



Treasurer

2022-2023

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About PTA

VISION Every child's potential is a reality.

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

PURPOSES

- To promote the welfare of children and youth in home, school, places of worship, and throughout the community;
- To raise the standards of home life;
- To advocate for laws that further the education, physical and mental health, welfare, and safety of children and youth;
- To promote the collaboration and engagement of families and educators in the education of children and youth;
- To engage the public in united efforts to secure the physical, mental, emotional, spiritual, and social well-being of all children and youth; and
- To advocate for fiscal responsibility regarding public tax dollars in public education funding.

VALUES

- **Collaboration:** We will partner with a wide array of individuals and organizations to broaden and enhance our ability to serve and advocate for all children and families.
- **Commitment:** We are dedicated to children's educational success, health, and well-being through strong family and community engagement while remaining accountable to the principles upon which our association was founded.
- **Diversity:** We acknowledge the potential of everyone without regard, including but not limited to: age, culture, economic status, educational background, ethnicity, gender, geographic location, legal status, marital status, mental ability, national origin, organizational position, parental status, physical ability, political philosophy, race, religion, sexual orientation, and work experience.
- **Respect:** We value the individual contributions of members, employees, volunteers, and partners as we work collaboratively to achieve our association's goals.
- **Accountability:** All members, employees, volunteers, and partners have a shared responsibility to align their efforts toward achieving our association's strategic initiatives.

PTA NATIONAL STANDARDS FOR FAMILY-SCHOOL PARTNERSHIPS

- Standard 1: **Welcoming All Families into the School Community** Families are active participants in the life of the school and feel welcomed, valued, and connected to school staff and to what students are learning and doing in class.
- Standard 2: **Communicating Effectively** Families and school staff engage in regular, two-way, meaningful communication about student learning.
- Standard 3: **Supporting Student Success** Families and school staff continuously collaborate to support students' learning and healthy development both at home and school and have regular opportunities to strengthen their knowledge and skills effectively.
- Standard 4: **Speaking Up for Every Child** Families are empowered to advocate for their own and other children to ensure that students are treated fairly and have access to learning opportunities to support their success.
- Standard 5: **Sharing Power** Families and school staff are equal partners in decisions that affect children and families and together inform, influence, and create policies, practices, and programs.
- Standard 6: **Collaborating with Community** Families and school staff collaborate with community members to connect students, families, and staff to expanded learning opportunities, community services, and civic participation.



Leadership Competencies

Skills and Abilities Effective Leaders Demonstrate

Successful leaders are effective leaders. Think of some of the most effective PTA leaders you have worked with. They fill their PTA role well, but their leadership capacity goes beyond that. They have skills and abilities that allow them to step into various roles. They see the value people have to offer and seek their involvement. They provide a clear purpose that others want to follow. They lead with integrity and strive to improve continually.

Texas PTA has identified a set of competencies effective leaders demonstrate. Current and potential leaders can use these skills and abilities to help them improve their leadership and by Local or Council PTA nominating committees to recruit, nominate, and elect effective leaders. These competencies also drive our Full Circle Leadership Development program.

This list is by no means exhaustive. Rather, it is representative of the qualities PTA leaders demonstrate in the work they do to make every child's potential a reality.

Competencies	Descriptions
Self-Awareness	An individual's ability to assess their own strengths and weaknesses
Vision	Demonstrates a clear understanding of the future and how to get there
Relationship Building	Develops trust, mutual respect, and values diversity
Critical Thinking	Obtains all the relevant information, identifies problems and causes, evaluates information, and determines criteria that indicate solutions
Time & Resource Management	Effectively prioritizes and manages resources to accomplish goals of group or project
Motivation	Demonstrates and promotes interest and enthusiasm
Empathy	Expresses verbal and nonverbal recognition of feelings, needs, and concerns of others
Creativity	Sees and thinks of new ideas, alternatives, and ways to do things
Communication	Listens actively and conveys information clearly, concisely and accurately in both writing and speech
Collaboration	Works as a team to achieve a common purpose Puts service before self
Delegation	Shares responsibilities including guidance and follow up
Continuous Learning	Pursues development of skills and knowledge
Integrity	Doing the right thing when no one is watching
Initiative	Steps up unprompted or going above and beyond with excellence

Diversity, Equity, & Inclusion Policy



This Policy has been developed by the Texas PTA Diversity, Equity and Inclusion Task Force, adopted by the Texas PTA Board of Directors (“Board”), and is intended to be consistent with the National PTA’s Diversity, Equity and Inclusion Policy. This Policy is also intended to further the commitment of Texas PTA to diversity, equity, and inclusion, which is: To continually be a voice for all children by reflecting diversity and being inclusive in our membership, leadership, program content, advocacy, training, partnerships, and communications.

We acknowledge the potential of everyone without regard, including but not limited to: age, culture, economic status, educational background, ethnicity, gender, geographic location, legal status, marital status, mental ability, national origin, organizational position, parental status, physical ability, political philosophy, race, religion, sexual orientation, and work experience.

Effective Date: This policy was adopted as of April 19, 2021, shall be reviewed by the Board every two years, and shall remain in effect until amended or replaced in its entirety as a result of action by the Board.

Scope: This policy shall apply as guidance to Texas PTA, all constituent divisions (Local PTAs and other divisions, including Council PTAs), and their respective members.

Definitions: For the purpose of this policy:

- *Diversity* is the representation of, and respect for, people from different backgrounds and identities—including but not limited to race, culture, religion, socio-economic status, age, geographic area, sexual orientation, and gender identification, language, approaches to learning, diagnoses, or exceptionalities impacting learning or access to learning, and physical appearance. It also involves bringing different ideas, perspectives, lived experiences, talents, values, and worldviews to the table to represent the broad variety of children, caregivers, educators, and communities within the PTA family.
- *Equity* provides fairness and access to resources, opportunities, and outcomes so that all communities get what they need to be engaged and successful. This moves beyond an “equal across the board” approach to
 - a) Recognizing and addressing bias and privilege.
 - b) Understand and attend to specific individual and community needs, providing additional resources to those with greater needs.
- *Inclusion* is actions, behaviors, and social norms that strive to ensure all people feel they are safe, welcomed, and that they belong. This means putting diversity into action with skill and intentionality, striving to ensure everyone feels respected, supported, and valued—and can fully participate with equal voice and right to be heard. This includes actively seeking out voices that have been traditionally underrepresented and/or marginalized.

Policy: Texas PTA and its constituent divisions (Local PTAs and other divisions including Council PTAs) shall:

- Promote awareness, inclusion, and engagement of all diverse populations represented in the community and encourage all;
- Openly assess beliefs and practices to ensure inclusiveness, equity, and to guard against discrimination;
- Strive to ensure that the membership, leadership, programs, partnerships, and printed materials across Texas reflect the diversity of their communities;
- Communicate with families in their communities in languages which they understand, to the extent possible;
- Identify and address barriers that hinder inclusivity;
- Foster programs and practices that eliminate bias, prejudice, and misunderstanding;
- Advocate for funding, laws, and regulations that support programs, policies, and services that meet the health, safety, and educational needs of all student populations in Texas public schools; and
- Provide resources and training that develop a more diverse and inclusive group of Texas PTA members, leaders, and community.

Texas PTA first adopted a Cultural Diversity and Inclusion policy on July 26, 2012

Getting Started

Quick-start Actions

- Register as a PTA Leader at txpta.org/register-as-a-board-member.
- Work with the outgoing treasurer to review your responsibilities and become familiar with your Local PTA's financial practices.
 - Does our Local PTA file sales and use tax returns tax quarterly or annually? Does the PTA have collected sales tax to remit?
 - Which IRS Form 990 did our Local PTA file this year?
 - Are there any outstanding or recurring bills?
 - What financial tracking or ledger system does our Local PTA use?
- Become familiar with the adopted budget and work with other executive board members to determine any needed amendments before the new year begins.
- Develop a Plan of Work and submit it to the executive board for approval.
- Become an authorized signer on all bank accounts and ensure bank and e-commerce accounts access.
- Guide incoming executive board members on best practices for your PTA.
- Sign the Texas PTA Confidentiality, Ethics, and Conflict of Interest Agreement.

Duties At A Glance

The treasurer is the authorized custodian of the association's funds and should serve as chair of the Budget and Finance Committee. A general overview of responsibilities may be found below.

- Study all references to duties and finances in the PTA bylaws, policies, and standing rules.
- Ensure your Local PTA meets all requirements of the Standards of Continuing Affiliation.
- Ensure a budget, approved by the membership, is in place at all times.
- Ensure all cash funds are counted by multiple individuals and documented with a Deposit Form.
- Make timely deposits to the PTA bank account.
- Make disbursements per the budget, as adopted by the membership, and verify that each transaction is accompanied by a PTA Funds Request Form and necessary documentation.
- Keep an accurate and detailed account of all monies received and disbursed.
- Present a financial report and provide a budget vs. actual report at all regular membership and executive board meetings.
- Reconcile monthly account statements as soon as received from the assigned non-signer reviewer. Ensure the reviewer is using the Statement Review by Non-Signer Form at txpta.org/treasurer.
- Keep on permanent file the PTA Employer Identification Number (EIN), as assigned by the IRS, and the sales tax permit, as assigned by the Texas Comptroller.
- Electronically file the appropriate IRS Form 990 within 60 days of the end of the fiscal year. Present proof of acceptance by the IRS at the first executive board meeting of the year.
- File sales tax returns to Texas Comptroller as required (annually, quarterly or monthly).
- Submit all required items to the Financial Reconciliation Committee promptly.
- Maintain records in compliance with the PTA's records retention policy.

