

MONEY MATTERS

Overview

This section contains the financial information needed to conduct PTA business and to protect Local PTAs.

How to Use

Copy and distribute to board members. ALL board members should read and study this section.

Who Should Use

- Treasurer
- President
- Board Members

Overview	111
How to Use	111
Who Should Use	111
Principles of PTA Financial Management.....	112
<i>Record Keeping</i>	112
<i>Depositing Funds</i>	113
<i>Vouchers</i>	113
<i>Disbursement</i>	113
<i>Treasurer's Written Report</i>	113
<i>Annual Report</i>	113
<i>Change in Accounting Period</i>	115
Budget.....	115
<i>Developing the Budget</i>	115
<i>Approving the Budget</i>	116
<i>Amending the Budget</i>	116
Policies for Computerized Financial Management	116
Taxing Authorities	117
Internal Revenue Service	117
<i>IRS Rules and Regulations</i>	117
<i>Record Keeping and Reporting</i>	118
<i>Form SS-4</i>	118
<i>Unrelated Business Income Tax</i>	118
<i>Disclosure Statements</i>	119
<i>Form 990</i>	119
<i>Form 1099-MISC</i>	120
State of Texas Sales Tax.....	120
<i>State of Texas Sales Tax Permit</i>	120
<i>Rules and Regulations</i>	121
<i>Sales Tax Filing Requirements</i>	122
Fundraising	122
<i>Criteria for PTA Fundraising</i>	123
<i>Why Funds Are Needed</i>	123
<i>Planning</i>	125
Fundraising Ideas	126
<i>Bingo</i>	127
General Conduct of the Game.....	127
Temporary Licensing Requirements	127
<i>Raffle</i>	128
<i>Lottery</i>	128
<i>Scholarships</i>	128
Section Index	130

Principles of PTA Financial Management

- **Only funds owned and controlled by the Local PTA membership should be in the Local PTA account.**
- No other organization or club may pass its money through Local PTA accounts.
- The Local PTA membership must authorize the expenditure of all funds and the raising of all funds. Approving the budget and subsequent amendments handles this.
- All officers and chairmen who handle money should be bonded.
- Money shall be counted by at least two persons and an Itemized Receipt Form signed by both. The money should then be given to the treasurer, who also counts and signs the Itemized Receipt Form. A copy of this form should be retained by all signers of the form.
- Local PTA monies should never be deposited in a personal or school account.
- Personal or school monies or monies of another organization should never be deposited in a Local PTA account.
- Cash should never be kept at home or at school, or even in a vault. It should be deposited in the Local PTA bank account on the same day as received.
- All bills must be paid by check — never by cash.
- President and treasurer are required to be signers on the Local PTA's bank account(s) with at least one other signer.
- Two signatures are required on all checks.
- Individuals authorized to sign checks should not be related by blood or marriage and should not reside in the same household.
- Never sign a blank check.
- Money should never be “turned over” to the school and/or the principal to spend at their discretion. The “Resources and Forms” section of this handbook contains sample forms to be used to

correctly make a designated donation to the school for a specific purpose.

- Texas and National PTA portions of dues are never recorded as Local PTA income and are not a source of revenue to the Local PTA; therefore, those dues are not included in the calculation of gross income on IRS Form 990 (EZ).
- Texas and National PTA portions of dues must be remitted to the Texas PTA on a regular basis. PTA members are not considered “members in good standing” of their Local PTA until their names and dues are received in the Texas PTA Office.
- Texas and National PTA portions of dues must be collected from each individual who joins a Local PTA (Honorary Texas PTA Life Members are exempt from the state portion of the dues in only one Local PTA).
- When changing or adding signatures on a Local PTA checking account, two of three current signees should take the minutes from the meeting recording the election of new officers or an approved motion to add or delete a signature and go in person to the bank with the new signees.

Record Keeping

The Local PTA should adopt a Records Retention Policy, as required by federal law as a result of Sarbaines-Oxley Act. A template for this policy is included in the “Resources/Forms” section of this handbook.

A ledger book showing all income and expenditures should be maintained with supporting receipts. A ledger sheet for each budget category should be kept to reflect expenditures. The checkbook must be kept balanced and the bank statement must be reconciled to the checkbook monthly. The records should be maintained per the Records Retention Policy. Many Local PTAs maintain their records on a computerized system. An account should be maintained for all income and expense line items that appear in the budget.

Depositing Funds

PTA monies should be deposited in a banking institution that returns canceled checks or copies of checks and has been approved by the executive board of the association. Canceled checks should be kept per the Records Retention Policy. This account is in the name of the Local PTA, and checks should be printed with the school address if the Local PTA is affiliated with a school. Local PTAs are required to provide the bank with an Employer Identification Number (EIN) for checking and savings accounts. All money should be deposited in the bank on a daily basis for all fundraising and membership dues-collecting events. Money shall be counted by at least two people and an itemized receipt form signed by both. The money should then be turned over to the treasurer, who also counts and signs the itemized receipt form. A copy of this form should be retained by all signers of the form.

Vouchers

A Local PTA may use a general voucher system for its expenditures where a receipt is not available. A general voucher is written documentation for an expenditure. Checks are then written for the purposes authorized by the voucher. Refer to the sample voucher provided in this in the “Resources and Forms” section of this handbook. These records should be maintained per the Records Retention Policy.

Disbursement

Your Local PTA bylaws require that two people, usually the president and the treasurer, sign checks with three signatures on the signature card filed with the bank. The third person may be another officer such as the first vice president and should be designated in the bylaws, standing rules or designated in the minutes of the organization. If a person is designated an authorized signer on the account(s) and is also the payee, he should not sign the check. Example: If the treasurer is to be reimbursed for purchased supplies, the two signatures on the reimbursement check to the treasurer should be the president and first vice president. Individuals authorized to sign checks **should not** be related

by blood or marriage and should not reside in the same household..

All bills should be paid by check. Never sign a blank check. Each check written should have a receipt or voucher verifying disbursement with receipt and/or bill attached. No other organization may pass its money through the Local PTA account in an effort to achieve tax-exempt status. Money should never be “turned over” to the school and/or principal to spend at their discretion.

Treasurer’s Written Report

The bylaws provide that the treasurer report to the association, at regular meetings, executive board meetings and other times when requested by the executive board. Reports must be given at every meeting for all accounts, not just the general account. This written report should indicate the period of the fiscal year the report covers, the date it was prepared and by whom.

- Start with the balance on hand at the beginning of the year, month or last meeting.
- List all receipts in detail and total.
- Itemize all disbursements and total.
- End with the balance on hand as of the date of the report.

Copies of the report should be distributed to the members in attendance when possible. This report should not be adopted, but filed. The reports should be referred to the Audit Committee during the audit process and should be maintained per the Records Retention Policy. The treasurer should retain a copy and a copy should be placed in the minutes.

