

2026 UTAH PTA
HANDBOOK

Utah
PTA[®]
everychild.one voice.

TREASURER

STRUCTURE OF PTA

National PTA
everychild.one voice.®

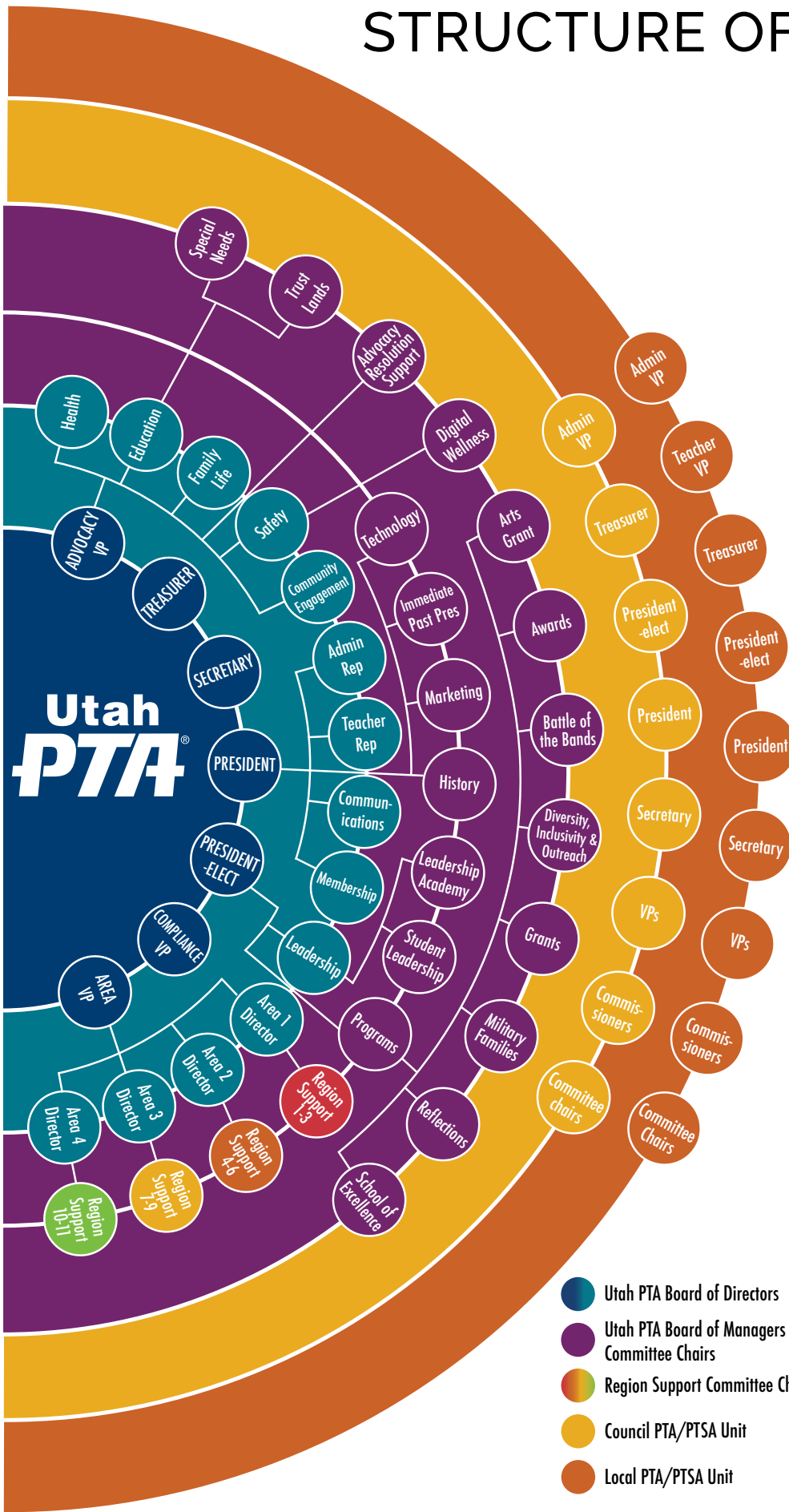
BOARD OF DIRECTORS

NATIONAL PTA STAFF

NATIONAL PTA COMMITTEES

PAST PRESIDENTS

STATE PTA PRESIDENTS



- Utah PTA Board of Directors
- Utah PTA Board of Managers
Committee Chairs
- Region Support Committee Chairs
- Council PTA/PTSA Unit
- Local PTA/PTSA Unit

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INTRODUCTION

The information in this handbook has been compiled by Utah PTA to help you carry out the responsibilities associated with your leadership role in your PTA/PTSA. Please share with the board members of your PTA as it will also help them in their journey.

New this year are QR codes and links to take you to more information and handouts on utahpta.org.



Don't see a topic you need help with? Utahpta.org has it. Use the search feature to find just what you are looking for. Each position has its own page on our website that will help you in your position. The main landing page for officers is: utahpta.org/executive-committee. The "RUN YOUR PTA" tab is a great one-stop place to find the PTA answers you need. Check it out today, and bookmark that page for easy access.

The National PTA website is a great tool with resources for all things PTA including: events, programs, training tools and grant opportunities. (pta.org)

Your council president and their board are excellent resources for you as a local leader. Each local unit should send the president, president-elect, and principal to each council meeting to receive training, conduct the business of the council and to collaborate with the other local PTA units in your area. From time to time, councils will hold training opportunities for other leaders in your PTA to learn. Please take advantage of those opportunities.

Utah PTA offers several social media options to help leaders and PTA members alike connect, ask questions, and help one another in their PTA service journey. Please see the back cover of this handbook for all of the Utah PTA social media offerings, and join us on the platform you prefer.



CORRECT USAGE OF THE PTA NAME

PTA and PTSA (Parent, Teacher, Student Association) are registered service marks of the National Congress of Parents and Teachers and are registered in the U.S. Patent Office. National Parent Teacher Association is also a registered name, as are National PTA and Utah PTA. Only organizations chartered by the PTA may use its name.

Do not use periods, hyphens, or small letters.

For more information, click here: [PTA Branding and Web Guidelines](#).

HISTORY OF PTA

1897-1920

- 1897 The National Congress of Mothers founded by Alice McLellan Birney and Phoebe Apperson Hearst
- 1898 Utah Congress of Mothers was formed by Mrs. C. E. Allen, one of Utah's delegates to the National Congress
- 1900 The Charter was signed and National Congress incorporated under laws of District of Columbia
- 1903 Utah was disaffiliated with National PTA but continued to work until reorganized in 1925
- 1905 Resolutions endorsed federal aid for kindergartens and elementary schools and recommended salary increase for teachers
- 1906 National Congress of Mothers Magazine (forerunner of Our Children online magazine) first issued
- 1908 Importance of parent-teacher partnership recognized in change of name from National Congress of Mothers to Parent Teacher Associations
- 1918 As a part of the war effort, a health survey of preschool children was made and House Bill #44 passed, adding to responsibilities for the Home School League- "An act creating the office of Director of Health Education...and providing for the promotion of the physical welfare of children of preschool age"

bership and held the first annual convention of the Utah Congress of Parents and Teachers

- 1935 Warm lunches were provided for 1,200 children who left home early and rode long distances in buses
- 1938 On May 15-20 the 42nd National Convention was held in Salt Lake City
- 1940 Articles of incorporation were obtained
- 1941 School lunch program inaugurated on nationwide basis
- 1951 Every school in Utah had a PTA
- 1952 Board recommended PTAs work for fluoridation of community water supplies
- 1956 Credit was due to the Utah Congress for the legislative passage of driver education and library service bills
- 1956 Goal of 10 million National PTA memberships reached and library services bill, long advocated by PTA, signed into law
- 1958 National PTA board formally authorized the use of PTSA (Parent Teacher Student Association) as a further incentive for student participation

The Poor, the School, and the PTA; The PTA Is for You: The Cultural Arts and the PTA; Information Guide: National PTA Project on Children's Emotional Health

- 1970 National PTA and National Congress of Colored Parents and Teachers united to serve all children and youth
- 1970 Critical Issues Conferences began – Now called Advocacy Conference
- 1974 Utah PTA marked the 50th year with an honorary luncheon for past presidents as well as a 50-year history booklet
- 1981 National PTA sponsored Family Reading Week
- 1981 Membership was 130,739, an increase of 27,966 members over 1980 numbers, and State Leadership Convention was the largest ever held in Utah with 2,500 delegates
- 1988 The 92nd National PTA Convention was held in Salt Lake City
- 1990 Utah PTA won every major award given at the National PTA Convention in Indianapolis
- 1992 Due to Utah PTA efforts, the Utah Legislature passed seven bills dealing with the management of the school trust lands
- 1994 Passage of School Trust Lands Management Act
- 1997 National PTA succeeded in getting content information included in TV ratings system
- 1999 National PTA and the Partnership for Family Involvement in Education develop and distribute a national Teacher Preparation Kit to support family involvement in education, and National PTA launches Building Successful Partnerships, a program for developing strong school-community ties

1961 - 2000

- 1961 PTA motion picture "Where Children Come First" prepared for general distribution



1921 - 1960

- 1924 Adopted new name—National Congress of Parents and Teachers
- 1925 Utah joined the National Congress of Parents and Teachers
- 1926 The National Congress of Colored Parents and Teachers was organized by Selena Sloan Butler with much evidence of collaboration between NCCPT and NPTA
- 1929 Utah won the National Banner for the greatest increase in mem-

- 1961 On January 2, the Utah Congress acquired its first permanent headquarters at 1037 East South Temple, Salt Lake City, and in April, it moved into the new office
- 1969 Published *Telling the PTA Story*;

2001 - 2020

- 2001 National PTA unveiled new logo and tagline "everychild. onevoice"
- 2001 Utah PTA moved to a new office at 5192 South Greenpine Drive in Murray, Utah and Elder L. Tom Perry dedicated the building



- 2006 National PTA launched Take Your Family to School Week
- 2007 Utah PTA became founding member of Utahns for Public Schools, promoting public education and fighting for repeal of voucher legislation
- 2010 National PTA moved its headquarters from Chicago to Alexandria, Virginia
- 2012 National PTA established the Jan Harp Domene Diversity and Inclusion Award to honor the late National PTA President who served from 2007-2009 and was one of PTA's greatest advocates for underrepresented families and communities
- 2014 National PTA relaunched its School of Excellence program to strengthen family-school partnerships and make measurable progress in education, health and safety, and arts and cultural exploration
- 2016 Utah PTA was instrumental in the passage of Constitutional Amendment that increased and stabilized funds distributed to Utah schools from the permanent State School Trust Fund.
- 2018 National PTA passed Utah PTA Resolution "High Expectations for Students with Disabilities"
- 2019 - National PTA celebrates the 50th Year of Reflections program with nearly 1,000 student works of art from 47 states responding to the student-selected theme "Look

Within" which progressed to the national level in the available arts categories: dance choreography, film production, literature, music composition, photography, visual arts

2020 - 2025

- 2020 Reflections entries were first accepted online on the Utah PTA website with nearly 12,000 online entries, and Utah PTA Leadership Convention was canceled due to Covid 19
- 2021 Award entries, scholarship entries, bylaws renewals, and President reports were accepted on the Utah PTA website for the first time, and the Utah PTA Leadership Convention was held as a hybrid conference for the first time with 350 virtual attendees and 350 in-person attendees where masks were required and virtual attendees were able to vote through zoom polls
- 2022 Held Historic Dual Legislative Conference and Leadership Convention as the same event in Washington DC to celebrate the 125th Anniversary of PTA.
- 2022 With the help of Senator Ann Millner, a State concurrent Resolution celebrating 125 years of PTA Advocacy work was passed

and signed by the governor, and February 17th was celebrated on the Utah Senate Floor with a number of Utah PTA past presidents in attendance and with stories from state senators remarking the impact of PTA on their families

- 2023 Continued to move forward navigating the new normal after Covid 19, with highlights including successful virtual, in-person, and hybrid meetings, events, conferences, conventions, and advocacy work
- 2024 Launched Utah PTA Leadership Academy to increase leadership training opportunities to those seeking leadership roles in PTA
- 2024 National dues increase passed at virtual convention to take effect in 2025.
- 2025 Utah PTA marks its 100th year and embarks on a board restructure to better serve the local PTA leaders and children of Utah in the future



OVER 125 YEARS STRONG



For more than 125 years, National Parent Teacher Association (National PTA®) has worked toward bettering the lives of every child in education, health, and safety. Founded in 1897 as the National Congress of Mothers by Alice McLellan Birney and Phoebe Apperson Hearst, National PTA is a powerful voice for all children, a relevant resource for families and communities, and a strong advocate for public education.

Today's PTA is a network of millions of families, students, teachers, administrators, and business and community leaders devoted to the educational success of children and the promotion of family engagement in schools.

National PTA Mission Statement

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

Utah PTA Mission Statement

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

Utah PTA Vision Statement

To fulfill the Mission, Utah PTA will:

- ♦ Advocate by speaking on behalf of all children and youth in schools, in the community, before governmental bodies, and before other organizations that make decisions affecting children.
- ♦ Develop programs, resources, and leadership skills that enhance the lives of all children, youth, and their families.
- ♦ Engage the public in united and equitable efforts to secure the physical, mental, emotional, spiritual, and social well-being of all children and youth.

Purposes of PTA

- ♦ 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
- ♦ To advocate for fiscal responsibility regarding public tax dollars in public education funding

PTA Values

- ♦ **Collaboration:** We will work in partnership 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 the achievement of our association's strategic initiatives.

WHY PTA?



With schools facing challenges like inadequate budgets and lack of educational equity, PTA is more important than ever. PTA provides programs on strengthening family-school partnerships and free resources on issues and areas such as arts, STEM, and health & safety. PTA/PTSA members are part of a powerful association that can advocate on behalf of children and educators at the local, state, and national levels. Families, students, teachers, and schools all benefit from being a part of the PTA.



Families

- **Get Connected & Trained:** There's no better way to know what's happening in your school and network with parents and teachers. Access high quality leadership training.
- **Discover Great Resources:** The PTA offers a variety of programs designed for parents as well as students.
- **Speak Up:** PTA can be a way for you to be more effectively engaged at your child's school to help make positive improvements.
- **Be a Role Model:** Demonstrating to your child the importance you place on education.



Teachers

- **Family Engagement:** Access resources and grants to support family engagement. Apply for funds and access resources and tools for parents.
- **Build Community:** PTA provides more opportunities to connect with families and students to build strong school communities.
- **Programs:** Encourage students to explore the arts through Reflections, the nation's oldest student arts program. Use PTA's program kits and apply for grants to engage families in safety, literacy, bullying prevention, digital safety and STEM.



Students

- **Learn & Gain Experience:** Students gain experience in leadership, advocacy, public speaking, teamwork and event planning.
- **Speak Up:** At all levels, but especially the secondary level – student voices inform that conversation to make positive improvements.
- **Lead:** Students have a seat at the table with school decision-makers including parents, school leaders, and community members.

Build strong communities to help every child reach their full potential



Schools

- **Boost parent involvement:** PTA programs provide a roadmap for collaboration among families, schools, and the community to support school improvement objectives.
- **PTA fights for funding.** PTAs advocate for every child at the local, state, and national levels. Gain access to advocacy tools that help you speak up on behalf of the needs of every child at your school.
- **Support & Resources:** PTAs focus on local communities and are networked globally. A team of professional and volunteer leaders is never more than a phone call or email away. PTAs are independent 501c3 organizations.



Harness the power of PTA to:

- Increase family engagement and volunteerism
- Implement programs to engage families in student success or school improvements
- Qualify for grants and awards to support your school
- Partner with other community organizations
- Enhance fundraising efforts
- Realize measurable results in student achievement

Want to recreate this flyer to use for your PTA?



Follow the link to the Utah PTA Idea Bank for this flyer and others.
<https://www.utahpta.org/ideas>

PTA's mission is to make every child's potential a reality by engaging and empowering families and communities to advocate for all children. Membership in PTA is open to anyone who wants to be involved and make a difference for the education, health, and welfare of children and youth.

PTA LINE OF COMMUNICATION

MEMBER → LOCAL → COUNCIL → REGION → STATE → NATIONAL

NATIONAL → STATE → REGION → COUNCIL → LOCAL → MEMBER

BE A PTA PROFESSIONAL

According to the PTA bylaws, all meetings shall be governed by "Robert's Rules of Order-Newly Revised." In addition, all board members shall:

- ♦ Abide by all PTA rules and meet all PTA deadlines.
- ♦ Ensure the confidentiality of the PTA member contact information for the use of PTA only.
- ♦ Attend all board meetings and applicable executive committee meetings.
- ♦ Notify the president as soon as possible if an emergency occurs and they are unable to attend a scheduled PTA meeting.
- ♦ Arrive on time and remain to the conclusion of the meeting except in cases of individual emergencies.
- ♦ Begin all meetings on time.
- ♦ Be allowed a 10-minute break every two hours, returning promptly.
- ♦ Turn all cell phones to "off" or "vibrate." Leave the room if you must answer a call.
- ♦ Complete preparation before or after meetings, not during meetings.
- ♦ Refrain from holding side conversations.
- ♦ Direct all comments and questions through the chair.
- ♦ Maintain professional courtesy at all times, including being supportive rather than judgmental, respecting differences of opinion, and listening to others' ideas without prejudice.
- ♦ Give feedback directly and openly in a timely fashion.
- ♦ Acknowledge problems and deal with them as they arise.
- ♦ Be prepared to present agenda items in a concise manner, and focus on tasks and the process and not on personalities or hidden agendas.
- ♦ Obtain missed information during breaks out of consideration of others.
- ♦ Adjourn at the scheduled time, as per the printed agenda.
- ♦ When representing PTA at a meeting, match your dress to the other attendees.
- ♦ Wear PTA logo items such as name tags, badges, or attire when representing PTA.
- ♦ Notify president of address, phone number, and email changes as soon as possible.
- ♦ Stay at home out of consideration for the health of others if ill and possibly contagious.
- ♦ Set meeting guidelines and expectations.
- ♦ Give proper notice of meetings and deadlines.

UTAH PTA FACTS

HISTORY: Utah PTA joined National PTA in 1925. Utah PTA is the largest child advocacy and volunteer organization in the state. PTA was established more than 100 years ago to address children's issues.

MEMBERSHIP: More than 60,000 voluntary members participate in over 600 local PTAs throughout the state.

ORGANIZATION: Utah is divided into 11 geographic PTA regions, each served by a region support committee. The region support committee works with the councils within the region and councils work with local PTA units. Local PTAs meet on a regular basis throughout the school year and work with administrators, teachers, staff, parents, and students. PTAs at the local level are valuable assets to their school communities by providing educational and parent-involvement information, resources, events, and activities.

AFFILIATION: Utah PTA is an affiliate of the National PTA. National PTA is composed of 54 state congresses and more than 20,000 local units in all 50 states, the District of Columbia, U.S. Virgin Islands, Puerto Rico, and the Department of Defense Schools in Europe. State PTAs are the liaison between the local PTA and National PTA, helping each to function effectively and to support and sustain the other.

PARENTAL INVOLVEMENT: Utah PTA volunteers historically give thousands of hours of service to Utah's children in their local public schools each year. If this volunteer service was translated into real value, it would be worth millions of dollars. For the 2024 calendar year, Utah PTA Volunteers gave 925,915 hours of service with an equivalent monetary value of \$31,008,893.35.

TAX-EXEMPT STATUS: Utah PTA also has an exemption from sales tax from the Utah State Tax Commission. Every local unit in good standing qualifies for this exemption under the umbrella of Utah PTA. See the Utah PTA Treasurer Handbook for more information.

IMPORTANT INFORMATION:

- ♦ Bylaws must be renewed every three years. Check the red stamp at the top right of the first page of your bylaws. This date will show if your bylaws are current or need to be renewed.
- ♦ PTA Unit ID Number needs to go on your membership remittance forms, cards, and Reflections entries. It is your PTA identification number, as assigned by National PTA.
- ♦ The EIN (Employer Identification Number) is needed for all IRS filings and the PTA's bank account. It is your IRS identification number.
- ♦ Find your bylaws online at utahpta.org/bylaws/search. Find your PTA and then click on the blue bylaws button to the left. All board members should have a copy of your bylaws.