Required Monthly Duties

- Deposit funds and make payments as needed.
- Record transactions, including sales tax and state/national dues in liability accounts.
- Coordinate with the membership chair to report members/dues to Texas PTA.
- Prepare financial reports (dated from the last meeting to the current meeting).
- Review the budget for any proposed amendments and present as needed.
- Reconcile the checkbook/financial tracking program to the account statement.
- Reconcile any e-commerce, credit card, or merchant accounts to the account statement.
- Check the Local PTA Roster to confirm that your PTA is in Good Standing. If not, follow up on what's missing.
- Present a financial report at all membership and executive board meetings.



Plan of Work

Officer/Chairman

Name: _____

Position:

Treasurer _____

Year: _____

Reproduce as needed for the appropriate number of goals.

Responsibilities/ Duties:	Fill out funds requests, make bank deposits, balance accounts, maintain financial records and the budget, file tax returns when applicable, make regular financial reports, and perform various support duties. Chair the Budget and Finance Committee.	Committee Members:	
Goal:	To maintain the PTA financial records so that the Financial Reconciliation Committee finds the reconciliation process to be one of ease and organization.	Evaluation Process:	End of year review by Financial Reconciliation Committee

Specific Action Steps	Start Date	Completion Date	Budget
Regularly check the treasurer file and vault, process PTA funds request forms, and make deposits quickly after receipt of funds.	Ongoing		
Present financial reports at all regular membership and executive board meetings.	Ongoing		
Maintain (ledger or digital) financial records, update hard-copy or electronic files, and balance all accounts to account statements monthly.	Ongoing		\$99-\$179 for cloud-based financial software
File returns (IRS Form 990 and state sales tax) within the published deadline.		Electronically file the appropriate IRS Form 990 within 60 days of fiscal year-end. Sales tax is due Jan 20 for annual returns and on the 20th day of the month following the end of the quarter, if quarterly.	\$38-80 if file IRS 990 long-form
Monitor committees' expenditures and report to committee chairs monthly on budget status and provide documentation of expenses.	Ongoing		

Resources:	Council treasurer and local PTA executive board, Texas PTA Field Service Representative, Texas PTA Treasurer Resource Guide and website, Treasurers BASICS Training, Records Retention Policy, National PTA website (e-learning)
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PTA Budgets

It is essential to have a budget in place at all times. Without a budget approved by the membership, there is no authorization to conduct business transactions.

A budget and finance committee is responsible for developing a PTA's proposed budget for the next fiscal year for adoption at the final membership meeting of the current fiscal year. This committee shall be appointed by the president subject to the executive board's approval, unless the PTA's Standing Rules designate who may serve on the committee. The treasurer shall serve as the chair of the budget and finance committee.

The budget is a financial representation of the activities and operations a PTA expects to conduct during the association's fiscal year, as determined in the PTA's bylaws. The association is obligated to use its funds for the purpose for which they are raised, and this purpose is to finance PTA programs and services. PTAs may not raise funds for other organizations or individuals, no matter how worthy the cause is.

It's understandable that not all PTA plans will be finalized by the last membership meeting of the year, so the initial budget needs only to include those income and expense items that have been planned at the time it is developed. At the first membership meeting of the new school year, the treasurer presents an amendment to the budget to reflect any planned income or expenses that have been submitted to the executive board since the budget was first adopted. An amendment to the estimated beginning balance may be necessary to reflect the actual beginning balance.

Developing The Budget

The budget and finance committee studies the current year's budget vs actual report to determine how well the budget met the association's needs and considers requests for new programs or fundraisers. The committee proceeds to develop the proposed budget for the next fiscal year from this information.

The budget includes anticipated income, such as the local portion of dues, donations, fundraisers, and other merchandise sales. Income and expenses should be categorized in detail, so members clearly understand how association dollars are being spent. The following are some functions for which funds should be budgeted: leadership training, insurance, advocacy, programs, and parent education.

Adopting The Budget

After the budget has been drafted, it is presented by the committee chair to the PTA executive board for consideration and then to the PTA membership for adoption. If a copy of the proposed budget is not provided to each member electronically or on paper or there is an objection to the proposed budget not being read, each line item is read. Discussion is offered. The adopted budget must be recorded in the minutes of the membership meeting. A majority vote of the members present and voting is required for adoption.

Amending The Budget

The adopted budget serves as the financial guide for the fiscal year. Since the initial budget is only an estimate of the planned expenditures and income for the year, amendments may become necessary from time to time. Amendments require a two-thirds vote by the membership for approval.

Any time budgeted expenditures do not have sufficient funds in the line item to cover actual costs, the budget must be amended and approved at a membership meeting before a check is issued for those expenses. The same is true of the income items. When income varies from the expected amount, be it more or less, the budget should also be amended to reflect the correct revenue. If income is lower than projected, this amendment may necessitate a reduction in some expense items or the cash balance forward to maintain a balanced budget. If a fundraiser is initially approved as a general fundraiser budget line, ensure membership approves the actual fundraiser before commitment. This can be done through a budget amendment clarifying the fundraiser description or a separate vote.

Sample Budget

Terrific PTA

20__-20__Proposed Budget

	Budget
Cash Balance Forward	\$3,000.00
Receipts	
Membership: Local Dues (250 members x \$5.50)	\$1,375.00
Donations	\$250.00
Fundraiser: Fall Festival	\$4,000.00
Fundraiser: Jean Bucks	\$1,000.00
Fundraiser: Recycling	\$300.00
Fundraiser: School Supplies	\$8,000.00
Fundraiser: T-Shirts	\$2,000.00
Total Receipts	\$16,925.00
Expenses	
Bank Fees	\$70.00
Clothes Closet Donation	\$100.00
Council Dues	\$75.00
Credit Card Fees	\$80.00
Fundraiser: Fall Festival	\$1,000.00
Fundraiser: Jean Bucks	\$50.00
Fundraiser: School Supplies	\$6,000.00
Fundraiser: T-Shirts	\$1,800.00
Hospitality (PTA Meetings)	\$200.00
Insurance	\$400.00
Leadership Training	\$1,200.00
Legislative Action (Rally Day)	\$400.00
Life Membership	\$125.00
Membership Promotion	\$150.00
Newsletter	\$700.00
Parent Education	\$100.00
PTA Administration	\$150.00
Reflections Awards	\$300.00
Scholarships	\$500.00
Student Programs	\$2,500.00
Teacher Appreciation	\$900.00
Website	\$125.00
Total Expenses	\$16,925.00
Cash Balance Forward	\$3,000.00

* This is a sample report. The PTA's budget report may look different depending on the PTA's financial tracking program.

Handling Money

Safeguarding Cash

- To protect both the PTA and its volunteers, PTA funds should always be counted and verified by the signature of two individuals before deposit. All signers should retain a copy or image of the completed deposit form. One of the counters may be the PTA treasurer.
- Deposits should be processed as soon as possible, following receipt. If same-day or night deposits are not possible, all monies should be kept secure and never at a volunteer's home. A safe or vault at the school is an option for temporary security.
- Texas PTA recommends the adoption of standing rules or a policy to determine the cash handling procedures for your PTA. If a separate policy, it must be reviewed and adopted annually by the membership.
- It is strongly recommended the PTA purchase embezzlement insurance (bond) to cover the treasurer and all other persons authorized to handle funds of the association. The coverage should be based on the PTA's annual income plus carryover and determined by the executive board.
- If the PTA suspects theft, fraud, or embezzlement has occurred, a financial reconciliation must be conducted, and the PTA must follow the Texas PTA Theft, Fraud, and Embezzlement Policy at txpta.org/policies.

Banking

- PTA money cannot be mingled with other funds and must be kept in a PTA bank account at a financial institution. The money of another group or organization is never deposited into a PTA account. Any request to use a PTA bank account is unacceptable and possibly illegal even if it costs the PTA no money.
- Changing the financial institution of the PTA bank account is approved at an executive board meeting and shared in the executive board report at the next membership meeting before the account change. A change in a financial institution should only be done at the change of a fiscal year.
- The local PTA bylaws state that the president and treasurer are authorized to sign on bank accounts and access accounts electronically. Check your standing rules, if applicable, to see if there are additional check signers, who they are, and how many signatures are required for every check. If there are no standing rules, additional check signers may be appointed by the president subject to the executive board's approval and shared in the executive board report at the next membership meeting. Individuals authorized to sign on the bank account cannot be related by blood or marriage or reside in the same household.
- The treasurer is an authorized signer on all bank accounts, regardless of employment. Many school districts do not permit employees to be signers on the bank account, even if they are association officers. Check with your school district about their specific volunteer policies.
- PTAs should adopt a check-signing policy or include it in the standing rules to determine the number of signatures required, amount thresholds, and other stipulations.

E-Commerce: Electronic Banking and Merchant Services

Electronic Banking

The password for an online account should be changed:

- at least once a year
- when there is a change in signer or
- when there is a financial reconciliation.

The PTA needs to determine who has online access to the account. The treasurer and president should have full access, and, if possible, the additional authorized signers and non-signer statement reviewer should have read-only access.

PTA accounts cannot link to any individual accounts.

The PTA may deposit checks electronically via a mobile application or online system. Before depositing, the PTA should endorse the check using the language provided by the bank regarding the mobile deposit. After depositing, write on the front of the check "Deposit Completed," your confirmation number, and the date the deposit was submitted to prevent accidental double deposit. Consult with your bank regarding how long the

checks should be kept before destroying them. Proper documentation is required as with a traditional bank deposit, and a confirmation of the deposit should be attached to the deposit form.

Online Statement Review

Bank, credit card, and online payment processor statements may be reviewed online by the non-signer statement reviewer if view-only access is available. Alternatively, the non-signer statement reviewer may print a copy of the statement that has been provided as a pdf to be reviewed along with the Statement Review by a Non-Signer form found at txpta.org/treasurer. Paper copies of the bank statement and Statement Review form are not required and can be retained digitally. Securely destroy any paper documents that are scanned for retention. The storage information should be reflected in the PTA's adopted Records Retention Policy.

