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## INTRODUCTION

Washington State PTA's *Money Matters*, is written for PTA/PTSA elected officers, boards of directors, and PTA/PTSA Treasurers. Its purpose is to provide guidelines for responsible financial management.

**The entire board of directors  
—not just the treasurer—  
is responsible for the financial  
well-being of the PTA.**

*Money Matters* outlines basic financial procedures which will help ensure that the funds are properly administered and safeguarded.

All members of a PTA board of directors should read and study the contents of this publication. This handbook will help board members develop a basic view of the procedures and processes which should be in place to help assure the proper, prudent and diligent management of the PTA's financial resources.

This publication should be used in conjunction with Washington State PTA's publications *PTA and the Law* and *The Washington State PTA Uniform Bylaws*.

### **BOARD OF DIRECTORS**

As a member of the PTA board of directors, each board member has the responsibility to make sure that the PTA is operating in a sound legal and fiscal manner.

This is not only a requirement of the Washington State PTA Uniform Bylaws, but it is state and federal law.

When an individual becomes a board member, either through election or by appointment, that person becomes legally obligated to exercise reasonable care and diligence to assure that the best interests of the PTA and its members are protected and preserved.

If an individual, as a member of a board of directors, fails to exercise this reasonable care and caution, that person is subject not only to criticism, but to potential personal liability for losses or damage to the PTA. This is known as \_\_\_\_\_ or a \_\_\_\_\_

### **PTA AND THE LAW**

To increase the awareness of the legal responsibilities of PTA elected officers and the board of directors, WSPTA presents an extremely important workshop entitled, **PTA and the Law**. All PTA board members, whether elected or appointed, should attend.

## THE TREASURER

### **SAMPLE JOB DESCRIPTION**

The treasurer shall serve as an active participant on the board of directors and executive committee and attend all the meetings of each. The treasurer should serve as chair of the budget committee and present the budget to the membership.

It is important for the treasurer to attend the State PTA "PTA and the Law" workshop and a State PTA "Money Matters" class. The treasurer should read and understand all references to membership service fees and finances that can be found in the Uniform Bylaws, the PTA's standing rules, and State PTA materials.

The treasurer should keep an accurate and detailed account, in the books and records of the PTA, of all funds received and all funds disbursed. The treasurer should submit a written monthly financial report at each meeting of the PTA (both general membership and board of directors). The treasurer must provide all financial records if requested by the president or members of the board.

It is important that the treasurer (or designated person) receives all funds for the PTA and promptly deposits all funds only into the PTA's bank account; handles only PTA funds; and, does not deposit funds of other organizations or ASB funds into the PTA account. Bills should be paid BY CHECK ONLY signed by two authorized executive committee members. All financial obligations of the PTA must be authorized by the board of directors or the membership.

**One of the first duties you need to perform as treasurer before you start the new year is to determine what the gross receipts of your PTA were as of the end of June. You will need this to file your PTA's IRS 990/990 EZ and Charitable Solicitations Forms.**

The treasurer should forward, to the Washington State PTA, through the appropriate channels, the State PTA portion of the membership service fees accompanied by the properly completed forms.

The treasurer must preserve all vouchers,

receipts, bank statements, cancelled checks, and other records, and submit these to the Financial Review committee when requested, or to the board of directors or membership when requested and maintain complete financial records as specified in the records retention timetable.

The books must be closed as of June 30 and the books and records submitted for financial review to the financial review committee appointed by the president. The financial review committee shall not include any person who was authorized to sign on the bank account for the period under review.

The treasurer delivers to his successor, all books and records, including historical records, promptly at the conclusion of his/her term of office.

## TREASURER FIRST DUTIES

### IRS FORMS

Any PTA whose annual gross receipts are normally more than \$25,000 **must file the 990 or 990 EZ by November 15th.**

**Gross Receipts:** ALL income from EVERY and ANY source, without deduction, except for that portion of membership service fees collected by the PTA that are sent to council or to the State PTA.

