

IRS 990 FAQ'S FOR PTA'S



Must all PTAs file Forms 990, 990-N, or 990EZ, including Schedules?

Yes. PTAs with gross receipts of less than \$50,000 complete Form 990N; if over \$50,000 but less than \$200,000 complete Form 990EZ, including any Schedules; and if gross receipts are over \$200,000, complete the full Form 990, including any Schedules. All forms must be filed no later than the 15th day of the 5th month following the close of its fiscal year (i.e., if your fiscal year ends June 30, then your Form is due November 15)

BE SURE TO FILE IN A TIMELY FASHION. THERE ARE NUMEROUS PENALTIES, INCLUDING FINES, IMPOSED BY THE IRS FOR NON-COMPLIANCE AND LATE FILINGS.

What are gross receipts?

The collection of National and IL PTA Dues is NOT a receipt, rather it is money you owe to State and National PTA. The local unit is collecting dues on behalf of IL and National PTA and MUST remit all of the balance to state. The state is collecting dues on behalf of National PTA and MUST remit all of the balance to National PTA. This is a pass-thru, it is not a sale.

In other words, the local chapter should not include IL and National dues amount in its form 990 gross receipts, because these funds will be reported by National and IL PTA.

Who is required to file a complete Form 990EZ, including Schedules?

Any PTA grossing more than \$50,000 but less than \$200,000 during a fiscal year is required to file Form 990EZ, including appropriate Schedules. These forms must be filed no later than the 15th day of the 5th month following the close of its fiscal year (i.e., if your fiscal year ends June 30, then your Form 990EZ is due November 15). It is recommended that the outgoing treasurer complete these forms as soon as the audit has been completed. DO NOT leave this responsibility for the incoming treasurer, who may not be familiar with the financial records. The Illinois PTA four-digit Group Exemption Number (GEN) is 9405. When it is necessary to file Form 990EZ including Schedules, please refer to the most recent National PTA publication for examples.

Who is required to file a completed Form 990, including appropriate Schedules?

Any PTA grossing more than \$200,000 during a fiscal year is required to file a complete Form 990, including the appropriate Schedules, no later than the 15th day of the 5th month following the close of its fiscal year.

When would a PTA file a Form 990-T?

Form 990-T, Exempt Organization Business Income Tax Return, must be filed with the IRS when a PTA has gross receipts of \$1,000 or more from business unrelated to the organization's exempt purpose. For details, see the Instruction Form 990-T or IRS publication 598 (Unrelated Business Income)

IRS 990 FAQ'S FOR PTA'S



When is a PTA required to issue and file Form 1099-MISC, Miscellaneous Income?

If during the calendar year, a PTA pays \$600 or more to any individual for services rendered, circumstances may require the issuance of Form 1099-MISC.

- Payment to a volunteer for which there is no documentation in accordance with the local PTA's financial policies. Expenses properly documented with receipts and expense vouchers do not require a 1099-MISC.
- Payment to a scholarship recipient. However, payment made directly to an educational institution does not require a 1099-MISC.
- Payment for the presentation of a program or series of programs to any individual or to an unincorporated entity. Form 1099-MISC must be sent to the recipient on or before January 31 of the following calendar year and filed with the IRS by February 28 of that year, regardless of the local unit's fiscal year.

WHEN IN DOUBT AS TO WHETHER OR NOT IT IS NECESSARY, ALWAYS
PROVIDE A 1099-MISC FORM.

What should a PTA do if it has not grossed over \$50,000 in a fiscal year but receives a Form 990 or 990EZ from the IRS?

If your PTA receives such a mailing from the IRS, DO NOT IGNORE

What should a PTA do if the unit wishes to request an extension of time to file?

If a unit needs more time to prepare and file a 990 or 990EZ, it should request IRS Form 8868, Application for Extension of Time to File an Exempt Organizations Return. This form should be completed and filed prior to the deadline. A maximum of two ninety-day extensions may be requested.

What should a PTA do if the IRS questions the 990?

If the IRS contacts you because the 990 or 990EZ submitted is incomplete or needs clarification, respond promptly. Send information requested to the IRS with a copy of any forms or letters received within the specified time limit. Send the reply so you have proof of delivery.

What should a PTA do if it receives any IRS forms?

Whenever a PTA receives an IRS form, it should provide as much documentation as requested and respond immediately. It is important that you do not ignore any request from the IRS, and that you respond in a timely fashion. Failure to comply with requests and deadlines can cause severe penalties and the automatic addition of interest to those penalties.

IRS 990 FAQ'S FOR PTA'S



What should a PTA do if someone asks to see our 990?

You must make the return available for public inspection if asked. All parts of the return and all required Schedules and attachments other than the Schedule of contributors to the organization, and form 990-T, must be made available. The return must be available for the three-year period beginning with the due date including extensions.

Recent changes in regulations have made this public document easier to access. The IRS is scanning the returns of 501 (c) (3) organizations like PTAs and they are available for viewing online at www.guidestar.org. This transparency means that members, donors and others may look at your return as a tool to evaluating the organization. It is even more important that the document you file with the IRS be accurate and complete.

Your PTA must permit inspection of these records upon request. For requests made in person, the PTA must make an immediate response. For requests made in writing, the PTA must provide the requested copies within 30 days and may charge a reasonable fee for reproduction and mailing costs. Any PTA that does not comply with the public inspection requirement may be assessed a penalty of up to a maximum of \$10,000 for each return.

Tips for filing a clear and accurate 990:

- Use the correct form for the year you are filing.
- Contributors/donors/government grants are not public information.
- Your Statement of Program Service Accomplishments is your Mission Statement.
- Describe your exempt purpose achievements, both measurable and not measurable.
- Never include Social Security Numbers!
- Don't leave blanks.
- Do not include Bank Account Numbers on your 990!
- Protect the privacy of your officers by listing only the school address not home addresses.
- Remember that Form 8868, Application for Extension of Time to File, is also a public document.

For further information, see the National PTA Quick Reference Guide at www.pta.org, or go to the IRS website, www.irs.gov.