After review, the original Statement Review by a Non-Signer form is kept by the secretary, and the reviewer retains a copy. The treasurer is given a copy along with the account statement. The secretary presents the report at the next executive board meeting.

Electronic Financial Documentation

The PTA funds request form, deposit form, and Statement Review by a Non-Signer form may be signed and stored electronically. The funds request and deposit form should be stored with the associated scanned receipts and invoices. These electronic documents should be stored on a PTA's shared drive, and viewable access should be granted to the executive board. The storage information should be reflected in the PTA's adopted Records Retention Policy.

ACH/Electronic Payments

Payments to the following are allowed by ACH or eCheck. *Wire transfers of any kind are not allowed.* Proper documentation is required, including signed funds request forms and any other required documentation. All expenditures, other than escrowed or liability items, must be budgeted.

- Texas PTA
- Texas Comptroller for sales tax remittance
- AIM for insurance policy renewal
- Local PTA to Council PTA
- Council PTA to Local PTA

Visit the Texas PTA E-Commerce Policy at txpta.org/policies for detailed information on the following:

- recurring payments
- credit/debit cards
- online & point of sale payment collection systems

A PTA's membership must vote to authorize recurring payments, credit/debit cards, and online & point of sale payment collection systems by amending their standing rules or, in the absence of standing rules, adopting a separate policy. PTAs should note that all adopted policies must be reviewed and adopted annually by the membership. Recurring expenses should be documented with vendor, amount, frequency, and login info so any subsequent board may access and determine ongoing use.

Deposit Form

Deposit # _____

PTA

Deposit Form/Formulario de Depósito

(To be used when giving funds to Treasurer/Para uso cuando se dan fondos al Tesorero)

Event/Evento _____ Date/Fecha _____

Person completing form/ Phone No/
 Persona llenando el formulario Núm. Del tel.

Please make sure that there are always 2 people counting money to protect the reliability of the count. Asegúrese de que siempre hay 2 personas que cuenten el dinero para proteger la rescisión del conteo.

Bills/ Billetes	#	Amount/ Cantidad
\$100		
\$50		
\$20		
\$10		
\$5		
\$2		
\$1		
\$.50		
\$.25		
\$.10		
\$.05		
\$.01		
Total		

Check #/ # del Cheque	Name/ Nombre	Amount/ Cantidad
	Total	

Total Checks/Total de Cheques	\$
Total Cash/Total de Dinero	\$
Total Deposit/Total de Depósito	\$

Membership \$ Total/Total de Membresías	\$
\$ to Local PTA/\$ a PTA local	\$
\$ to State/National/\$ a Estado y Nacional	\$
Total # of Members/# total de miembros	
# of Reg Members/# de miembros regulares	
# of Life Members/# de miembros vitalicios	

[illegible]

Counter's Signature/Firma de Contador _____ Date/Fecha _____

Counter's Signature/Firma de Contador _____ Date/Fecha _____

Treasurer's Signature/Firma de Depositante _____ Date/Fecha _____

Counters should retain either a copy or a photo of this form.
Los contadores deben mantener una copia o una foto de esta forma.

For Treasurer's Use Only/Para uso exclusivo del Tesorero:		<i>Staple or electronically append supporting documentation.</i> <i>Engrapar o agregar electrónicamente documentación de apoyo.</i>
Entered in computer/Ingresado en la computadora		
Cleared bank/Una vez el cheque haya sido cobrado		
Date deposit received/Fecha depósito recibido		

Protecting Your PTA with Insurance

Texas PTA strongly encourages PTAs to obtain adequate insurance protection against liability and financial loss due to fraud, embezzlement, or dishonest acts.

Texas PTA negotiated a group discount with Association Insurance Management (AIM) (800-876-4044) to obtain insurance coverage at affordable prices. Similar coverage may be obtained from any insurance company, locally or otherwise.

AIM offers several types of coverage listed below, and PTAs may secure any combination of coverage at any time during the year. Additional information may be found at txpta.org/pta-insurance.

Event/General Liability Coverage

- \$1,000,000 or \$2,000,000 liability coverage per occurrence (no deductible)
- \$5,000 per person medical payment (no deductible)
- Option for increased medical payments: \$10,000, \$25,000, and \$50,000

Event/general liability insurance covers fall carnivals, bounce houses, dunking booths, fun runs, skating parties, auctions, and more.

Upgrade available: Media Liability to cover misuse of the content on your PTA website or social media

Directors & Officers Liability Coverage

- \$1,000,000 liability limit
- \$1,500 deductible

If someone sues the officers of your PTA for mismanagement, misrepresentations, dissemination of false or misleading information, or inappropriate actions, this coverage pays to defend them against those actions.

Embezzlement Coverage (Bond)

- Coverage available: \$10,000, \$25,000, and \$50,000
- \$250 deductible

Embezzlement insurance covers monetary losses sustained by a PTA through any fraudulent or dishonest act(s) or embezzlement committed by any of the elected officers, members, volunteers, or employees.

Note: For embezzlement insurance (bond) to apply, a PTA must have account statements reviewed monthly by a non-signer and conduct an annual financial reconciliation.

Property Coverage

- Coverage available: \$10,000, \$20,000, and \$50,000
- \$250 deductible

Property insurance covers items such as raffle merchandise, auction items, and fundraising supplies while in your PTA's care, as well as your PTA's personal property like popcorn machines, school store supplies, emergency relief supplies, and more.

Raising Money

Most PTAs need to raise funds to provide programs and services throughout the year; however, fundraising efforts should not be the primary emphasis for PTAs. Fundraising efforts should be in response to supporting approved PTA work rather than driving the goals of the PTA. To help ensure proper alignment with our purposes, *Texas PTA recommends that PTAs engage in three programs or service projects for each fundraiser activity hosted.*

There are many different methods to raise funds, and PTAs will be approached by numerous external groups that offer their products and services to assist the PTA in raising money. PTA Leaders must evaluate these opportunities carefully and consider all legal and community-related implications.

When using a fundraising company, protect the PTA by having all information in writing. A contract protects you, the association, and the fundraising company. With a contractual agreement, all parties assume responsibility for complying with the terms, but the PTA also begins with a clear understanding of who handles what. Make sure the contract is an agreement between two organizations, not two individuals. The president only signs contracts with executive board approval, and the signer adds their title after their name to show they are signing for the PTA. Here are some things to look for when reviewing the contract: cost and profit percentages; list of approved promotional materials; desired services; procedure for handling damaged, unsold, or returned merchandise; and dates for delivery and payment due consistent with verbal agreements.

Each year, the treasurer should prepare a report of all fundraising events since the last sales tax return was filed, including dates held, tax-free day designations, total sales, taxable sales, and sales tax collected to be used by the incoming treasurer.

Information regarding sponsorships, auctions, bingo, raffles, and donors/charitable contributions can be found in the Fundraising Resource Guide.

Non-commercial Policy & Co-venturing

PTA bylaws include the requirement to be non-commercial.

- The name “PTA” is not to be used in conjunction with the commercial activities of other organizations, including the promotion of their goods or services.
- A PTA does not raise money for other organizations or individuals, no matter how worthy their cause is. 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 its sales will be forwarded to the 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 non-commercial policy, the only appropriate role in such a venture is a passive one. The PTA must refrain from active promotion or marketing of the business’s products or services and do no more than inform members of the agreement.
- Agreements should be structured so as not to appear as an endorsement of a product or company. If this is not possible, the PTA should not enter into the agreement.

Spending Money

PTA Expenses

Here are some things to consider when expending funds:

- The PTA membership must authorize the expenditure of all funds by adopting and amending the budget throughout the year. Each executive board member and sub-committee chair prepare a plan of work (POW). The POWs are approved by the executive board and guide the work and provide detail regarding how PTA funds intend to be spent.
- Funds Request Forms are submitted to the treasurer to request a payment or reimbursement. All requests should include the associated receipt(s) or invoice(s) justifying the payment. Before payment, the budget line and amount should be confirmed, and the Funds Request Form should be signed by the committee chair responsible for the budget line per their Plan of Work. Additionally, the form may require the signature of an additional account signer or the PTA president before payment.
- Purchases should never be paid with cash.
- Check signers should never sign a blank check or issue disbursement without receipts or sufficient written documentation.
- Checks should never be made payable to "cash." If cash is needed for a specific event, the event chair should complete a PTA Funds Request for cash. The check should be made payable to the volunteer responsible for the till.
- Authorized signers on the bank account(s) may not sign a check where they are also the payee.

Gift Cards/Gift Certificates

Any gift cards purchased by a PTA should not exceed \$25 in value and must be retail-specific (i.e., branded cards of restaurants, stores, etc.). Generic cards (e.g., MasterCard, Visa, etc.) are not permitted.

Gift cards are cash equivalents, so PTAs should exercise the same care when storing and distributing gift cards.

If a gift card is donated to the PTA to subsidize association expenses, complete a PTA Funds Request Form with receipts attached for the Financial Reconciliation Committee to verify that funds were spent appropriately.

Donations to Individuals and Groups

While a PTA may never donate money to any person or family, we may work cooperatively in coalitions if the purpose is within the Purposes of PTA.

PTA policy concerning non-partisan, non-sectarian, and non-commercial activity must be followed.

Small token donations may be made to another group provided all of the following criteria are met:

- The PTA membership votes to donate.
- The group has 501(c)(3) status and PTA has documentation to prove that.
- The group shares at least one common purpose with PTA (i.e., to promote the health, education, or welfare of children, provide parent education, or raise the standards of home life).