Annual Report

At the close of the Local PTA’s fiscal year, the treasurer shall prepare an annual financial report covering the Local PTA’s entire fiscal year. The treasurer should make a preliminary annual report to the membership at the annual meeting. This report is for information only and is not officially adopted; the report becomes official after the audit has been completed. The annual

report, as well as the audit report, is filed with the permanent financial records and with the minutes. A sample annual report is included in the *Texas PTA Treasurer's Guide*.

The annual report should look just like the annual budget, but with year-end actual figures. It should be presented in a format comparing actual figures to the approved budget as amended. The annual report should be retained permanently, per the Records Retention Policy.

Financial Red Flags

- Bank statements not seen by treasurer, president, other signers on the account and board members on a monthly basis.
- Financial reports not given at executive or regular meetings.
- Beginning balance doesn't agree with last reported ending balance.
- Financial reports do not show each deposit, each check written, figures do not balance to total.
- Money counted by only one person.
- Missing checks or deposits.
- Checks made out to family members.
- Checks made out to "Cash."
- Checks made out for the same amount each month.
- Two or more signers on the bank account related by blood or marriage or residing in the same household.
- Receipts not given for money received.
- Receipts are missing from vouchers.
- Budget not approved by membership.
- Fundraising activities not approved by membership.
- Amount of profit doesn't agree with amount in contract signed with fundraising company.
- Less money deposited for fundraiser than paid to company for product received.
- Bills are received for items not in budget or approved by membership.
- PTA members profit monetarily from any fundraiser.
- Children used to raise funds for PTA.
- Audit report not given to the membership at the first meeting after the close of the fiscal year.
- Audit committee consisting of signers on the bank account.

Change in Accounting Period

A Local PTA may change its year end simply by adopting a bylaws change provided they are not required to file Form 990(EZ). If a Local PTA has to file the 990(EZ), but has not changed its accounting year anytime in the last 10 years, the change becomes effective with a bylaws amendment **and** the filing of the 990(EZ) for the short year created by the change.

For example: If a Local PTA wishes to change from a May 31 to a June 30 year end, a Form 990(EZ) would be filed for the 12 months ending May 31 as usual. Additionally, a Form 990(EZ) would be filed for the short year of one month ending June 30. Thereafter, returns would be filed for years ending June 30. On the other hand, if a Local PTA wishes to change its year-end from June 30 to May 31, the returns would have been filed for the previous year-end as of June 30. Then a return must be filed for the short year ended May 31 for 11 months and thereafter every 12 months ending May 31. The returns for the short year should have the notation "Change in Accounting Period" noted at the top of the return.

If a Local PTA has changed its year-end previously within the last 10 years **and** is required to file a 990 (EZ), it must file Form 1128 to request IRS approval to change its year-end. Additionally, Form 990(EZ) will be filed for the short year and a bylaws amendment to reflect the change should be adopted.

Budget

The budget is an outline of estimated income and expenses. For a sample proposed budget, refer to the *Texas PTA Treasurer's Guide*. If a 990 form is not a reporting requirement, a Local may specify a specific time period the budget covers.

Developing the Budget

A Budget and Finance Committee usually has the responsibility for developing a proposed budget for the Local PTA. This committee may be elected or appointed according to the Local PTA bylaws or standing rules and usually

consists of three to five members, one of whom is the treasurer, who may act as chairman.

Accounting records and budgets must be maintained in accordance with your Local PTA's fiscal year. If you are unsure when your year ends, check your Local PTA bylaws, Article XIV. An annual report recapping all income and expenses by category and compared to the final budget, as amended should be prepared at year-end. The treasurer should retain this report permanently and a copy placed in the minutes.

The committee should study the previous year's annual report to determine how well that budget met the association's needs. Next, members should determine the projected financial requirements, taking into consideration the funds needed for the approved programs, projects and leadership development. From this information, the committee then proceeds to develop the budget.

The budget should include the estimated number of members multiplied by the Local PTA portion of dues, as well as estimated proceeds from each approved fundraiser. Sales should be stated at the gross amount before any cost of sales is deducted. All expense categories, including the cost of merchandise sold, should be estimated and included in the budget. Without an approved budget there is no authorization to expend funds or to conduct fundraisers. Any funds spent without proper approval would have to be repaid to the association if the membership did not retroactively approve the expenditure. Therefore, it is essential to have a budget in place at all times.

Many times, all of the Local PTA's plans for the new year will not be finalized prior to the end of the current fiscal year. Therefore, the budget need only include those known income and expense items at the time it is developed. This budget should be adopted at the final meeting of the current year. Then, at the first regular meeting of the new year, the treasurer presents an amendment to the budget to add, change, or delete any line items based upon the plans of work submitted to the new board.

After the budget has been adopted, it serves as the financial guide for the fiscal year. Since the budget is only an estimate of the planned expenditures and income for the year, amendments may become necessary from time to time. When there are additional expenses or changes in an allocated expenditure or income, the budget must be amended by a vote of the association at any regular meeting or at a special meeting called for that purpose.

The treasurer is the authorized custodian of all funds of the association. He receives and disburses all money as indicated in the budget, as prescribed in the bylaws or as authorized by the association.

Approving the Budget

After the budget has been drafted, it should be presented by the chairman to the Local PTA executive board for consideration and then to the Local PTA membership for approval. A majority vote of the members present and voting is required for adoption. The budget is presented item by item to allow for discussion and amendment of each section.

Amending the Budget

Once the budget is adopted, it may be amended at any meeting of the membership. With two-thirds vote, or majority vote if notice has been given, a previously adopted budget may be amended. Any time budgeted items do not have sufficient funds allotted in that line item to cover expenses or new projects as planned, the budget has to be amended. The same is true of the income items. Sample budgets are included in the *Texas PTA Treasurer's Guide*. The treasurer is responsible for moving the adoption of any necessary budget amendments. However, any member may make a motion to amend the budget at any meeting.

Policies for Computerized Financial Management

Texas PTA encourages its Local and Council PTAs to use computerized bookkeeping or accounting systems for their financial records.

We present the following policies to ensure that the books are kept accurately and appropriately:

- a. Texas PTA recommends the use of the Texas PTA Accounting Software. This program was designed specifically for Local PTAs to help treasurers with developing the budget, maintaining a general ledger and creating financial reports. The minimum system requirements are: 486 or higher processor, Microsoft Windows 95 or higher and 20 MB of available hard disk space. To obtain the program, contact Texas PTA. Other accounting software programs are also acceptable. We recommend you do not use spreadsheet software packages for maintaining your financial records; however, they are acceptable for producing reports using data from accounting software packages.
- b. Computer systems do *not* eliminate the requirement for regular financial reports. You must still produce financial reports for every board meeting, every regular meeting and an annual report. It is acceptable that these reports be computer-generated. Computerized data is a working copy and the permanent records of a Local PTA must be printed out on paper. These reports must be permanently affixed in a bound book with the report date handwritten at the top of the bound page. A monthly transaction report must be generated and kept as a part of the financial records retained per the Records Retention Policy. A procedure must be developed locally to safeguard and ensure retention of all financial reports for at least five years.
- c. Similarly, computer systems do *not* eliminate the requirement for a regular audit, as specified in the Local or Council PTA bylaws. In addition to providing the usual reports, canceled checks and other materials presented to the Audit Committee, a treasurer using a computerized financial management system should provide a full printout of ledger detail and be prepared to give the Audit Committee a copy of the computer media records, if asked to do so.