**Annually:** The PTA year begins on **July 1st** and ends on **June 30th**. This period is referred to as the “fiscal year” or the “tax year” or the “operating year” or the “reporting period.”

**If your PTA’s gross receipts are over \$100,000, you must file a Form 990.**

If assistance is needed, call the state PTA office for forms and assistance.

More information may be obtained at the IRS website: [www.irs.gov/charities](http://www.irs.gov/charities)

Send the Form 990 by November 15  
to the:  
Internal Revenue Service Center  
Ogden, UT 84201-0027

### CHARITABLE SOLICITATIONS ACT

The Charitable Solicitations Program registers individuals, organizations, and commercial fundraisers that solicit charitable donations from the general public. PTAs are required to register with the State of Washington under this act. Your PTA’s registration must be renewed annually if your gross receipts are \$25,000 or more.

If your PTA filled out a form last year, the Charities Division of the Secretary of State’s office should send a renewal form in April. As the registered agent for your PTA the Washington State PTA office will receive the renewal form and forward it to your current treasurer.

**This form must be completed and filed by May 31st**, if your PTA’s gross receipts were \$25,000 or more for the fiscal year July 1 through June 30.

If your gross receipts are under \$25,000, you would complete and update the Optional Statement Form (if there are changes to your PTA’s legal information).

For up-to-date information and assistance, you may contact the Office of the Secretary of State, Charities Program, at (360) 753-0863 ext. 5 or 1-800-332-GIVE ext. 5, or email [charities@secstate.wa.gov](mailto:charities@secstate.wa.gov)

### INSURANCE

**Renew your PTA’s insurance and mail with the appropriate fee(s) to the AIM insurance office by NOVEMBER 10th.** An Insurance Summary and Forms are included in each PTA’s Leadership Packet.

### INCORPORATION RENEWAL

The Washington State PTA requires all PTAs to incorporate as nonprofit corporations. As a corporation, the PTA must file an Annual Corporation report by the anniversary month of its original incorporation. More information is available from the Secretary of State’s website: [www.secstate.wa.gov/corps/](http://www.secstate.wa.gov/corps/)

## Deadline Dates

### **October 25**

First payment of membership service fees

### **November 10**

Insurance payment due

### **November 15**

990/990EZ due to IRS

### **January**

Mid-year review

(recommended)

### **January 25**

Payment of membership service fees

### **May 25**

Final payment of membership service fees

### **May 31**

Charitable Solicitations Renewal due to Secretary of State

### **June 30**

Turn books in for review

Note: Incorporation renewal deadline varies according to anniversary month.

## QUESTIONS & ANSWERS

### **When do PTAs need to collect and pay sales tax?**

PTA organizations classified as 501(c)(3) or 501(c)(4) are exempt from Washington State sales taxes on fundraising activities. All periodic fund raising activities that are not continuing and are not conducted from the same location are exempt from sales tax. Activities that are not exempt from sales tax include student stores and book fairs. What this means is:

- PTAs do not have to add sales tax to the purchase price of an item; collect the tax; or remit the tax to the Department of Revenue (except student stores or book fairs).
- PTAs do not have to pay sales tax to suppliers/vendors of products that are being purchased for resale by the PTA if the PTA provides a resale certificate to the supplier/vendor (except student stores and book fairs).

Book Fairs are like consignment sales. In consignment sales, the items to be sold are given to the seller by the original “owner” with the understanding that once the goods are sold, the income and unsold items will be remitted to the original “owner.” Sales tax needs to be collected and remitted to the vendor. The vendor pays the sales tax to the Department of Revenue. A copy of the WSPTA Sales Tax Bulletin can be downloaded from the WSPTA website along with a copy of the resale certificate, and is included in the Leadership Packet.