NATIONAL AND UTAH PTA PROGRAMS

- ♦ Reflections
- ♦ Healthy Lifestyles
- ♦ School of Excellence
- ♦ Take Your Family to School Week
- ♦ Teacher Appreciation
- ♦ Battle of the Bands (PTSA) (Utah Only)

CONFERENCES AND TRAININGS

- ♦ Advocacy Conference (Oct/Nov)
- ♦ PTA Day at the Capitol (Feb)
- ♦ Leadership Convention (May)
- ♦ PTSA Student Leadership Conference
- ♦ Leadership Academy

UTAH PTA AWARDS AND GRANTS

- ♦ Utah PTA Awards
- ♦ LEAP Award
- ♦ Utah PTA Gold Star Awards
- ♦ Membership Awards
- ♦ Arts Education Grant
- ♦ Art Supplies Grant

UTAH PTA COMMITTEES

(open to all PTA members)

- ♦ Communications
- ♦ Leadership
 - ▶ Leadership Academy
 - ▶ Student Leadership
- ♦ Membership
- ♦ Programs Committee
 - ▶ Arts Grant
 - ▶ Awards
 - ▶ Battle of the Bands
 - ▶ Diversity, Inclusivity and Outreach
 - ▶ Grants
 - ▶ Military Families
 - ▶ Reflections
 - ▶ School of Excellence
- ♦ Advocacy Resolutions Support
- ♦ Digital Wellness
- ♦ History
- ♦ Special Needs
- ♦ Technology
- ♦ Trust Lands

UTAH PTA COMMISSIONS

(open to all PTA members)

- ♦ Community Engagement
- ♦ Education
- ♦ Family Life
- ♦ Health
- ♦ Safety

WHAT ARE THE NATIONAL STANDARDS?

Families are essential partners to schools in the shared mission to help every child reach their full potential.

PTA's National Standards for Family-School Partnerships set the bar for how schools and parent organizations work together to support student success.

The Standards have contributed to greater awareness and capacity for improving family-school partnerships across the country and internationally for over 20 years.

The National Standards for Family-School Partnerships are voluntary guidelines to strengthen parent and family involvement on behalf of children in schools and other programs. The six standards and their quality indicators provide PTAs, schools, and communities with the components that are needed for highly effective family-school involvement programs. Additional information can be found at NPTA at pta.org/home/run-your-pta/family-school-partnerships

PTA leaders and all those interested in more effective family/school/community connections will find the National Standards for Family-School Partnerships to be a valuable resource and catalyst for action.

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 each other, to school staff and to what students are learning and doing in class.

4

Speaking Up for Every Child

Families are empowered to be advocates for their own and other children, to ensure that students are treated fairly, and have access to learning opportunities that will support their success.

2

Communicating Effectively

Families and school staff engage in regular, two-way, and meaningful communication about student learning.

5

Sharing Power

Families and school staff are equal partners in decisions that affect children and families, and together they inform, influence, and create policies, practices, and programs.

3

Supporting Student Success

Families and school staff continuously collaborate to support students' learning and healthy development, both at home and at school, and have regular opportunities to strengthen their knowledge and skills to do so effectively.

6

Collaborating With Community

Families and school staff collaborate with community members to connect students, families, and staff to expand learning opportunities, community services, and civic participation.

Research shows that when families have a better relationship with the school it leads to greater gains in academic achievement, enhanced emotional development, and behavior. It not only benefits your own child, but all the children in your school community. We can take simple steps to make our school communities stronger. To start, take a look at your school and see how you would rate your school in the above categories. Are you excelling, progressing, emerging, or below the scale?



For more information about the National Standards and how to implement them within your PTA/PTSA, visit: utahpta.org/national-standards-family-school-partnerships.

TRANSFORMATIVE FAMILY ENGAGEMENT



Parents know they play an important role in their child's success. But traditional family engagement practices don't always meet the needs of each and every family, nor treat them as equal partners in ensuring their child's success. Family-school partnerships often focus primarily on academic success, but whole child development is also an essential part of the conversation.

The solution? Transformative Family Engagement.

Transformative Family Engagement is a shared effort of families, schools, and community leaders to advance programs, practices, and policies that empower every parent to make their child's potential a reality.

So, what does Transformative Family Engagement look like in schools and local PTAs? Using research findings and best practices for family-school partnerships, we use the guiding principles of the four I's of Transformative Family Engagement—Inclusive, Individualized, Integrated, Impactful—with strategies you can use as a model to implement these principles in your school community and impactful in its approach to family engagement.

For more information on how to implement the Four I's of Transformative Family Engagement with your PTA, visit: pta.org/center-for-family-engagement/four-parts-of-family-engagement



4 Principles of Transformative Family Engagement

INCLUSIVE

Embracing and valuing diverse perspectives.



INDIVIDUALIZED

Meeting the unique needs of every family and child.



INTEGRATED

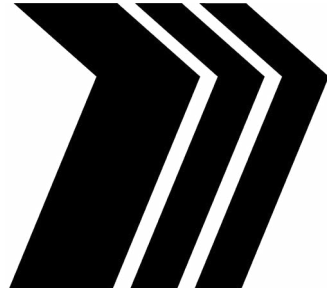
Connecting and aligning with the educational system.



IMPACTFUL

Empowering families to support their child's success.





TREASURER
THE BASICS

MY CRITICAL INFORMATION AT-A-GLANCE

Local President	
Email	Phone
Region #	Council
Council Treasurer	
Phone	Email
Region Financial Advisor	
Phone	Email
Principal	
School Address	
Phone	Email
MY BOARD	
Name	Position
Phone	Email
Name	Position
Phone	Email
Name	Position
Phone	Email
Name	Position
Phone	Email
Name	Position
Phone	Email
Name	Position
Phone	Email

THE PTA TREASURER

The treasurer, elected by the members, is the legally responsible and authorized custodian of the funds of the PTA unit. The treasurer does more than make deposits and write checks. It is the treasurer who ensures that the unit's finances are properly handled. This is a critical job, since proper handling of the unit's finances will keep the unit in good standing and maintain its credibility with the members, the school, and the public.

A treasurer must be diligent, knowledgeable, and conscientious in order to maintain accurate and up-to-date records. These records should be kept in accordance with standard, accepted accounting practices and must comply with PTA bylaws and IRS regulations.

As an elected officer of the PTA unit, the treasurer is a member of the Executive Committee and the Board of Directors. The treasurer's active participation in all Executive Committee and board meetings is imperative so that he or she has input into the business of the board and in decision making.

Members of the Board of Directors of any non-profit organization have important responsibilities. Some of these responsibilities are imposed by law; others are the result of years of court decisions which have imposed various "fiduciary duties" on directors.

What is Fiduciary Responsibility?

fiduciary (fi-du-ci-ar-y)

n. a person who holds something in trust for another; a trustee

A simple summary of PTA fiduciary responsibility might be

"You are the safeguard of the children's money"

The ultimate authority for managing the affairs of the organization is vested in the Board of Directors. Because the law grants directors that authority, the law also imposes on the members of the Board of Directors an obligation to act in the best interests of the organization.

The law requires board members to act:

- ♦ In good faith
- ♦ With the care an ordinary prudent person in a like position would exercise under similar circumstances
- ♦ In a manner the board member reasonably believes to be in the best interests of the organization

What Fiduciary Responsibility Includes:

- ♦ Duty of Care—attending board meetings, keeping informed, and fulfilling responsibilities
- ♦ Duty of Obedience—following the organization's bylaws and complying with state and federal law
- ♦ Duty of Loyalty—putting the interests of the organization first and promoting the organization's purpose rather than any private interest

To effectively oversee the organization's financial affairs, the duty of care requires that the board be informed about financial activities, including the adequacy of internal controls. Board members should expect the treasurer to present timely and adequate financial reports. All financial reports and treasurer tools can be found on the Utah PTA website: utahpta.org.

Another important concept under the duty of care is the distinction between delegation and abdication. At one time or another, most treasurers will need or want to delegate some of their responsibilities such as counting money, making bank deposits, presenting financial reports, and preparing IRS filings. Such delegation is legal, but delegation is not the same as abdication. Delegation does not relieve the treasurer of liability. The treasurer must make sure that any person to whom his or her responsibilities are delegated is fully trained in the appropriate procedures, and the treasurer must monitor those to whom he or she has delegated authority.

To fulfill the duty of obedience, all board members, including the treasurer, must know and understand the PTA's bylaws and applicable state and federal law. The bylaws should be reviewed by the board at the beginning of each year, and the treasurer should keep a copy of the bylaws in the current year's financial file. Participation in available training opportunities is crucial if board members are to understand and comply with state and federal law, including frequent changes in IRS regulation.

Under the duty of loyalty, each board member commits allegiance to the association. Actions and decisions of board members must promote the association's purpose and well-being rather than benefit any individual. Conflicts of interest should be avoided wherever possible. When such conflicts exist, they must be fully disclosed. For more information, see Conflict of Interest Policy in Money Matters Overview.

Additional information about these responsibilities is outlined in the forms "PTA/PTSA Ethics/Conflict of Interest Policy" and "PTA/PTSA Basic Fiscal Management Procedures," which can be found at utahpta.org/treasurer.

Duties of the Treasurer

The specific duties of the treasurer are outlined in the bylaws (Article VII: Duties of Officers, Section 5, for local PTAs and Article X: Duties of Officers, Section 5, for councils). The treasurer shall:

- ♦ Have custody of the checkbook and be responsible for all funds of the PTA unit.
- ♦ Count all monies with three people present and deposit all monies in the bank with two people present the same day received.
- ♦ Keep a full and accurate account of receipts and expenditures of all monies of the PTA unit.
- ♦ Make a financial report at the annual meeting, held prior to September 30, and submit a full written "Year-End Financial Statement" to the incoming Executive Committee.
- ♦ Develop, as chair of the budget committee, an annual budget to be distributed to and approved by the general membership at the annual meeting held prior to September 30.
- ♦ Make disbursements as authorized, in accordance with the approved budget.
- ♦ Co-sign all checks with the president, president-elect, or secretary. (No two officers who are related by blood or marriage or who reside in the same household may be signers on the checking account.)
- ♦ Make a monthly remittance of state and national portions of membership dues to Utah PTA.
- ♦ Present a treasurer's report at every meeting of the Executive Committee, Board of Directors, and general membership.
- ♦ Submit the books, after they have been closed for the year, by July 10, for an AFR (Annual Financial Reconciliation) by an auditor or an AFR Committee.

FINANCIAL TIMELINE

All End-of-Year and Beginning-of-Year documents should be submitted via Givebacks under Compliance Submissions. Local units needing assistance with this procedure should work with the council treasurer for document submission.

The most current/digital version of all forms are available on the Utah PTA website: utahpta.org.

July 1	Fiscal year begins/change over PTA checking account signers, Givebacks ownership, and other financial platform ownership	
By the 25th	Membership dues (remit monthly)	National and state portions submit to Utah PTA via ACH through Givebacks or mailed with a check and remittance form
August 1	End-of-Year Documents (previous fiscal year) - Year-End Financial Statement	Local and Council PTAs submit via Givebacks
	Annual Financial Reconciliation report (AFR)	Local and Council PTAs submit via Givebacks
	E-filed/Accepted IRS Form 990	Local and Council PTAs submit via Givebacks
	Sales Tax Refund Request	Local and Council PTAs submit via utahpta.org/treasurer
August 15	Council review of Local Unit End-of-Year Documents	Council approve or reject uploaded documents in Givebacks.
	Council review of Local PTA Sales Tax Refund Requests	Council accept or cancel request via utahpta.org
September 1	Utah PTA review of Council End-of-Year Documents	Utah PTA approve or reject uploaded documents in Givebacks.
	Utah PTA review of Council PTA Sales Tax Refund Requests	Utah PTA accept or cancel request via utahpta.org
September 25	Membership dues - early bird remittance deadline	
October 1	Beginning-of-Year Documents - Budget	Local and Council PTAs submit via Givebacks
	Budget approval minutes	Local and Council PTAs submit via Givebacks
	Signed Ethics Conflict of Interest Form	Local and Council PTAs submit via Givebacks
	Signed Basic Fiscal Management Form	Local and Council PTAs submit via Givebacks
	Proof of insurance	Local and Council PTAs submit via Givebacks
	PTA board list (current year)	Local and Council PTAs submit via Givebacks

FINANCIAL TIMELINE

October 15	Council review of Local Unit Beginning-of-Year Documents	Council approve or reject uploaded documents in Givebacks.
November 1	Utah PTA review of Council Beginning-of-Year Documents	Utah PTA approve or reject uploaded documents in Givebacks.
	Local and council report #1 due	Online via utahpta.org
December 1	Membership dues - remittance deadline to participate in Utah PTA programs	
February 1	Local and council report #2 due	Online via utahpta.org
May 1	PTA board list (next year's incoming)	Local PTA submit via Givebacks
June 1	Local and council report #3 due	Online via utahpta.org
June 30	Fiscal year ends and financial books must be closed.	
	Begin preparation of End-of-Year Documents: Year-End Financial Statement, Annual Financial Reconciliation report (AFR), E-filed/Approved IRS Form 990, and Sales Tax Refund Request.	

BASICS OF PTA

Mission and Purposes

PTA is a child advocacy organization. The Mission and Purposes of Utah PTA and National PTA outlined in this handbook apply also to the local or council PTA unit, as specified in the bylaws in Article II. All PTA decisions, financial and non-financial, should be made with the Mission and Purposes in mind.

Structure of PTA

National PTA is comprised of 54 Congresses: 50 states, the US Virgin Islands, Puerto Rico, and military schools overseas.



National PTA identifies each unit (state, region, council, and local) by an eight-digit PTA Unit ID Number. (Example: 12345678)



Utah PTA is divided into eleven region support committees. Generally there is one school district per region, except in areas with small districts (see the regions map that shows what school districts are in which region at the back of this handbook). Each region is led by a Region Support Committee Chair, who serves on the Utah PTA Board of Managers.

Every local PTA unit belongs to a Council PTA. Each council has a council president, treasurer, and other board members to train and assist the local PTAs. Councils work with the region support committees to oversee the local PTAs in their area.

The most important interaction with children and their parents happens at the local PTA level. The rest of the levels serve to support the work of the local PTA.

The council treasurer can and should be the first person whom a local treasurer contacts with questions about financial issues. If additional information or help is needed, the local treasurer can then be referred to the region support committee chair (or region financial advisor, if applicable) and then, if necessary, to the Utah PTA Treasurer. Frequent communication between local treasurers and council treasurers will help facilitate appropriate accounting practices and avoid misunderstandings and problems. Training of local treasurers by council treasurers should occur throughout the year.

Utah PTA identifies each unit by the Employer Identification Number (EIN) assigned by the IRS (Example: 12-3456789). All PTAs in Utah in good standing fall under a group tax-exemption granted to Utah PTA. The EIN is used on bylaws, Sales Tax Refund Request forms, and IRS filings and correspondence.

WORKING WITH THE PRESIDENT

The treasurer, elected by the members, is the legally responsible, authorized custodian of the funds of the PTA unit. However, the president, who bears full responsibility for the total affairs of the PTA unit, must work closely with the treasurer at all times and have a complete understanding of all financial matters.

Frequent, effective communication between the treasurer and the president is vital. In addition, as the president fulfills his or her role in the PTA's money matters, the president and treasurer create a system of checks and balances that help ensure that everything is being handled properly.

Here are a few of the financial responsibilities the president should fulfill:

- ♦ **Fiduciary responsibility.** All members of the Board of Directors have the same fiduciary responsibility (mentioned earlier in this handbook), part of which is to provide financial oversight. The president, as well as the other board members, should be studying the reports of the treasurer, requesting additional information, and asking questions of the treasurer on a regular basis. The treasurer should not take offense to such scrutiny. The treasurer, in fact, should encourage a thorough examination of the records so that allegations of mishandling cannot be made later.
- ♦ **Budgeting process.** The president should serve as a member of the Budget Committee (see section on budgeting in this handbook). The president should also study and understand the budget-to-actual analysis so appropriate budget amendments can be proposed as needed.
- ♦ **Internal controls.** The president plays a vital role in maintaining an adequate internal control system (see Internal Control Systems in this handbook). Among other things, the president is the preferred second signer on all checks, approves all Check Request forms, and reviews the monthly bank statement (after it is reviewed by a designated non-signer) before giving it to the treasurer. The president should also be available and willing to count money and make deposits at the bank as needed.
- ♦ **Protection of tax-exempt status.** The president should understand and help ensure compliance with the IRS's requirements of 501(c)(3) organizations, including rules about corporate sponsorship (see Fundraising section).
- ♦ **Embezzlement or mismanagement of funds.** In the unfortunate event that embezzlement or mismanagement is suspected (or known), the president must follow established guidelines (see Mismanagement of Funds section). The president also bears a great responsibility to ensure that no public or private statements are made about a suspected problem.

WORKING WITH THE MEMBERSHIP CHAIR

Treasurers and membership chairs should work together to remit the state and national portions of membership dues through Givebacks or by check sent with a Dues Remittance Form to the Utah PTA office by the 25th of each month. (Utah PTA is required to make its remittance to National PTA on a monthly basis.) Membership dues remittance can be made quickly and easily through Givebacks or by check payable to Utah PTA.

A membership list with at least a name and email address or phone number can be uploaded to Givebacks. Givebacks will calculate the total national and state membership dues payable based on the number of members with dues outstanding. Payment will be made through ACH eCheck with a flat \$2.00 fee. Once the eCheck is sent, a breakdown of all payments can be viewed. A printout of the payment receipt should be attached to a Check Request form for documentation purposes.

The state and national portions of dues do not belong to the local PTA and are never considered to be part of the local PTA's income. They should be recorded as a "payable" or as "receipts/disbursements of monies not belonging to us."

The treasurer's current file should contain an up-to-date membership roster, which includes each member's name and contact information (email address or phone number).

MEMBERSHIP DUES INFORMATION

Dues

Local dues vary according to local PTA bylaws. Members pay the indicated amount as an annual dues payment. Utah PTA and national dues are established by vote of the delegates at Utah PTA Business and Resolutions Meeting at the Leadership Convention and National PTA Convention. Dues cover costs of printing, mailing, leadership training, developing programs, and maintaining Utah PTA and National PTA offices. Membership dues are not fundraisers. Dues sustain the function and Purposes of PTA.

Accurate Records

- ♦ The membership chair keeps an up-to-date roster of PTA members.
- ♦ The treasurer keeps record of total amount for membership received and dues paid, along with an up-to-date roster of PTA members.

When Dues are Due

Annual membership dues, for new members, must be submitted to Utah PTA via Givebacks ACH or check w/ Dues Remittance form by the 25th of every month and...

- ♦ by September 25th to be eligible for the Back-to-School Award.
- ♦ by December 1st to qualify for Reflections, other Utah PTA programs, and to receive sales tax refunds.
- ♦ by February 1st of the current year to be a PTA in good standing on Utah PTA records and to be eligible for other membership awards programs.

MONEY MATTERS OVERVIEW

The PTA Fiscal Year

A fiscal year is a twelve-month accounting period. Many businesses conduct their financial operations based on a fiscal year rather than the calendar year. PTAs in Utah operate on a fiscal year of July 1 to June 30, as specified by Article XII of the local PTA bylaws and Article XIV of the council bylaws. Each PTA unit is required to operate within that accounting period. The fiscal year corresponds with the term of office.

Resources

- ♦ Utah PTA Treasurer Handbook—The printed treasurer handbook is updated annually and contains detailed information on the guidelines, policies, and procedures necessary for the success of a PTA treasurer. The Utah PTA website contains a pdf copy of this handbook, which may be updated throughout the fiscal year when important changes are made.
- ♦ Treasurer page of the Utah PTA website (utahpta.org/treasurer)—The most current information on financial matters can be found here. All financial forms and treasurer tools are found online in pdf and spreadsheet format (where applicable).
- ♦ National PTA's Financial section of the Local Leader Kit—Register at ptakit.org for access to the Local PTA Leader Kit.
- ♦ IRS website (irs.gov)—for forms and instructions for IRS Form 990EZ and 990N, as well as publications on tax-exempt issues.
- ♦ Stay Exempt—Tax Basics for 501(c)(3)s online workshop and web-based mini-courses at stayexempt.irs.gov.