- d. Backup copies of the computerized records must be made on a regular basis, preferably any time that the financial records are modified. These copies may be produced on floppy disk, tape, recordable CD-ROM, or any similar removable media supported by the computer system. Under no circumstances should backups be made at intervals greater than one month.
- e. We strongly recommend that a rotating schedule for backup media be used so that, at any time, two or more “generations” of backup records are available. We also recommend that at least one set of backup records be stored at a location away from the treasurer’s computer system, preferably in the custody of another officer or board member of the Local or Council PTA or kept at the school.
- f. Texas PTA requires maintaining some financial records in parallel with the computer-maintained records. This is necessary to provide a means for cross-checking the computer records. In most cases, check stubs and/or a running balance in the checkbook register can suffice for these records. Records, such as copies of the adopted budget, amendments, etc. must be kept as usual.
- g. Texas PTA policy prohibits using an online “bill paying” service or other electronic transfer systems for Local PTA accounts. These services transfer funds electronically from the purchaser directly to the vendor account, generally without hard copy records.
- h. Texas PTA continues to recommend that Local PTAs use banks that return canceled checks or check copies to the account holder, and we recommend that the canceled checks be archived as part of the Local PTA financial records. Local PTA bylaws require two signatures on every check.
- i. ATM machines must not be used for Local PTA financial transactions.

Taxing Authorities

There are two taxing authorities that are of concern to the Local PTA. They are the Internal

Revenue Service (IRS) and the State of Texas. Structurally and politically, these tax collection agencies are totally separate entities. It is the responsibility of each Local PTA’s officers to learn and fulfill the obligations of the Local PTA to these taxing authorities.

Strict compliance with all applicable federal, state and local laws is extremely important to prevent even the most well-intentioned effort from becoming a serious problem for the association.

Internal Revenue Service

Texas PTA and all subordinate Local PTAs in good standing are exempt from federal income tax as a charitable and educational organization under the provisions of section 501(c)(3) of the Internal Revenue Code.

In a ruling dated Sept. 14, 1967, the Internal Revenue Service held that Texas PTA and its Local PTAs are exempt from federal income tax under the provision of Section 501(c)(3) of the Internal Revenue Code of 1954. As a result of this ruling, Local PTAs are not required to file Form 1023 to obtain this status. This ruling further holds that contributions to the Texas PTA and its Local or Council PTAs are deductible to the donor as charitable contributions for federal income tax purposes.

Texas PTA is required by law to report annually to the Internal Revenue Service a list of all Local and Council PTAs in good standing. The Local PTAs listed are covered by Texas PTA’s group exemption. In order for a Local PTA to be considered in good standing, they must have paid the state and national portion of dues for all members by March 15 of the current year and they must have their bylaws approved by the state PTA. Any Local PTAs not listed would be subject to income tax on all earnings. Local and Council PTAs must submit the EIN Verification Form to the Texas PTA Office each year by January 31.

IRS Rules and Regulations

Certain restrictions that apply to 501(c)(3) classification must not be violated:

- Local PTAs must be organized and operated exclusively for charitable, educational or scientific purposes.
- Resources and funds cannot be used for private benefit of an officer or director.
- Upon dissolution, the Local PTA's assets must be distributed for one or more of those defined exempt purposes.
- A Local PTA cannot engage in a substantial amount of lobbying activity.
- A Local PTA cannot engage in any political activity. Tax-exempt 501(c)(3) organizations are forbidden to support candidates for public office.

Donors must obtain a receipt from charitable organizations for contributions made. Canceled checks are no longer sufficient. Local PTAs must be prepared to issue receipts. There is no required format for the receipt and Social Security numbers are not required. At a minimum, the receipt must reflect donor's name, date, cash amount received or a description of the property received (the charitable organization is not required to value property received) and must have the Local PTA's name on the receipt. If a donor receives value for the donation, only the portion in excess of the value is deemed a donation and only that amount should be reflected on the receipt.

Record Keeping and Reporting

To comply with IRS reporting requirements, complete records should be kept on all monies received and all expenditures for three (3) years after the date the Local PTA's return is filed. Texas PTA recommends all records be maintained for five (5) years, per the Records Retention Policy, to cover this requirement in the event a tax return is filed late.

Form SS-4

Each Local and Council PTA must have a nine-digit tax identification number, known as an Employer Identification Number (EIN) or Federal ID Number (FIN), issued by the IRS. This number is applied for by filing IRS Form SS-4. This number should be part of the permanent records of the Local and Council PTA and should also be kept on file in the Texas PTA Office. All

EINs are reported to IRS annually to identify those Local PTAs covered by the Texas PTA group exemption. If the Local PTA is a member of a Council PTA, the Council PTA treasurer should also have a record of each Local PTA's EIN.

The EIN should be used for all checking account(s), savings account(s) and certificates of deposit(s) of the Local or Council PTA. The number also will be required when filing a Form 990(EZ) or applying for a State of Texas sales tax permit.

If you do not know your EIN or have reason to believe you have not been assigned a number, contact the IRS. They will confirm whether or not you have an EIN. The IRS may be contacted at IRS-Austin Service Center, Austin, Texas 73301 or call 800.829.4933.

Unrelated Business Income Tax

If the Local PTA's sole source of labor for all fundraising events is volunteers, the PTA will have no unrelated business income and you may disregard this section. If, however, you ever pay anyone for services to assist the Local PTA in a fundraising event, this section should be reviewed carefully.

As a tax-exempt organization, Local PTA revenues are not subject to federal income tax if the revenue is raised in a manner that is related to the Local PTA's tax-exempt purpose. However, it is possible for some revenue to be subject to income taxation. When this occurs, the amount subject to taxation falls into the category of unrelated business income.

A transaction or activity generally will be classified as yielding unrelated business income if it has all of the following three properties:

1. The activity provides income (but does not necessarily produce a profit) and the Local PTA takes an active role in the generation of the income.
2. The activity is conducted on a regular and continuous basis.
3. The fundraising activity is unrelated to the Mission of the Local PTA. (Even if

the proceeds are used to further PTA Purposes, if the method of raising the funds is unrelated it is deemed unrelated business income.) Fundraising, per se, is not a related activity even if all of the net revenue will be used to support Local PTA programs.

However, if the activity is conducted by the Local PTA and at least 85 percent of the labor is provided by PTA volunteers, the income generally will be excluded from taxation, even if the aforementioned conditions exist.

If the Local PTA's unrelated activity starts to rival its related activity, so that the unrelated activity is perceived to be dominant, the Local PTA may no longer be perceived as a charity supporting itself with some unrelated business income; it may, instead, be viewed by the IRS as a business with some charitable activities. At that point, the Local PTA would lose its tax-exempt status.