### **How can a PTA handle a member who constantly writes NSF (non-sufficient funds) checks?**

Inform the member that the PTA will no longer accept checks from them. This conversation needs to be handled discreetly. Businesses have a list of people in the community who habitually write NSF checks. The PTA can do that also, as long as the list is kept confidential. It may also be advisable to put a section in your Standing Rules that states that any person writing NSF checks will have to pay all bank charges. For occasional NSF checks, you can call the bank or credit union and ask if there are sufficient funds to cover the check before depositing it again. To help keep track

of check writers, have parents put the student's name and teacher's name/room number on each check.

**Do volunteers have to be PTA members to be covered by PTA insurance while working at events?**

No, all volunteers, members, and participants at any PTA function are covered under the insurance policy through AIM (in agreement with the Washington State PTA).

**When I pay my membership fee to a 501(c)(3) PTA, is the entire amount tax deductible as a charitable contribution?**

Yes. The WSPTA and National PTA are recognized a 501(c) (3) organization to whom your memberships fees are deductible.

**We do not want to accept the report of the previous financial review committee because the treasurer was present at the financial review. Can we request another financial review with another committee?**

You can request another financial review with a different financial review committee. The president, according to the Uniform Bylaws of the Washington State PTA, appoints the financial review committee. The treasurer should be available by phone to answer questions but should not sit at the table with the financial review committee. A financial review can be requested any time that there is a question about the financial well-being or performance of the PTA.

**I think that our president misappropriated PTA money by purchasing flowers for the executive committee when money was not allocated for that expense. Now she is asking for reimbursement. Is this considered missing money? Do I have to pay her?**

No, it is not missing money. This request by the president is an improper one. As treasurer, you can refuse to reimburse the president unless the board of directors or the membership approved the purchase in advance.

**What kind of carnival games are considered games of chance or gambling which require the \$5,000.00 measurement? Surely not all games held at a carnival would be considered gambling – what about cake walks with a cake prize? Beanbag toss with no prize?**

All games of chance or skill are considered part of the gambling event. Cake walks, dart games, bean bag toss, and fish pond are all games of chance or skill and must be taken into account when calculating the receipt amount. The exception for carnival games is if all the prizes have the same monetary value and each person receives a prize, then those games are not considered a gambling event.

## DUTIES & RESPONSIBILITIES

The treasurer is the authorized custodian, elected by the members, to manage the funds of the PTA on behalf of the membership and the board of directors. The funds, as well as the books and record keeping materials, are the property of the PTA.

The general duties and responsibilities of the treasurer include:

- Keep an accurate and very detailed account of all funds received and all funds disbursed.
- Submit a detailed, written monthly financial report at each meeting of the PTA (both board of directors and general membership meetings). During months when there are no meetings, each board member should be mailed a financial report.
- Receive all funds for the PTA and promptly deposit those funds into the PTA's bank account.
- Pay, by check only, all financial obligations of the PTA as authorized by the board of directors or the membership. Mail membership service fees (WSPTA and NPTA and council fees if in a council) and properly completed forms (and council fees) to either the council treasurer (if the local unit belongs to a council) or to the WSPTA office (if the local unit does belong to a council) by given deadlines.
- Preserve all receipts, invoices, bank statements, canceled checks and other records. Submit these records to the Financial Review committee, board of directors or membership when requested.
- Reconcile monthly bank statement immediately after it is received.
- Request a duplicate monthly bank statement be sent to the PTA president and a non-signer on the account.
- Maintain complete financial records as specified in the records retention timetable (page 9).
- Deliver books and records to the next treasurer promptly at the end of a term, or to the board of directors at their request.
- Assist in the preparation of the budget.

There are some \_\_\_\_\_ expected of the treasurer by virtue of being an elected officer. As an elected officer, the treasurer is a representative of the PTA and has the ability to affect the image and reputation of the PTA. Some of the characteristics a treasurer should display include:

- Devoting adequate time to the position.
- Working as a team member with the other officers and board of directors.
- Exercising good judgment.
- Setting aside personal views and agendas to act in the best interest of the PTA.
- Modeling good leadership qualities for other board members and for those who may be elected or appointed in the future.
- Maintaining an honest, high level of integrity.

