includes foreign grants, check here <input type="checkbox"/>	29a	1,332
30 Caro Carnival is an after school event where families come together for fun and games. Over 1000 people attended the event.		
(Grants \$) If this amount includes foreign grants, check here <input type="checkbox"/>	30a	2,361
31 Other program services (describe in Schedule O)		
(Grants \$ 5,332) If this amount includes foreign grants, check here <input type="checkbox"/>	31a	5,332
32 Total program service expenses (add lines 28a through 31a)	32	9,706

- Describe the 3 (three) largest program service accomplishments as measured by expenses.
- A program service is a major, usually ongoing, objective of your organization.
- These program services should **directly relate to the primary exempt purpose**.
- Be **descriptive** of your accomplishments and show measurements such as: **how many students participated, number of events held in the community, how many people benefited from the program service.**

EXAMPLE: Tips on Completing – Part IV 990EZ

- You Must include the names of the President, Treasurer, and Secretary.
- List the average number of hours each of the officers devoted to the position weekly.

Part IV List of Officers, Directors, Trustees, and Key Employees (list each one even if not compensated— see the instructions for Part IV) Check if the organization used Schedule O to respond to any question in this Part IV <input type="checkbox"/>				
(a) Name and title	(b) Average hours per week devoted to position	(c) Reportable compensation (Forms W-2/1099-MISC/1099-NEC) (if not paid, enter -0-)	(d) Health benefits, contributions to employee benefit plans, and deferred compensation	(e) Estimated amount of other compensation
Minnie Mouse President	10			
Charlie Brown Treasurer	15			
Yogi Bear Secretary	15			
Donald Duck 1st Vice President	20			
Hello Kitty Reflections Chairperson	5			

EXAMPLE: Tips on Completing – Part V 990EZ

- The answers to questions 33 through 46 should all be NO. If your local unit answered yes to any of these questions, please stop here and contact the state office for guidance.
- Question 42a must list the current **treasurer’s name, phone number, and home address** where the PTA books and records are being held. (Financial documents and records belonging to the association should NOT be held at the school unless stored in a PTA designated secured area.)

41 List the states with which a copy of this return is filed: 40e

42a The organization's books are in care of: **Charlie Brown - Treasurer** Telephone no. **407-867-5309**
 Located at: **21770 James Street, Orlando, FL, 32709** ZIP + 4

b At any time during the calendar year, did the organization have an interest in or a signature or other authority over a financial account in a foreign country (such as a bank account, securities account, or other financial account)? If "Yes," enter the name of the foreign country: See the instructions for exceptions and filing requirements for FinCEN Form 114, Report of Foreign Bank and Financial Accounts (FBAR).	Yes	No
	<input type="checkbox"/>	<input checked="" type="checkbox"/>

42c At any time during the calendar year, did the organization maintain an office outside the United States? 42c

EXAMPLE: Properly Completed Schedule A

All Section 501(c)(3) organizations must attach a completed Schedule A

On Form 990EZ or 990 (long form), **check #10** in Schedule A, Part I, Reason for Public Charity Status and complete **Part III** (See example below.)