IRS regulations require nonprofits to do the following:

- Report **unrelated** business activities when gross receipts are at least \$1,000.
- Report and pay taxes on such gains by filing IRS form 990-T.

Disclosure Statements

Local PTAs are required by IRS disclosure rules to inform prospective donors about the extent to which their contributions are legally tax deductible.

This disclosure should indicate (1) the fair market value of any tangible benefits received in exchange for a contribution and (2) the amount of the donation that is deductible as a charitable contribution.

If a Local PTA holds a fundraising event that provides a meal or some tangible item in return for the purchase of a ticket, then the portion of the ticket that is tax deductible is the ticket price less the fair market value of the meal or item received. For example, if a spaghetti supper ticket sells for \$20 and the value of the meal is

determined to be \$5, the purchaser is entitled to a \$15 charitable contribution deduction. The \$5 is not the cost to the Local PTA, but the value of a prepared and served meal allowing for a reasonable profit.

Form 990

Under the terms of our group ruling, the Texas PTA and its Local and Councils PTAs are required to file Form 990. The Local PTA should file a 990-N if the average of gross receipts for the past three fiscal years (including the year for which the return would be filed) is \$0 and not more than \$25,000. **This is a new requirement for all non-profit organizations beginning with the 2007-2008 fiscal year.** If the average of **gross** receipts for the past three fiscal years (including the year for which the return would be filed) is more than \$25,000 but less than \$100,000, the Local PTA should file Form 990-EZ and Schedule A. If the average of gross receipts is \$100,000 or more, the Local PTA should file a 990 and Schedule A. If the Local PTA has been in existence only one year, a return is required if receipts were over \$37,500; after two years in existence, if the average is over \$30,000, a return is required. Gross receipts are defined as the total amount the association receives from all sources during its annual accounting period **without** subtracting any costs or expenses. State and national dues are not a source of revenue to the Local PTA and therefore are not included in the calculation. Also not included would be cash that had been taken out of the Local PTA account for "startup cash" at a fundraising event and then deposited back into the account.

If gross receipts are less than \$25,000, Local and Council PTAs do not need to file a Form 990(EZ), even if they receive a Form 990/990(EZ) from the IRS. If a Local or Council PTA chooses to check the box indicating less than \$25,000 gross receipts, the Local or Council PTA must then complete the entire return and Schedule A and file with the IRS in a timely manner. In both of these instances, the PTA is required to submit a 990-N beginning with the 2007-2008 fiscal year. Failure to file for three consecutive years will result in the IRS

revoking the non-profit status of the Local PTA. IRS will mail the Form 990 to the address used when the SS-4 form is filed. It is recommended that you use the school address for consistency. The Local PTA is responsible for completing this form and returning it to the IRS. It is the Local PTA's responsibility to file the proper 990 return, even if nothing is received from the IRS.

When completing the Form 990, two numbers must appear on page one in the appropriate place. The first number is the Texas PTA group exemption number (GEN) 1889. The second number is the Local or Council PTA's Employer Identification Number (EIN).

Schedule A must be completed and attached to Form 990 and 990-EZ. Due to the group nature of our exemption, all Local PTAs are considered nonprofit for the same reason. Therefore, all Local PTAs **must** check box 12 in Part IV of Schedule A indicating the reason for non-private foundation status. Some Local PTAs may be required to file a schedule B if they meet the requirements.

The IRS filing deadline for Form 990(EZ) is the 15th day of the 5th month (four and one half months) following the end of your Local PTA's fiscal year, as determined in the Local or Council PTA bylaws (i.e., fiscal year is June 1 to May 31; the return is due by Oct. 15).

The Form 990(EZ) is an informational return only. No tax will be due if filed timely and accurately. The last three years' returns are required to be available for public inspection upon request or copies will be mailed for a nominal copying and postage fee.

Please refer to the *National PTA Quick Reference Guides* for more detailed information on Form 990(EZ). Contact IRS at 800.829.3676 to request forms, or download them from www.irs.gov. Additionally, you will want to request a copy of the instructions for the form you need and Schedule A and its instructions.

If you are assessed penalties for failure to file, contact the Texas PTA Office for assistance prior to paying.

Form 1099-MISC

All Local PTAs are required to file Form 1099-MISC with the IRS if they pay an individual or an unincorporated business \$600 or more during a **calendar year** for services rendered. An example where this would apply is for paid guest speakers. A 1099 is not required when payments are for the purchase of merchandise. The Form 1099-MISC must be sent by the PTA to the payee on or before Jan. 31 of each year and filed with the IRS along with Form 1096 by Feb. 28 of each year. The Form 1099 includes the name and address of the payee, his or her social security number or EIN and the total amount paid during the *calendar year*.

The Form 1099 is not required for scholarship recipients regardless of the amount paid. Recipients should, however, be made aware that if not all of the funds received were spent on tuition and required school expenses, they are required to report the excess as miscellaneous income on their personal return.

To obtain the aforementioned forms, you may call the Internal Revenue Service at 800.829.3676.

State of Texas Sales Tax State of Texas Sales Tax Permit

A Local PTA is required to have a sales tax permit if the Local PTA will be selling taxable items and collecting sales tax. The permit is issued from the state comptroller's office. The form requires the Local PTA's EIN to complete the application. It is recommended that the school address be used for the application, returns and correspondence.

At least two copies should be made of the permit. One should be filed with the treasurer's records. One should be given to the secretary and others may be given to the fundraising chairman or coordinator and displayed during the activity.

There is no fee for the permit and it remains valid until a request to cancel it is made by the Local PTA. However the Comptroller's Office may revoke it after a prolonged period of inactivity or

zero collection. When your permit is issued, you will be assigned a reporting period. This could be monthly, quarterly or annually, depending on your sales volume

Refer to the *Texas PTA Treasurer's Guide* for a sample of a completed permit application form, blank form and instructions for your use.

The "Resources and Forms" section of this handbook includes a copy of the letter from the state comptroller granting PTA tax-exempt status.

Rules and Regulations

Local PTAs are not required to pay the Texas sales tax on items purchased for use in presenting programs or carrying on the work of PTA. This exemption was granted to Texas PTA and covers all Local PTAs in good standing. When Local PTA members purchase items for the Local PTA, they should present an exemption certificate to the retailer in order not to be charged sales tax. Some retailers have their own certificates and will request the purchaser to sign it. **The state of Texas does not issue exemption numbers and therefore your exemption certificate requires no number to be valid.** It is recommended that you establish a policy in your standing rules stating sales tax will not be reimbursed. It is very important that members are informed of the policy up front and have ready access to blank tax exemption certificates. A blank form is included in the "Resources and Forms" section of this handbook. Make copies of the form available to all members who make purchases for the Local PTA.

The Texas PTA and its affiliates are exempt from the **state** hotel occupancy tax but are required to pay the **local** hotel occupancy tax. To avoid paying the state tax, you must provide to the hotel a completed hotel occupancy exemption certificate and a copy of the letter from the comptroller's office granting this exemption. These can be found in the "Resources and Forms" section of this handbook.