## **BASIC FINANCIAL MANAGEMENT**

### **BASIC PRINCIPLES OF PTA FINANCIAL MANAGEMENT**

- PTA is a non-profit organization with a federal Employer Identification Number (EIN) and has tax-exempt status with the Internal Revenue Service (IRS).
- The Washington State PTA should be the registered agent for all PTAs.
- A budget is developed that is used as a tool to reach the goals and objectives of the PTA.
- The budget is approved in the spring for the following fiscal year. (July 1 to June 30).
- Adequate insurance is purchased.
- Only PTA members may handle PTA funds.
- PTA funds are deposited only into authorized PTA bank accounts.
- PTA funds are kept separate from personal, school district, ASB, or any other funds.
- Blank PTA checks are never signed.
- PTA checks and contracts are signed by two elected officers (not of the same household). It is suggested that one signature be the president of the local unit.
- Membership fees are submitted accurately and promptly to the council or WSPTA office, whichever is appropriate.
- Written, detailed, financial reports are provided to the entire board of directors.
- Monthly bank statements are reconciled after they are received.
- A duplicate bank statement is sent by the bank to the PTA president, as well as a person not a signer on the account, or may be obtained by online banking.
- Money is always counted by **at least two** PTA members.
- Receipts are written for all funds received by the PTA.
- Liability insurance is purchased.
- PTA expenditures are documented with a receipt or invoice.

- Cash is never used for expenditures.
- Financial reviews are conducted annually. A mid-year financial review is recommended.
- An annual financial report is prepared.
- All required forms are filed with both state and federal governments accurately and on time.
- Elected officers and the board of directors attend the **PTA and the Law** workshop each year.

### **FISCAL YEAR (OPERATING YEAR)**

All PTAs in Washington operate within the same fiscal year.

**July 1 through June 30**

During this period of time, certain activities must take place. They include:

- Budget is prepared and approved
- Officers serve for terms in PTA
- Financial reports are generated
- Charitable Solicitation registration is renewed
- Annual Incorporation report is filed
- 990 or 990 EZ Form is filed, if required

### **UPON TAKING OFFICE**

- Be sure the books /records have been, or are being financially reviewed. If not, ask the president to appoint a financial review committee. Do not accept the books unless a financial review has taken place.
- Request to participate in the financial review if you are **not** on the signature card during the period covered in the financial review.
- Review the last financial review report and ask the financial review committee about any recommendations the committee may have had.
- Review the books/records and verify they are complete. Ask about anything that is missing. Report any missing records at the next board meeting.
- Verify that there is a new bank signature card and a copy is made for the treasurer's records.
- Carefully review this publication, *PTA and the Law*, *Washington State PTA Uniform By-laws*, and the PTA's current budget and standing rules.

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## **BANK ACCOUNTS**

Each PTA must have a bank account into which it can deposit funds.

### **Checking Accounts**

A checking account is the most common form of bank account. Checks should be sequentially numbered and have the PTA's name printed on them. Interest earning checking accounts are acceptable.

### **Savings Accounts**

Savings accounts are an option for some PTAs. Investing PTA's funds is a way to earn interest and is prudent financial management.

### **Certificates of Deposit**

Certificates of deposit (CDs) are another manner in which PTAs may manage their funds. These are the same as savings accounts except that they usually pay a higher rate of interest. However, the PTA must pledge to leave its money in the account for a specified period of time or pay a penalty. Therefore, care must be exercised to be sure the PTA will not need that money during that period of time.

### **DEPOSITING FUNDS**

As stated, two of the primary duties a treasurer has are:

1. Depositing PTA funds in a proper and timely manner; and
2. Accurately recording deposits in the PTA books.

All funds should be deposited into a PTA bank account which has been approved by the board of directors. Night deposits and 24-hour bank services should be used as needed. PTA funds must:

- **Never** be deposited into the personal account of the treasurer (or anyone else).
- **Never** be deposited into a school bank account.
- **Never** be deposited into the bank account of another organization.
- **Never** be placed into a safe belonging to a school.
- **Never** be kept in someone's home.