A Unit in Good Standing

For a local PTA to be "in good standing," it must be in compliance with National PTA and Utah PTA bylaws, policies, and guidelines, including the following:

- ♦ Adhering to the purposes and basic policies of PTA.
- ♦ Maintaining an EIN (Employer Identification Number) from the IRS on file with Utah PTA.
- ♦ Submitting the names and contact information of current officers via Givebacks.
- ♦ Maintaining current bylaws, which must be renewed every three years.
- ♦ Remitting national and state portions of membership dues to Utah PTA by dates designated.
Note: The current procedure requires local PTAs to make monthly remittances, by the 25th of each month, with a final remittance by June 25.
- ♦ Submitting approved budget and minutes, proof of insurance, and signature pages for Basic Fiscal Management Procedures and Ethics/Conflict of Interest Agreements via Givebacks.
- ♦ Submitting Year-End Financial Statement, AFR (Annual Financial Reconciliation) report via Givebacks, and Sales Tax Refund Request via utahpta.org.
- ♦ Filing IRS Form 990N or 990EZ online via irs.gov and submitting confirmation of acceptance via Givebacks.

If a local PTA is not in good standing, neither the unit nor the students attending the PTA's school are eligible to participate in PTA programs (such as Reflections or Battle of the Bands) or receive awards. Sales tax refunds will not be issued to PTA units not in good standing, and these units may be subject to loss of their tax-exempt status through Utah PTA's group exemption.

Accountability and Transparency

"Accountability" and "transparency" are two buzz words that represent important concepts in accounting and financial operations. An attitude of open and full disclosure is important for all nonprofit organizations. The more transparent and accountable the PTA unit, the better. Providing relevant, reliable information about the PTA's activities and its financial position—through newsletters, regular treasurer's reports, and Year-End Financial Statements, for example—will fulfill the association's responsibility to be accountable and transparent. Each PTA unit is accountable to its members, sponsors, community, and government regulatory agencies. Each local PTA is also accountable for the good reputation that PTA has earned over its long history.

Is Our Local PTA Tax Exempt?

Utah PTA has secured a 501(c)(3) exemption ruling from the IRS, recognizing it as a public charity. Each local PTA in Utah in good standing is covered under Utah PTA's group exemption.

One major advantage of exempt status under Section 501(c)(3) is that contributions to Utah PTA and its subordinate units may be treated as charitable contributions by donors in calculating their federal income taxes. If a potential donor needs verification of a local PTA's exempt status, the local PTA should contact the Utah PTA office by email at kids@utahpta.org, who will provide a letter about the group ruling. Another significant advantage of exempt status is that most PTA fundraising activities are exempt from federal income taxes.

Utah PTA also has an exemption from sales tax from the Utah State Tax Commission. State law requires every PTA to pay sales tax on purchases under \$1000 and then request a refund. Utah PTA has established a procedure for applying for a refund; instructions are located in the Treasurer Handbook and at utahpta.org/treasurer. For purchases over \$1000, vendors may request a tax exemption certificate; PTAs can request a copy of that certificate by emailing kids@utahpta.org.

What is an IRS Determination or 501(c)(3) Letter?

The IRS issues a "determination letter" to organizations that have qualified for tax-exempt status. Because Utah PTA, as a central organization, determines which PTAs are included as subordinates under its group exemption ruling, anyone seeking to verify that a PTA in Utah is tax-exempt should contact the Utah PTA Treasurer. Utah PTA can provide a letter about the group ruling and a copy of its determination letter from the IRS for potential donors, sponsors, or grantors. According to IRS Publication 4573, "donors may rely upon central organization verification with respect to deductibility of contributions to subordinates covered in a Section 501(c)(3) group exemption ruling."

What is a Form W-9?

Someone who is giving money to your PTA may ask you to complete "Form W-9," entitled *Request for Taxpayer Identification Number and Certification*. The form is used simply to verify the PTA name, address, EIN, and federal tax classification.

- ♦ On line 1: You will put Utah Congress of Parents & Teachers, Inc.
- ♦ On line 2: You will put your PTA name
- ♦ On line 3: You will check "C Corporation"
- ♦ On line 4: You will put "5"
- ♦ On lines 5 and 6: You will put your school address
- ♦ In Part I: You will put your PTA's EIN number (**-*****)
- ♦ The president or the treasurer can sign and date the form

Requirements for Acknowledging Donors and Sponsors

IRS Publication 1771, Charitable Contributions – Substantiation and Disclosure Requirements, explains the federal tax law for charities (like PTAs) that receive tax-deductible contributions. The publication can be downloaded from the IRS website ([irs.gov](https://www.irs.gov)). Information about how the law applies to PTAs can be found in the Treasurer Handbook.

Required Tax Filings for PTAs

All PTAs are required to file a tax return "Form 990" with the IRS. Most will file a "990N," electronic notice (e-postcard) for tax exempt organizations not required to file "Form 990" or "990EZ." Please refer to the Utah PTA website for current instructions.

Conflict of Interest Policy

Members of the Board of Directors (board members) of a PTA serve in a fiduciary capacity and owe a duty of care, a duty of obedience, and a duty of loyalty to the PTA. Board members shall conduct themselves with integrity and honesty and act in the best interests of the PTA. Disclosure by a board member of any potential or actual conflict of interest is required by the standard of good faith and for the benefit of the PTA and protection of each individual. All board members must abide by the following conflict of interest policy:

- ♦ Board members and/or their families shall not use their relation to the PTA for financial, professional, business, employment, personal, and/or political gain.
- ♦ A conflict of interest exists when a board member would have to participate in the deliberation or decision of any issue of the PTA while, at the same time, the board member and/or his or her extended family has financial, professional, business, employment, personal, and/or political interests outside the PTA that could predispose or bias the board member to a particular view, goal, or decision.
- ♦ Board members shall declare to the officers of the PTA conflicts of interest (stating the nature of the conflict and pertinent information as appropriate) between their duties of the PTA and/or their extended families' financial, professional, business, employment, personal, and/or political interests.
- ♦ When a conflict of interest is declared, the board member shall not use his or her personal influence or position to affect the outcome of the vote and shall leave the room during deliberations and the vote.
- ♦ The minutes of the meeting shall reflect that a conflict of interest was declared.
- ♦ Board members shall not:
 - Use PTA's name, influence, or resources for their benefit or gain when running for any public elected office or while serving as an elected official.
 - Directly or indirectly use their current PTA position, the PTA name, or the organization for or against any specific candidate for elected office, which is contrary to federal tax laws and the guidelines and policies of the PTA. (Past PTA experience may be listed in any brochures.)

The Utah PTA Ethics/Conflict of Interest Policy Agreement is located on the treasurer page of the Utah PTA website. Each PTA board should review this policy at the beginning of the year, obtain the appropriate signatures on the form, make a copy of the form for all signers, and submit the signed original via Givebacks by October 1st.

PTA Funds vs. School Funds

All PTA monies belong to the association, and decisions about the disbursement of PTA funds must be approved by the general membership. Because the PTA is a private association, PTA monies should never be commingled with the funds of any individual, the school, or another organization. All monies deposited in a PTA account, with the exception of the Utah PTA and National PTA portions of membership dues, will be considered to be PTA income by the IRS. The PTA should not allow school or other funds to “flow through” its checking account. **Joint fundraisers with the school or other organization are not allowed.**

Each PTA's approved budget includes only income and expenses that the association has approved. No other funds may be deposited into or paid out of the PTA accounts by the treasurer unless the association has authorized the transaction by amending the budget. The treasurer may be held personally responsible for unauthorized deposits or expenditures. This means that the PTA treasurer must never deposit any non-PTA funds in the PTA accounts and never deposit any PTA funds in non-PTA accounts. This particularly applies to the school's accounts. School funds are public monies and are spent in accordance with the school system's budget. PTA funds are private monies, not controlled by the school system, and are spent in accordance with the association's budget.

For an event to qualify as a PTA activity (that is, the funds generated belong to the PTA) ALL of the following criteria must be met:

- ♦ If there was a contract involved, the PTA president must have signed the contract in accordance with the provisions of the bylaws.
- ♦ The PTA must have been involved in the creation, planning, and implementation of the activity, and the PTA must have a properly structured committee for the activity and provide the majority of the staffing for the activity through volunteers.
- ♦ The activity must have been approved by the PTA membership as a part of the PTA's approved budget.

If the event does not or cannot meet these criteria, then the activity is not a PTA activity; the money raised at the activity does not belong to the PTA; and it may not be deposited in the PTA's bank account. The corollary also applies: If the event does meet these criteria, the money raised does belong to the PTA.

School District Foundation Guidelines

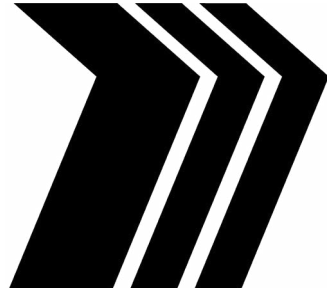
Foundations, in most instances, are the fundraising arm of school districts. They are organized to receive tax-deductible donations, conduct fundraising, keep an accounting of individual school contributions, and disburse funds to schools for projects.

If a PTA has identified a substantial need at its school that will take considerable funds to implement, coordination with the school district foundation is recommended before embarking on a major fundraising campaign. The PTA can work with the foundation to have parents contribute directly to the foundation for the project and, if possible, apply for matching funds from the foundation.

Remember: PTAs are not in the fundraising business. Foundations are established to raise funds for school districts. PTA funds should always be used to further PTA's Mission and Purposes. A PTA does not raise money to be diverted into other channels, such as providing support to other organizations or individuals, no matter how worthy.

- ♦ The region support committee chair or designee may serve on the school district foundation board when invited by the foundation to do so.
- ♦ The region support committee chair/designee acts as a liaison between the school district foundation and council/local PTAs:
 - Serving as a resource by providing input and direction as to community and educational needs.
 - Working with the school district foundation in the development of community-wide projects.
- ♦ Local PTAs act as a liaison between the parents and the foundation:
 - Identifying needs in their school/community (relaying this information through the region support committee chair/designee).

- Informing parents of the function of a foundation.
- Informing parents of current foundation projects.
- Informing parents of current funding needs of the foundation.
- ♦ Local PTAs may select fundraising projects suggested by the foundation.
- ♦ PTAs may not raise funds for the foundation, although they may work with the foundation on specific PTA projects.



TREASURER
THE PROCESSES

TRANSITION PERIOD

The treasurer's term of office begins on July 1, but he or she should start "transitioning" right after being elected to serve. Both the outgoing and incoming officers are responsible for an effective and efficient transition between fiscal years.

According to Article VIII, Section 3 of Local PTA/PTSA Bylaws (Article IX of Council PTA Bylaws), during the transition period between their election and June 30th, the incoming officers shall meet as needed to coordinate with the outgoing officers, prepare for their term of office, formulate their tentative plans and proposed budget, schedule their calendar, coordinate with the principal, and, if applicable, select commissioner and committee chairs, and shall attend the Utah PTA convention in May. The incoming officers shall assume no financial responsibilities nor obligations until July 1st.

The Outgoing Treasurer is Responsible for...

Preparing a year-end financial report and ensuring that an Annual Financial Reconciliation (AFR) of the report and all related records is completed.

- ♦ The year-end financial report shall be prepared once the June 30 bank statement has been received and reconciled
- ♦ The books should be closed no later than June 30. No transactions should occur between the time the books are closed for AFR, which will be no later than June 30, and the time the incoming treasurer begins making transactions, which will be no earlier than July 1.
- ♦ Both the financial statement and the AFR report are to be submitted to the new Executive Committee and to the council/region no later than August 1. Each council/region will set its own procedures for submission of these reports, possibly involving transition training before or during the transition period and/or small group meetings with outgoing and incoming presidents and treasurers.
- ♦ Coordinating with the incoming treasurer to present the financial statement and AFR for adoption at the first general membership meeting of the new school year. The outgoing treasurer should present this report or review the information with the incoming treasurer to ensure they are prepared to do so..

Preparing and submitting a Sales Tax Refund Request for the fiscal year July 1 to June 30 by August 1. The Sales Tax Refund Request is submitted via utahpta.org.

Preparing the applicable IRS filing—either Form 990EZ and related schedules, if required, or Form 990N.

- ♦ All PTAs in Utah are required to make an annual filing with the IRS.
- ♦ PTAs that have gross receipts (all funds received from all sources, except dues forwarded to Utah PTA and National PTA, including gross income from fundraisers) that are more than \$50,000 (for a three-year rolling average) are required to file "Form 990EZ" (including the applicable schedules).
- ♦ All other PTA units (local, council, and region) will file Form 990N, also known as the e-Postcard.
- ♦ A PTA may complete its IRS filing any time following the completion of the AFR after July 1st.
- ♦ Form 990EZ and related schedules are filed electronically at irs.gov. A copy of the efile confirmation needs to be submitted to Givebacks or council/region treasurer by August 1. For assistance with this filing please contact the Utah PTA Treasurer.
- ♦ Form 990N (the e-Postcard) is filed electronically at irs.gov/990N. Only basic information is required on the form. **You must sign in again after seven minutes to receive the "Accepted" status before printing the acceptance form.** A copy of the accepted "990N" from the IRS needs to be submitted via Givebacks.

An Incoming Treasurer's Checklist:

- ♦ **Receive the training necessary to fulfill the responsibilities as treasurer.** Utah PTA's Annual Leadership Convention is held in May. There are several treasurer workshops available to train local treasurers at the annual leadership convention. Virtual convention workshops are recorded and available for future training needs. Please reach out to the Utah PTA Treasurer for online access. Local treasurers may also receive training from council treasurers to ensure they are properly trained in the treasurer position.
- ♦ **Make note of the duties of the treasurer and other financial requirements per the PTA Bylaws.** The bylaws should be reviewed by the Executive Committee at the beginning of each year. The treasurer should keep a copy of the bylaws in the current year's financial file and/or binder.
- ♦ **Begin responsibilities as chair of the budget committee.** Sources of information to create the proposed budget include needs assessments, input from each commissioner and/or chairperson, and prior years' financial records. Once the proposed budget is approved by the board, it must be approved by the membership at the first general membership meeting (prior to October 1st).
- ♦ **Take custody of the checkbook by July 1st and the prior year's financial records by August 1st.** The incoming treasurer can begin writing checks and making deposits on July 1st, even if the AFR has not been completed. Expenditures should be limited to those of a routine or emergency nature until the budget is approved by the general membership.
- ♦ **Have the signature card at the bank changed, effective July 1st.** At least three unrelated, elected officers should be authorized to sign on the account: the treasurer, the president, and generally the secretary and/or the president-elect. (Note: The bank may require an outgoing officer to initiate this change.)
- ♦ **Set up a current year's financial file and/or binder.**
- ♦ **Ensure that a ten-year file and a permanent file of financial records are retained and stored in a safe place, at the school if possible.** (To find what is included in these files, see "Financial Recordkeeping and Retention" section).

FINANCIAL RECORDKEEPING AND RETENTION

Current Year Files

Each treasurer should set up and maintain a current year's financial file or binder. This file should contain the following items:

- ♦ Copy of current bylaws
- ♦ Standing Rules (current)
- ♦ Copies of prior year information
 - Year-End Financial Statement
 - AFR (Annual Financial Reconciliation) report
 - IRS filing
- ♦ Current Certificate of Insurance and copies of any certificates issued to outside parties
- ♦ Board member list and contact information
- ♦ Copies of Utah PTA Signature Documents
 - Basic Fiscal Management Procedures
 - Ethics/Conflict of Interest Policy
- ♦ Membership records (up-to-date membership roster with contact information)
- ♦ Minutes of meetings
- ♦ Current year budget information
 - Budget originally approved
 - All amended budgets, if applicable
- ♦ Treasurer's reports
- ♦ Bank statements with related reconciliation reports
- ♦ General ledger and check register
 - Organized by budget categories (and subcategories, as appropriate)
 - Maintained manually or using computer software
 - Used to track detail of transactions and to facilitate preparation of treasurer's reports
- ♦ Supporting documents for all financial transactions
 - Funds received, organized chronologically with a "Funds Received Form" for each deposit or addition to the bank account.
 - Disbursements, organized chronologically—in check number order with a "Check Request/Expenditures Form" for every check written or deduction from the bank account.
- ♦ Sales Tax Refund Request forms
- ♦ Current year grant agreements, if applicable
- ♦ Current year contract and lease agreements, if applicable

Ten-Year Files

It is important that certain records be kept beyond the current year. It is strongly recommended that the treasurer establish a record retention policy and maintain a ten-year file and a permanent file that could be kept at the school, with the permission of the principal. Here are some items that must be retained. Each treasurer should review the files annually and shred those records no longer needed.

- ♦ Board member list and contact information
- ♦ Copies of Utah PTA Signature Documents
 - Basic Fiscal Management Procedures
 - Ethics/Conflict of Interest Policy
- ♦ Membership records (up-to-date membership roster with contact information)
- ♦ Budget information pertaining to that fiscal year
- ♦ Treasurer reports
- ♦ Bank statements with related reconciliation reports
- ♦ General ledger and check register
 - Organized by budget categories (and subcategories, as appropriate)
 - Maintained manually or using computer software
 - Used to track detail of transactions and to facilitate preparation of treasurer's reports
- ♦ Supporting documents for all financial transactions
 - Funds received, organized chronologically with a "Funds Received Form" for each deposit or addition to the bank account.
 - Disbursements, organized chronologically—in check number order with a "Check Request/Expenditures Form" for every check written or deduction from the bank account.
- ♦ Sales Tax Refund Request forms
- ♦ Grant agreements pertaining to that year
- ♦ Contracts and leases (expired in that year)

Permanent Files

- ♦ Bylaws, including all amendments
- ♦ Standing rules (all versions)
- ♦ National PTA unit identification number (usually indicated on bylaws)
- ♦ Tax-exempt status documents
 - Letter from IRS assigning EIN
 - Determination letter/Letter of Good Standing issued by Utah PTA
 - Form 990EZ and related schedules, if required, or Form 990N
 - Form 990T, if applicable, for unrelated business income
 - Correspondence with IRS
- ♦ AFR (Annual Financial Reconciliation) reports and related Year-End Financial Statements
- ♦ Minutes of board and committee meetings
- ♦ Contracts and leases still in effect
- ♦ Insurance records, accident reports, claims, policies, certificates
- ♦ Legal correspondence

INTERNAL CONTROL SYSTEMS

It is an unfortunate fact that non-profit organizations are susceptible to fraud. One of the most important things that you can do for the well-being of your PTA unit is to implement and follow a system of internal controls. Good internal controls guard against both errors (unintentional mistakes) and irregularities (deliberate attempts to misuse or misappropriate the assets of the PTA.)

Basic Internal Controls for PTA:

- ♦ The treasurer maintains custody of the checkbook at all times. The president must never have custody of the checkbook. If the treasurer becomes unavailable for a short period of time the checkbook should be given to the third signer (who is not the president).
- ♦ Supporting documentation is required for every disbursement made. Original receipts should be submitted with a "Check Request/Expenditures Form."
- ♦ Checks are issued in number sequence order.
- ♦ All checks have two signatures: the treasurer (except in an emergency) and one additional signer, preferably the president. No authorized signer may sign their own check. Additionally, no signer should sign a check for someone they are related to by blood or marriage or who lives in the same household.
- ♦ There are no blank checks with a signature(s). The treasurer should never release a check that has not been completely filled out.
- ♦ Checks should never be written to "Cash."
- ♦ Detailed supporting documentation is maintained for every deposit made.
- ♦ Three people are present for all counting of cash and verification of checks, with two people taking all deposits to the bank.
- ♦ All money received is deposited the same day, using the bank's night depository for events concluding after banking hours.
- ♦ Bank statements (and other bank correspondence) are mailed to the school address in care of the PTA (unless the e-Commerce Policy is adopted, then online statements are acceptable).
- ♦ Bank statements are reconciled to check registers in a timely manner.
- ♦ There are no ATM, debit cards, or credit cards connected with PTA accounts.
- ♦ The treasurer prepares and presents a Treasurer's Report at each meeting of the board and general membership.

The Utah PTA Basic Fiscal Management Procedures Policy Agreement is located on the treasurer page of the Utah PTA website. Each PTA board should review this policy at the beginning of the year, obtain the appropriate signatures on the form, make a copy of the form for all signers, and submit the signed original via Givebacks by October 1st.