PTAs are allowed **TWO one-day** (24 consecutive hours), tax-free sales or duplicate auctions each calendar year at which they are not required to collect the State of Texas sales tax. In order to qualify as one of the group's tax-free events, the Local PTA must be determined to be the seller and the event must be designated as such prior to the event. **The designation must be reflected** in the minutes of the regular or executive board meeting as the tax-free sale.

The Local PTA is determined to be the seller only when the Local PTA purchases the inventory from a vendor **AND** when the Local PTA determines the selling price for the goods to be sold. If both of these criteria are not met, the Local PTA is **NOT** the seller, but is acting as an agent for the vendor. In this case, the event is not eligible to be claimed as one of the two tax-free days, and the Local PTA should remit the sales tax to the vendor. The sales from the event are not listed on the Local PTA's sales tax return, since the vendor and not the Local PTA is determined to be the seller. A flow chart explaining this process is included in the "Resources/Forms" section of this handbook.

When the Local PTA has been determined to be the seller and is not acting as an agent for the vendor, the comptroller's office has ruled that Local PTAs may consider advance order sales fundraisers as one of their tax-free days, provided the following criteria are met: 1) All orders must be submitted by the Local PTA to the supplier on **one** day; 2) all merchandise must be delivered to the Local PTA by the supplier on **one** day (need not be the same day as in item1); 3) the merchandise must be delivered to the purchaser(s) over a reasonable period of time. The comptroller's office has not defined "reasonable period of time." We recommend this period of delivery not exceed three (3) weeks. It could not be a year long activity. School supplies sold through advance orders over three weeks and then a few additional isolated sales would qualify. However, the additional sales would be taxable if made after the event's orders were placed.

A Local PTA is required to have a sales tax permit if the Local PTA sells tangible items,

such as handicrafts, candles, t-shirts, cups, books and school supplies other than at the tax-free days.

A Local PTA purchasing taxable items for resale must obtain a sales tax permit and issue a resale certificate to the seller in lieu of paying sales tax. A Local PTA does not have the option of paying the sales tax when the merchandise is purchased in order to avoid collecting the sales tax as merchandise is sold. When the items are resold, the Local PTA must collect and remit the sales tax to the state comptroller unless the taxable items are sold only during a tax-free day, and the Local PTA is the determined seller. If taxable items are sold only at the tax-free day, an exemption certificate is given to the seller rather than the resale certificate. The “Resources and Forms” section of this handbook contains a blank resale certificate.

Generally, profit is not a factor in determining if sales tax must be collected and remitted to the state on the sale of an item. The exception to this general rule is when a Local PTA purchases food from a for-profit business and turns around and sells it at no markup to its members. In this circumstance the sales are NOT exempt from the collection of sales tax. The Local PTA cannot act as a conduit to circumvent the collection of sales tax on a sale that in no way is benefiting the Local PTA.

The following items are not subject to sales tax:

- When the Local PTA is determined to be the seller by purchasing the goods AND determining the selling price, Local PTA food sales made at a Local PTA fundraising event are exempt from sales tax unless the Local PTA is in direct competition with a retailer required to collect sales tax. In this circumstance, the Local PTA would be required to collect sales tax as well.
- There is no tax on admission tickets (including those at carnivals); fees or raffle tickets provided all the proceeds go directly to the Local PTA.

- Student directories, yearbooks, cookbooks and any other publications of the Local PTA are exempt from sales tax.

See the chart in the “Resources and Forms” section of this handbook for examples of taxable and nontaxable items. Items marked taxable are taxable unless sold at one of the association’s two tax-free days and the Local PTA is the determined seller.

Sales Tax Filing Requirements

Sales tax returns are due on the 20th of the month following the close of the period. Most Local PTAs are on an annual filing basis and therefore their returns are due on January 20th for the previous **calendar** (January-December) year. If the due date falls on a Saturday, Sunday or legal holiday, the return may be postmarked on the next business day and still be considered timely. The return must be filed if you have a permit, **even if you have no sales tax due during the reporting period.**

- Line 1 or “Total Sales” includes sales made at the two tax-free days, food sales and all other non-taxable sales, as well as all taxable sales.
- Line 2 includes only taxable sales.
- Line 3 or merchandise purchased for own use will always be zero.

Refer to the *Texas PTA Treasurer’s Guide* for a sample sales tax return and a blank form.

Fundraising

The primary emphasis in PTA should be focused upon the promotion of the PTA Purposes, not upon fundraising. However, all Local PTAs need to do some fundraising. PTA funds should always be used to further a Local PTA’s educational purpose and where possible should be raised in a manner that promotes a PTA Purpose.

The primary source of Local PTA funds should be the membership dues. The Local PTA should begin the year with specific goals in mind before deciding what fundraisers will be conducted to raise the necessary funds.

For most Local PTAs, the best solution is a single fundraising project. One well-planned event, along with the Local PTA portion of dues, usually raises sufficient funds to finance the year's activities. The fundraising event should reflect the high principles of the association. It should have educational, social or recreational value. Be careful to avoid parent burnout. Too many fundraisers may drive away members. With fundraising, less can be more.

Fundraising should be undertaken to provide funds for the Local PTA's planned activities. Fundraisers should not be conducted simply to raise money for which there is no planned use. The most successful fundraisers are those where the funds are earmarked for a specific project that parents care about. If you start to hear rumors that parents are sick of fundraisers, drop plans for any spring fundraisers and consider it as an investment toward the next fall. Check with other groups in the area to see what fundraisers they are doing in order not to compete with one another. Products and timing need to be considered.

Relationship of Members/ Students to Fundraisers

Local PTA members are volunteers dedicated to improving the environment of their children.

As such:

- No individual Local PTA volunteer shall profit monetarily from any fundraiser;
- Children must never be placed in position of risk to further any fundraising project;
- How money is handled, earned or expended must be determined solely on the basis of maximizing the benefits available to our children;
- The primary emphasis of PTA should focus upon the promotion of the Purposes, not upon fundraising;
- A Local PTA shall not undertake lottery sales as a fundraiser;
- Local PTAs should refrain from organizing and participating in any fundraising activity that may entice a student to go door-to-door (2004 Texas PTA Position, reaffirmed from 1999);

- Award programs, if used, should thank and award all families for their help and participation, not just a few "top sellers." The Texas PTA recommends that the value of an award program not exceed two (2) percent of the retail sales of the program. Do not use a program in which the value of an award may entice door-to-door sales.

Criteria for PTA Fundraising

- Be carried on within the framework of National and Texas PTA policies. Conform to the practices outlined in the National PTA section explaining the noncommercial policy.
- Not be undertaken by a Local PTA if it is detrimental to character building.
- Make children's roles be either a natural outgrowth of regular schoolwork or a constructive leisure-time activity.
- Not allow children to be exploited or used as fundraisers.
- Create good will for the Local PTA.
- The association members must approve all projects.
- Funds must be raised ethically and must conform to community standards.
- All income and expenditures must be recorded accurately.
- Proceeds from a fundraiser must **NOT** be used to finance the work of any other organization or group.
- Federal, state and local laws, including school district policies, must be followed.