<p>SCHEDULE A (Form 990)</p> <p>Department of the Treasury Internal Revenue Service</p>	<p>Public Charity Status and Public Support</p> <p>Complete if the organization is a section 501(c)(3) organization or a section 4947(a)(1) nonexempt charitable trust. Attach to Form 990 or Form 990-EZ. Go to www.irs.gov/Form990 for instructions and the latest information.</p>	<p>OMB No. 1545-0047</p> <p>2023</p> <p>Open to Public Inspection</p>
<p>Name of the organization PTA FLORIDA CONGRESS - EXAMPLE ELEMENTARY PTA</p>		<p>Employer identification number 12-3456789</p>
<p>Part I Reason for Public Charity Status. (All organizations must complete this part.) See instructions.</p> <p>The organization is not a private foundation because it is: (For lines 1 through 12, check only one box.)</p>		
<p>1 <input type="checkbox"/> A church, convention of churches, or association of churches described in section 170(b)(1)(A)(i).</p> <p>2 <input type="checkbox"/> A school described in section 170(b)(1)(A)(ii). (Attach Schedule E (Form 990).)</p> <p>3 <input type="checkbox"/> A hospital or a cooperative hospital service organization described in section 170(b)(1)(A)(iii).</p> <p>4 <input type="checkbox"/> A medical research organization operated in conjunction with a hospital described in section 170(b)(1)(A)(iii). Enter the hospital's name, city, and state: _____</p> <p>5 <input type="checkbox"/> An organization operated for the benefit of a college or university owned or operated by a governmental unit described in section 170(b)(1)(A)(iv). (Complete Part II.)</p> <p>6 <input type="checkbox"/> A federal, state, or local government or governmental unit described in section 170(b)(1)(A)(v).</p> <p>7 <input type="checkbox"/> An organization that normally receives a substantial part of its support from a governmental unit or from the general public described in section 170(b)(1)(A)(vi). (Complete Part II.)</p> <p>8 <input type="checkbox"/> A community trust described in section 170(b)(1)(A)(vii). (Complete Part II.)</p> <p>9 <input type="checkbox"/> An agricultural research organization described in section 170(b)(1)(A)(ix) operated in conjunction with a land-grant college or university or a non-land-grant college of agriculture (see instructions). Enter the name, city, and state of the college or university: _____</p> <p>10 <input checked="" type="checkbox"/> An organization that normally receives (1) more than 33¹/₃% of its support from contributions, membership fees, and gross receipts from activities related to its exempt functions, subject to certain exceptions; and (2) no more than 33¹/₃% of its support from gross investment income and unrelated business taxable income (less section 511 tax) from businesses acquired by the organization after June 30, 1975. See section 509(a)(2). (Complete Part III.)</p>		

EXAMPLE: PROPERLY COMPLETED SCHEDULE A – PART III

From Page 1 of the 990EZ:

- 1(e). Enter the amount on line 3 of the 990EZ, (the portion of membership dues that your PTA collects and does **not** send to Florida PTA for state and national dues).
- 2(e). Enter the total amount for all income received from activities, events, and merchandise sold.
- 3(e). Enter the total amount for all income from that is not unrelated business income.
- 4(e) and 5(e). PTAs should not have income that belongs on these lines.
- 6(e). Add lines 1(e) through 5(e). **This amount MUST match your Gross Receipts listed on Line "L" in the header of the 990EZ.**
- 7(a-c). PTAs shouldn't have income on these lines.
- 9(e). Enter the number from line 6 which is the same as the "Gross Receipts".
- Calculate the totals across each row and enter them in Column "F"
- 15 & 16. Divide line 8(f) by line 13(f). The total percentage is without the decimal point.

Part III Support Schedule for Organizations Described in Section 509(a)(2)

(Complete only if you checked the box on line 10 of Part I or if the organization failed to qualify under Part II. If the organization fails to qualify under the tests listed below, please complete Part II.)

Section A. Public Support

Calendar year (or fiscal year beginning in)	(a) 2019	(b) 2020	(c) 2021	(d) 2022	(e) 2023	(f) Total
1 Gifts, grants, contributions, and membership fees received. (Do not include any "unusual grants.")			2726	1390	1975	5791
2 Gross receipts from admissions, merchandise sold or services performed, or facilities furnished in any activity that is related to the organization's tax-exempt purpose	52582	46097	58668	58534	53203	269084
3 Gross receipts from activities that are not an unrelated trade or business under section 513						
4 Tax revenues levied for the organization's benefit and either paid to or expended on its behalf						
5 The value of services or facilities furnished by a governmental unit to the organization without charge						
6 Total. Add lines 1 through 5	52582	46097	61094	59924	55178	274878
7a Amounts included on lines 1, 2, and 3 received from disqualified persons						
b Amounts included on lines 2 and 3 received from other than disqualified persons that exceed the greater of \$5,000 or 1% of the amount on line 13 for the year						
c Add lines 7a and 7b						
8 Public support. (Subtract line 7c from line 6.)						274878