BANKING AND FINANCIAL PLATFORMS

The PTA should maintain one checking account with one checkbook for PTA funds. The checking account may be an interest-bearing account. The Employer Identification Number (EIN) issued by the IRS must be given to the bank and listed on the PTA checking account. The EIN assignment letter should be part of the PTA's permanent records. An individual's social security number should never be used on a PTA checking account except to verify the identity of a signer. When the PTA updates the signature card, the EIN should be verified. If there is any discrepancy, contact the Utah PTA office. Utah PTA will furnish a letter, if needed, to the bank to make necessary changes in the EIN.

Two signatures are required on all PTA checks. No authorized signer may sign their own check. There must be at least three people authorized to sign on the checking account: the treasurer, the president, and generally the secretary and/or the president-elect. These people should not be related by blood or marriage, or reside in the same household. If the treasurer is related to one of the other officers, the treasurer is always on the signature card and another officer, unrelated, would be added. If the president and treasurer are related, the president should not be on the signature card but should sign all Check Request forms before the treasurer issues a check. The administrative vice president and teacher vice president (or other school district employees) cannot be signers on the PTA bank account. This would be considered a conflict of interest if they have jurisdiction over school district funds. Exceptions may be considered for PTA officers (parents) that also work as paras at the school.

A PTA is permitted to have a savings account for its reserve funds. If the balance in the savings account becomes too large, it may become necessary to look closely at the purpose of the PTA's fundraising. In addition, a PTA may not invest reserve funds in funding tools such as CDs, stocks, bonds, etc.

The purpose of the PTA is never to become the fundraising arm of any organization or to accumulate large sums of money.

Banking services should be reviewed every fiscal year. It is permissible for a PTA to bank with a traditional bank or a credit union. Services vary at each institution and factors involved in the decision where to bank should include the proximity to the school, the bank's hours, after hours deposit policy, and banking fees. The decision to move from one institution to another should be a board decision and documented in the minutes of the board meeting.

In recent years, banking services have changed. Bank accounts are being accessed by debit cards as well as via the internet. Because of the volunteer nature of PTA, the turnover of officers, and the necessity of maintaining an accurate paper trail, PTAs must not use debit cards and limit internet banking services to "read only" options only.

Merchant Services Information

Merchant services are designed for organizations and businesses. They allow a PTA to accept payments (credit cards, debit cards, ACH) through approved platforms tied directly to the PTA's bank account. These systems provide transaction records, reporting, and controls that support transparency, proper accounting, and nonprofit compliance. Many PTAs use online merchant services platforms for collecting funds. There are many things to consider when selecting and maintaining merchant services:

1. Is the benefit worth the cost? There is a cost in the time involved in setting up the account as well as transaction fees. While merchant service fees represent an added expense, the benefits of accepting electronic payments often outweigh the costs. Offering credit card and digital payment options increases convenience for families, improves the timeliness and accuracy of collections, reduces the need to handle cash, and can lead to higher participation in PTA programs and events. Overall, the use of merchant services supports more efficient financial management and enhances the organization's ability to serve its community.
2. A merchant services account must be directly linked to the PTA bank account. A PTA must never use someone's personal or business account for PTA Purposes.

3. Merchant services transactions require the same documentation as other monies received, including the purpose and source of the money. A "Funds Received Form" must accompany every merchant deposit made into the bank account and a "Check Request/Expenditures Form" must accompany every withdrawal made from the bank account (i.e. refunds).
4. As a partner of Utah PTA, Givebacks provides each PTA with an easy-to-use online store to sell memberships, school spirit gear, event tickets, etc. as well as accept donations and manage fundraising efforts. Transactions are processed through Stripe, a trusted payment processor. As with other credit card processing platforms, fees apply and may either be passed on to the purchaser or absorbed by the PTA. For additional guidance on setting up your Givebacks store, please visit support.givebacks.com.
5. Peer-to Peer payment systems (e.g. Venmo) are NOT the same financial instrument as merchant services and are not an approved platform for PTA use. (More information provided in the Peer-to-Peer Payment Systems section to follow.)

Ensure the PTA board formally approves this method of accepting funds and that the approval is documented in the meeting minutes. This helps maintain transparency and prevents any appearance that a single individual has control over funds or could use them for personal or business purposes.

Guidelines for Utilizing Merchant Services

Many PTAs utilize merchant services to collect funds for the PTA. For the purpose of proper internal controls, Utah PTA requires the following guidelines to be met:

1. In order for a local PTA to utilize merchant services, the bank account must have at least three authorized signers, and bonding insurance must be in place. Bonding insurance may be purchased through AIM Insurance (a Utah PTA sponsor) for approximately \$100 per year and provides coverage for any board member handling funds up to \$10,000. Comparable coverage may also be available through other insurance providers.
2. Local PTAs must follow proper procedures as a board by:
 - Holding monthly board meetings
 - Providing a verbal treasurer's report at each board meeting, with a written report to be added to the minutes as a permanent PTA record
 - Reconciling bank statements on a monthly basis
 - Recording minutes at every board meeting and distributing them for approval at the next meeting
 - Adhering to all internal controls and financial guidelines in the Treasurer Handbook and online at utahpta.org
3. Collecting funds through merchant services must be approved by the board and cannot be decided solely by the president or executive committee. To begin accepting credit card payments, a motion must be made at a board meeting with a quorum present. The motion must be seconded and then put to a vote. The motion and the outcome of the vote must be recorded in the meeting minutes.
4. Open a dedicated email account used exclusively for PTA business (e.g., sunshinepta@gmail.com). Provide access to all executive officers so the account can be monitored at all times.
5. Open an account with the merchant services provider (e.g., Square, PayPal, Intuit, etc.) using the PTA email address.
6. Print payment notification emails or statements and attach them to a "Funds Received Form" to properly document funds deposited into the account.
7. Follow the bank statement review process by having a non-signer board member review the account first, followed by the president, and then the treasurer completing the reconciliation.
8. A separate treasurer's report for this account must be presented at each board meeting.

Peer-to-peer Payment Systems (e.g., Venmo)

Peer-to-peer (P2P) payment systems (like Venmo, Cash App, or PayPal “friends and family”) are not well-suited for nonprofit organizations—especially those like PTAs where leadership changes regularly—because they are built for individuals, not institutions.

Most P2P accounts are tied to a single person’s name, email, or phone number rather than the organization itself. When leadership transitions, control of the account does not automatically transfer with the role, which can create confusion, delays, or even loss of access to funds. This lack of continuity makes it difficult to ensure a smooth and accountable handoff between outgoing and incoming officers.

In addition, P2P platforms often lack the internal controls and transparency that nonprofits require. Transaction records may be incomplete or difficult to reconcile, and funds can be commingled with personal accounts. This increases the risk of errors, misreporting, or the appearance of impropriety—especially when multiple individuals are involved in handling money over time.

Nonprofits also have a responsibility to maintain clear financial records for audits, reporting, and compliance purposes. P2P systems typically do not provide the level of documentation, reporting, or oversight required to meet these standards.

Issues specific to Venmo’s user agreement and fraudulent use by PTA officers: Due to Venmo’s user agreement, it is not acceptable for PTA units to use Venmo as a platform for collecting monies. While Venmo now allows small businesses and non-profit organizations to use their platform (for a fee), a PTA unit that opens a Venmo account is in violation of Venmo’s user agreement and is considered to be utilizing it fraudulently. One of the stipulations of Venmo’s user agreement is that an owner of the bank account must initiate transfers from Venmo to the linked bank account. PTA officers are authorized signers on the PTA bank accounts and do not own them; therefore, this is not a platform designed for PTA usage.

Additionally, PTA board members must not collect funds on behalf of the PTA in their own personal Venmo (or any other P2P) account, and then remit a lump sum to the PTA. This violates PTA internal control policies and is considered a mismanagement of funds.

Bank Statements

The monthly bank statement should be mailed to the PTA at the school address. When the bank statement arrives, a designated board member (who is not a signer on the bank account) should immediately review it, initial it, and then give it to the president to review and initial. Then it will be given to the treasurer to reconcile.

For bank statements that are delivered online with read-only access, a designated board member (who is not a signer on the bank account) should go online to download and print the statement. This board member should initial the statement and give it to the president to review and initial. It is then given to the treasurer to reconcile.

The bank statement must be reconciled by the treasurer in a timely manner. A sample bank reconciliation form can be found online at utahpta.org/treasurer. The bank statement usually has a form on the back that can be used for this purpose as well. Those PTAs using accounting programs to maintain their records should utilize the reconciliation function of the program and print that reconciliation report. Once the treasurer has reconciled the bank statement and signed the reconciliation report, it is then given to the president to review and sign.

The signed reconciliation report should be attached to the bank statement and added to the treasurer binder to become an official retention document of the PTA.

UTAH PTA E-COMMERCE POLICY

Definition: Spending cards are prefunded and have limited funds available and time allowed to be spent. They are linked directly to the PTA/PTSA checking account.

TRADITIONAL DEBIT OR CREDIT CARDS ARE NOT ALLOWED

PTA/PTSA units may adopt the use of online banking systems by board decision, including but not limited to online account access through their primary financial institution and/or online accounting tools such as QuickBooks.

The following are requirements that are consistent with non-profit laws and best practices. Also, check with your insurance company which holds your local PTA/PTSA unit policy to assure compliance.

- ♦ PTA/PTSAs must have a bank account
- ♦ Online accounts can only be opened and managed by the executive officers (president, president-elect, vice president, secretary, and treasurer) **Please note:** due to conflict of interest issues the administrative vice president and teacher vice president may NOT open or manage financial accounts of the PTA.
- ♦ PTA/PTSA accounts cannot link to any individual accounts

Online banking services, other than those required for the use of prefunded cards, may not be used. PTAs are not permitted to utilize mobile deposits, online transfers, ACH payments, wires, Bill Pay, or similar services

Online Statement Review

Upon adoption of the e-Commerce Policy by a local unit, bank statements may be delivered online (read-only access is not required). A designated board member (who is not a signer on the bank account) should go online to download, and print the statement. This board member should review and initial the statement and give it to the president to review and initial. It is then given to the treasurer to reconcile. The review by a non-signer is crucial as most insurance companies will require this in order to be eligible for any possible fraud claims.

Use of Prefunded Spending Cards

Cards are issued to the PTA/PTSA unit and the name of the user. Prior to use of the prefunded spending card, a budget for the funds must be approved by the membership. Following the purchase, the itemized receipt must be given to the treasurer and attached to the "Prefunded Spending Card Form" found online at utahpta.org/treasurer.

- ♦ Prefunded spending cards are not to be used for recurring payments or fund transfers.
- ♦ No cash transactions will be allowed (ATM, cash back, etc.).
- ♦ If card is lost or stolen, the card must be canceled and the account must be reconciled immediately.

Online Account Access

The password for online access must be changed at least once a year; whenever there is a change in signers or when there is an event that requires a mid-year financial reconciliation of all PTA accounts.

The PTA/PTSA determines who has online access to the account. The treasurer and president should have full access, and if possible, the additional authorized signers and a designated non-signer bank statement reviewer should have read-only access.

BUDGETING

One of the duties of the treasurer is to develop, with the budget committee, an annual budget to be approved by the local PTA membership at the first general membership meeting of the year. The budget is the PTA's road map for the year. The budgeting process should be taken seriously; however, it does not need to be complicated.

The treasurer is the **chair** of the **budget committee**. The president is a member of the budget committee, as are other elected officers or board members as appointed by the president. The budget committee will develop the budget and then propose it **to the entire executive committee** for their approval, after which it will be presented to **the general membership** for their approval.

Developing the Budget

The budget committee should begin the budgeting process during the transition period, after the new officers have been elected. The goals of the PTA for the year should be established first, and then decisions can be made about how to raise the funds needed to carry out the work of the PTA. To create a budget proposal, the following information should be considered:

- ♦ Prior year financial records
- ♦ Needs assessment results
- ♦ Input from each commissioner and/or program chair

Sample PTA Budget Proposed Budget 20__ - 20__	
Current Balance Forward from 20__	\$7,059.00
INCOME	
Fundraiser	\$10,250.00
Membership dues	\$525.00
School t-shirts	\$200.00
Box Tops	\$600.00
Donations	\$1,000.00
Sales Tax	\$250.00
TOTAL INCOME	\$12,825.00
EXPENDITURES	
Community Involvement	
Teacher Appreciation Week	\$750.00
PTC Dinners	\$575.00
Volunteer Luncheons	\$100.00
Education	
Kindergarten Orientation	\$50.00
AR Program	\$950.00
Reading awards	\$1,000.00
Family Life	
Father-Son night	\$600.00
Mother-Daughter night	\$600.00
Fall Carnival	\$1,200.00
Grandparents Day	\$250.00
Health	
Maturation	\$200.00
Physical Fitness Awards	\$800.00
Health Fair	\$200.00
Individual Development	
Reflections	\$600.00
Safety	
Ribbon Weeks	\$800.00
DARE	\$250.00
General and Administrative	
Leadership Training	\$400.00
Valentine Treats	\$250.00
Bank Charges	\$120.00
Membership Drive	\$100.00
Supplies	\$450.00
TOTAL EXPENDITURES	\$10,245.00
BALANCE TO MOVE FORWARD	\$9,639.00

Sample PTA Budget Proposed Budget 20__ - 20__	
Current Balance Forward from 20__	\$7,059.00
INCOME	
Fundraiser	\$10,250.00
Membership dues	\$525.00
School t-shirts	\$200.00
Box Tops	\$600.00
Donations	\$1,000.00
Sales Tax	\$250.00
TOTAL INCOME	\$12,825.00
EXPENDITURES	
Community Involvement	
Education	\$1,425.00
Family Life	\$2,000.00
Individual Development	\$2,650.00
Health	\$600.00
Safety	\$1,200.00
General and Administrative	\$1,050.00
TOTAL EXPENDITURES	\$10,245.00
BALANCE TO MOVE FORWARD	\$9,639.00

The estimated expenses of every program, project, and activity should be determined, along with any anticipated related revenue (for example, with a book fair). The budget should also include general and administrative costs, especially for leadership training (such as the Utah PTA Leadership Convention). Sources of revenue will include membership dues (local portion only) and contributions, as well as fundraising projects. Both the funds carried over from the previous year and the amount of money to be carried over to the subsequent year should be identified on the PTA's annual budget.

A Proposed Budget Worksheet, found at utahpta.org/treasurer, may be helpful in this process.

The budget should be general and flexible enough to meet the changing needs of the PTA. Establishing categories for both revenue and expenses is recommended. Budget categories can be organized by commission, with more detailed information for Executive Committee use only.

The collapsed budget (pictured on the right) should be presented to the general membership for approval. Approving the broad categories of expenditures allows the PTA board the flexibility to approve the movement of funds within the large categories between their subcategories as needed, without the need for general membership approval. The expanded

budget (pictured on the left) should be used by the executive officers for detailed analysis purposes and should also be presented to the board in the monthly Treasurer's Report.

Approving the Budget

Once the proposed budget is approved by the Executive Committee, it **must** be approved by a **majority vote of a quorum** of the membership at the first general membership meeting of the year (such as Back-to-School Night). Per the Local PTA bylaws (Article X, Section 2), *Ten members shall constitute a quorum for the transaction of business in any general membership or special meeting of this PTA/PTSA.*

The treasurer should present the budget item by item, either by distributing a copy of the proposed budget to each member or projecting it on an overhead or via computer at the meeting. Members should have the opportunity and the time to ask questions before voting on the proposed budget. A copy of the budget displayed at a PTA table with a signature form for approval would not be an appropriate manner to conduct a budget approval, as that would not be considered a general membership meeting.

The motion to approve the budget is made as follows:

- ♦ The treasurer could make the motion: "I move that the budget be approved as proposed."
- ♦ If the motion comes from the budget committee, no second is required.
- ♦ The president asks: "Are there any (further) questions or discussion?"
- ♦ After discussion and questions, the president calls for the vote: "If there is no further discussion, we will take the vote on the motion to approve the budget as proposed. All in favor, please say aye. All opposed, say nay."
- ♦ The president then reports on the result of the vote: "The motion to approve the proposed budget has passed (failed)."

A **majority vote** of the general membership is required for approval, with at least a **quorum in attendance** as specified in the bylaws. The secretary must take minutes at this meeting to document the approval of the budget. A copy of the approved budget and the minutes are submitted as a compliance document via Givebacks by October 1.

The approved budget gives the Board of Directors authorization to spend the PTA's funds in accordance with that budget. Committees and committee chairs receive authorization to proceed with a project or to spend funds from the Board of Directors. No committee or committee chair should ever obligate the PTA to a program, project, or activity—or any obligation, financial or otherwise—without the approval of the Board of Directors. No officer is authorized to spend funds that have not been approved by the membership. **All expenditures must have been approved through the budgeting process.**

Amending the Budget

Because the budget is only an estimate or approximation, it is likely that changes will be necessary during the year. (For example, if a fundraiser is more or less successful than anticipated or if a situation or opportunity arises that had not been considered when the original budget was created.)

Changes or amendments to the budget during the year must be approved by a vote of the general membership. PTA funds belong to the membership. No other group or individual—including the president, the treasurer, the Executive Committee, the school principal, and the school community council—may make financial decisions alone.

Any **substantial change** (10%) to increase expenditures in the budget must be approved by a **two-thirds vote of a quorum** of the membership.

- ♦ The amendment must occur prior to any additional funds being disbursed.
- ♦ The vote may be taken at any regular general membership meeting or at a special meeting called for that purpose.
- ♦ The number of members required for a quorum is ten (10).

The motion to amend the budget is made as follows:

- ♦ The treasurer could make the motion: I move that the budget be amended to... " (e.g., add \$100 to Health and Safety; transfer \$175 from Education to Individual Development; provide that the \$3000 in fundraising revenue received in excess of the budgeted amount be carried forward to the next fiscal year).
- ♦ Unless the motion comes from committee, a second is required: "I second the motion."
- ♦ The president asks: "Are there any questions or discussion?"
- ♦ After discussion and questions, the president calls for the vote: "If there are no further questions, we will take the vote on the amendment to [read the original motion]. All in favor, please say aye. All opposed, say nay."
- ♦ The president then reports on the result of the vote: "The proposed amendment to the budget has passed (failed)."

Carryover or Reserve Funds

Emergency reserve funds are considered an integral part of each PTA's planning and budgeting process. An emergency reserve fund is intended to serve as a means to retain financial stability in the event of unforeseen developments. Maintaining a small savings account and/or carryover balance will allow for efficient management of funds as well as provide funds to carry on programs until the next opportunity for revenue.

The amount of the carryover or reserve funds will vary according to each PTA's size and needs. National PTA and Utah PTA have suggested that the reserve be at least one-half to one full year of a PTA's budgeted expenditures for an average year, but each PTA can establish its own policy. No IRS regulation or other federal law specifies a carryover limit.

If the revenue sources for one year bring in more money than was anticipated, it can readily be carried forward, giving the next year's officers the opportunity to have limited fundraising or even no fundraising at all. No one has the authority to write a check to the school or anyone else for unbudgeted items to "clean out" the PTA account. The purpose of fundraising is to run PTA programs; the PTA is not the fundraising arm of the school.

PTAs without a sufficient carryover or reserve fund should work to build one over time.

Board Designated Funds

PTAs may occasionally identify projects for which funds need to be accumulated over time or set aside to support ongoing expenses. In such cases, the board may vote to designate a portion of carryover funds for a specific purpose (board-designated funds). For example, a motion could state: "Sunshine Elementary PTA will set aside \$X,XXX of carryover funds to support the continuation of the ___ project next year." When such designations are used, approval by the general membership is required in addition to board approval.

Board-designated funds are generally discouraged, as they can limit future boards' flexibility in allocating resources based on changing priorities.

These designations are typically most effective when there is continuity in leadership, and future boards retain the authority to reaffirm or discontinue them. There is no set time limit on how long funds may be carried forward, provided that the membership continues to approve fundraising for the designated purpose each year.