All checks that are being deposited should be endorsed. If the bank doesn't provide an endorsement stamp, one can be purchased.

**For Deposit Only  
Sample PTA  
Account # 123456789**

## **DISBURSING FUNDS**

When a PTA incurs a financial obligation that has been approved by the board of directors or the membership, it is the responsibility of the treasurer to pay that obligation on behalf of the PTA.

**All obligations and/or liabilities  
should be paid by check.  
Never use cash for this purpose.**

As part of the record keeping, a proper receipt or invoice must be retained by the PTA. This receipt, or invoice, will provide proof that the disbursement of funds was proper and legitimate.

**The WSPTA Uniform  
Bylaws require:  
"All financial matters and binding agreements  
shall require two (2) signatures; only elected  
officers shall have the authority to sign."**

Though two (2) signatures are required on financial matters and binding agreements (this includes checks), it is possible to have more than two officers' names on the bank signature card. This allows other elected officers to sign if one is not available. Lack of qualified signatures should never be a reason PTA cannot pay its obligations.

### **NEVER SIGN A BLANK CHECK**

Signing a blank check could lead to problems. As convenient as it might appear, this is not a sound practice and is never advisable.

A credit card is much like signing a blank check. If found, it can be used by anyone to purchase items in the name of the PTA. Additionally, it does not require two signatures. For these reasons, PTA credit cards are discouraged.

### **MONTHLY BANK STATEMENTS**

Each month the PTA should receive a bank statement detailing the checks that have cleared during the previous period, deposits made and service fees charged to the PTA. It is very important that these be reconciled with the checkbook register immediately upon receipt. By doing so, any problems or errors can be corrected quickly.

A duplicate copy of the original bank statement should be obtained and sent to another elected

officer, often to the president, as well as to a 3rd person who is not on the bank signature card. This is done as a routine check and balance, not to suggest suspicion. This second copy should be kept in a secure location if needed for financial reviewing purposes.

An option for securing a second bank statement is using online banking services.

### **MONTHLY REPORTS**

A detailed, written financial report must be provided at every meeting of the board of directors and every meeting of the membership. This monthly financial report may be given more frequently than once a month, but it is to be given less than once a month. If the board does not meet in any given month, a report should be mailed to each board member.

This report should be written in sufficient detail to clearly show how the PTA received income and how it spent its funds. It should be prepared in the same format as the annual budget. The report should include a line for each budget item that details:

- The financial figures for the month.
- The year-to-date financial figures.
- The budgeted amounts.

Additionally, the report must show the cash balance of funds currently in the PTA bank account(s) separated into restricted and unrestricted amounts. The format of the report may also reflect encumbered funds (funds that must be expensed each year).

The treasurer should always have the financial records available at each meeting.

*Financial report samples can be found on pages 19-31 of this publication*

**Matching Gifts** – PTAs or members should confirm that they receive the employer match from a matching employer donation. Follow donor procedures for documenting or obtaining the funds.

### **RESTRICTED AND DESIGNATED FUNDS**

**Restricted Funds** – are funds that have been set aside because of limitations in their use placed upon them by individuals or agencies outside of the membership or board of the PTA. Legally, the funds must be used in accordance with the wishes of the donor or the advertised purpose of the special event that brought in the associated income.

**Designated Funds** - are established when the PTA adopts/approves a motion to set aside funds for a specific purpose. Many PTAs identify projects where it will be necessary to accumulate funds over a period of time in order to fund the project (usually extending beyond two [2] years). When this happens, it is recommended that the PTA establish a “Designated Fund”.

As part of the motion, there should be a statement on how those funds will be raised.