Donations to Schools

Texas PTA has a policy that PTAs never turn funds 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. Often, schools can purchase items at a significant discount where, if the PTA writes the check, they will have to pay the full retail price. Other times, the PTA may decide to fund a portion of the school's purchase. When the best fiscal decision is to have the school make the purchase, certain guidelines must be followed:

- The membership approves the gift to be made and its purpose.
- Funds are only given for a specific, designated purpose agreed to in writing between the PTA president and the appropriate school official. Some district policies require that gifts be made to the district and not a local campus. Some school districts will not allow a gift to be made for a certain purpose. Local school district procedures and policies may require that these forms be modified.
- The written agreement specifically states the nature of the item to be purchased, how it is to be used, the timeframe within which it is to be procured, the agreement to provide the PTA with a copy of the invoice, the agreement that any excess funds will be returned to the PTA, and the agreement that all funds will be returned to the PTA if any of these terms are not met. It also includes the agreement on

who is responsible for installation (if applicable), maintenance, and insurance.

A sample donation to the school/district agreement may be found at txpta.com/treasurer.

Playground Equipment

If a PTA purchases and installs the playground equipment, the liability remains with the PTA regardless of any exemption statements made by the campus principal or school. It is important to note that Texas schools may not be sued.

Texas PTA advises all Local PTAs interested in purchasing playground equipment for their campuses to obtain membership approval for the purchase.

The PTA should forward a check to the school if funds are approved and indicate that the funds are earmarked for playground equipment. The school will then choose the company to purchase the equipment and the contractor to install the equipment.

Field Trips

Field trips are a great way to give back to your school community. However, you could face liability if the field trip is the PTA's event or the PTA gifts money to the school for a field trip. Gifting money to the school significantly reduces liability but is no guarantee the PTA will not be held liable. Please review the information provided by AIM Insurance by clicking the link [Field Trips: What You Should Know](http://txpta.org/pta-insurance) at txpta.org/pta-insurance.

Movie Licensing

All movies shown in public require a license to be shown. There are severe fines and penalties for not having a license, so do your research before scheduling a showing. If you are sponsoring a family movie night, you must pay for a license to show the movie in public even if admission is free. Even if you own the DVD, you must have a license to show the film in public.

Since some schools already have a license to cover your showing, check with the school administration when planning to show a movie. Many organizations that host public showings of movies get their license and even rent the film from a movie licensing company such as Swank.

Sample PTA Funds Request

Check # _____

<div style="display: flex; justify-content: space-between; align-items: center;"> <div style="border-bottom: 1px solid black; width: 40%;"></div> <div style="text-align: right;"> PTA Funds Request Form </div> </div>
--

PAYEE SUMMARY

Payable to _____ Date Requested _____

Address _____ Phone _____

Requestor _____ Date Needed _____

Budget Category(s) to be Charged & Corresponding Amount(s)

Budget Category	Amount	Budget Category	Amount
	\$		\$
	\$		\$

PURCHASE SUMMARY

Item Purchased	Place of Purchase	Amount
		\$
		\$
		\$
		\$
		\$
TOTAL		\$

Receipts and/or invoices must be attached. A sales tax exemption form should be used when feasible.

CHECK DELIVERY INFORMATION

Please indicate where you would like this check sent or how you would like to receive it:	
---	--

APPROVALS

Committee Chair Signature _____ Date _____

Account Signer Signature _____ Date _____

Treasurer Signature _____ Date _____

FOR TREASURER'S USE ONLY

Receipt/Invoice Date		Date Paid	
Date Received		Payment Method	
Plan of Work/Motion		Total Payment	\$

Reporting

Financial Tracking Systems

How a PTA tracks its PTA finances is a decision of the treasurer in conjunction with the executive board. Some PTAs have budgeted funds to pay for online financial tracking systems. Other PTAs have few transactions and prefer paper ledgers or spreadsheet programs to track their finances. Texas PTA is partnered with myPTEZ.com to provide free membership and fee-based financial tracking tool for our PTAs. The paid product includes a web-based application with multiple user logins, customer support, training, and the functionality you need to track your PTA finances. The reports in this resource guide use the myPTEZ terminology.

Membership Dues

As the treasurer, you work closely with the membership chair to correctly report and remit dues. The local portion of PTA dues should be a budgeted income line. The amount of a PTA's local dues can be found in a PTA's bylaws. The state and national portion of PTA dues should be recorded as an off-budget item in a liability or escrow account, as this money belongs to others. The state and national portion of PTA dues and an associated membership roster, should be sent digitally or by mail to Texas PTA regularly, at least monthly. Each Funds Request Form from the membership chair requesting payment to Texas PTA should include a membership roster that reconciles with the payment. Likewise, any membership deposit should include the membership roster that reconciles with the deposit.

Texas PTAs can also recruit members for free through JoinPTA.org, a mobile-friendly website where anyone can join a PTA using a credit or debit card. When a member joins through JoinPTA.org, they will be added to a Local PTA's myPTEZ account immediately. If your PTA is not currently on JoinPTA.org, visit txpta.org/join-pta. Payment for the local portion of dues collected through JoinPTA.org is made once a month via ACH to the bank account provided to Texas PTA. Payment is within seven business days of the month's end. An email is sent to the president and treasurer notifying them of the amount of the ACH being sent. This payment covers all JoinPTA.org transactions for the previous month.

Financial Report

The bylaws require that the treasurer present the financial report at all regular membership and executive board meetings and other times when requested by the executive board or the members. These reports must be given at every meeting for all accounts, not just the general account. Separate reports are prepared for executive board meetings and membership meetings so that the reports will have different reporting periods. The written financial report should include the following.

- The period covered and the date prepared.
- The cash balance forward (balance on hand) at the beginning of the year or the adjusted cash balance (ending balance) from the last meeting report end date.
- Each budgeted line item's total income and expenses for the current period, year to date, and the current budget.
- All sales tax and state/national dues liability/escrow changes and balances.
- The cash balance forward (balance on hand) as of the end date of the report.

The verbal report should include the starting balance, total income and expenses for the current period, sales tax changes, state/national dues liability during the current period, and the ending balance. Copies of the report are distributed electronically or on paper to the members in attendance. This report is filed rather than adopted. The report is provided to the secretary and attached to the meeting minutes, which are provided to the Financial Reconciliation Committee and maintained permanently.

The financial report should include each budget line's current period actuals, year-to-date actuals, and the approved budget amount. The executive board can use this information to determine if budget amendments are required. Additionally, the membership can see where the income and expense lines fall relative to the budget. This information can be provided in two separate reports if that is how the financial tracking system reports the information. However, both reports should be filed with the meeting minutes.

For transparency, in addition to the financial report, provide a financial summary to the president and secretary for meeting agendas and minutes, including current period starting balance, income, expenses, changes to sales tax liability, changes to state and national dues liability, adjusted cash balance, sales tax liability balance and state and national dues liability balance. Here is a sample:

Sample Meeting Financial Summary

9/20/2022 - 12/20/2022	Checking
------------------------	----------

Starting Balance	\$ 2,701.76
Income	\$ 6,452.00
Expenses	\$ 4,365.03
Ch to Liab Sales Tax	\$1.07
Ch to Liab St/Natl Dues	\$ (868.50)
Adj Cash Balance	\$ 3,921.30

**Balance sheet shows \$83.95 in liability sales tax and \$0 in liability state/national dues.*

Preliminary and Final Annual Report

The treasurer presents a preliminary annual report to the membership at the annual meeting, the final meeting of the year. However, this report is for information only and is not officially adopted. At the annual meeting, the financial report may serve as the preliminary annual report if it includes the year-to-date actuals and the approved budget amounts. This report is finalized and provided to the financial reconciliation committee at the close of the local PTA's fiscal year.

The financial reconciliation committee presents the financial reconciliation report, and the treasurer presents the final annual report at the first regular membership meeting of the new year. The financial reconciliation report and annual report are filed after the association has formally adopted the financial reconciliation report.

Sample Financial Report

Terrific PTA

Financial Report September 20, 20__ to December 10, 20__

	Selected Period	Year to Date	Budget
Cash Balance Forward	\$2,701.76	\$3,000.00	\$3,000.00
Receipts			
Membership: Local Dues	\$858.00	\$1,100.00	\$1,375.00
Donations	\$75.00	\$200.00	\$250.00
Fundraiser: Fall Festival	\$4,059.00	\$4,059.00	\$4,000.00
Fundraiser: Jean Bucks	\$0.00	\$650.00	\$1,000.00
Fundraiser: Recycling	\$0.00	\$200.00	\$300.00
Fundraiser: School Supplies	\$0.00	\$7,986.00	\$8,000.00
Fundraiser: T-Shirts	\$1,460.00	\$1,855.00	\$2,000.00
Total Receipts	\$6,452.00	\$16,050.00	\$16,925.00
Expenses			
Bank Fees	\$12.00	\$15.50	\$70.00
Clothes Closet Donation	\$100.00	\$100.00	\$100.00
Council Dues	\$75.00	\$75.00	\$75.00
Credit Card Fees	\$33.22	\$56.32	\$80.00
Fundraiser: Fall Festival	\$996.32	\$996.32	\$1,000.00
Fundraiser: Jean Bucks	\$13.00	\$35.00	\$50.00
Fundraiser: School Supplies	\$0.00	\$5,986.25	\$6,000.00
Fundraiser: T-Shirts	\$1,678.00	\$1,678.00	\$1,800.00
Hospitality (PTA Meetings)	\$26.51	\$58.99	\$200.00
Insurance	\$0.00	\$400.00	\$400.00
Leadership Training	\$0.00	\$1,169.88	\$1,200.00
Legislative Action (Rally Day)	\$0.00	\$0.00	\$400.00
Life Membership	\$0.00	\$0.00	\$125.00
Membership Promotion	\$26.51	\$52.33	\$150.00
Newsletter	\$50.00	\$150.00	\$700.00
Parent Education	\$0.00	\$36.00	\$100.00
PTA Administration	\$16.78	\$55.69	\$150.00
Reflections Awards	\$0.00	\$0.00	\$300.00
Scholarships	\$500.00	\$500.00	\$500.00
Student Programs	\$750.00	\$750.00	\$2,500.00
Teacher Appreciation	\$87.69	\$255.99	\$900.00
Website	\$0.00	\$125.00	\$125.00
Total Expenses	\$4,365.03	\$12,496.27	\$16,925.00
Net Receipts	\$2,086.97	\$3,553.73	\$0.00
Cash Balance	\$4,788.73	\$6,553.73	
Change to Liability Acct: Sales Tax Payable	\$1.07	-\$174.19	
Change to Liability Acct: State & Natl Dues	-\$868.50	\$27.00	
Adjusted Cash Balance	\$3,921.30	\$6,406.54	

* This is a sample report. The PTA's financial report may look different depending on the PTA's financial tracking system.