School Grants:

PTA funds must be used for mission-related expenditures consistent with Section 501(c)(3) of the Internal Revenue Code and Utah PTA policies. All expenditures must further the organization's tax-exempt mission: "To make every child's potential a reality by engaging and empowering families and communities to advocate for all children." PTAs may provide financial support to schools only in a manner that is mission-aligned, transparent, properly authorized, and compliant with nonprofit fiduciary responsibilities. All grants to schools must directly benefit students and must be treated as restricted funds, meaning they must be used solely for the approved purpose.

PTAs may not provide funding for items that are the responsibility of the school district, including but not limited to capital assets and equipment, consumable supplies, salaries and wages, technology, and curriculum materials.

General Guidelines

- ♦ Funding decisions should be made based on clear criteria, including alignment with the PTA mission, benefit to students, and available budget.
- ♦ All approved grants must be included in the PTA budget and approved by the general membership.
- ♦ Grants should be awarded in a manner that ensures equitable access to resources and benefits for the broadest number of students possible.
- ♦ Funds must be used only for the specific purpose for which they were approved. Any change in use must be re-approved by the PTA.

Eligible Uses of PTA Funding

PTA funds may be used to support school-related programs and needs such as:

- ♦ student enrichment activities and assemblies
- ♦ educational programs and field trips
- ♦ school-wide initiatives that enhance student learning or engagement
- ♦ materials or resources that supplement classroom instruction (when not the responsibility of the school district)
- ♦ family engagement and community-building activities

Ineligible Uses of Funds

PTA funds may not be used for:

- ♦ items or services that are the responsibility of the school district (e.g., core instructional materials or required staffing).
- ♦ capital expenditures such as permanent equipment, major technology infrastructure, or facility improvements.

Approval and Disbursement Process

- ♦ The grant agreement process must be utilized for all funds paid to the school. A Financial Grant Agreement form can be found at utahpta.org/treasurer. The form must be signed by the school principal, PTA President, and PTA Treasurer.
- ♦ Grants may be funded by either direct payment to the vendor, reimbursement to the school using a Check Request/Expenditure form with receipts/invoices attached, or prefunded. All prefunded grants must be reconciled with original receipts/invoices before the end of the fiscal year and any unused funds must be returned to the PTA before June 30.
- ♦ All expenditures must comply with PTA financial controls, including proper documentation and receipt retention.

Teacher Grants

Offering grants to teachers to supplement and enhance the educational experience of all students is a legitimate PTA expense and should be included as a separate line item in the budget for transparency. These funds should be used to support classroom instruction and enrich teaching practices. In alignment with the PTA mission—"To make every child's potential a reality by engaging and empowering families and communities to advocate for all children"—teacher grants should be awarded in a manner that maximizes impact for the greatest number of students.

Clear guidelines must be established regarding eligibility requirements and the process for disbursement of funds. These guidelines should be determined at the beginning of the school year and communicated broadly so that all eligible teachers have an opportunity to apply.

Teacher Grant Requirements

Teacher grants MUST include the following:

- ♦ The applicant MUST be a current member of the PTA.
- ♦ An application form must be completed so the PTA can evaluate all requests consistently and fairly.
- ♦ Clear parameters must be established regarding the maximum amount each teacher may request, as well as application deadlines and disbursement timelines.
- ♦ All awarded funds must be spent within the current fiscal year.
- ♦ Grants may be funded by either direct payment to the vendor, reimbursement to the teacher using a Check Request/Expenditure form with receipts/invoices attached, or prefunded. All prefunded grants must be reconciled with original receipts/invoices before the end of the fiscal year and any unused funds must be returned to the PTA before June 30.

Teacher grants MAY include consideration of the following:

- ♦ The anticipated impact on students, including the number of students served.
- ♦ Whether the benefit will extend beyond a single school year.
- ♦ Whether the project creates a lasting resource or supports a one-time educational enhancement.

Important Restrictions

Teacher grants may not be used to fund items or expenses that are the responsibility of the school district. This includes consumable supplies or capital assets (such as printers, desks, or other durable equipment). Additionally, teacher grants may not be used to purchase specialized curriculum materials, as these must follow district approval processes.

Teacher grants are intended to supplement—not replace—district funding and should be used solely to enhance and enrich the educational experience of the students served.

It is also important to note that items purchased with funds granted to a teacher becomes property of the teacher. If the teacher leaves the school, those items leave with the teacher.

RECEIVING AND DISBURSING FUNDS

The treasurer has the responsibility to ensure that all funds going in and out of the PTA's bank accounts are accurately recorded on the PTA's books. Funds Received Forms and Check Request/Expenditure Forms should be used to maintain adequate documentation of all transactions.

Receipts (Income)

Detailed supporting documentation should be maintained for every deposit.

- ♦ Use of the Funds Received Form provides this documentation. (See a sample form at utahpta.org/treasurer) The source(s) of revenue (e.g., memberships, t-shirt sales, fundraiser, sales tax refund) and any other pertinent information should be noted on the form, and any supporting documentation available should be attached to the form.
- ♦ Deposits should be numbered, and deposit receipts (from the bank) should be attached to the Funds Received forms.
- ♦ Funds Received forms should be maintained with the financial records.

Three people must be present for all counting of cash and verification of checks (membership dues, book fair receipts, fundraising activities, etc.). The treasurer should be one of the three people, whenever possible. The others can be members of the executive committee, event or program chairs, or other PTA members who have been trained on proper procedures. All board members and PTA volunteers must be members of that PTA and sign the PTA Basic Fiscal Management Procedures Policy Agreement before handling any PTA funds.

- ♦ Money Counting Sheets, with three signatures, should be used. (See a sample form at utahpta.org/treasurer).
- ♦ Money Counting Sheets should be attached to Funds Received forms, utilizing one set of counting sheets per deposit so that the count agrees to the amount of the deposit.

All money received must be deposited the same day.

- ♦ Two people must take the deposit to the bank.
- ♦ Money should never be taken home or left at the school overnight.
- ♦ The bank's night depository should be used for events concluded after banking hours.
- ♦ Preparing daily deposits throughout a lengthy event, such as a book fair, will minimize the time required at the conclusion of the event.
- ♦ For multi-day events, the cash for the cash box may remain undeposited until the last day of the event. On the last day of the event, a separate deposit of the cash box money should be counted and recorded.

Disbursements (Expenditures)

- ♦ A PTA check should never be written without a completed Check Request/Expenditures form.
- ♦ The form should include the date, the payee of the check, the amount, the purpose, as well as a place for the check number.
- ♦ The form should also include a place to track the amount of sales tax paid. This will provide the documentation necessary to submit a Sales Tax Refund Request at the end-of-year reporting period.
- ♦ A sample Check Request form is located at utahpta.org/treasurer.
- ♦ Receipts and/or an invoice (or other supporting documentation) must be attached to the form. All receipts or invoices must be itemized to provide details of the transaction.
- ♦ The person submitting the request should sign it, and the president and the treasurer will also sign the form, indicating their approval of the disbursement.
- ♦ The principal just sign each check request. They are not approving the expenditure, but are acknowledging that they are aware of each transaction.

All PTA expenses must be paid with a PTA check (or prefunded spending card, if the e-Commerce policy has been adopted by the PTA), either issued for the original expenditure or as a reimbursement to an individual for expenses he or she has personally paid.

Sales tax refund requests can only be made for expenditures with sales tax exactly indicated on supporting documentation.

The use of Petty Cash systems is prohibited in PTAs.

The following rules govern issuance of PTA checks:

- ♦ All PTA checks must be signed by two authorized officers: the treasurer, except in an emergency, and preferably the president. The signers may not be related by blood or marriage, nor reside in the same household.
- ♦ Neither the administrative vice president nor the teacher vice president should sign PTA checks to avoid any possible conflict of interest.
- ♦ Checks should only be issued after a Check Request/Expenditure Form is completed.
- ♦ Itemized Receipts must be attached to Check Request/Expenditure Forms.
- ♦ A blank, signed check should never be given to anyone. The treasurer must never release a check without it being completely filled out and signed.
- ♦ School and Teacher Grants
 - When the PTA membership approves funds to be given to the school or its teachers, a grant agreement must be used. A written grant agreement between the PTA and the school or its teachers should be signed by the PTA president, PTA treasurer, and the school principal (or teacher if the grant is a Teacher Grant). The agreement should specify the amount of money to be granted, the purpose for which it is to be used, the date by which it is to be spent, and statements that the school (or teacher) will provide an accounting of the funds to the PTA and that unused funds will be returned to the PTA. (See utahpta.org/treasurer for Sample Grant Agreements.)
 - The grant may be funded by direct purchase by the PTA, reimbursement to the school (or teacher) for their purchases made, or upfront funding to the school (or teacher). Upfront funding to the school (or teacher) should only be utilized when direct purchase by the PTA or reimbursement to the school (or teacher) is not possible as this method results in greater risk for lack of documentation and funds being used for unintended purposes. Grant agreements must be reconciled each fiscal year before closing the PTA books. In the case where the PTA has prefunded a school (or teacher) grant, any remaining funds must be repaid to the PTA and may not be used by the school for another purpose.

All transactions should be recorded in the check register in a timely manner. A ledger system should also be established whereby a written record is maintained of revenue and expenses by category, as outlined on the budget. Samples of a manual ledger system are located at utahpta.org/treasurer. Computer programs may also be used to record transactions and are generally easier and quicker to use after the initial set-up time.

CASH BOX INSTRUCTIONS

1. Complete a Check Request/Expenditure Form for the beginning cash box amount (to document check).
2. Write a check out to the chairperson of the event for the beginning cash box balance.
3. Give the check to the chairperson, instruct them to cash the check at their bank and bring the cash to the event. Have the chairperson give you the check's cashed receipt from bank, if the bank provides one. Attach the receipt to the Check Request/Expenditures Form.
4. Have three (3) people verify and document the beginning cash box balance on the Beginning Cash Box Balance Form.
5. Before depositing the proceeds from the event, make sure the cash box start balance is removed from the income of the event and, when deposited, document it as Cash Box Re-deposit and not as actual income from your event.

The "Beginning Cash Box Balance" form can be found at utahpta.org/treasurer

REPORTING

The treasurer is responsible for making regular financial reports to the PTA officers and to the membership of the PTA.

- ♦ The PTA officers have a fiduciary responsibility to know the current financial status compared to the budget approved by the membership.
- ♦ The PTA membership needs to know how their money is being handled compared to the budget they approved.
- ♦ The PTA officers and members need to know if there are sufficient funds available to meet the goals set.

Treasurer's Report Information

At each meeting of the Board of Directors and at each general membership meeting, the treasurer should present a report giving the financial status of the unit. This report should include at least the following items:

- ♦ Balance from the last report
- ♦ Income since the last report, listed by category
- ♦ Expenses since the last report, listed by category
- ♦ Current account balance

This report should be made available for any interested officer or member to see where the PTA money is coming from and how it is being spent. Remember that the budget was approved by the PTA membership and they have the right to see whether the board is spending within those guidelines. When the membership can see that the PTA board is trying to follow the budget guidelines, there will be fewer complaints about the handling of the PTA money. A sample Treasurer's Report form can be found at utahpta.org/treasurer. Three copies of the Treasurer's Reports should be made: one for the president, one for the secretary to be filed with meeting minutes, and one for the treasurer to keep in the Current Year File, as required by the Utah PTA for proper document retention.

In addition to the official Treasurer's Report, a budget analysis can be very useful for the PTA Board of Directors. This report shows a comparison of what was budgeted, the actual expenses and income, and the difference between the two. It gives, at a glance, a detailed accounting of how the PTA is using the money and can show where there are any problem areas in the budget. In addition, it allows all board members, including committee chairpersons, to see the status of their budget.

Year-End Financial Statement Information

The Year-End Financial Statement is prepared by the treasurer at the end of the PTA fiscal year (June 30). It is a detailed report of actual income and actual expenses for the entire PTA year (July 1 - June 30). This report is the means by which the PTA members are informed of the financial situation of the PTA for the past year. This information should be easily obtained from the ledgers for the year or from the Monthly Treasurer's Reports. This Year-End Financial Statement must be given to the incoming PTA officers by August 1 and is submitted with all the treasurer's records for the AFR. The new officers will present the Year-End Financial Statement with the AFR report to the membership at the first general membership meeting of the new PTA year (usually Back-to-School Night).

Samples and report forms can be found at utahpta.org/treasurer

ANNUAL FINANCIAL RECONCILIATION (AFR)

Information

What?

- ♦ An AFR report is not a bank statement or bank verification.
- ♦ An AFR is not an audit (as defined by accounting standards) of the PTA's records.
- ♦ It is a statement by the officers that their records are correct, or a reconciliation carried out and signed by an "auditor."

Why?

- ♦ An AFR is required by PTA bylaws.
- ♦ An AFR of the treasurer's records is for the protection of the treasurer. It relieves the treasurer of responsibility, except in the case of fraud.
- ♦ An AFR provides for accountability to the PTA membership.

Who?

- ♦ "...by an auditor or an AFR Committee of not fewer than three members..." (Article VII, Section 6).
- ♦ "...appointed by the Executive Committee" (Article VII, Section 6a).
- ♦ "Members of the AFR Committee shall be members of PTA/PTSA" (Article VII, Section 6a).
- ♦ "...shall not be any officer who may sign the checks or be related to, by blood or by marriage, or reside in the same household with, any of the officers who may sign the checks..." (Article VII, Section 6b).
- ♦ An AFR committee would perform an Internal AFR following Utah PTA's recommended AFR procedure (see AFR sections of this handbook). An outside auditor is not required to perform an AFR "in accordance with generally accepted auditing standards." Agreed-upon procedures (based on the recommended internal AFR procedure) or a review is sufficient to fulfill this requirement. A professional auditor who is a member of PTA could perform an Internal AFR such would be performed by an AFR committee.
- ♦ The qualifications of an auditor (in lieu of an AFR committee) are not specified by the bylaws. Consider the following in selecting auditors:
 - Familiarity with PTA and its activities
 - Accounting and/or auditing experience, preferably with non-profit organizations
 - Diligence and commitment
 - Honesty and fairness
 - Availability
 - Does NOT have to be a PTA member

When?

- ♦ Financial records should be put in order for the AFR process shortly before the end of the fiscal year.
 - The fiscal year is July 1st to June 30th.
 - Once the June 30 bank reconciliation is completed, the Year-end Financial Statement and AFR can be finalized
 - The outgoing treasurer should strive to have all transactions completed as early in June as possible. For local PTAs on a traditional calendar, this should be fairly easy. Those on a year-round calendar will have more difficulty, but adequate planning can minimize the number of last minute transactions.
 - Once the books are closed for the AFR, the outgoing treasurer may not complete additional transactions. In no case should the outgoing treasurer make deposits or write checks after June 30!
 - Outstanding bills are common and can be paid by the incoming treasurer on or after July 1. By way of summary, no transactions should occur between the time the books are closed for AFR, which will be

no later than June 30th, and the time the incoming treasurer begins transactions, which will be no earlier than July 1st.

How?

- ♦ Once the financial records are put in order—including the preparation of a Year-End Financial Statement—the treasurer shall deliver them to the AFR Committee.
- ♦ The following items (current year file) are needed to conduct the audit:
 - 1) Copy of last audit report
 - 2) Year-End Financial Statement
 - 3) Monthly Treasurer's Reports
 - 4) Bank statements and reconciliation reports—including June 30th
 - 5) General ledger, or transaction report, organized by category
 - 6) Check register
 - 7) Funds Received forms, with supporting documentation
 - 8) Check Request/Expenditure forms, with supporting documentation
 - 9) Copies of meeting minutes, including the approved annual budget, as well as any amendments that were approved during the year
 - 10) Current membership list
 - 11) Current bylaws (and standing rules, if any)
 - 12) Any other information requested by the auditor/AFR Committee
- ♦ The June 30th bank statement and reconciliation must be included in the materials given to the auditor/AFR Committee.
- ♦ "The auditor or AFR Committee shall submit its report to the new Executive Committee no later than August 1" (Article VII, Section 6d).
 - Verify that the AFR report has been signed and dated by the auditor/AFR Committee.
 - Include AFR "working papers" (such as an AFR procedure checklist and suggestions for improving financial policies and procedures) with the records audited.
 - The Year-End Financial Statement and the AFR report should be submitted via Givebacks no later than August 1.
- ♦ "The AFR report shall be presented for adoption at the first general membership meeting of the new school year" (Article VII, Section 6d). The Year-End Financial Statement should be presented at the same time. The motion to adopt the AFR report is made as follows:
 - The treasurer could make the motion: "I move that the AFR report be adopted as presented." If the motion comes from the budget or executive committee, no second is required. Otherwise, there needs to be a second.
 - The president asks: "Are there any (further) questions about the AFR report?"
 - After questions, if any, the president calls for the vote: "If there are no (further) questions, we will take the vote on the motion to adopt the AFR report as presented. All in favor, please say aye. All opposed, say nay."
 - The president then reports on the result of the vote: "The motion to adopt the AFR report has passed (failed)."
- ♦ The AFR should be filed with the PTA's permanent records, with a copy placed in the subsequent year's file.

ANNUAL FINANCIAL RECONCILIATION (AFR)

The AFR Procedure Is As Follows:

1. Agree beginning balance (July 1) to ending balance (June 30) on previous audit report and on June 30 Bank Reconciliation.
2. Check Year-End Financial Statement and Monthly Treasurer's Reports for accuracy.
3. Review final Bank Reconciliation (June 30), noting deposits pending and checks outstanding.
4. Verify that all income and expenses listed on the Year-End Financial Statement were included in the approved budget.
5. Perform a sample test of transactions. The size of this sample should be based on the size of the organization. If discrepancies are found, the sample should be broadened to take in more transactions. At some point, it may be deemed necessary to audit all the transactions of a PTA. Testing should include the following areas:
 - Tracing entries in general ledger and/or check register to treasurer's reports.
 - Reviewing monthly Bank Reconciliations, investigating any unusual or unexplained reconciling items.
 - Examining canceled checks for two signatures and, if possible, appropriate endorsements.
 - Tracing deposits made to cash counting sheets and deposit slips, noting timeliness of deposits based on known dates of events.
 - Tracing checks paid to Check Request forms, noting appropriate authorizations and supporting documentation.
6. Reconcile membership dues income to membership reports by agreeing number of members to amount recorded as income (number of members multiplied by local portion of membership dues amount). Make certain that Utah PTA and National PTA portions of membership dues receipts (amounts not belonging to the unit) have been remitted through Givebacks or via check with Dues Remittance form in a timely manner.
7. Verify that any money collected for a specific purpose has been disbursed for that purpose.
8. Check that refunds have been requested through Utah PTA for all sales tax paid during the year.

AFR Report

The auditor/AFR Committee must issue a written report once they are satisfied that the records are accurate. Any errors found should be corrected. (Forms may be found at utahpta.org/treasurer). To be accurate, the report should include three parts:

1. A summary of beginning balance to ending balance for the fiscal year showing gross receipts and gross disbursements.
2. A reconciliation to the bank statement balance as of June 30.
3. A statement of the results, signed by the auditor/AFR Committee.

The auditor/AFR Committee must also issue a report in the event that there are not adequate records to conduct appropriate AFR procedures. A sample statement might read, "The AFR Committee has examined the records of the treasurer of _____ PTA and found that more adequate accounting procedures need to be followed so a more complete AFR report can be issued." The AFR Committee should indicate the information that is needed.

At any time during the AFR process, your council president, treasurer, or region support committee chair may be contacted for information or assistance.

MEMBERSHIP DUES

State and National Dues

Dues should be submitted by the 25th of each month.

Membership dues must be submitted through Givebacks via an internal ACH transaction or by PTA check mailed to the Utah PTA office with a Dues Remittance Form.

- ♦ Givebacks ACH transactions will incur a \$2.00 fee, assessed and collected by Givebacks.
- ♦ Manual check payments will also be assessed a \$2.00 fee to cover processing of the remittance form and member verification.

Cash and personal checks will not be accepted.

For more information on submitting dues, please refer to the [Utah PTA website](#) or support.givebacks.com

SALES TAX REFUND REQUEST FORMS

Most Common Errors

Keep these errors in mind as you read through the instructions for your PTA.