*Example 1: “I move that the Sample PTA designate and accumulate funds to be used for \_\_\_\_\_.”*

*Example 2: “I move that the Sample PTA designate and accumulate funds to be used for \_\_\_\_\_. An annual activity shall be designated for purposes of raising these funds.”*

*Example 3: “I move that the Sample PTA designate and accumulate funds to be used for \_\_\_\_\_. Fifty percent (50%) of the year-end carry forward shall be used for this purpose.”*

*Example 4: “I move that the Sample PTA designate funds to be used for \_\_\_\_\_. The Board of Directors shall annually establish an amount to be transferred from the general fund for this purpose.”*

**Once the “Designated Fund” is established, those funds may be used ONLY for the purpose stated in the motion.**

A designated fund can be created by a vote of the general membership or the board of directors.

Designated Fund for (project name)	
BALANCE ON HAND	
3/31/___	4,678.00
INCOME	
Book Sale	150.00
Donations	25.00
Int. Earned	8.36
TOTAL INCOME	183.36
EXPENSES:	
TOTAL EXPENSE	.00
BALANCE ON HAND	
4/30/___	4,861.36
Voted by Sample PTA membership on 10/27/___	

Modifications or eliminations to that designated fund must be voted on by the same group that created it. For example, if the general membership created the designated fund, they are the only ones that can vote to change it.

Designated Fund and Restricted Funds and activity are reported as part of the monthly and annual financial reports. A restricted funds report could appear as shown on the prior page.

### **ANNUAL REPORTS**

At the conclusion of the fiscal year (June 30th), the treasurer should prepare an annual financial report. The report should show:

- All the actual income for the entire year.
- All the actual expenses for the entire year.
- The year's budgeted income and expense amounts.
- The variance between the actual amounts and the budgeted amounts.

The annual financial report is very important for several reasons:

1. It provides the PTA's financial review committee with important information to help it complete its task.
2. It provides the PTA leaders with an extremely good tool to evaluate the actual performance of the PTA against the plan (the budget) that was developed.
3. It provides a valuable tool for developing future budgets.

*An Annual Financial Report sample can be found in the appendix of this publication.*

### **WORKING WITH COMMITTEE CHAIRS**

The treasurer and various chairs must work closely together to see that funds of the PTA are promptly and properly deposited into the PTA's bank account.

### **MEMBERSHIP CHAIR**

The membership chair should give membership fees to the treasurer at frequent intervals.

Membership fees should be carefully reconciled by the treasurer and membership chair, since no refunds will be made by the WSPTA after remittance. The treasurer should issue a receipt to the chair for the amount of fees being turned in. This receipt safeguards both parties. It also provides an excellent audit trail which enables the financial review committee to verify the proper administration of those fees.

### **FUNDRAISING CHAIR**

Fundraising is one way the PTA can pay for its programs, projects and activities.

As with any activity where funds are involved, the treasurer and the fundraising chair must work together to see that the funds are promptly deposited into the PTA's account and properly recorded in the PTA's books.

The fundraising chair should deliver the funds to the treasurer frequently. Do not wait until the fundraising activity is completed before giving the money to the treasurer for deposit.

When a fundraising chair gives funds to the treasurer, they both should count the money and verify the amount. The treasurer should issue a receipt to the fundraising chair.

All funds should be \_\_\_\_\_ deposited into the PTA's bank account.

**Service fees should not be held by a local unit.**

### **MEMBERSHIP SERVICE FEES**

Membership service fees collected by a PTA local unit must include Washington State PTA's service fee and the National PTA's affiliation fee. If the local unit belongs to a council, they must also include the council service fee.

These service fees do not belong to the local unit, but to the Washington State PTA and the National PTA (and PTA council, if applicable). The fees should be sent to the Washington State PTA as soon as practical.

### **COUNCIL LOCAL UNITS**

Local units which are members of a council pay their service fees to the council treasurer, who forwards them to the WSPTA office.

### **NON-COUNCIL LOCAL UNITS**

Non-council local units pay their service fees directly to the WSPTA office.

The official deadline dates for membership service fees are:

**October 25th** (to be a local unit in good standing)

**January 25th** (for voting delegates to convention)

**May 25th** (final submittal)

At the end of each fiscal year, memberships entered online must balance with memberships paid by the local unit. If they don't reconcile, the local unit will be billed for the balance. Be aware, however, that overpayment cannot be refunded once fees have been forwarded to WSPTA, so be very careful that the fees are paid correctly.