Section B. Total Support

Calendar year (or fiscal year beginning in)	(a) 2019	(b) 2020	(c) 2021	(d) 2022	(e) 2023	(f) Total
9 Amounts from line 6	52582	46097	61094	59924	55178	274878
10a Gross income from interest, dividends, payments received on securities loans, rents, royalties, and income from similar sources						
b Unrelated business taxable income (less section 511 taxes) from businesses acquired after June 30, 1975						
c Add lines 10a and 10b						
11 Net income from unrelated business activities not included on line 10b, whether or not the business is regularly carried on						
12 Other income. Do not include gain or loss from the sale of capital assets (Explain in Part VI.)						
13 Total support. (Add lines 9, 10c, 11, and 12.)	52582	46097	61094	59924	55178	274878
14 First 5 years. If the Form 990 is for the organization's first, second, third, fourth, or fifth tax year as a section 501(c)(3) organization, check this box and stop here <input type="checkbox"/>						

Section C. Computation of Public Support Percentage

15 Public support percentage for 2023 (line 8, column (f), divided by line 13, column (f))	15	100 %
16 Public support percentage from 2022 Schedule A, Part III, line 15	16	100 %

Section D. Computation of Investment Income Percentage

17 Investment income percentage for 2023 (line 10c, column (f), divided by line 13, column (f))	17	0 %
18 Investment income percentage from 2022 Schedule A, Part III, line 17	18	0 %
19a 33 1/3% support tests—2023. If the organization did not check the box on line 14, and line 15 is more than 33 1/3%, and line 17 is not more than 33 1/3%, check this box and stop here. The organization qualifies as a publicly supported organization <input checked="" type="checkbox"/>		

EXAMPLE: PROPERLY COMPLETED SCHEDULE O FOR LINE 16 OF THE 990EZ

- List each expense and amount, **individually**. Refer to the budget when listing these expenses.
- After listing all the expenses, calculate the total. This total must be the same as the total of “Other Expenses” listed on line 16 of the 990EZ. If the total does not match Line 16 on the 990EZ, please review your treasurers report, bank statements, budget, and previous years interim expenses to find the discrepancy.

SCHEDULE O
(Form 990)

Department of the Treasury
Internal Revenue Service

Supplemental Information to Form 990 or 990-EZ

Complete to provide information for responses to specific questions on Form 990 or 990-EZ or to provide any additional information.

Attach to Form 990 or Form 990-EZ.

Go to www.irs.gov/Form990 for the latest information.

OMB No. 1545-0047

2023

Open to Public Inspection

Name of the organization

PTA FLORIDA CONGRESS - EXAMPLE ELEMENTARY PTA

Employer identification number

12-3456789

FORM 990EZ, PART I, LINE 16, OTHER EXPENSES: Office Supplies \$2109

FORM 990EZ, PART I, LINE 16, OTHER EXPENSES: Bank Fees \$174

FORM 990EZ, PART I, LINE 16, OTHER EXPENSES: Insurance \$150

FORM 990EZ, PART I, LINE 16, OTHER EXPENSES: Membership Drive \$2,526

FORM 990EZ, PART I, LINE 16, OTHER EXPENSES: DEIJ Program Event For Families \$1,342

FORM 990EZ, PART I, LINE 16, OTHER EXPENSES: Stem Literacy Night \$1,342

FORM 990EZ, PART I, LINE 16, OTHER EXPENSES: Community Engagement Picnic \$1,100

FORM 990EZ, PART I, LINE 16, OTHER EXPENSES: Teacher Appreciation \$1,226

FORM 990EZ, PART I, LINE 16, OTHER EXPENSES: Stem Literacy Night \$1,342

FORM 990EZ, PART I, LINE 16, OTHER EXPENSES: Student Appreciation \$1,552

FORM 990EZ, PART I, LINE 16, OTHER EXPENSES: Leadership Convention Training \$1,958

FORM 990EZ, PART I, LINE 16, OTHER EXPENSES TOTAL : \$13,528

FORM 990-EZ PART III

The primary exempt purpose of the organization is to make every child's potential a reality by engaging and empowering families and communities to advocate for all children.

EXAMPLE: PROPERLY COMPLETED SCHEDULE G

- Fundraising income and expenses listed on schedule G must match lines 6b., 6c., and 6d, on page 1 of the IRS form 990.

Schedule G (Form 990) 2023

Page 2

Part II Fundraising Events. Complete if the organization answered "Yes" on Form 990, Part IV, line 18, or reported more than \$15,000 of fundraising event contributions and gross income on Form 990-EZ, lines 1 and 6b. List events with gross receipts greater than \$5,000.

