UTAH PTA GUIDELINES ABOUT HOSPITALITY EXPENSES (5%)

Utah PTA
every child. one voice.

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.