- ♦ Wrong period covered. Verify that the appropriate period is covered by the specified deadline. Also, do not include any items outside of the period to be covered.
- ♦ All necessary information is not included on the detailed list of sales tax transactions.
- ♦ **Including book fair sales tax on the refund request. Sales tax collected on behalf of third-party vendors, such as the book fair, will not be refunded by the Utah State Tax Commission.**

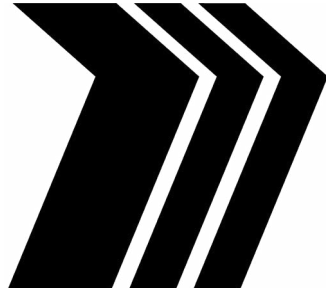
Submission Instructions

1. Unit requests for sales tax refunds are due by August 1 for the fiscal year just ended (July 1 through June 30).
2. To receive a refund from the Utah State Tax Commission, a PTA making a refund request must be a PTA in good standing. This means that it must have an EIN, current bylaws, and all state and national dues must have been paid to Utah PTA.
3. There is no minimum amount required to submit a refund request. A \$2.00 processing fee will be assessed by Utah PTA for refunds over \$20.00.
4. Retain copies of all submitted documents for PTA records.
5. Sales Tax Refund requests must be submitted online at utahpta.org.
6. Local and council PTA units must submit annual requests by August 1 for the previous fiscal year. Due to the volume of requests statewide, Utah PTA will submit reimbursement requests in multiple increments. PTA units can expect to receive their prior year refund no later than May each year.
7. Refund checks will be mailed to the school address and should be deposited promptly upon receipt.
8. Completing a sales tax refund request is not optional. These funds should be requested according to established procedures to support and further the work of the PTA

Book Fair Sales and Sales Tax

- ♦ In 2017, the Utah State Tax Commission clarified that PTA book fairs are considered "third-party sales," and book fair companies are classified accordingly.
- ♦ These companies provide books and materials for sale at the school and then retrieve unsold items to resell at future events.
- ♦ Sales tax must be charged to all customers.
- ♦ If the school uses its tax-exempt number to purchase books, ensure the book fair company is provided with the exempt amount and the tax-exempt number for their records.
- ♦ At the conclusion of the book fair, remit all collected sales tax and the amount owed for sales to the book fair company. The company is responsible for reporting and paying the appropriate taxes to the Utah State Tax Commission.
- ♦ Sales tax paid to third-party sales companies (such as Scholastic Books, for book fairs) may not be requested as a refund on a PTA Sales Tax Refund request. Per the Utah State Tax Commission, these events are not exempt from sales tax.

Sales Tax Refund Request forms can be found at utahpta.org/treasurer



TREASURER

**SPECIFIC ISSUES
AND POLICIES/GUIDELINES**

EXEMPT-ORGANIZATION ISSUES

501(c)(3) Group Exemption

Utah PTA has secured a 501(c)(3) exemption ruling from the Internal Revenue Service (IRS), recognizing it as a public charity under Section 509(a)(2). Each PTA unit in Utah that is in good standing is covered under Utah PTA's group exemption. The IRS requires Utah PTA, as a central organization, to submit annually a list of its subordinate units (local and council PTAs) in good standing. If a unit chooses to discontinue its affiliation with Utah PTA, it forfeits the benefits of tax-exempt status under Utah PTA.

Sales Tax Exemption

- ♦ Utah law requires every PTA to pay sales tax on purchases under \$1,000. That sales tax is refunded upon request.
- ♦ For purchases over \$1000, Utah PTA's tax-exempt number may be used. A certificate can be obtained from the Utah PTA office through kids@utahpta.org
- ♦ A vendor may request an Exemption Certificate from a PTA to verify the tax-exempt number. This certificate can be obtained from the Utah PTA office through kids@utahpta.org.
- ♦ Utah PTA has established, within the guidelines of the State of Utah, a procedure whereby PTA units may request a refund of the sales tax paid.
- ♦ All PTA sales tax refund requests must be made through the Utah PTA.

Fundraising and Sales Tax

Local and council PTAs are not required to collect or pay sales tax on fundraising events where the items sold are not available to the general public. We must collect sales tax on books sold at book fairs, since we are selling a third party's product for them. When a PTA does a fundraising event, if the money is collected by the vendor and not by the PTA, sales tax must be collected by the vendor.

Employer Identification Number (EIN)

Every PTA unit must have its own EIN from the IRS. This number is required for the PTA's bank account(s) and is also used in conducting business with the IRS. Neither the school's EIN nor an individual's social security number should ever be used for PTA business. **The PTA must also never "loan" its EIN to another group or organization.**

If a PTA unit needs a copy of its original IRS EIN letter they should reach out to the Utah PTA Treasurer.

Determination Letter

The IRS issues a "determination letter" to organizations that have qualified for tax-exempt status. Because Utah PTA, as a central organization, determines which units are included as subordinates under its group exemption ruling, anyone seeking to verify that a PTA in Utah is tax-exempt can contact the Utah PTA office. Utah PTA can provide a letter about the group ruling and a copy of its determination letter from the IRS for potential donors, sponsors, or grantors. According to IRS Publication 4573, "donors may rely upon central organization verification with respect to deductibility of contributions to subordinates covered in a Section 501(c)(3) group exemption ruling." Email kids@utahpta.org with your PTA's name and a Letter of Good Standing will be issued. As these expire as of October 1 each year, an updated letter will need to be requested annually.

Benefits of Tax-Exempt Status

As 501(c)(3) public charities, PTAs in Utah enjoy two substantial benefits:

- ♦ Contributions may be treated by donors as charitable contributions for income-tax purposes. Such contributions include programs like grocery store card programs and corporate sponsorships, as well as donations from individuals. PTA members who receive little or no reimbursement for their PTA-related expenses may also be allowed to deduct their out-of-pocket expenses as charitable contributions; current IRS rulings should be consulted for allowable deductions.

- ♦ Most income of the organization—income from activities that are substantially related to the exempt purpose—is exempt from federal income tax. As PTA fundraising efforts are often substantial, this exemption from paying income tax is very valuable.

Protecting Exempt Status

A Section 501(c)(3) organization will jeopardize its exemption if it ceases to be operated exclusively for exempt purposes. An organization operates exclusively for exempt purposes only if it engages primarily in activities that accomplish the exempt purposes specified in Section 501(c)(3). A 501(c)(3) organization:

- ♦ Must absolutely refrain from participating in the political campaigns of candidates for local, state, or federal office.
- ♦ Must restrict its lobbying activities to an insubstantial part of its total activities.
- ♦ Must ensure that its earnings do not inure to the benefit of any private shareholder or individual.
- ♦ Must not operate for the benefit of private interests such as those of its founder, the founder's family, its shareholders or persons controlled by such interests.
- ♦ Must not operate for the primary purpose of conducting a trade or business that is not related to its exempt purpose, such as a school's operation of a factory.
- ♦ May not provide commercial-type insurance as a substantial part of its activities.
- ♦ May not have purposes or activities that are illegal or violate fundamental public policy.

Responsibilities of Tax-Exempt Status

While conferring benefits on 501(c)(3) organizations, federal tax law also imposes responsibilities on organizations receiving that status. PTAs in Utah are required to do the following:

- ♦ Keep books and records detailing all activities, both financial and non-financial. This includes detailed information on sources of income and expenditures of funds, as well as minutes of the meetings where decisions are made about the activities of the PTA and such things as newsletters.
- ♦ File an annual information return with the IRS either "Form 990EZ," if required, or "Form 990N."
- ♦ Meet requirements for substantiation and disclosure for charitable contributions.
- ♦ File "Form 990T" if there is \$1000 or more of gross receipts from an unrelated trade or business.

Important Note: *It is the **outgoing** treasurer's responsibility to make sure that the applicable annual information return is filed with the IRS.*

The IRS suggests that organizations, like PTAs, that have frequent officer changes develop an information packet that contains the filing requirements, instructions for completing the applicable forms and for filing an extension, and any other pertinent information. The packet should be passed on to each new officer to ensure accurate and timely filing of returns and avoid penalty assessments.

Gross Receipts Test

As each local and council PTA are subordinate units of Utah PTA. Utah PTA is required to maintain a copy of each unit's "Form 990" filing for the current fiscal year. If a PTA has gross receipts during the year normally more than \$50,000, it is required to file "Form 990EZ, Short Form—Return of Organization Exempt from Income Tax," and the related schedules with the IRS.

The PTA's gross receipts amount is calculated by totaling all income received during the fiscal year before any costs or expenses are deducted. Carryover amounts such as savings accounts and any other funds on hand at the beginning of the fiscal year are not included. The Utah PTA and National PTA portions of membership dues should also be excluded, as these amounts do not belong to the local PTA.

The IRS's definition of "normally" is based on a three-year average, calculated by the "Gross Receipts Test." An example of this calculation for the 2026-2027 fiscal year is shown below.

If you need to file "Form 990 EZ," completed "990EZ" forms should be filed online. (In order to receive an extension of time to file, "Form 8868" must be filed by the deadline.)

Forms and instructions are available on the IRS website ([irs.gov](https://www.irs.gov)). The applicable schedules might include not only Schedule A and B (as in the past) but also Schedule C, G, and others.

National PTA's *Finance Guide*, which is available at ptakit.org, is a useful resource, and some tips can be found on the treasurer page of Utah PTA's website, utahpta.org/treasurer.

"Form 990N" (e-Postcard)

All PTA units in Utah (local, council, and region) that are not required to file IRS "Form 990EZ" are required to file an annual electronic notice, "Form 990N, Electronic Notice (e-Postcard) for Tax-Exempt Organizations Not Required To File Form 990 or 990EZ." This requirement came from the Pension Protection Act of 2006, with the purpose of improving transparency within the non-profit sector.

"Form 990N" should be filed by August 1, following the close of the fiscal year. "Form 990N" must be filed electronically. Only basic information is required on the form. A copy of the confirmation showing "Accepted" status should be submitted through Givebacks after the IRS has indicated that the filing was accepted.

- ◆ To access the e-Postcard filing site at irs.gov/Charities-Non-Profits/Annual-Electronic-Filing-Requirement-For-Small-Exempt-Organizations-Form-990-N-E-Postcard, an account will need to be set up using the ID.me platform as required by the IRS. Detailed instructions can be found at utahpta.org/treasurer
- ◆ The organization EIN can be found in the PTA's bylaws. Each PTA in Utah has its own EIN, assigned by the IRS.
- ◆ PTA Utah Congress in the Organization's Legal Name - Line 1. On the second page, enter your PTA's name as DBA Name. This is because Utah PTA (identified by the IRS as PTA Utah Congress) is the parent organization for all PTAs in Utah and has a group tax exemption.
- ◆ The Tax Year Period for all PTAs in Utah is July 1 to June 30.
- ◆ The mailing address for all PTAs in Utah is: 5192 S Greenpine Drive, Salt Lake City, UT 84123
- ◆ No other address, including a school or home address, should be entered as the PTA's mailing address.
- ◆ In the "Principal Officer" section, the name is the person filling out the form and the address entered should be the school address.
- ◆ When the "Form 990N" is first submitted, the status is "Pending." You must log back in approximately ten minutes later before printing the confirmation. Make sure the status says "Accepted" before printing the confirmation to submit via Givebacks.

Additional instructions on filing the "Form 990N" are available on the treasurer page of the Utah PTA website: utahpta.org/treasurer

Substantiation and Disclosure Requirements

IRS Publication 1771, Charitable Contributions – Substantiation and Disclosure Requirements, explains the federal tax law for charities (like PTAs) that receive tax-deductible contributions. Some of that information is summarized here; the publication in its entirety can be downloaded from the IRS website ([irs.gov](https://www.irs.gov)).

There are two general rules to meet the substantiation and disclosure requirements:

Gross Receipts Test	
2026-2027	\$ _____
2025-2026	\$ _____
2024-2025	\$ _____
Total	\$ _____
Divide total amount by 3	
Average	\$ _____
Is the Average greater than \$50,000? Then file Form 990EZ	
Otherwise file Form 990N e-Postcard	

1. A donor must obtain a written acknowledgment for any single contribution of \$250 or more to claim it on his or her federal income tax return. Further, as of January 1, 2007, no charitable contribution can be claimed unless the donor has either a bank record (such as a canceled check) or a written communication from the charity (such as a receipt or a letter) to support the contribution.
2. A charitable organization must provide a written disclosure to a donor who makes a payment in excess of \$75 partly as a contribution and partly for goods and services provided by the organization.

Rule 1

Applies to any contribution received by the PTA. Although it is the donor's responsibility to obtain a written acknowledgment, the PTA can assist a donor—and hopefully encourage continued donations—by providing a timely, written statement containing the following information:

- ♦ Name of PTA
- ♦ Amount of cash contribution or description (but not the value) of non-cash contribution
- ♦ Statement that no goods or services were provided in return for the contribution, or a description and good faith estimate of the value of good or services that were provided

While donors may not expect PTAs to provide a written acknowledgment for small, cash donations given for an event like a jog-a-thon, the PTA should be prepared to issue such a receipt if it is requested. Insubstantial goods or services provided in exchange for a contribution do not have to be described in the acknowledgment. Examples might include a school calendar magnet or student directory with the PTA's logo. It is not necessary to include the donor's social security number or tax identification number on the acknowledgment.

Examples of wording for written acknowledgments is as follows:

"Thank you for your cash contribution of \$300 to Sunshine Elementary PTA, received by us on December 12, 20___. No goods or services were provided in exchange for your contribution."

"Thank you for your donation of twelve dozen muffins to Exemplary PTA for our Moms & Muffins literacy program on April 2, 20_____. No goods or services were provided in exchange for your contribution."

Rule 2

Applies to PTA activities like silent auctions. In such cases, a donor may only take a contribution deduction to the extent that the contribution exceeds the fair market value of the good or services the donor receives. The required written disclosure statement must do the following:

- ♦ Inform the donor that the amount of contribution that is deductible for federal income tax purpose is limited to the excess of the contribution over the value of the goods or service provided
- ♦ Provide the donor with a good faith estimate of the fair market value of the goods or services

The disclosure must be in writing, and a penalty is imposed on charities that do not meet the written disclosure requirement.

Sample letters can be found at utahpta.org/treasurer

Unrelated Business Income

Unrelated Business Income (UBI) is income that is not related to the organization's exempt purpose. If a PTA receives more than \$1000 in UBI, it must file "Form 990T."

Income is classified as UBI when three factors exist:

- ♦ A trade or business ("active")
- ♦ Regularly carried on (in contrast to only "discontinuously or periodically")
- ♦ Unrelated to the organization's tax-exempt purpose

The income from most PTA fundraising activities is exempt from federal income taxes because of the following exceptions to the general rules:

- ♦ Volunteer activities (volunteers must do “substantially all” of the work—at least 85%)
- ♦ Low-cost merchandise (items are given in conjunction with solicitation of charitable contributions)
- ♦ Donated merchandise (“substantially all” of the items sold must be donated)

Form 1099-MISC or 1099-NEC

PTAs may be required to file "Form 1099-MISC" or "Form 1099-NEC" with the IRS if they pay \$600 or more during the **calendar year** to any unincorporated business or person for services (including parts and materials), or for prizes or awards. Possible situations where this rule applies include an artist-in-residence or a performing group. The form and instructions can be obtained from the IRS website ([irs.gov](https://www.irs.gov)).

For More Information

National PTA's Finance Guide, which is available at ptakit.org, contains more information about many tax-exempt organization issues. A pamphlet on tax issues written by National PTA's attorney may be available for purchase at the Utah PTA office.

Additionally, the Internal Revenue Service (IRS) has a web-based version of its [Tax Exempt Organizations Workshop](#). These free virtual workshops cover tax compliance issues confronted by small and mid-sized tax-exempt organizations. They consist of several interactive modules on tax compliance topics for exempt organizations including:

- ♦ Maintaining 501(c)(3) Tax Exempt Status - How can you keep your 501(c)(3) exempt?
- ♦ Unrelated Business Income - Does your organization generate taxable income?
- ♦ Employment Issues - How should you treat your workers for tax purposes?
- ♦ "Form 990" Overview - Would you like to file an error-free return?
- ♦ Required Disclosures - To whom do you have to show your records?

Users can access this training program at StayExempt.IRS.gov. The modules can be completed in any order and repeated any number of times. Also, web-based courses that delve into a variety of topics of interest to exempt organizations can provide training.

FUNDRAISING AND DONATIONS

The primary emphasis in PTA should be the promotion of the PTA Mission and Purposes of the PTA. The real working capital of a PTA lies in its members, not in its treasury.

PTAs do not exist to raise money, but raise money to exist.
Fundraising is NOT a primary function of PTA.

When PTAs invest their human resources in programs that improve homes, schools, and communities, they earn benefits for children and youth with very small outlays of money. PTA-sponsored programs can provide enrichment activities for families. PTAs can work with other community organizations on community-wide issues that correlate with PTA priorities.

Planning for PTA fundraising activities should occur after the planning of the programs and projects for the school year. PTA does not exist to raise large amounts of money or supplement school finances. One well-planned fundraising event will usually raise the funds needed to fulfill the goals and objectives of the PTA for the year. Any funds generated by a PTA, including the local portion of dues, should be used for definite budgeted purposes that advance the PTA Purposes, such as projects and programs, that benefit children and families, promote parent-teacher cooperation, and enhance the school environment and curriculum. In addition, PTAs can work with community organizations to promote community-wide development projects. Leadership development through PTA conventions and conferences is also an appropriate and important use of PTA funds. Please use the "PTA Event Checklist" found at utahpta.org/treasurer to make sure all financial procedures are followed for PTA events.

Standards for PTA Fundraising

PTAs are often asked to finance programs and purchase needed equipment that tight school budgets cannot provide, and each PTA must decide what it will do. Before approving proposals for material aid to the school or community, a PTA should consider whether the proposed equipment or service is a public responsibility. Is it something that taxes are to be used for? For example, tax revenue is already being collected to fund textbooks, salaries, computers, playground equipment, classroom materials, and so forth. PTA's role is to advocate for adequate and equitable funding for all public schools.

A PTA renders a greater service by working to secure adequate funding for programs that have an enduring benefit than by purchasing equipment for schools. PTAs should not contribute to the problem of inequities within a school district by excessive funding.

The framework for how a PTA should conduct its fundraising is determined by the policies of the National PTA organization and the government regulations for 501(c)(3) tax-exempt organizations. PTA fundraising should be carried out within the framework of PTA's noncommercial policy. This policy requires that the PTA not endorse any commercial entity nor engage in business activities unrelated to the Purposes of PTA.

Donor-Advised Funds

A Donor-Advised Fund, or DAF, is a charitable giving vehicle administered by a public charity created to manage charitable donations on behalf of organizations, families, or individuals. Donor-advised funds are the fastest growing charitable giving vehicle in the United States by providing a flexible way for donors to pass money through to charities. Many individuals/businesses are choosing this method of charitable giving to support our local PTAs. Some of the more familiar giving funds are: Benevity Causes, Fidelity Charitable Giving, and YourCause.

Procedure

Every local PTA unit in good standing qualifies to receive donations through any DAF under the umbrella of Utah PTA, also known as Utah Congress of Parents & Teachers or PTA Utah Congress. Utah PTA has created and maintains accounts with every donor-advised fund. All donations processed through a DAF must be received by Utah PTA either via check by mail or ACH transaction. Once donations are received in the office, Utah PTA will

swiftly redistribute the donation to the intended PTA with a Utah PTA issued check. Subordinate PTA units must not alter the address or name of any of the charitable donation accounts to ensure proper handling of current and future donations. All questions should be addressed to Utah PTA via email to kids@utahpta.org.

Description of Donor-Advised Funds

1. Benevity Causes: [Causes.Benevity.org](https://www.causes.benevity.org)

Benevity is a global leader in online workplace giving, matching, and volunteering. Some of the world's most iconic brands rely on Benevity's award-winning solutions to power their Goodness Programs and corporate philanthropy, helping them attract, retain, and engage today's workers by connecting people personally to causes that matter to them. Donations come from single donors and employees of corporations set up with Benevity. In fact, most corporations will "match" their employee's donations when using this vehicle of giving.

Utah Congress of Parents & Teachers has an account. Donors are instructed to list in the "Notes" section the name of the local PTA to which they are donating. Also, they are required to document the EIN of the charity to which they are donating.

Donations will be received and processed by the Utah PTA office, and funds will then be remitted to the local unit via a check mailed to the PTA (school) address.