		(a) Event #1 HOLIDAY SHOP (event type)	(b) Event #2 FUN RUN (event type)	(c) Other events 13 (total number)	(d) Total events (add col. (a) through col. (c))	
Revenue	1	Gross receipts	22044	18421	5809	46274
	2	Less: Contributions				
	3	Gross income (line 1 minus line 2)	22044	18421	5809	46274
Direct Expenses	4	Cash prizes				
	5	Noncash prizes				
	6	Rent/facility costs				
	7	Food and beverages				
	8	Entertainment				
	9	Other direct expenses	13803	8810	4601	27214
	10	Direct expense summary. Add lines 4 through 9 in column (d)				27214
11	Net income summary. Subtract line 10 from line 3, column (d)				19060	

Refer to the *Finance Quick Reference Guide: Federal Requirements* for more information including *Instructions for Form 990EZ* and other federal requirements.

FILINGS & IRS NOTICES

Whenever the IRS sends a notice or writes to your PTA, always answer immediately. If a number is provided to contact them regarding the notice, call them immediately and follow-up with written correspondence as requested. **Never ignore an IRS notice, penalty, or inquiry. Keep copies of all correspondence.** It is good practice to send written responses, certified mail, with confirmation of receipt. When mailing a response to an IRS notice or penalty, note on the certified mail receipt what is inside the envelope. For example: Amended 2023 990EZ and Schedule A, G, and O. This also gives proof of what you mailed.

The IRS and Florida PTA REQUIRE each local unit chartered under Florida PTA to provide a complete, signed and dated copy of their filed 990, including all schedules and attachments.

If you are filing the 990N (e-Postcard) you are required to forward a copy of the IRS filing receipt showing the filing status as **"Accepted"** immediately upon completion to Florida PTA. Via U.S. Mail (1747 Orlando Central Parkway, Orlando 32809); via FAX: 407-240-9577 or by email to: 990@floridapta.org.

LOBBYING AND POLITICAL ACTIVITIES

A 501(c)(3) organization may conduct a limited amount of lobbying activity but is prohibited from intervening in any political campaign activities (all PTA bylaws also preclude a PTA from political activity as we are a non-partisan association).

PTAs Cannot: Endorse candidates or a political party for public office. Invite only one candidate or political party in an election to speak to the PTA. Ask candidates to sign pledges on any issue (tacit endorsement). Tell PTA members to only vote for a candidate who supports "X" position. Distribute any campaign materials on behalf of a candidate. Wear campaign buttons or t-shirts during a PTA meeting.

The IRS defines lobbying as *an attempt to influence legislation and legislation includes action by Congress, state legislatures, local councils or similar governing bodies, with respect to acts, bills, resolutions or similar items (such as legislative confirmation of appointive officers). An organization is considered to be attempting to influence legislation if it contacts, or urges the public to contact, members or employees of a legislative body for the purpose of proposing, supporting or opposing legislation, or if the organization advocates the adoption or rejection of legislation.*

Refer to the *Finance Quick Reference Guide: Additional Important Information* for additional information on *Lobbying and Appropriate Legislative Activities* contact the Florida PTA State Office at any time if you have questions or need additional information or guidance.

Caution, verify your insurance policy is valid before conducting a lobbying related activities or events.

UNRELATED BUSINESS INCOME (UBI) – FILE FORM 990-T

The law requires nonprofits to report unrelated business activities **when UBI gross receipts are at least \$1,000 collectively** by filling IRS form 990-T and pay taxes on such income. Nonprofits also risk losing their tax-exempt status if such activities become the primary focus and make the tax-exempt mission secondary.

IRS Definition: For most 501(c)(3) organizations, an activity is an **unrelated business**, and subject to **unrelated business income UBI** tax, if it meets three requirements:

1. The activity constitutes a trade or business
2. The trade or business is regularly carried on, and
3. The trade or business is not substantially related to the exercise or the performance of the organization's exempt purpose.

Note: Trade or business includes any activity carried on to produce income from selling goods or performing services. **The income from most PTA fundraising activities is exempt from federal income taxes and NOT considered UBI:**

- When a PTA activity is only conducted once per year.
- When the work at an event is substantially conducted by PTA volunteers.