IRS Group Exemption

In a ruling dated September 14, 1967, the Internal Revenue Service (IRS) held that Texas PTA and its 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 and Council PTAs are not required to file Form 1023 to obtain this status. This ruling further holds that contributions to 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 PTAs in good standing with the state PTA. Texas PTA's group exemption covers the PTAs listed. For a PTA to be considered in good standing, it must comply with the Standards for Continuing Affiliation as published on the Texas PTA website. Any PTA not listed would be subject to income tax on all earnings.

To request a copy of the IRS Determination Letter and a Letter of Good Standing, please contact finance@txpta.org and include your contact information and your Local PTA name, city, and Local PTA ID number.

Federal EIN

Each PTA will be issued a nine-digit tax identification number, known as an Employer Identification Number (EIN) or federal ID number. Texas PTA provides this number at the time a Local PTA is organized. A PTA's EIN is a part of the permanent records of the PTA and is kept on file with Texas PTA. The PTA bylaws will list the EIN assigned to the PTA.

The EIN is used for all PTA bank account(s). The number is also required when filing the appropriate IRS Form 990 or applying for a State of Texas sales tax permit. Please be sure to use the PTA's EIN, not Texas PTA's EIN, when filing your 990.

IRS Form 990

A PTA's gross receipts in a given fiscal year determine the appropriate IRS Form 990 that should be filed. Gross receipts are the total amount the association receives from all sources during its annual accounting period without subtracting any costs or expenses. *Sales tax collected, state and national dues, and any carryover from the previous year are not sources of revenue to the Local PTA and are not included in the calculation.*

The IRS Form 990 is an informational return only. No tax will be due if filed timely and accurately. The last three years' returns must be available for public inspection upon request, or copies will be mailed for a nominal copying and postage fee. If you are assessed penalties for failure to file, contact the Texas PTA office for assistance before paying.

Failure to file the IRS Form 990 for three consecutive years will result in the PTA's tax exemption being revoked. While the IRS provides a filing deadline no later than four and a half months after the fiscal year end, *Texas PTA requires that PTAs file and have accepted their 990 electronically within 60 days of the fiscal year.* PTAs must file one of three IRS Form 990s annually:

- **990-N:** Gross receipts are normally \$50,000 or less per year;
- **990-EZ:** Gross receipts greater than \$50,000 but less than \$200,000 per year; or
- **990:** Gross receipts more than \$200,000 per year.

PTAs with gross receipts, normally less than \$50,000, are to file the 990-N electronically directly with the IRS. If the PTA is at least three years old and *averaged* \$50,000 or less in gross receipts for the preceding three tax years (including the year for which calculations are being made), the PTA may file the 990-N. This notice asks for the following information:

- Employer Identification Number (EIN, this can be found in Article I of your bylaws)
- Tax year ending (prepopulated with the fiscal year end date)
- Confirmation that the organization has not terminated or gone out of business
- Confirmation that the organization's annual gross receipts are \$50,000 or less
- Legal name (prepopulated with PTA Texas Congress)
- DBA name (PTA name)
- Mailing address (school's address)
- Website address (if the organization has one)
- Name of a principal officer (president's name)

- Address of principal officer (school's address)

The 990-N filing guide and video on how to file are located at www.txpta.org/treasurer. Filing at irs.gov is free of charge. Be sure that the IRS accepts your return before considering the filing to be complete. An IRS 990 login is unique to the individual filer and does not need to be passed down.

IRS Form 990-EZ/990

PTAs with gross receipts of more than \$50,000 but less than \$200,000 are required to file the 990-EZ. PTAs with gross receipts of more than \$200,000 must file the 990.

As all Form 990s are to be filed electronically, visit txpta.org/treasurer for 990 electronic filing options. PTAs filing Form 990-EZ should be able to do so electronically without the assistance of a paid preparer. If filing a full Form 990, PTAs may want to engage the services of a licensed tax preparer. If engaging the services of a licensed tax preparer, be sure they are aware of the Texas PTA requirement that PTAs file their 990 electronically within 60 days of the end of the fiscal year. Therefore, filing for an extension is not an option.

When completing Form 990-EZ/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). *Do not use Texas PTA's EIN when completing the return.*

Schedule A must be completed and attached to Form 990-EZ/990. Due to the group nature of our exemption, all PTAs are considered non-profit for the same reason. Therefore, all PTAs must check the box (currently Box 10) in Part I of Schedule A indicating the reason for public charity status.

Some Local and Council PTAs may be required to file a Schedule B if they meet the requirements. To determine whether your PTA is required to file Schedule B, first complete your PTA's Form 990-EZ/990. Organizations that received \$5,000 (in money or property) from any one contributor will be required to file Schedule B. Refer to the IRS instruction booklet for Schedule B for line-by-line instructions on how to complete Schedule B. If your PTA does not meet these requirements, check the box (currently Box H) on the 990-EZ/990.

If the Local or Council PTA reported more than \$15,000 from total gaming on line 6a and/or \$15,000 or more from fundraising and special events on line 6b, then Schedule G, Parts II, and III must be filed with the 990-EZ/990.

In addition, all PTAs must complete Supplemental Schedule O. This schedule lists other expenses not included in Part 1, Lines 10-15, with a total that agrees to Part 1, Line 16 of the 990-EZ/990.

Change In Accounting Period

A PTA may change its year-end by adopting a bylaws change. Until the bylaws change has been adopted by the membership and approved by Texas PTA, the IRS cannot be notified of this change at the year-end.

If the PTA is required to file a 990-N and the treasurer observes that the fiscal year does not match the fiscal year designated in the local bylaws, contact the Texas PTA Finance Department, who will notify the IRS. This correspondence will correct the error and ensure the appropriate year-end is on file with the IRS. The fiscal year cannot be changed on the 990-N.

If a PTA is required to file a 990-EZ/990 and changes its fiscal year, the PTA must file two Form 990s, one reflecting the old fiscal year and a second one for the month(s) between the previous fiscal year-end and the new fiscal year-end. For example, if a PTA wishes to change from a May 31 to a June 30 year-end, a Form 990-EZ/990 is filed for the 12 months ending May 31. Additionally, a Form 990-EZ/990 is filed for the short year of one month ending June 30. After that, a return is filed for each year ending June 30. On the other hand, if a PTA wishes to change its year-end from June 30 to May 31, a return is filed for the short year ending May 31 for 11 months and after that every 12 months ending May 31. The change in the accounting year is indicated via the electronic filing program on the return for the short year.

If a PTA has changed its year-end within the last ten years and was required to file a 990, it must now file Form 1128 to request IRS approval to change its year-end. Additionally, a Form 990-EZ/990 is filed for the short year, and a bylaws amendment to reflect the change is adopted.

IRS Form 1099-NEC

All PTAs must file Form 1099-NEC with the IRS if they pay an individual or 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- NEC must be sent by the PTA to the payee on or before January 31 of each year and filed with the IRS and Form 1096 by February 28 of each year. Form 1099 includes the name and address of the payee, their social security number or EIN, and the total amount paid during the calendar year. Form 1096 summarizes all 1099-NEC issued by the PTA during a calendar year. Even if the PTA issued only one 1099-NEC, a 1096 must still be completed.

To obtain the above forms, visit the IRS website, irs.gov, or call Customer Account Services at 877-829-5500.

Exemption From Paying State Sales Tax

PTAs are not required to pay the Texas sales tax on items purchased for use in presenting programs or carrying on the work of the PTA. This exemption was granted to Texas PTA and covers all PTAs in good standing.

All PTAs in Good Standing should be individually listed with the Texas Comptroller's office. You can verify if your PTA is listed at comptroller.texas.gov/taxes/exempt/search.php. If your PTA is not listed and wants to be listed individually, complete Form AP-207 with the Texas Comptroller's Office at comptroller.texas.gov/taxes/permit/.

When PTA members purchase items for the PTA, they present an exemption certificate to the retailer to remove the sales tax. Some retailers have their own certificates and request the purchaser to sign them. Texas does not issue exemption numbers, and therefore, your exemption certificate requires no number to be valid. However, retailers will often ask for a tax exemption number. The information that the retailer needs is the eleven-digit Texas Taxpayers Identification Number issued by the Texas Comptroller. This allows the Texas Comptroller's office to verify that tax-free sales were legitimately sold to a tax-exempt entity. You do not have to have a sales and use tax permit, which is needed to collect and remit sales tax on sales of taxable goods and services to have a Texas Taxpayer Identification Number.

Exemption From Paying State Hotel Occupancy Tax

Texas PTA and its affiliates are exempt from the state hotel occupancy tax but must pay the local hotel occupancy tax. To avoid paying the state tax, provide the hotel with a completed hotel occupancy exemption certificate and a copy of the letter from the Texas Comptroller's office granting this exemption found at comptroller.texas.gov/taxes/exempt/search.php.