2. Fidelity Charitable Gift Funds: [FidelityCharitable.org](https://www.fidelitycharitable.org)

Established in 1991, Fidelity Charitable is an independent public charity that sponsors the nation's largest donor-advised fund program. Their mission has remained the same—to further the American tradition of philanthropy by providing programs that make charitable giving simple, effective, and accessible. As of 2019, they have 229,000 donors with 138,019 giving accounts available to support a non-profit/individual as they see fit. This is currently the largest giving fund through which the local PTAs are receiving outside donations.

Donations will be received and processed by the Utah PTA office, and funds will then be remitted to the local unit via a check mailed to the PTA (school) address.

3. YourCause : [YourCause.com](https://www.yourcause.com)

Top socially responsible companies partner with YourCause to manage their employee giving, volunteering, and grants programs. Their platform flexibility meets the needs of companies of all sizes – from Fortune 500 to small businesses – driving engagement and facilitating impact within the non-profit sector. Some of the businesses who donate through YourCause are: AT&T, Best Buy, Chevron, CenturyLink, Dell, Samsung, Symantec, and many more.

Utah Congress of Parents & Teachers has an account. Donors are instructed to list in the "Notes" section the name of the local PTA they are donating to. Also, they are required to document the EIN of the charity to which they are donating.

Donations will be received and processed by the Utah PTA office, and funds will then be remitted to the local unit via a check mailed to the PTA (school) address.

4. Other Corporate/DAF/Employee Funds:

- Adobe Employee/Company Giving
- Kohl's Cares Program: Volunteer events are set up and funds are disbursed through Benevity Causes. Please contact Utah PTA state office to arrange events and volunteer opportunities.
- United Way Employee Giving
- Vanguard Charitable
- Walmart Foundation: Please contact Utah PTA and notify us when you secure a donation with your local Walmart. This will help us disburse the donations quicker when the checks arrive.

Policies and Regulations Affecting Fundraising

All PTA bylaws—national, state, council, and local—include the requirement to be non-commercial. PTA's non-commercial policy prohibits the PTA from endorsing a commercial entity and from engaging in activities unrelated to the promotion of the Purposes of PTA. It also means that the name "PTA," which is a registered service mark, cannot be used in advertising or promoting of the goods and services of a commercial entity. The non-commercial policy does not preclude corporate sponsorship; see "Fundraising" section for further information.

PTA policy is also very clear that children should never be exploited or used as fundraisers. Competitive, high-pressure selling of a product is not considered an appropriate activity for a child to be engaged in on behalf of PTA. Assemblies where children or youth are "hyped up" to go out and sell items so they can "earn" prizes are discouraged. Children are never to go door-to-door selling items for PTA.

As 501(c)(3) organizations, PTAs are prohibited under federal law from engaging in substantial business activities that are unrelated to their tax-exempt purposes, which are legally defined as educational and charitable. A PTA's tax-exempt status is one of its most important assets. If that status is revoked, charges of negligence or mismanagement may be brought against the officers and directors. When considering any fundraising activity, therefore, the PTA should ask, "Will this activity adversely affect our tax-exempt status?" Further, the revenue from some fundraising activities, if not structured appropriately, may be considered to be "unrelated business income" by the Internal Revenue Service (IRS). "Unrelated business income" is taxable. (See Unrelated Business Income in "Exempt-Organization Issues" section for more information.)

School districts may have established policies and procedures for organizations to follow when doing fundraising on school property and/or using staff and students, including limits on the amount of fundraising allowed and required approval processes. PTAs should be familiar with district policy and work cooperatively with school personnel. Your district liaison is the best resource for knowing the school district's fundraising policies.

Selection of an Appropriate Fundraiser

If the fundraising event is to reflect the high principles of the association, it will have educational, social, or recreational value in itself. One well-planned fundraising event will usually raise the funds needed to fulfill the goals and objectives of the PTA for the year. The following questions should be considered in selecting and planning a fundraiser that will be both successful and worthy of the PTA:

- ♦ Does it adhere to the PTA Mission and the Purposes of PTA?
- ♦ Does it conform to the noncommercial, nonsectarian, and non-partisan policies set forth in the PTA bylaws?
- ♦ Does it preclude the exploitation of children?
- ♦ Will it create goodwill for the PTA?
- ♦ Is it a type of activity that can serve as a positive example for children and youth?
- ♦ Will it provide the revenue needed to meet the PTA's goals?
- ♦ Has a budget of required expenditures (e.g., cost of materials and publicity for the event) been provided?
- ♦ Are special permits, such as food handling permits, required?
- ♦ Are the PTA and its members protected through sufficient insurance coverage or otherwise?
- ♦ Are contracts required? If so, has the president signed contracts with vendors and/or manufacturers? (The president is the only person who can sign a contract binding the PTA, although the principal may make recommendations to the Executive Committee regarding contracts and their appropriateness with regard to school system regulations.) Do contracts for products include responsibility for spoiled, damaged, or unclaimed goods?
- ♦ Have procedures been established to safeguard the handling of products and money?
- ♦ What requirements, if any, are involved in using a facility?
- ♦ Are there applicable local, state, or federal laws, and if so, is care taken to see that no law is violated?

Contracts with Commercial Vendors

Commercial vendors involved in PTA fundraising activities that involve the selling of a product or service may require the PTA to sign a written contract. Contract guidelines are as follows:

- ♦ All contracts must be in writing.
- ♦ The length of the contract must be limited to the term of the participating officers. Like any legal document, fundraising contracts are binding on the PTA and result in legal liability if they are not fulfilled.
- ♦ All terms of the contract should be carefully read and understood. If there are any questions, consult an attorney for clarification. Do not rely on the advice of the vendor.
- ♦ The terms of the contract must be approved by the board before the contract is signed.
- ♦ The president should clearly indicate that he or she is signing for the organization, not as an individual:

_____ by _____
(Name of PTA/PTSA) (Signature of PTA President)

Donation Fundraisers

Some PTAs have had good success with donation-type fundraising efforts, either as a "no fundraiser" direct solicitation for tax-deductible donations or in conjunction with a student jog-a-thon, read-a-thon, or similar activity. Others have run profitable auctions of donated merchandise, which may or may not result in the collection of donations.

Putting 100 percent of the funds collected into PTA programs is the primary advantage of these types of fundraisers. Psychologically, that can be a big selling point for parents. On the other hand, some PTAs end up making less money than they would if they had worked in conjunction with a commercial vendor to sell a product or service. The amount of time and energy required of PTA volunteers might be the same as or even more than (particularly in the case of auctions) it is for sales-type events.

If a PTA decides to conduct a donation fundraiser, the treasurer and event chair must be familiar with the IRS rules regarding substantiation and disclosure summarized in the "Exempt-Organization Issues" section of this handbook. When there are no goods or services provided to donors and individual donations are less than \$250, such as in a jog-a-thon event, the PTA may want to provide notification to potential donors that receipts will be provided only upon request or that the donor's canceled check will serve as his or her receipt. For an auction event, advance preparation of receipts that include the value of the goods or services to be auctioned will help facilitate compliance with the disclosure requirements.

Corporate Sponsorship

Corporate sponsorship is a funding mechanism in which a commercial entity supports a charitable or educational organization (such as a PTA) with cash, products, or services in exchange for acknowledgment or recognition of the sponsor's support. Sponsorships can relate to a specific event or to the PTA as a whole.

Corporate sponsorship is an appropriate means of funding projects and programs that promote the objectives of the PTA. Corporate sponsorship stands in contrast to endorsement, in which the PTA extols the virtues of a company's products or services. Endorsement activities are not appropriate for PTAs based on PTA's noncommercial policy.

A special provision in the Internal Revenue Code provides that 501(c)(3) organizations are exempt from paying federal income taxes on income from corporate sponsorships as long as IRS guidelines are followed. According to IRS Publication 598, qualified sponsorship payments are payments "made by a person engaged in a trade or business for which the person will receive no substantial return benefit other than the use or acknowledgment of the name, logo, or product lines in connection with the organization's activities."

As a general rule, the PTA may thank the sponsor for its support. The thank-you may be in writing or on posters, banners, or other appropriate media. It must be limited to an expression of thanks and can list identifying information of the sponsor, including name, address, phone number, website address, and logo. The sponsor's product(s) can also be distributed as part of the acknowledgment.

"Use or acknowledgment" does not include advertising, which includes the following:

- ♦ Qualitative or comparative language (such as "this is the best")
- ♦ Price information or other indications of savings or value
- ♦ Endorsement
- ♦ Other inducement to purchase, sell, or use a sponsor's products or services

Sponsorship payments that constitute advertising will be subject to federal income tax. On the other hand, qualified sponsorship payments are considered to be charitable donations, and there is no limit to the amount that can be received by the PTA.

Charitable Solicitations Act

In Utah, under the Charitable Solicitations Act, charitable organizations are required to be registered with the Utah Division of Consumer Protection before soliciting charitable donations. "Charitable solicitation" means any request, direct or indirect, for money on the representation that it will be used for a charitable purpose. (Additional information about the Charitable Solicitations Act can be found at ConsumerProtection.Utah.gov/Registrations/Charities.html).

The law provides an exemption from the registration requirement for PTAs organized within and authorized by a school to support its operations or extracurricular activities. Local PTAs are not required to submit any filings, as this is completed by the Utah PTA Treasurer.

Commercial Co-Venturing

Commercial co-venturing is a form of fundraising in which money is paid to a business for a product or service and a portion of that money is forwarded, as a gift, to the PTA. Given PTA's noncommercial policy, the only appropriate role in any such venture is a passive one. Active promotion of the business' products or services by the PTA and its members would violate this policy. Additionally, such fundraising activities should be structured to protect PTA's tax-exempt status and avoid unrelated business income. The funds received by PTAs from such agreements should be accounted for as contributions on their financial records.

Games of Chance

Under Utah law, it is illegal to operate a scheme under which a person gives something of value in order to obtain a chance to get something of value. A raffle which requires purchase of a ticket is, therefore, illegal. A prize drawing may be conducted, however, if one of the following conditions is met:

- ♦ Payments are considered to be donations and anyone can have a ticket whether a donation is made or not.
- ♦ The payment is for an article with a value reasonably related to the amount of the required payment, and the ticket is given to the purchaser without additional charge.

Accounting for Funds

Because the treasurer's duties are time-consuming and require attention to detail, he or she will likely not have a great deal of time to actively participate in the mechanics of PTA fundraisers. The involvement of the treasurer in fundraising activities should focus on ensuring compliance with IRS regulations and PTA and district policies and on maintaining copies of contracts and other documentation. Additionally, as with other financial transactions of the PTA, the treasurer is required to keep complete financial records of income and expenditures associated with the fundraiser:

- ♦ At the fundraising event or when the funds are received, the treasurer, the chair of the event, and a third

person should count the monies received. All three should sign a "Money Counting Sheet" (see sample at utahpta.org/treasurer) verifying the amount; this form should be attached to a "Funds Received" form (see sample at utahpta.org/treasurer).

- ♦ All monies received must be deposited the same day. Arrangements should be made for the bank's night depository if the deposit must be made after banking hours. Funds should never be deposited in a personal bank account or in the account of another organization (e.g., the school). Funds must never be taken home or left at the school overnight. Preparing deposits periodically throughout a lengthy event, such as a book fair, will minimize the time required at the conclusion of the event.
- ♦ Itemized invoices, sales receipts, etc. for expenses related to the fundraising event are given to the treasurer for payment by check. No disbursements should be made from cash collected at the event.
- ♦ Following the fundraising event, the treasurer, in conjunction with the chair, should prepare a written financial report of income and expenses associated with the event and present it to the board.

More information about receipt and disbursement of funds can be found in the "Receiving and Disbursing Funds" section of this handbook.

INSURANCE

Coverage For All PTAs

The Utah Risk Manager of Administrative Services modified Rule R37.4 of the Utah Administrative Code adjusting the Utah Governmental Immunity Act Limitations (Tort Limits).

This adjustment recommends all PTA groups have and maintain General Liability coverage with limits up to the governmental entity tort limits (i.e. - same coverage as for school districts). PTAs are not covered by their district or school insurance, they must obtain and maintain their own policy. Districts do not cover your money in case of loss, theft, embezzlement, etc. This is a broader law for anyone who uses a school/civic center facility to purchase liability insurance for events that are outside of school responsibilities. The law is designed to be adjusted each year and therefore the limits may change each year.

As of July 1, 2020, the law stipulates a liability limit of \$3,138,200; however, Utah PTA has been assured that due to the size of our local PTA units, the nature of our activities, and the fact that PTAs are not governmental bodies a policy with a liability limit of \$2,000,000 is sufficient for our organization.

While Utah PTA we cannot mandate where its local units secure insurance coverage, we can advise that, through a partnership between Utah PTA and AIM Insurance, a discounted annual rate is available. If you currently have coverage with another carrier, we recommend reviewing your policy to ensure it meets required guidelines and, if necessary, adjusting your coverage limits or considering a transition to AIM Insurance.

Utah PTA has selected September 1 of each year as the date of compliance for having proof of insurance coverage renewed. This date was chosen to correspond with the beginning of the traditional school year, so any unit that signs up for coverage, regardless of the date you sign up, will automatically have an expiration date of September 1. Confirmation is to be submitted through Givebacks by October 1 each year.

Different Types of Policies:

- ♦ General Liability—This insurance provides coverage for a PTA's legal liability arising from injury or property damage resulting from the PTA's activities and operations. Such coverage may be purchased either on a continuous, year-round, comprehensive coverage basis, or on a one-time basis for special events (such as carnivals). PTA events are not covered by the school district's general liability policy. Consult with your insurance agent to decide which works best for your PTA.
- ♦ Fidelity Bonding—This type of policy covers losses through fraudulent or dishonest acts committed by officers or volunteers. If someone entrusted with the PTA's money embezzles that money, this policy will replace those missing funds.
- ♦ Directors and Officers (D and O) Liability—This insurance provides protection against claims arising out of the wrongful acts of directors and officers, such as discrimination and breach of contract. The Volunteer Protection Act of 1997 provides some reduction of risk to nonprofit organizations, including PTAs, but the laws have significant limitations.
- ♦ Property—This type of policy will replace PTA property damaged or lost due to theft or natural hazard. Most local PTAs do not own personal property, but those that do should consider this coverage. This type of policy would also protect fundraising merchandise while it is in your possession.
- ♦ In making decisions about risk management, two variables should be considered: the frequency at which a loss can be expected to occur, and the severity of the loss that can be expected when one does occur. When the risk has a high frequency of occurrence, steps should be taken to reduce the risk. This risk reduction might take the form of cash counting policies that would prevent one person from having sole access to fundraising money. But when the risk has a low frequency of occurrence but a high severity of loss, such as the death of child on a carnival ride, transfer of the risk is likely the best approach. In other words, this is the type of situation in which the PTA might consider covering the risk through the purchase of an insurance policy.

MISMANAGEMENT OF FUNDS

If proper fiscal management procedures are consistently followed in an accounting system with adequate internal controls, a PTA should not have problems with embezzlement or mismanagement of funds. A summary of "Basic Fiscal Management Procedures" is located at utahpta.org/treasurer. This summary should be reviewed by the PTA board and other PTA members who will be handling PTA funds during the year. All board members and PTA volunteers must be members of that PTA and sign the PTA Basic Fiscal Management Procedures Policy Agreement before handling any PTA funds. The signed form is to be submitted through Givebacks by October 1st. This signed agreement helps strengthen the PTA's position if legal action is required to recover assets.

Please see utahpta.org/treasurer for specific guidelines to follow when mismanagement or embezzlement of funds is suspected.

In addition, it is important to note the following:

- ♦ PTA officers are responsible to the membership for all PTA funds.
- ♦ Theft of funds is illegal and should be treated as a serious offense. Embezzlement is a form of theft. Criminal charges may be filed with law enforcement when appropriate and may range from misdemeanors to felonies depending on the amount involved.
- ♦ PTA officers should not make any public or private statements about the situation, take any action before consulting the Utah PTA Guidelines, or say anything to anyone which could be taken as a defamation of character, slander, or other statement of guilt about someone suspected of embezzling funds

UTAH PTA FOOD STAMPS POLICY

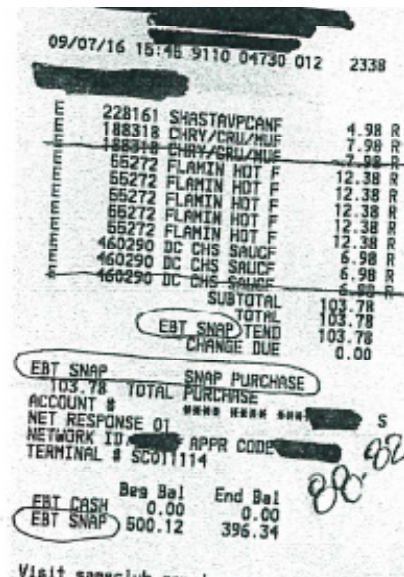
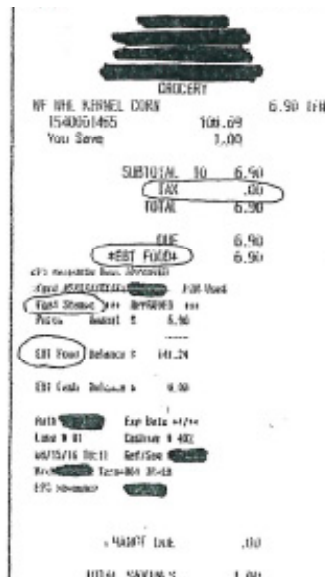
PTAs cannot reimburse anyone who has purchased PTA supplies with government-issued or non-personal funds like food stamps or SNAP funds. It is against the law.

DWS Financial/Food Stamp Rule 825-3: Food Stamp Trafficking Policy, effect March 1, 2016. Food Stamp Trafficking is defined as:

- ♦ #5. Intentionally purchasing products originally purchased with Food Stamps in exchange for cash or consideration other than eligible food.

How to identify receipts that are not eligible for reimbursements.

1. It will say "EBT-FS," "Food Stamps," or "EBT SNAP."
2. The receipt will often show a Beginning and Ending Balance (Beg Bal & End Bal)
3. These receipts will most often show no sales tax.



- ♦ If a person attempts to turn in these types of receipts, remind them that PTA is unable to reimburse them because doing so would be committing food stamp fraud.
- ♦ All presidents and treasurers look carefully at every receipt turned in to see if the purchases were paid for with Food Stamp (SNAP) funds. Remember both the president and treasurer must review receipts and sign the Check Request/Expenditure Form before a reimbursement check is written.

THE USE OF GIFT CARDS

The gift card industry is growing with nearly \$507 billion dollars in annual sales. Many PTAs in Utah have recognized the benefits that gift cards offer and are purchasing them for use in their programs. Inherent with the use of gift cards, however, is the potential for misuse, and occurrences of such problems are increasing around the state. This section will review some of the problems that can occur with the use of gift cards and outline recommended policies and procedures for their use. For the purposes of this section, the term "gift cards" includes gift certificates.

What Are Some of the Ways PTAs Are Currently Using Gift Cards?

- ♦ As prizes or incentives for students in Reflections, Battle of the Bands, and other programs
- ♦ As membership incentives
- ♦ In conjunction with teacher appreciation activities
- ♦ As donated merchandise for "silent auction" fundraising events
- ♦ As thank you gifts for volunteers
- ♦ As a funding mechanism received from sponsors or donors

What Are the Potential Problems with Using Gift Cards in These Ways?

- ♦ Loss of accountability—Gift cards, like cash, can be used by anyone. Without adequate documentation of the purchase and distribution of gift cards, no one is accountable for those items and there is no "audit trail." For example, students who do not attend their Reflections award night might never receive the gift cards purchased as prizes because they can readily be slipped into a purse and forgotten. Similarly, a PTA officer who accepted a donated gift card from a local business might use it for a purpose other than that approved by the board or even for a personal purchase. Unfortunately, PTAs, like all non-profit organizations, are susceptible to fraud. The policies and procedures in place for control of cash transactions—such as two signatures on checks, prompt reconciliation of bank accounts, and detailed documentation—are sometimes nonexistent or easily circumvented with gift cards, resulting in an even greater possibility for the perpetuation of fraud.
- ♦ Turning volunteers into employees—When cash, gift cards, or gift items of more than nominal value are given to PTA volunteers, the PTA runs the risk of turning the volunteer into an employee in the eyes of the IRS. While the work of PTA volunteers is invaluable, if a PTA attempts to "compensate" a volunteer for their services, then they are no longer a volunteer. As an employee, they become liable for paying taxes on the income, and the PTA, as an employer, becomes subject to payroll filings and taxes.