UBI Exceptions:

It would not be UBI if PTA volunteers run a PTA store or volunteers count and submit box tops. Also, the income from sales of **donated merchandise** (such as used uniforms) is exempt from federal income tax. A local unit reported UBI due to the number of restaurant nights. However, if they issue a Form W9 to the restaurant, the proceeds are classified as a donation to the PTA (not subject to UBI) versus earned income payment (which would be considered UBI).

Contact the Florida PTA State Office if you need assistance in determining if an activity would be subject to UBI tax. Again, you must file IRS Form 990-T and pay income tax on receipts of UBI over \$1,000 in one fiscal year.

New IRS 990 Information – Stay Exempt News

Please visit this IRS website created especially for 501(c)(3) organizations at this link for extensive information on current IRS updates and new requirements: <https://www.stayexempt.irs.gov/>

TAX EXEMPT ORGANIZATION SEARCH PROVIDES 990N (E-POSTCARD) FILING STATUS

<https://www.irs.gov/charities-non-profits/tax-exempt-organization-search>

You can query the following information at the above link on the IRS website:

- Confirm if an organization is eligible to receive tax-deductible contributions. Exception: If an organization has a “group number” for which it is associated, such as a PTA they will not be found using this search option. The parent group would need to confirm eligibility, such as Florida PTA for our local units.
- Determine if an organization had ever had their nonprofit status revoked.
- View information included in an organization’s 990-N (*e-Postcard*)
- In most cases, a complete copy of an organization’s Form 990EZ or Form 990 (long form) can be viewed here as well.
- If the EIN has been revoked and reinstated with the IRS, the reinstatement determination letter is posted here as well.

GUIDESTAR - PROVIDES NONPROFITS WITH 990EZ AND 990 FILING STATUS

Although most Form 990EZ and Form 990(long forms) are now posted in the IRS website, all Form 990EZ and Form 990 filings are posted on GuideStar. GuideStar is a 501(c)(3) public charity that collects, organizes, and presents information on IRS-registered nonprofit organizations. They are not a charity evaluator or a watchdog, they simply provide the information in an easy-to-understand format while remaining neutral. GuideStar is the most complete source of information about U.S. charities and other nonprofit organizations there is.

GuideStar can also be used to confirm 501(c)(3) status of an EIN (Employee Identification Number), regardless if it is associated with a “Group Exemption Number” or not.

501(c)(3) DETERMINATION LETTER

Local unit PTAs in good standing with Florida PTA and the IRS may Request a Determination Letter, online on our website at this link:

<https://floridapta.org/501c3-determination-letter-request/>

Following are the four types of 501(c)(3) determination letters that are available to request:

- 1 – Legal Banking Letter (needed to open a new bank account);
- 2 – Form DR5 (Needed to apply for Florida Sales Tax Exemption Certificate of Exemption-Form DR-5);
- 3 – Standard 501(c)(3) letter for donation requests;
- 4 – Set up Stripe Account through the **Givebacks website** (Formally known as Memberhub.)

PTAs chartered by Florida PTA are added to the Florida PTA IRS Group Exemption List (GEN 2149) and are thereby subordinates covered under the Central Organization, Florida PTA. Your PTA 501(c)(3) Federal Income tax-exempt status is covered under the Florida PTA “umbrella.” Local unit and county council PTAs remain subordinates on the group list if the **five Florida PTA Compliance Requirements and Standards of Affiliation are met annually.**

A determination letter is a written statement **confirming the tax-exempt status** of an EIN (Employer Identification Number). Banks may require a special banking determination letter to set up your bank account as a 501(c)(3), and some businesses or individuals may request a copy of your determination letter to donate to the PTA or for doing business with your PTA

IRS Form W-9 - Request for Taxpayer Identification Number & Certification

Purpose of Form W-9: A business/vendor may request a Form W-9 to be completed, signed, and certified before doing business with your PTA or providing a contribution to your PTA. IRS **Form W-9** is most commonly used by businesses/individuals when they are working as an independent contractor. If requested, the PTA completes the form and gives it to the business/vendor. An officer of the PTA must sign the form. Signing the form is confirmation to the IRS that your organization’s tax-exempt status does not subject income to backup withholding. Give the Form W-9 directly to the requester. Do not send the completed Form W-9 to the IRS. Form W-9 is available online on the IRS website.