Why Funds Are Needed

Local PTA funds should be used for Local PTA purposes. Money should be raised ethically, recorded accurately and spent wisely. The following are some functions for which funds should be budgeted:

Leadership Training: Legitimate expenditures for payments of delegates' expenses to Texas PTA Summer Leadership

Seminar, PTA conventions (National and Texas PTA), Area PTA conferences and workshops and the Texas PTA Leader Orientation. Other areas include payment of delegates' expenses to meetings on education, health, safety and similar meetings/conferences.

Bonding/Insurance: It is in the best interest of the Local PTA to have the treasurer and all other persons authorized to handle funds of the association covered by a fidelity bond in an amount based upon the Local PTA's annual income as determined by the executive board. Other coverage such as liability or property insurance as deemed necessary would also come out of this category.

Local PTA Administration: Expenditures for the secretary's and treasurer's record books, duplicating materials, office supplies, postage, telephone calls and other necessary expenses of the president, officers and chairmen.

Legislation, Programs and Parent

Education: Expenses may include speakers, film/video rental, materials for a Local PTA library and special programs for the children and membership.

Expenditures of All Committee

Chairmen: Funds are needed for the preparation of newsletters and other material explaining Local PTA activities. Subscriptions to Texas PTA's *The Voice* newsletter and Local PTA Mailings are available through the Texas PTA Office. *Our Children* is a National PTA publication and can be obtained through the National PTA. Funds should be set aside for chairman's guides and additional copies of the *Texas PTA Handbook*.

Awards and Texas PTA: Funds should be included for Texas PTA and National PTA life memberships to PTA leaders and other civic leaders for outstanding service to children and youth. Other special honors include: Extended Service Awards, past presidents' pins and others

that further the Purposes of PTA, donations to the Texas PTA for the Texas PTA Endowment Fund, Ella Caruthers Porter Endowment Fund, Building and Maintenance Fund, Friends of PTA, Emergency Needs Relief Fund, etc.

Other activities: Funds may be spent for other activities consistent with PTA Purposes and the needs of the Local PTA.

Equipment or Money Donations to Schools:

Texas PTA has had a long-standing policy that Locals should never give cash to the schools. We have revised that policy to state Local PTAs should never turn cash over to the school to be spent at their discretion. There are times when the best decision is to give funds to the school for a designated purpose. Oftentimes, schools can purchase items at a significant discount, where if the Local PTA writes the check they will have to pay full retail price. Other times Local PTA's may decide to fund a portion of a purchase the school is making.

Before donating equipment or money to a school or school district or purchasing equipment for use at a school, the Local PTA, the school and the school district should agree upon the conditions of use and which party is responsible for maintenance, liability and replacement if the item should be damaged or stolen. For such use, sample forms have been included in the "Resources and Forms" section of this handbook and may be used as is or adapted.

When the best fiscal decision is to have the school make the purchase, there are certain guidelines that must be followed:

1. The general membership must approve the gift to be made and its purpose.
2. Funds are only given for a specific, designated purpose agreed to in writing between the Local PTA president and the appropriate school official.
3. The written agreement specifically states the nature of the item to be purchased, the manner in which it is to be used, the timeframe within which it is to be procured, agreement to provide Local PTA with a copy of the invoice, that any excess funds will be returned to

the Local PTA and an agreement that all funds will be returned to Local PTA if any of these terms are not met. It should also include agreement as to who is responsible for installation (if applicable), maintenance and insurance.

Sample forms for donating capital equipment purchased by Local PTA to the school and for capital equipment the Local PTA purchases for its own use to be stored at the school have been included in the “Resources and Forms” section of this handbook.

Planning

When planning the fundraiser, ask the following questions:

- Does the fundraising event conform to the basic policies and Purposes of the PTA?
- Does the activity serve as a good example for children and youth?
- For what purpose will the money be used? How much will we need? How long will it take to raise it? Will the project have the support of your membership at large?

Get It in Writing

More and more fundraising companies are asking for written contracts. A contract protects you, the association and the fundraising company to have all major decisions in writing. With a contractual agreement, all parties assume responsibility for complying with the terms, but the Local PTA also begins the fundraising project with a clear understanding of who handles what. Here are some things to look for when reviewing a fundraising contract:

- Double-check all the numbers. Are the costs, percentages, etc. the same as those you agreed on?
- Are all of the desired services included? (For example: kick-off presentations, incentive programs, tallying, packing and shipping.) Is it clear that the company covers the cost for these services?

- Are the approved promotional materials listed? (Take-home brochures, display kit, sample packs, etc.)
- Are dates for payment and product delivery included and consistent with your verbal agreement? If any payment is required prior to delivery of all merchandise, be sure to thoroughly check out the financial status and ethics of the company. Check references with at least two other organizations that have done business with the vendor.
- Is there a clause covering the procedure for handling damaged, unsold, or returned merchandise?
- Also, make sure the contract is clearly an agreement between two organizations, NOT two individuals.

All contracts must be approved by the board and the president is the authorized signer on all contracts. The Local PTA may designate another officer to be a second signer on a contract. The secretary keeps the duplicate copy for the records. The appropriate officers or chairmen should keep a copy as well.

A variety of insurance policies are available to vendors to protect themselves and your Local PTA against injuries and accidents resulting from use of their product. Other policies also provide proof of coverage for claims under the Deceptive Trade Practices Act. If you have concerns of this nature, consider requesting proof of coverage from your selected vendor before doing business.

Before Undertaking the Fundraiser

- Is the company a recognized fundraising company? How long have they been in business? Ask for and check out references.
- Does the company have a local sales representative?
- Establish who will take care of problems—the company, the sales representative or the Local PTA.
- Remember, discuss who the determined seller is with the vendor. If the Local PTA is the seller, the Local PTA must collect and

remit sales tax to the State. If the vendor is the seller, the Local PTA should collect the tax and remit it to the vendor who should then remit to the State. If the Local PTA is the determined seller, make sure you provide the vendor with a resale certificate if not selling the merchandise on one of your two tax-free days and an exemption certificate if selling at a tax-free day or selling an item not subject to sales tax. But in no case should you pay sales tax to the vendor when purchasing the merchandise.

- Check with the Better Business Bureau if any complaints have been filed against the company.

Top Ten Things to Remember When Fundraising

10. Have a specific goal for each fundraiser, regularly remind yourself and your volunteers of that goal and promote it to the community.
9. Assign an organized person to serve as fundraising chairman.
8. If you are using a fundraising company, know the company or check out references and have a written contract.
7. Select a program with a good service package that fits your needs.
6. Make sure the product you're selling represents a good value at a fair price.
5. Look for fundraising activities that have educational value and promote community involvement.
4. Delegate and involve as many volunteers as possible.
3. Keep it short. People lose interest in long projects.
2. Don't overdo it. Remember, kids are in school to learn and parents can only afford so much. Also, remember that children must never be placed in a position of risk.
1. Have fun. It's got to be fun!