Tax-free Days

PTAs may hold two, one-day (24-consecutive hours) tax-free sales (when the PTA is the determined seller) or auctions each calendar year. These sales or auctions are designated in the executive board or membership meeting minutes before the event. Sales of otherwise taxable items made during the 24-hour period designated as the tax-free sale or auction are not taxed.

The Texas Comptroller's office has ruled that brochure/catalog sales are not eligible for a tax-free declaration by the PTA because, for these sales, the PTA is acting as an agent for the vendor, who is the seller. The PTA collects sales tax on the sales price and remits it to the vendor to remit to the Texas Comptroller's office.

The PTA is the seller when a for-profit fundraising company does not coordinate the fundraising; the PTA is not using the marketing materials of a fundraising company, such as brochures and order forms; the PTA purchases inventory from a vendor for a certain price; the PTA resells those items for a profit or loss and assumes all responsibility and risk. When the PTA is the seller and not acting as a representative of a for-profit fundraising company, the PTA is responsible for the proper collection and remittance of any tax due. The PTA may take advantage of the one-day, tax-free sale provision if appropriate.

The Texas Comptroller's office has ruled that PTAs may consider advance-order sales fundraisers as one of their tax-free days, provided the following criteria are met:

- All orders must be submitted by the PTA to the supplier before the delivery of the merchandise.
- All merchandise must be delivered to the PTA by the supplier on one day (it need not be the same day as indicated above).
- The merchandise must be delivered to the purchaser over a reasonable period of time. Texas PTA recommends this period of delivery not exceed three weeks.

- The tax-free day is the day of delivery to the PTA or the day of delivery to the customer if the delivery occurs in one day and not over a multi-day event. The PTA may decide which of the two options they prefer.

A tax-free sale must not be a year-long activity, such as a school store.

Collecting and Reporting State Sales Tax

A Local or Council PTA must have a sales and use tax permit if the PTA sells tangible items, such as handicrafts, candles, t-shirts, cups, books, and school supplies other than on the designated tax-free days. Before submitting an application for a sales and use tax permit, the PTA must be listed as a tax-exempt entity on the Texas Comptroller's website. *Do not apply for a sales and use tax permit until confirming that the PTA is listed as tax-exempt.* If the PTA is not listed, complete and submit Form AP-207 at comptroller.texas.gov/taxes/permit.

The permit is issued from the Texas Comptroller's office. The form requires the Local PTA's EIN to complete the application. The school address is recommended to be used for the application, returns, and correspondence.

Once a PTA has received a sales and use tax permit, the PTA must file the required reports, either quarterly or annually, *even if the sales tax collected is zero.*

Make at least two copies of the permit. File one copy with the treasurer's permanent records, and give the other copy to the fundraising chair or coordinator to display during sales. There is no fee for the permit, and it remains valid until a request to cancel it is made by the PTA or canceled by the Texas Comptroller.

When your permit is issued, you will be assigned a reporting period. This could be monthly, quarterly, or annually, depending on your sales volume. Most PTAs are on an annual filing basis; therefore, their returns are due on January 20 for the previous calendar (January-December) year. If the due date falls on Saturday, Sunday, or a 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. *There are penalties for late filing.*

- Total sales are the amount of PTA receipts resulting from the sale of tangible property. PTA membership dues, an admission price to an event, and donations are not considered sales. Total sales are the accumulation of income from spirit wear, school supplies, cookie dough, school store merchandise, etc.
- Taxable sales are the total receipts of goods on which sales tax should be collected. In the bullet above, the cookie dough fundraiser sales would not be included as taxable sales because cookie dough is non-taxable. Any taxable sales that occurred during the two tax-free days are not included in this calculation.
- Because the Texas Comptroller requests computation on income in whole dollars only, there is a difference in the amount collected and what is remitted to the Texas Comptroller. In addition, there is a .05% deduction for paying timely. Once sales tax is paid, there is always a small amount left in sales tax escrow/liability that remains part of the PTA's income. The PTA should zero out the balance in the sales tax escrow/liability account and increase the donations' income by that same amount.
- PTAs are authorized to submit sales tax electronically to the Comptroller via WebFile, even if the PTA has not adopted electronic banking policies.

A PTA purchasing taxable items for resale must first obtain a sales tax permit and issue a resale certificate to the seller instead of paying sales tax. A PTA does not have the option of paying the sales tax when the merchandise is purchased to avoid collecting the sales tax as the merchandise is sold. When the items are resold, the PTA must collect and remit the sales tax to the Texas Comptroller unless the taxable items are sold only during a tax-free day. If taxable items are sold only on a tax-free day, an exemption certificate is given to the seller rather than the resale certificate.

The following items are not subject to sales tax:

- PTA food sales made at a PTA fundraising event are exempt from sales tax unless the PTA is in direct competition with a retailer required to collect sales tax. In this circumstance, the PTA would be required to collect sales tax.
- There is no tax on admission tickets (including those at carnivals), fees, or raffle tickets, provided all the

- proceeds go directly to the PTA.
- Student directories, yearbooks, cookbooks, and any other publications of the PTA are exempt from sales tax.

A PTA may participate in the annual State Sales Tax Holidays if they are selling items included in this event. In addition to clothes, footwear, and some backpacks, Texas families also get a sales tax break on most school supplies priced at less than one hundred dollars (\$100.00) purchased for a student in an elementary or secondary school. These days do not count as one of your two tax-free days.

For more information, visit the Texas Comptroller's website. 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 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 sales tax collection. PTA cannot act as a conduit to circumvent the collection of sales tax on a sale that in no way benefits the PTA.

Here are a few pizza sales scenarios to consider:

- If the PTA purchases the pizza from the restaurant and sells it to their members for the same price the restaurant sells it for, sales tax is collected. A resale certificate is given to the restaurant because the PTA will resell the pizza. The pizza is not being used for the PTA's use and is being sold as a convenience to the PTA's members.
- If the PTA purchases the pizza from the restaurant to provide dinner at the expense of the PTA and the membership does not pay for the pizza, the PTA is exempt from paying the sales tax.
- If the PTA purchases the pizza from the restaurant and sells the pizza for a profit, no sales tax is collected. The pizza is being used as a fundraiser for the PTA and is nontaxable.

Any of the above taxable items could be deemed not taxable if sold on one of the PTA's two tax-free days.

If you are selling items where the collection price includes sales tax, you must inform the purchaser that sales tax has been included in the price. All information must state, "Sales tax included in price."

When to Collect Sales Tax

	Taxable	Nontaxable
Cookie Dough		X
Popcorn, popped *		X
Spaghetti supper		X
Concession sales*		X
Raffle tickets		X
Cookbooks produced by the PTA		X
Cookbooks purchased for resale	X	
Student directories produced by the PTA		X
Other writing and publications of the PTA		X
Books not written by the PTA	X	
Gift wrap	X	
School supplies	X	
T-shirts	X	
Admission ticket (if the PTA is the <i>provider</i> of the amusement)		X
Admission ticket (if the PTA is <i>not the provider</i> of the amusement)	X	
Discount coupons		X
Horticultural products such as flower arrangements, roses, carnations, holiday greenery, and poinsettias	X	
Agricultural products (plants and seeds), the products of which ordinarily constitute food for human consumption		X
Pumpkins from the pumpkin patch		X
Pumpkins that have been carved, painted, or decorated	X	
Silent auction items (depends on the items auctioned)	X	X
Garage sale items	X	
Pictures with Santa	X	
Booth rental fee		X
Confetti eggs at carnivals	X	
Face painting		X
Educational activities such as coloring, painting, crafts		X
Gift items sold at Santa's Workshop	X	
Sales of magazine subscriptions sold for a semiannual or longer period (six months or greater) and entered as second class		X
Sales of magazine subscriptions sold for a shorter subscription period (less than six months) and sales of individual issues	X	

* These items would be taxable if the PTA is not the determined seller by both purchasing inventories AND determining the sales price.

Additional information from the Texas Comptroller's Office regarding sales tax and fundraisers may be found under Resources at txpta.org/treasurer.

Financial Reconciliation

A financial reconciliation reviews all financial transactions to ensure that expenditures are properly documented and conform with the approved budget and the PTA's governing documents. Each PTA bank account should have its own reconciliation report.

Remember, the treasurer is legally responsible for all the association's funds. However, the executive board of the association has a fiscal responsibility to keep the association's affairs on a sound financial basis.

The timing and composition of the financial reconciliation committee are crucial and specified in the bylaws fiscal accountability section.

All information provided to the committee and the discussions held are confidential; therefore, meetings should be conducted in a private location and only include appointed committee members. The committee may contact the outgoing treasurer and president for any clarification required. All findings should remain confidential until the report is delivered. All members of the committee should sign a confidentiality agreement.

Preparing for the Financial Reconciliation

The outgoing treasurer presents the following financial records to be reviewed by the committee:

- Current year annual report (budget vs actual) or budget vs actual for the period under review
- Balance sheet (to show sales tax or state/national dues liability balances)
- General ledger (all transactions for the period under review)
- All financial reports for the period under review
- All receipts/invoices for expenditures with PTA Funds Request Forms
- All bank receipts with PTA Deposit Forms
- All checks for all accounts - cleared, voided, and unused (check images from bank suffice)
- Bank statements and reconciliations for all accounts
- Electronic payment collection system documentation (reports from PayPal, Square, merchant account, etc)
- IRS Form 990-N confirmation of acceptance or a draft of the appropriate 990-EZ or 990
- Sales and Use Tax permit and returns
- All correspondence with any taxing authority

The outgoing secretary presents the following records to be reviewed by the committee:

- Minutes from membership and executive board meetings (including presented financial reports, last financial reconciliation report, Statement Review by Non-Signer forms, etc.)
- Current membership roster and executive board roster
- All bylaws, standing rules, and/or policies during the period under review
- Confidentiality, Ethics, and Conflict of Interest Agreement
- Current contracts

Financial Reconciliation Checklist

PTAs can visit txpta.org/financial-reconciliation to download the current financial reconciliation checklist and report.