PTAs use their 9-digit tax-exempt EIN, (Employer Identification Number) on Form W-9. This is the form to provide at spirit nights; the income earned at a spirit night would then be considered a donation rather than Unrelated Business Income. (See completed W-9 in samples.)

FLORIDA PTA HELP

It is always best to contact the Florida PTA State Office with tax questions first, before calling the IRS. Most IRS taxpayer assistance employees are not familiar with PTA finances and may not give consistent answers. The Florida PTA office staff is familiar with the most common tax questions that PTAs must answer. Send an email to compliance@floridapta.org or give us a call. **Contact Florida PTA: 407-855-7604 EXT 305.**

To ensure that your local unit PTA/PTSA remains in good standing and in compliance with Florida PTA and the IRS, and to continue affiliation with the Florida PTA, you are **REQUIRED** to complete the following five items by the dates indicated. Because the due dates vary, keep this list in your procedure book to use as a checklist to assist your unit to meet these deadlines. All PTA forms are available online at www.FloridaPTA.org under “Running Your PTA” – “Forms” tab. If you have questions, please send email to: compliance@floridapta.org

Florida PTA 2024-2025 - Five Compliance Requirements & Standards of Affiliation

SCHEDULE AND DUE DATES

These required compliance requirements must be sent to Florida PTA by the due date set out below via:

Email	See special email address for each item below.
FAX	407-240-9577
Mail	Florida PTA 1747 Orlando Central Parkway; Orlando, FL 32809

Item	Due to Florida PTA Office	Format Sent	Notes
Local Unit New & Returning Officer Contact Information	July 1 st Annually (Or as soon as elections are held)	Enter Information ONLINE Only www.FloridaPTA.org or directly into the Givebacks website (formerly known as Memberhub) Must maintain current home addresses, phone numbers & email addresses for the President, Secretary & Treasurer.	Must submit new registration every year even if there are no changes in officers’ information. Update information throughout the year when changes occur.
Membership Dues State & National Portion of Membership Dues. Pay \$3.50 per membership sold.	Monthly as dues are collected	Pay Via Givebacks.com Or USPS Mail: Send with State & National Dues Payment Form from the website www.FloridaPTA.org	The State & National portion of dues is paid monthly when memberships are sold. Must be received by Dec. 15 to participate in Reflections and other programs.
Audit Completed after June 30 each year.	August 31st Annually	Fax, mail or email to: audit@floridapta.org	Refer to Florida PTA Kit of Materials Dollars & Sense and National PTA Money Matters Guide
Copy of IRS 990 Due to IRS by Nov 15 th each year.	November 30th Annually	Fax, mail or email to: 990@floridapta.org	All PTAs/PTSAs are required to file IRS 990 by Nov. 15 annually. File either 990N (e-Postcard), 990EZ (short form) or 990 (long form).
Bylaws	Minimum Every Three Years	Upload, Fax, Mail or email: bylaws@floridapta.org Bylaws form and link to upload on website www.floridapta.org , Running Your PTA -- Bylaws Tab	Bylaws must be reviewed, updated and APPROVED at State Office at a minimum of every 3 years. Update on current 01/28/2024 bylaws form.

As a 501(c)(3) non-profit parent organization, Florida PTA is required by the IRS and federal and state laws to have these compliance documents and information listed above for each subordinate PTA/PTSA unit on their Group Exemption List, GEN 2149.

By meeting these requirements on the due dates specified, your PTA will not only remain in good standing, but your unit will also be eligible for National PTA and Florida PTA awards and participation in other PTA programs such as Reflections and Scholarship. The IRS imposes fines and penalties for exempt organizations that do not comply with annual 990 Federal Income Tax filing requirements, regardless of whether or not they have a parent organization.

Local units have been able to refute an IRS fine or penalty because the Florida PTA office was able to produce the required document(s) that a local unit was unable to locate. If you have any questions regarding compliance, please contact Florida PTA by email compliance@floridapta.org or call 407-855-7604. A copy of this document should remain in both the President’s and Treasurer’s procedure book.