Noncommercial Policy and Co-Venturing

Local PTA bylaws include the requirement to be noncommercial.

- The name "PTA" shall not be used in conjunction with the commercial activities of other organizations, including the promotion of their goods or services.
- A Local PTA does not raise money for other organizations or individuals, no matter how worthy their cause.

Commercial Co-Venturing is becoming a popular form of fundraising for PTAs.

Commonly, a business will advertise a cooperative fundraising effort in which a portion of their sales will be forwarded to the Local PTA as a gift. The size of the gift is determined by how successful the business is in selling its product or service.

- Given PTA's noncommercial policy, the only appropriate role in such a venture is a passive one. The Local PTA should refrain from active promotion or marketing of the business products or services and do no more than inform members of the agreement.
- Agreements should be structured in such a way as not to appear as an endorsement of a product or company. If this is not possible, the Local PTA should not enter into the agreement.

Fundraising Ideas

Donations

- Mile of pennies, pounds of pennies, pennies for (fill-in-the-blank)
- Asking for donations from parents/Local PTA members
- Corporate donations

Carnivals

- Field Day Fun (messy games and races)
- Kids Around the World (stress diversity of school population)
- Fun Day
- Spring Carnival
- Fall Festival/Carnival; Halloween Carnival
- Craft Fair; Christmas Craft Fair

Food

- Bake sales; bake sale on Election Day (if school is a polling site)
- After school snack sales (pickles, cupcakes, snow cones)
- Take home dinner (casserole ready to cook)
- Community dinners (Mexican, Barbeque)
- Breakfast tacos
- Cotton candy at football games
- Concession stands at high school football games

Sales

- School supplies; school store
- T-shirts; school spirit items; shoestrings in school colors; stadium cushions
- Santa's Workshop
- Book fair
- Used book fair
- Brochure sales -- candy, gift-wrap...
- Family portraits
- Items personalized with students' names
- Halloween carnation sale
- Valentine ribbons and carnations
- Poinsettias
- Web sites

Bingo

A Local PTA contemplating a bingo fundraiser should consider all the regulations before committing to the event and should avoid participation unless they can assure complete compliance. Detailed rules may be obtained from the Texas Lottery Commission (TLC) by requesting a copy of the Bingo Enabling Act, the Charitable Bingo Administrative Rules and the Bingo Operations Manual. You will also need to request a Texas Application for a Temporary License to Conduct Bingo in the event you decide to go ahead with the process. Even if the games are just for fun, where no entry fees are collected, a license is still required.

The TLC must receive the application and all attachments at least 30 days prior to your first event. To obtain forms, call the Charitable Bingo Division of the Texas Lottery Commission at

800.BINGO77 (800.246.4677). You may not advertise a Charitable Bingo prior to actually receiving your license.

General Conduct of the Game

- The game must be open to the public.
- A prize may not exceed \$500 in any single game or a series of prizes may not exceed \$2,500 per occasion. In the event merchandise is donated the actual retail value may not exceed these limits. You may NOT advertise a dollar amount to be awarded at your game.
- Door prizes or other free promotions are not allowed at a Bingo event.
- No other forms of gambling (i.e. raffles) may occur during a Bingo event.
- All Bingo supplies and equipment must be purchased from a licensed distributor.
- Your Local PTA will be responsible for collecting a five percent fee from the prizewinners and remitting it to the state of Texas.

Temporary Licensing Requirements

- There is a \$25 fee for each application; a new application is necessary for each event and a maximum of six events per year are allowed.
- Bingo may be conducted only in areas that have held an election to legalize the game. Check with your city or county to see if it is legal in the area where you would conduct your game.
- Some of the attachments required to the license include: bylaws, articles of incorporation, 990's for last three years, membership roster, IRS determination letter, letter from Texas PTA indicating your Local PTA is a member in good standing.
- A criminal background check is conducted on the primary operator.

The Texas PTA recommends that Local PTAs use alternate methods for raising funds due to the increasing number of rules and required licenses to be obtained prior to operating a

Bingo game. The regulations listed here are not all inclusive. You will need to obtain the literature to learn all the requirements. This is only a summation intended to give you a general idea of the level of involvement.

If you have any questions, please call the Bingo hotline toll-free at 800.622.5991.

Raffle

Chapter 2002 of the Occupations Code, the Charitable Raffle Enabling Act, permits and regulates “raffles,” which it defines as “the award of one or more prizes by chance at a single occasion among a single pool or group of persons who have paid or promised to pay a thing of value for a ticket that represents a chance to win a prize.”

STATE OF TEXAS ATTORNEY GENERAL’S RULING ON RAFFLES

Raffles do not require a license. Local PTAs must be in existence for at least three years before they can conduct a raffle. They are a legal activity for a Local PTA provided each of the following regulations is followed:

- Each ticket must have printed on it the name and address of the PTA, name of an officer, the price of the ticket and a description of each prize valued at \$10 or more. No prize may be valued in excess of \$50,000.
- A Local PTA may hold no more than two raffles per year and only one at a time.
- Tickets may not be advertised through paid advertising.
- A raffle prize may not be cash.
- The Local PTA must have the prizes in its possession or post a bond for the full value with the county clerk.
- Only members of the sponsoring Local PTA may sell tickets.
- The Local PTA must fill out a W2-G form to turn into the IRS if the prize exceeds \$600. A W-9 must be completed by the winner or backup withholding at the rate of 31% must be collected by the Local PTA. Provided the prize value is less than \$5,000 and a W-9 is completed by the recipient, the

Local PTA is under no obligation to collect tax.

- No one may be compensated directly or indirectly for organizing or conducting a raffle or for selling raffle tickets.

Lottery

The Texas PTA Board of Directors has established a policy that a Local PTA may not sell lottery tickets. The board feels that this is not an appropriate activity for Local PTA to participate in.

Scholarships

If a Local PTA gives scholarships to either students or teachers, certain procedures must be followed. The single most important issue is objectivity and equal access. Procedures determining how scholarship recipients are selected should be in writing. The opportunity to apply and receive a scholarship must be objective and open to all who meet the criteria established. The procedures should establish how the Scholarship Committee is selected (whether elected or appointed, how many people on the committee, etc.). No one should serve on the committee if he has a child, or anyone who would render his objectivity questionable by applying for a scholarship. All of these requirements should be listed in the standing rules.

The source of funds for scholarship may be, for example, an endowment fund for which the Local PTA solicits tax-deductible contributions. Scholarships may be funded strictly from the current year earnings if this is the desire of the Local PTA. A fund may take years to build to a sufficient level for current year earnings to fund scholarships. This is allowable as long as the Local PTA has a written plan of its intentions and follows this plan. Donors need to be aware of the status of the plan before contributing. Guard against soliciting contributions “for scholarships” if scholarships will not be offered until the plan reaches a certain level, which could be three years away. Once that level is reached, scholarships must be awarded in compliance with the plan. Local PTAs cannot

continue to solicit contributions and not grant scholarships with the current year earnings.