During the Financial Reconciliation

- Checks are only written in the case of an emergency.
- The committee adheres to the Financial Reconciliation Checklist provided on the Texas PTA website.
- If the reconciliation is being performed due to year-end or check-signer addition/deletion, update the account signers with the bank so that business can resume immediately following the reconciliation.

Irregularities in the Records

If the Financial Reconciliation Committee finds irregularities in the treasurer's records, follow the steps listed below:

- Contact the treasurer to secure additional records or information.
- If the matter cannot be settled to the committee's satisfaction, contact the president to determine what additional steps need to be taken.

- The president can request additional guidance from the Council PTA or the Field Service Representative. A Council PTA can request additional assistance from the Field Service Representative if the Council PTA cannot resolve the matter.
- When evidence that theft, fraud, or embezzlement has occurred, the PTA must follow the Texas PTA Theft, Fraud, and Embezzlement Policy found at txpta.org/policies.

Immediately Following the Reconciliation

- Give the PTA records and supplies to the treasurer so that they can proceed with business.
- For the year-end reconciliation, if the PTA files Form 990-EZ or 990, the outgoing treasurer electronically files and provides the confirmation of acceptance by the IRS and a copy of the filed Form 990-EZ/990 to the incoming treasurer. Additionally, proof of a confirmed 990 filing is presented at the next executive board meeting.

Reporting the Results

- For the required year-end or check-signer addition/deletion financial reconciliation, the committee shall:
 - provide a copy of the report to the treasurer immediately following the conclusion of the reconciliation;
 - present the report findings and recommendations at the next executive board meeting;
 - present the report for adoption at the next membership meeting; and
 - file the financial reconciliation report and annual/budget vs. actual report permanently with the secretary.
- For a reconciliation deemed necessary by the president or three or more members, the committee shall:
 - hold the report until the membership adopts the report;
 - present the report for adoption at the next membership meeting;
 - file the financial reconciliation report and annual/budget vs. actual report permanently with the secretary;
 - provide a copy of the report to the treasurer; and
 - present the report findings and recommendations at the next executive board meeting.
- If a complete financial reconciliation cannot be done due to the inadequacy or unavailability of the records, the membership shall be notified, and the report shall include recommendations to correct the situation.

Keeping Records

Compiling and maintaining a complete record of your activities can help those PTA Leaders who follow behind you. Passing along important information to your successor gives them what they need to get started! New Leaders who access previously implemented PTA practices can more easily adjust and make needed changes. Additionally, a PTA should closely follow its records retention policy to be sure they are properly storing the records they need to maintain regulatory compliance.

How to Compile Your Records

Ask yourself, “If I knew nothing about the job, could I do it with this information?” Depending on your position, you may need hard copy materials at your fingertips. If so, use a loose-leaf folder or binder with tabbed dividers. Other positions could easily keep their records electronically via cloud-based storage or a USB drive.

Suggested Content

Bylaws/Standing Rules

- A current, date-stamped copy of the PTA Bylaws and Standing Rules. Each year (after August 1), the parliamentarian should request a copy of your PTA's bylaws and standing rules from Texas PTA. They should be distributed to all executive board members and reviewed annually. Visit www.txpta.org/bylaws for the request form and more information.

Rosters

- Current roster of executive board members with their contact information
- Contact information for Texas PTA Field Service Representative, Council PTAs (if applicable), Texas PTA Board members with comparable responsibilities, the Texas PTA State Office
- Resources, and related agencies and organizations in the community relevant to your position

Items Related To Your Position (As Applicable)

- Description and responsibilities of your position
- Current Texas PTA BASICS Resource Guide(s)
- Plan of Work approved by the executive board
- Reports prepared for meetings (executive board, membership, and committee)
- Financial records including approved budgets, detailed reports with copies of your PTA Funds Request Forms with receipts, and copies of all deposit forms that you have signed
- Promotional material, newsletter articles, evaluations, etc.
- Award applications submitted to Council, Texas, or National PTA
- Summary of your term, including recommendations for the following year

PTA Meetings

- Agendas and approved minutes from each meeting
- Financial reports
- Relevant committee reports
- Information on upcoming events and programs sponsored by PTA at all levels
- Record of volunteer hours to be reported to the volunteer coordinator (if applicable)

Standards of Continuing Affiliation



Each membership year, Local PTAs must meet **both** of the following requirements to attain Active Status with Texas PTA. The membership year begins on August 1.

1. Remit to Texas PTA state and national membership dues for at least 20 members.
2. Submit to Texas PTA the name and contact information (mailing address, phone number, and email address) of at least one current executive board member, preferably the president.

Local PTAs must comply with **all** of the following standards to remain in Good Standing with Texas PTA. Local PTAs that do not maintain Good Standing will be subject to a Local PTA Retention Plan as described below.

1. Maintain Active Status with Texas PTA.¹ (see requirements above)
2. Report all additional members and remit state/national dues to Texas PTA each year.
3. Submit to Texas PTA the name and contact information for all additional executive board members within 15 days of election or appointment.²
4. Review Local PTA bylaws (and standing rules, if applicable) every three years and submit to Texas PTA for approval.³
5. Each year, within 60 days of fiscal year-end, electronically file and have accepted by the IRS the appropriate "Form 990 Return of Organization Exempt from Income Tax".

Local PTA Retention Plan (initiated when a Local PTA does not maintain Good Standing)

Notification: Texas PTA will notify the PTA of the actions required to attain Good Standing. The PTA will have 30 days from the date of the notification to meet all Good Standing requirements to avoid moving into the Restriction Phase.*

Restriction: While in the Restriction Phase, the PTA is not eligible for awards, programs, or grants administered by Texas PTA or National PTA. The PTA will have 30 days to meet all Good Standing requirements to avoid moving into the Restructure Phase.

Restructure: For PTAs that do not attain Good Standing following the Notification and Restriction Phases, Texas PTA may begin the process of restructuring the leadership of the PTA or revoking the PTA's charter. A PTA that signs an Action Plan may temporarily move into Intervention, giving them time to resolve any outstanding issues. The PTA will continue to be ineligible for awards, programs, and grants administered by Texas PTA and National PTA until Good Standing is achieved.

Intervention: Once in the Intervention Phase, Texas PTA will assign a support team to assist the PTA. If all Action Plan requirements are not resolved by the agreed-upon date, the PTA will be moved back into Restructure. **With cause, Texas PTA may place a Local PTA that has not met all Good Standing Requirements into the Intervention Phase early.*

1. Active Status is used to determine eligibility in many Texas PTA programs and services. Please reference specific program eligibility requirements to ensure your PTAs participation.
2. PTAs submit executive board member information to Texas PTA electronically via the Texas PTA website.
3. Bylaws are submitted via the Bylaws Submission Form found on the Texas PTA website.
4. Proof of filing and acceptance is the Exempt Organization Business Master File issued regularly by the IRS.

Resources

Texas PTA believes that volunteer at-home accessibility to FOUNDATIONS Training is important. As such, training can be found at txpta.org/courses. Our volunteer leaders across the state can access quality educational resources to support success within their roles and build strong Local and Council PTAs.

FOUNDATIONS Trainings:

1. **ESSENTIALS** is a high-level orientation to PTA that is taken online via the Texas PTA website at www.txpta.org/training. It contains the mainstay information that every PTA Leader should know. Executive board members should take this training at least once in their PTA career. Leaders are encouraged to take Essentials (formerly titled Foundations Leader Orientation and Leadership Orientation Training) again whenever the training is updated.
2. **BASICS** contain detailed information to support PTA Leaders in their specific executive board position. Every executive board member must attend a BASICS course for their specific position at least once every two years. These training sessions are available on-demand via the Texas PTA website. Visit us online at www.txpta.org/training to register.
 - a. BASICS includes a workshop and companion Resource Guide, along with other supporting resources.
 - b. PTA Leaders can access the Resource Guides via the Texas PTA website or online store. Visit www.txpta.org/local-pt-leaders to download free PDFs or www.txpta.org/shop to purchase hard copies.
3. **SPOTLIGHTS** offers a short, in-depth review of some of the specific yet important topics and recurring PTA functions such as Bylaws and Standing Rules, Financial Reconciliations, Conducting a Meeting, and Nominations and Elections. Spotlights are free and are not mandatory but offer vital insights on specific and timely topics.

Reminder: Both the ESSENTIALS and BASICS are mandatory for executive board members. Visit www.txpta.org/training to learn more!

Newsletters and Alerts:

Texas PTA provides content-specific newsletters based on your PTA position. Please submit your information to Texas PTA each year. Registering as a Local PTA Leader will help ensure you receive important updates and position-specific newsletters! Visit www.txpta.org/officer-intake to access the form.

All executive board members are encouraged to closely follow Texas PTA legislative advocacy efforts by subscribing to Under the Dome, our advocacy newsletter. Sign up at txpta.org/take-action.

Leadership Development Resources:

Texas PTA training goes beyond the FOUNDATIONS by offering Leadership Development resources. The topics covered are the result of polling local and council PTA leaders across the state.

All PTA leaders are encouraged to go to txpta.org/leadership to discover what Extra Credit course they might like to take next to continue exploring their leadership development and investigate the Full Circle Leadership development program rolled out in March of 2022.