How Can These Problems Be Avoided?

- ♦ Treat gift cards as cash.
- ♦ Utilize the "Confirmation of Receipt" form for disbursement of gift cards (or cash) used for prizes or incentives for students so that there is documentation of who received each award. (That form, signed by each prize recipient, would be attached to the "Check Request/Expenditure Form" used for the purchase of the gift cards.)
- ♦ Limit use of gift cards for PTA purchases to items in the approved budget, and maintain, to the extent possible, the same controls that should be in place for cash purchases (including having two people coordinate gift card use and retaining receipts for purchases made). See sample form at utahpta.org/treasurer.
- ♦ Eliminate use of gift cards (or cash) for teacher "stipends" since this creates an employer-employee relationship.
- ♦ Maintain an "accountable plan" for reimbursement of legitimate PTA expenses. (Such a plan—which is accomplished by following PTA's recommended basic fiscal management procedures—includes the timely submission of documentation of the expenses incurred through invoices, receipts, etc.)
- ♦ Eliminate use of gift cards (or cash) as "thank you" gifts for volunteers, since this creates an employer-employee relationship.

References

"Stay Exempt: Tax Basics for Exempt Organizations. Course 3: Employment Issues." Internal Revenue Service. stayexempt.irs.gov

"Exempt Organizations: Compensation of Officers." Internal Revenue Service. irs.gov/charities-and-nonprofits

Disclaimer

The information, suggestions, and recommendations in this document are provided for educational and informational purposes only. They are not intended to, and do not constitute, legal or tax advice. PTAs and their members should consult their own attorneys or accounting professionals for relevant laws and regulations.

A "Confirmation of Receipt Form" can be at utahpta.org/treasurer

UTAH PTA VOLUNTEER COMPENSATION POLICY

A volunteer is defined as a person who serves an association without being paid. In accordance with the IRS Rules of Compliance governing non-profit organizations, volunteers should not expect gifts or discounts from vendors, parents, or school administration for volunteering. PTA shall not advertise that volunteers will receive gifts or discounts for volunteering. In working with outside vendors in providing services for the students and their families in the school, volunteers should not receive coupons, discounts, or gift cards from PTA in payment for their hours of volunteering at an event.

UTAH PTA GUIDELINES ABOUT FUNDS SPENT ON TEACHER SUPPORT (20%)

PTA is Parents and Teachers working TOGETHER to carry out our mission: To make every child's potential a reality by engaging and empowering families and communities to advocate for all children. It is not "Parents supporting Teachers and Students." A PTA should be spending most of its budget on direct expenses that benefit children (i.e. PTA mission focused programs or events for children and families). Spending money to appreciate and support teachers IS within the realm of our mission; however, it would be considered an indirect expense (happy teachers = happy students).

Per the IRS, only an insignificant amount of the expenditures of a nonprofit organization may be spent on expenses not considered directly related to the mission. In this context the IRS would consider about 20% or less as insignificant. While Utah PTA has not put a dollar amount as a limit on teacher support expenses (teacher meals or teacher appreciation activities), we do follow the IRS guidance of the "insignificant" rule and apply the amount of no more than 20% of total annual actual expenditures as allowable for not directly mission related purposes. This applies to teacher support expenses, general and administrative expenses (bank fees, merchant fees, office expenses, etc.), and board/volunteer hospitality (meals, snacks, drinks, and related supplies). By point of information - board/volunteer hospitality expenses are further limited to only 5% of the entire annual actual expenditures (See Hospitality Guidelines below).

UTAH PTA GUIDELINES ABOUT HOSPITALITY EXPENSES (5%)

Hospitality expenses are defined as funds spent on meals, snacks, drinks, related supplies, and lodging. To be a legitimate expense of a nonprofit organization, the amount spent on hospitality must be ordinary (common in the field) and necessary (helpful and appropriate for the mission). It also must serve the nonprofit's tax-exempt mission and cannot be lavish or excessive as this could be deemed as private benefit or inurement, which is prohibited under IRS rules for 501(c)(3) organizations. To be sure Utah PTA and its subordinate units stay within IRS guidelines, hospitality expenses should be limited to a nominal amount. For these purposes, nominal is defined as about 5%. Hospitality expenses spent specifically for board members and volunteers (e.g. lunch at a board meeting or volunteer appreciation event) are subject to this guideline. All hospitality expenses related to PTA programs and events that directly benefit the students and families would not be subject to the 5% Hospitality Guidelines, but would be considered as a direct expense required to carry out the mission of the PTA.

POST-SECONDARY SCHOLARSHIP GUIDELINES FOR SUBORDINATE UNITS OF UTAH PTA

Awarding scholarships to a few high school students each year does not fit within the scope of the Utah PTA mission "To make every child's potential a reality by engaging and empowering families and communities to advocate for all children." It is also a conflict of interest when a high percentage of scholarships are awarded to the children of PTA leaders. For these reasons, Utah PTA strongly discourages its subordinate units from the practice of awarding scholarships to students.

While it is strongly discouraged, Utah PTA realizes that the leaders and membership of some local units desire to provide this opportunity for the students in their schools.

Local PTSA units may approve a scholarship program ONLY if the following procedures are followed:

- ♦ The PTA unit must have the Scholarship Program as an approved policy in its Standing Rules. This policy must include details about the funding mechanism, application process, clear criteria, judging rubric, possible conflicts of interest, etc.
- ♦ The scholarship program must be widely advertised to the entire school community.
- ♦ Scholarship recipients must be a PTSA member before applying for the scholarship.
- ♦ Scholarships may only be awarded to graduating students.
- ♦ Scholarship criteria should be based on the merit of the student, not the parent's involvement in PTA.
- ♦ Scholarships may be funded in the following ways:
 - PTSA General Fund – Scholarships must be listed as a separate line item in the budget as presented to the general membership for budget approval.
 - Sponsorship Fund – Scholarships may be funded annually through a sponsorship. The receipt of the sponsored funds (income) and the award of the scholarships (expenditures) must both be listed as separate line items in the budget as presented to the general membership for budget approval.
- ♦ PTSA's awarding scholarships may NOT assess a fee to or accept donations from their feeder schools to fund their scholarship program.

UTAH PTA HIGH-RISK ACTIVITY GUIDELINES

Bounce houses and other high-risk activities expose the PTA and its officers to significant liability and potential lawsuits. Additionally, according to the Utah Office of State Risk Management, Utah school districts can no longer cover or provide additional insurance for PTA-sponsored events.

While Utah PTA **strongly discourages** the use of bounce houses and other high-risk activities at all PTA events, it is recognized that some PTA leaders wish to offer these experiences to the students they serve.

Any PTA that chooses to move forward with high-risk activities **must** comply with the following guidelines for PTA-sponsored events:

Required Guidelines:

- ♦ School District Approval -
 - The PTA must comply with all applicable school district policies related to high-risk activities.
 - Local PTA leaders are responsible for conducting due diligence to research and fully understand district policies.
 - Advice from other PTA leaders or approval from a school principal is not sufficient. Written approval from the school district for each specific event is required.
 - Some school districts prohibit high-risk activities altogether, while others impose strict guidelines. District approval must be obtained before any planning begins.
- ♦ Equipment Ownership - The PTA may not purchase equipment for use at PTA-sponsored events.
- ♦ Equipment Rental - The PTA may not rent equipment that is managed by PTA volunteers or school district employees.
- ♦ Use of Licensed Vendors - The PTA must hire a licensed and insured company to provide and set up all high-risk equipment.
- ♦ Equipment Supervision -
 - The vendor must supply trained employees to manage all high-risk activity stations.
 - Under no circumstances may PTA volunteers operate or supervise the equipment.
- ♦ Vendor Insurance Requirements -
 - The vendor must provide a certificate of insurance with minimum limits of \$1 million per occurrence and \$3 million aggregate.
 - The certificate must list both the PTA and the school district as additional insureds/certificate holders.
- ♦ PTA General Liability Insurance Coverage -
 - The PTA must carry general liability insurance with limits of \$1 million per occurrence and \$2 million aggregate.
 - Some school districts may require a \$3 million aggregate, which may significantly increase the PTA's annual premium.
 - Although PTA insurance is required, claims may be denied if the loss arises from activities operated by an outside vendor.
- ♦ PTA Directors and Officers (D&O) Insurance - The PTA must carry Directors and Officers Insurance to protect PTA leaders from personal liability and financial loss if they are individually named in a lawsuit related to the approval of high-risk activities.

AIM provides insurance coverage for more than 90% of Utah PTA local units. The AIM Playlist of Covered & Excluded Events is a helpful resource for identifying activities considered high-risk or questionable.

A link to AIM's Playlist of Events can be found at utahpta.org/treasurer.

FAQ

Where can I find a list of what our PTA can or cannot spend money on?

There is no published list of acceptable expenditures from National PTA, Utah PTA, or the IRS. PTA's Mission and tax-exempt status should guide the financial decisions of the PTA. All expenditures in the PTA budget must support the Mission of PTA. If there is a questionable expenditure, a good rule of thumb is to authorize the expenditure only if you could defend the expense to the IRS in case of an audit.

Utah PTA takes no official position on the appropriateness of specific expenditures of its affiliated local PTAs, except as follows:

- ♦ All activities should be in accordance with the Mission and Purposes of PTA, as outlined in the bylaws and as required by our status with the IRS as a 501(c)(3) public charity.
- ♦ A needs assessment should direct the work of the local PTA and its annual goals and objectives.
- ♦ All expenditures must be made within the budget categories and amounts approved by the general membership.

Local PTAs should comply with the guidelines of the school district in which they operate.

When do we need to amend our budget?

Any substantial change to budgeted expenditures must be approved by a 2/3 vote of a quorum (ten members) of the general membership. The amendment must occur prior to any additional funds being disbursed. The vote may be taken at any regular general membership meeting or at a special meeting called for that purpose. For PTA purposes, a change of 10% or more is considered to be substantial.

How do we get a 501(c)(3) or determination letter to give to a potential donor?

Donors to your PTA may request a "determination letter" or 501(c)(3) letter as proof that their donation is tax-deductible. Corporate giving programs like Smith's Community Rewards will generally require this documentation. It will probably also be required for any grant application your PTA may be completing. Contact the Utah PTA office at kids@utahpta.org to get a Letter of Good Standing about Utah PTA's group exemption ruling from the IRS for your potential donors, sponsors, or grantors.

What information should the treasurer be reporting to the Executive Committee and the board?

The treasurer should provide a written treasurer's report to the Executive Committee and board on a regular basis at each of the regular meetings. It is the responsibility of the entire Executive Committee to ensure that proper financial procedures are being followed. The specific format of the treasurer's report is less important than the fact that reports are made. (See a sample form at utahpta.org/treasurer)

Are local PTAs covered by insurance provided by Utah PTA?

Utah PTA does not provide insurance coverage for any local PTA. It is the responsibility of each PTA to secure its own insurance coverage.

When would our PTA be required to issue a 1099-MISC or 1099-NEC?

PTAs are required to issue IRS Forms "1099-MISC" and "1099-NEC" by January 31 to any unincorporated business or individual they paid \$600 or more in the calendar year for services rendered or in payment for a prize or award. Forms "1099-MISC" and "1099-NEC" are not required for payments to corporations.

What should our PTA do about an NSF (non-sufficient funds) check?

Contact, either by telephone or in writing, the maker of the check, and explain that the check was returned by the PTA's bank. Ask the maker to replace the check immediately, preferably in cash, and also let him/her know about fees, if any, the bank has charged you for the transaction. Some units have had success with sending a letter signed by the school principal (as the Administrative Vice President of the PTA) in addition to the PTA president or treasurer.

At any PTA function where checks are accepted, it is advisable to post a notice clearly outlining your PTA's policy regarding returned checks (e.g., \$10 fee will be assessed on all returned checks). It is also acceptable to discreetly let those collecting payments at PTA events know that checks will not be accepted from certain individuals.

I've heard that our PTA cannot carry over more than \$2000 from one year to the next. Is that true?

Absolutely not! Good financial management would suggest that your unit maintain an emergency reserve to retain financial stability in the event of an unforeseen development, such as an economic downturn, unexpected expenses, or a fundraiser that is less successful than anticipated. No law or regulation dictates the amount of the carryover from year to year. Depending on the timing of your unit's cash flow, a carryover of one-half to one full year's expenses would not be unreasonable.

Can we donate PTA funds to help students?

The home of some of the students in our school was involved in a fire, or one of our students needs an organ transplant, or we've noticed that several students need winter coats.

No matter how worthy the cause, **IRS regulations prohibit PTAs from making distributions to private individuals or families.** The PTA Mission focuses on all children. (Of course, this does not preclude an individual from setting up a fund for such purposes, but the funds should never be run through the PTA account.)

A new school is being built and some of our students will be attending it. How much of our funds do we have to give the new school's PTA?

While not required, it is highly recommended that the existing PTA give the new PTA some start-up funds. One reasonable amount for that donation could be determined by prorating the expected year-end balance based on the number of students moving to the new school. In some areas, all PTA units in the council donate a set amount to the new PTA. Consult with your council about what they recommend. Please remember that the new group must be a valid PTA affiliated with Utah PTA and National PTA before any funds may be given.

Our PTA is going to end the year with more money than we thought we would. How do we gift the excess money to the school?

Your PTA is not limited to a certain amount of money in its bank account from year-to-year, so it is perfectly acceptable to just carry this "excess" money forward to next year. It is not acceptable to donate excess funds to the school at the end of the fiscal year. It is recommended, if desired, to work with the school in the next fiscal year to provide a grant to the school for a PTA sponsored expenditure that supports the Mission of PTA.

What should happen if someone loses a receipt for reimbursement?

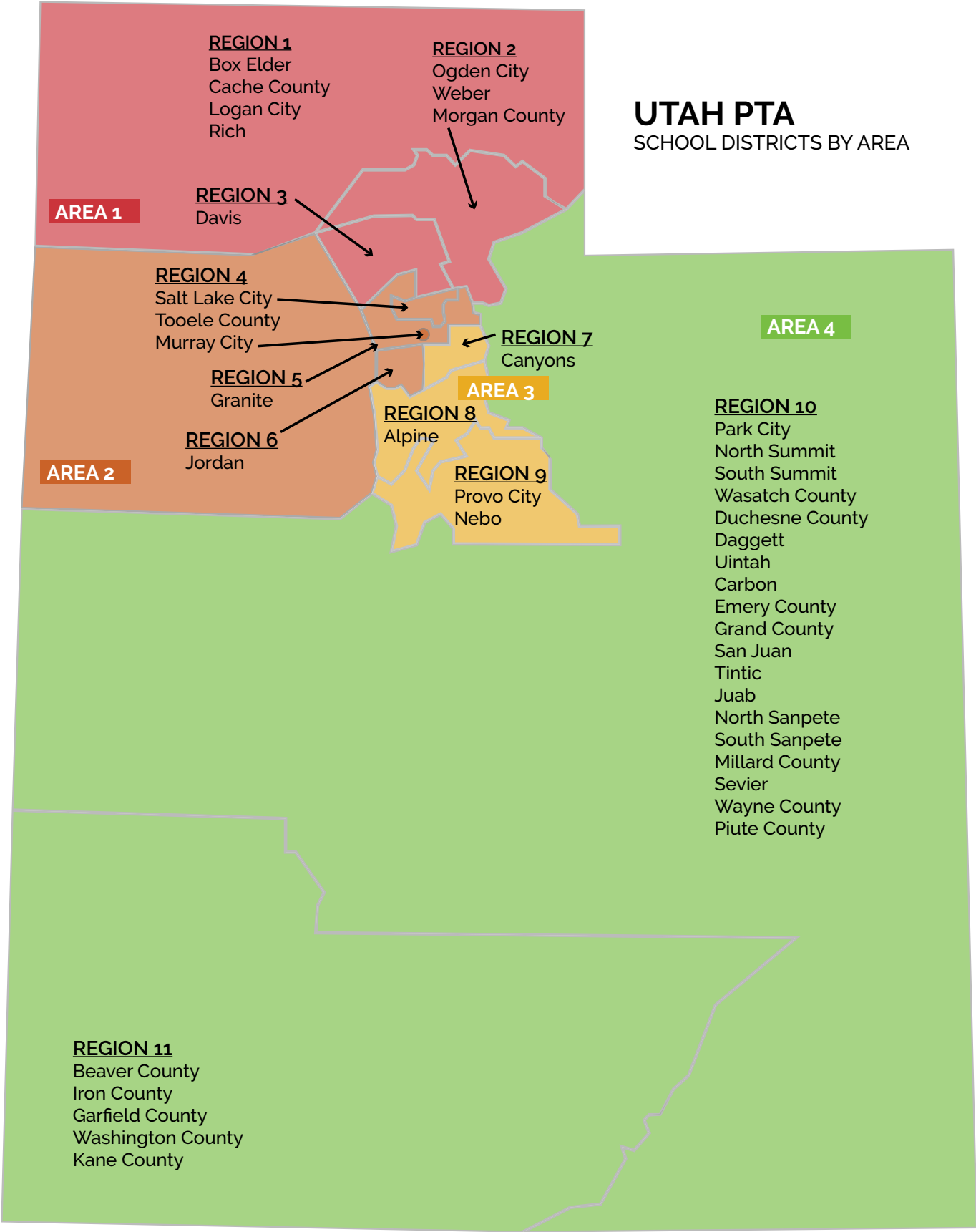
For audit purposes, you must have receipts showing that each check was written for a specific item(s) for a specific purpose. If a receipt is lost, the request for reimbursement should come to your PTA board and they can determine how to document an expense so that the person can be reimbursed. It is acceptable, as a one-time courtesy, to accept a bank or credit card statement (with private information redacted) to substantiate the expense incurred. This should be accompanied by a statement that recreates the itemization of items purchased to the best of the person's recollection.

Can we reimburse board members for mileage for attending Leadership Convention?

Travel is a legitimate PTA expense. The rate at which to reimburse mileage is something that should be set and voted upon by your local PTA board. The policy should be included in your standing rules. If you don't currently have an established rate you can consider the IRS's reimbursement for charitable miles driven is \$0.14. Utah PTA reimburses for mileage at a rate of \$0.35.

UTAH PTA

SCHOOL DISTRICTS BY AREA



AREA 1

REGION 1
Box Elder
Cache County
Logan City
Rich

REGION 2
Ogden City
Weber
Morgan County

REGION 3
Davis

REGION 4
Salt Lake City
Tooele County
Murray City

REGION 5
Granite

REGION 6
Jordan

AREA 2

REGION 7
Canyons

AREA 3

REGION 8
Alpine

REGION 9
Provo City
Nebo

AREA 4

REGION 10
Park City
North Summit
South Summit
Wasatch County
Duchesne County
Daggett
Uintah
Carbon
Emery County
Grand County
San Juan
Tintic
Juab
North Sanpete
South Sanpete
Millard County
Sevier
Wayne County
Piute County

REGION 11
Beaver County
Iron County
Garfield County
Washington County
Kane County

STAY CONNECTED TO UTAH PTA ALL YEAR

UTAH PTA

5192 S. Greenpine Drive
Murray, UT 84123

Phone: (801) 261-3100

Fax: (801) 261-3110

Email: kids@utahpta.org

Website: utahpta.org

Office Hours

Monday - Thursday

9:00 am - 3:00 pm

Closed Fridays | Closed holidays

Please call before you come
to ensure office is open.



@UTAHPTA

Facebook Groups that you can join:

Utah PTA Advocacy

Utah PTA Super Secondary

Utah PTA Excellent Elementary

Utah PTA Treasurers

Utah PTA Reflections

Utah School Community Councils

Utah PTA Teachers

Utah PTA Battle of the Bands

National PTA

1250 N. Pitt Street, Alexandria, VA 22314

Phone: (703) 518-1200 | Toll Free: (800) 307-4PTA (4782)

Fax: (703) 836-0942 | Email: info@pta.org | Website: PTA.org