A Form 1099 is not required for scholarships. Recipients should be made aware that if any of the funds received are not used for school fees such as tuition, books or lab fees, that portion is taxable income. Any funds used for travel expense, babysitting or housing are taxable income. Beyond making the recipient aware of this issue, the Local PTA has no obligation.

Section Index

- 1099-MISC, Form, 120
- 1128, Form, 115
- 990(EZ), Form, 112, 115, 118, 120, 127
- 990, Form, 119, 120
- account, PTA bank, 112
- Accounting Period, Change in*, 115
- Accounting records, 115
- Amending the Budget*, 116
- Annual Report*, 113
- annual report, preliminary, 113
- Approving the Budget*, 116
- audit committee, 116
- Authorities, Taxing, 117
- Award programs, 123
- Award, Extended Service, 124
- bank account, PTA, 112
- Bingo*, 127, 128
- Budget, 115, 116
- Budget Committee, Finance or, 115
- Budget, Amending the*, 116
- Budget, Approving the*, 116
- Budget, Developing the*, 115
- Building and Maintenance Fund, 124
- Business Income Tax, Unrelated*, 118
- Change in Accounting Period*, 115
- checks, required signatures on, 112
- Children, Our, 124
- committee, audit, 116
- Committee, Finance or Budget, 115
- Computerized Financial Management, Policies for, 116
- Conduct of the Game, General, 127
- conferences, district, 124
- Co-Venturing, Non-Commercial Policy and, 126
- Criteria for PTA Fundraising*, 123
- Depositing Funds*, 113
- Developing the Budget*, 115
- Disbursement*, 113
- disbursements, 113
- Disclosure statements*, 119
- district conferences, 124
- district policies, school, 123
- district, school, 123, 124
- Education, 124
- Education, Parent, 124
- EIN, 113, 118, 120
- Ella Caruthers Porter, 124
- Employer Identification Number (EIN), 113, 118, 120
- Extended Service Award, 124
- Filing Requirements, Sales Tax*, 122
- Finance or Budget Committee, 115
- Financial Management, Principles of PTA, 112
- Financial Management, Policies for
 - Computerized, 116
 - Form 1099-MISC*, 120
 - Form 1128, 115
 - Form 990, 119, 120
 - Form 990(EZ), 112, 115, 118, 120, 127
 - Form SS-4*, 118
- Friends of PTA, 124
- Fund, Building and Maintenance, 124
- Fundraisers, Relationship of Members/ Students to, 123
- Fundraising, 119, 122, 123
- Fundraising, Criteria for PTA*, 123
- Funds Are Needed, Why*, 123
- funds of the association, 116, 124
- Funds, Depositing*, 113
- Game, General Conduct of the, 127
- General Conduct of the Game, 127
- Get It in Writing, 125
- Guide, Texas PTA Treasurer's, 114, 115, 116, 121, 122
- How to Use, Money Matters, 111
- Identification Number, employer (EIN), 113, 120
- Income Tax, Unrelated Business*, 118
- Internal Revenue Service, 112, 115, 117, 118, 119, 120, 127, 128
- IRS, 112, 115, 117, 118, 119, 120, 127, 128
- IRS Rules and Regulations*, 117
- items, taxable, 120, 122
- keeping records*, 118
- Keeping, Record*, 112, 118
- Leader Orientation, 124
- Leader Orientation, Texas PTA, 124
- Leadership Seminar, Summer, 124
- Legislation, 124
- Licensing Requirements, Temporary, 127
- Lottery, 127, 128
- Maintenance Fund, Building and, 124
- Management, Policies for Computerized Financial, 116
- Management, Principles of PTA Financial, 112
- materials, promotional, 125
- Members/ Students to Fundraisers, Relationship of, 123
- Money Matters, How to Use, 111
- Money Matters, Overview, 111

Money Matters, Who Should Use, 111
 Non-Commercial Policy and Co-Venturing, 126
 Orientation, Leader, 124
 Orientation, Texas PTA Leader, 124
 Our Children, 124
 Overview, Money Matters, 111
 Parent Education, 124
Period, Change in Accounting, 115
Permit, State of Texas Sales Tax, 120
Planning, 125
 Policies, 116
 Policies for Computerized Financial Management, 116
 policies, school district, 123
 Policy and Co-Venturing, Non-Commercial, 126
 Porter, Ella Caruthers, 124
 preliminary annual report, 113
 Principles of PTA Financial Management, 112
 Programs, 124
 programs, award, 123
 promotional materials, 125
 PTA bank account, 112
 PTA Financial Management, Principles of, 112
PTA Fundraising, Criteria for, 123
 PTA Leader Orientation, Texas, 124
 PTA Treasurer's Guide, Texas, 114, 115, 116, 121, 122
 PTA, Friends of, 124
Raffle, 128
Record Keeping, 112, 118
Record Keeping and Reporting, 118
 records, accounting, 115
Regulations, IRS Rules and, 117
Regulations, Rules and, 117, 121
 Relationship of Members/ Students to Fundraisers, 123
Report, Annual, 113
 report, preliminary annual, 113
Reporting, Record Keeping and, 118
 Reports, 113
 required signatures on checks, 112
Requirements, Sales Tax Filing, 122
 Requirements, Temporary Licensing, 127
 Revenue Service, Internal, 117, 120
Rules and Regulations, 117, 121
Rules and Regulations, IRS, 117
 Sales Tax, 120, 122
Sales Tax Filing Requirements, 122
Sales Tax Permit, State of Texas, 120
 Sales Tax, State of Texas, 120
Scholarships, 128
 school district, 123, 124
 school district policies, 123
 Seminar, Summer Leadership, 124
 Service, Internal Revenue, 117, 120
 signatures on checks, required, 112
SS-4, Form, 118
 State of Texas Sales Tax, 120
State of Texas Sales Tax Permit, 120
Statements, Disclosure, 119
 Students to Fundraisers, Relationship of Members and, 123
 Summer Leadership Seminar, 124
Tax Filing Requirements, Sales, 122
Tax Permit, State of Texas Sales, 120
 Tax, Sales, 120, 122
 Tax, State of Texas Sales, 120
Tax, Unrelated Business Income, 118
 taxable items, 120, 122
 Taxing Authorities, 117
 Temporary Licensing Requirements, 127
 Texas PTA Leader Orientation, 124
 Texas PTA Treasurer's Guide, 114, 115, 116, 121, 122
Texas Sales Tax Permit, State of, 120
 Texas Sales Tax, State of, 120
 Training, 123
 Treasurer's Guide, Texas PTA, 114, 115, 116, 121, 122
Unrelated Business Income Tax, 118
Vouchers, 113
 Who Should Use, Money Matters, 111
Why Funds Are Needed, 123

This Page Intentionally Left Blank