Texas PTA Staff and Board Support

BOARD OF DIRECTORS | [Contact Form](#)

The Texas PTA Board of Directors are your volunteer representatives at the state level. From the president to the secretary, Texas PTA Board can help answer your questions and address your individual needs. You can reach them at: <https://bit.ly/3zp81Es>.

COMMUNICATIONS | communications@txpta.org

The Communications team manages and produces all Texas PTA communications, including *The Voice* (our quarterly newsletter), specialized newsletters (advocacy, healthy lifestyles, arts in education, environmental awareness, membership, and field service), social media outlets, and the Texas PTA website. They also serve as Texas PTA's contact for all media inquiries.

FINANCE | finance@txpta.org

Texas PTA understands the responsibility of managing your member dollars. The Finance team is charged with monitoring Texas PTA resources according to the annual budget, as adopted by the Board of Directors.

Members of the Finance team are also available to support PTA leaders in their compliance with state and federal financial requirements, such as filing the annual 990 with the IRS and sales tax filings with the State Comptroller.

MEMBER SERVICES | memberservices@txpta.org

The Member Services team gives direct support to PTA leaders and members. They assist with member recruitment strategies, bylaws and standing rules, organizing PTAs, and general questions on leading and managing a PTA.

The Member Services team is responsible for developing recruiting resources that may be adapted for all levels of PTA – early childhood, elementary and secondary. Staff processes officer information, membership rosters and dues, and requests for copies of bylaws and standing rules. Staff also coordinates membership awards and the distribution of membership cards to Local PTAs.

PROGRAMS | programs@txpta.org

The Programs team is focused on connecting PTA members and leaders with the information they need to be successful and develop programs. Whether your PTA is registering for LAUNCH or requesting a Connect Program, the Programs team is available to assist you.

The Programs team is also your contact for student programs, such as Reflections, Camp Just Imagine, and Texas PTA's scholarship program.

FAQs

When does the new treasurer take over the books?

The bylaws provide that the treasurer assumes their duties following the close of the fiscal year; however, the outgoing treasurer should complete the books upon the close of the fiscal year, file a 990-N, or draft the 990-EZ/990, and then turn the books over to the Financial Reconciliation Committee for review. Form 990-EZ/990 is electronically filed by the outgoing treasurer upon completion of the financial reconciliation. The confirmation of acceptance by the IRS and a copy of the filing are provided to the incoming treasurer.

Incoming treasurers should receive the books directly from the Financial Reconciliation Committee upon completion of their work.

When should we update the signature cards at the bank?

Upon turning the books over to the Financial Reconciliation Committee, incoming and outgoing officers go to the bank and change the signature card. Contact your bank to verify what documents are required to change signatures.

Can I pay sales tax when we purchase our merchandise for sale, so I don't have to collect it when we sell it?

No, sales tax must be collected from the end-user (customer) on the retail price, not the wholesale price.

The school district is requesting a copy of our annual report from last year. Should we provide it to them?

Determine first why the district is asking for the information. PTAs are asked to provide financial information to school districts. These requests often come as part of a GASB 39 request or question.

GASB is the Governmental Accounting Standards Board establishes accounting and financial reporting standards for U.S. state and local governments (including school districts). GASB 39 is a standard that says all entities (PTOs, Booster Clubs, etc.) associated with a primary government (school district) are potential component units. If an entity is a component unit, then it should be evaluated to determine if it should be included in the financial reporting entity (school district).

There are three criteria to determine if an entity is a component unit:

- The economic resources received or held by the separate organization are entirely for the direct benefit of the primary government, its component units, or its constituents.
- The primary government, or its component units, is entitled to or has the ability to otherwise access a majority of the economic resources received or held by the separate organization.
- The economic resources received or held by an individual organization that the specific primary government, or its component units, is entitled to, or has the ability to otherwise access, are significant to that primary government.

PTAs are not supporting organizations, clubs, or booster groups for any schools. They are separate legal entities with distinct missions, visions, and purposes. Local PTAs work in harmony with school personnel, but they are not part of any school. Because of this, PTAs are not required to give financial information to a school district, especially under GASB 39.

We want to have good relationships with our school districts; however, we need to evaluate what and how we share information with them. Perhaps they simply need to know how much support we gave a specific school the past year. This would be a number we could generate based on our budget and share.

Can we have a fundraiser to raise money for a student who needs an operation?

No, funds cannot be raised through the PTA for an individual, no matter how worthy the cause is.

The student's family may be encouraged to apply to the Texas PTA Emergency Relief Fund. PTAs are encouraged to donate to this fund, but contributions may not be earmarked for a specific individual.

Do I have to pay sales tax on prizes purchased as giveaways at a carnival?

No, items purchased for PTA use are exempt from sales tax. As these items are not sold, sales tax is not collected.

If we make no profit on our school supplies, do we have to collect and pay sales tax?

Yes, profit is not a factor in determining what items require sales tax collection.

How much money can we carry over to next year?

There is no established minimum or maximum amount. It will vary by PTA based upon when each holds its fundraisers. If you have no fundraiser until spring, you will need to carry over more than if your major fundraisers are in the early fall. A PTA should not raise more funds than is necessary to carry out its tax-exempt function.

A local business wants to contribute to our PTA but needs proof of our tax-exempt status. What do I give them?

Provide the business a copy of Texas PTA's IRS Determination Letter and a Letter of Good Standing for your Local PTA. These documents can be obtained by contacting finance@txpta.org and including your contact information and your Local PTA name, city, and Local PTA ID number.

A business has agreed to donate to our PTA. However, they insist on writing the check to "PTA Texas Congress." What should we do?

You can allow them to write the check to "PTA Texas Congress," mail the check to Texas PTA, Attention: Finance, 408 West 11th Street, Austin, TX 78701, with a note that includes your Texas PTA ID#, PTA name, address, contact information, and an explanation of the situation. Texas PTA will then send your PTA an ACH transaction for the amount of the donation check. Please allow up to 10 business days for this process.

Can our PTA be a paying member of our local Chamber of Commerce?

Yes, as long as the PTA membership has approved the membership and its associated expenditure. This expenditure is included in the budget.

Can PTAs have capital projects that benefit the school?

Unlike many other non-profits, PTAs do not have capital projects. Because we operate on a cash-based accounting method, we only look at the current year's activity regarding our income and expenditures.

If a PTA determines that they wish to contribute to a long-term project, such as donating towards the cost of a school marquee, they would (a) present this to the PTA membership for approval each year and (b) write a check to the school for their contribution along with completing the appropriate paperwork that specifies where this contribution will be applied and the timeframe in which the school can keep the donation. This vote takes place after all fundraisers have been held, not before. PTAs do not carry over money for long-term projects. The only two escrow/liability accounts that PTAs have are the State/National Dues and the Sales Tax. These accounts are not the PTA's money; the PTA is just temporarily holding them until payment is remitted to the appropriate organization.

Can our PTA give door prizes?

Yes, as long as the item is nominal in value and money is not collected to be eligible. Texas PTA has defined nominal as not more than \$25.00 in value.

For example, a door prize may allow a chance to win based on attendance at a meeting.

Are PTAs permitted to hold a raffle where multiple prizes are awarded by drawing from various containers, or does this constitute more than one raffle?

Per a written response from a representative with the Office of the Attorney General, as long as the prizes are awarded at one event/occasion, multiple containers to draw from can be used to constitute only one event/one raffle.

Can our PTA hold drawings for prizes?

Yes, PTAs can have drawings for prizes of nominal value. One example includes when a parent purchases a PTA membership, their name goes into a drawing. This means that they have purchased the rights to be a member and get discounts from PTA partners. Another example would be if there is a purchase involved and they receive something for that purchase, such as \$xx.xx amount in carnival tickets purchased; their name goes into a drawing.

Can PTAs pay for workshop fees, speaking engagements, salaries, or fees to associations for school district employees?

PTAs may elect to pay for workshop fees or reimburse for continuing education through a faculty scholarship process. Similarly, to student scholarships, criteria must be established and published either in the PTA's standing rules or in a policy voted on by the membership. A committee would be appointed to select the recipients. The scholarship would allow them to take a class or attend a workshop that furthers their education. Travel expenses (mileage, airfare, hotel fees, and meals) are not included.

Professional speakers can be compensated for their services. If the professional speaker is paid more than \$600.00, then a Form 1099-NEC is provided to them by January 31 of the following year. School district employees are not allowed to be compensated for speaking engagements by the PTA but a token donation to another 501(c)(3) is permissible. For example, if the school district employee is a member of another 501(c)(3), a donation to their organization would be acceptable as long as it has a common purpose with PTA. If the school district employee is not a part of another like-minded non-profit, a donation to the school library for a purchase of a book would be a great use of the funds. This same policy would apply to PTA volunteers.

A letter to the individual who spoke along with where the money went is a great way to let them know how much the PTA appreciates their time and efforts.

This money could come out of the "Programs and Parent Education" budgetary line item. PTAs may fund supplemental employee positions, under certain restrictions. The school district would have to be willing to accept the donation, and it is imperative the PTA understand they are funding a position, not a specific individual. The PTA cannot participate in the selection of the employee or any other part of the employment process. The PTA also cannot guarantee to fund projects over future school years, as these decisions are made annually by the membership of the PTA.

- PTAs do not donate towards teacher payroll;
- PTAs do not donate towards paying taxes;
- PTAs do not donate towards association fees for other organizations, and
- PTAs do not donate towards paying rental expenses of the school building.

If a school district is experiencing financial troubles, PTAs do not give money to them for the maintenance and operations (M and O) portion of the budget. In addition, Article III: Basic Policies of the PTA's local bylaws, states "that the legal responsibility to make decisions has been delegated by the people to the boards of education, state education authorities and local education authorities." Taxes, rent, and payroll are legal obligations of the school district; therefore PTAs do not involve themselves financially in these areas.

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Texas PTA



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