### **REGISTERED AGENT**

Every corporation, including PTAs, must have a "registered agent." This is the person or entity to which the State of Washington and the Internal Revenue Service send all reports, forms, and notices on behalf of the corporation. It is the responsibility of the "registered agent" to send that information and material to the appropriate officer of the organization. **It is recommended that Washington State PTA be its own**

### **RECORDS RETENTION TIMETABLE**

Certain reports and documents will need to be kept on file as follows:

#### **PERMANENT**

- Articles of Incorporation
- Contracts still in effect
- Legal correspondence
- Documentation of equipment currently owned by PTA
- Minutes (board & membership meetings)
- PTA Charter
- Current Standing Rules
- Application for tax-exemption
- Letter of Determination of Tax-Exempt Status
- Letter assigning Employer Identification Number (EIN)
- Correspondence with IRS

#### **TEN YEARS**

- Annual reports to Secretary of State
- Annual registration for Charitable Solicitations
- Annual financial review reports
- Annual Treasurer's Reports
- Employer's Reports and Records (if PTA is an employer)
- 1096 Annual Summary and Transmittal (if filed)
- Forms 990/990EZ and 990-T filed with IRS

#### **SEVEN YEARS**

- Accounts payable records
- Budgets
- Canceled checks
- Check register
- Monthly financial reports
- Income records
- Receipts/invoices

#### **THREE YEARS**

- Correspondence (general)
- Insurance certificates

- **501(c)(4)** PTAs are able to participate in more extensive legislative activities but donations are not tax deductible for the donor.

Detailed information is available from the Washington State PTA office and in the **PTA and the Law** book.

**SUBSTANTIATION OF CONTRIBUTIONS**

If the PTA is tax-exempt under section 501(c)(3), contributions and donations to the PTA are tax deductible to the donor. The IRS has certain rules governing the deductibility. Also, the IRS requires the PTA to provide certain information to the donor based upon the size of the donation to the PTA.

**\$250 and over:** The PTA receiving a contribution is responsible for giving the donor/contributor a written acknowledgement for any contribution of \$250 or more. The PTA is free to choose the format of this acknowledgement.

**\$75 Threshold:** PTAs must give donors a written disclosure statement upon receiving any *quid pro quo* contribution of more than \$75. This type of payment is made partly as a contribution and partly in exchange for goods and services. The PTA’s acknowledgement letter must disclose the and a

**Contributions Over \$75  
Goods or Services Return to Donor**

This acknowledges receipt of the following described property from you as a charitable contribution made on \_\_\_\_\_, 20\_\_\_\_.  
*(Describe the cash or property given)*

We have provided you with goods or services in exchange for this contribution. Our estimate of the fair market value of these goods or services is \$\_\_\_\_. This means the net amount of your contribution—which may be a charitable contribution for federal income tax purposes—is \$\_\_\_\_.

We are required by law to provide this information to you. The charitable deduction is limited to the excess, if any, of your contribution over the value of the goods or services provided to you.

Please retain this document for your records. It is an important document necessary for any available federal income tax deduction for this contribution.

\_\_\_\_\_  
*(Name of PTA)*

\_\_\_\_\_  
Authorized Signature                      \_\_\_\_\_  
Date

**Contributions of \$250 and Over  
No Goods or Services Returned to Donor**

This acknowledges receipt of the following described property from you as a charitable contribution made on \_\_\_\_\_, 20\_\_\_\_.  
*(Describe the cash or property given)*

We have not provided you with goods or services in exchange for this contribution. Please retain this document for your records. It is an important document necessary for any available federal income tax deduction for this contribution.

\_\_\_\_\_  
*(Name of PTA)*

\_\_\_\_\_  
Authorized Signature                      \_\_\_\_\_  
Date

**990/990EZ FORMS**

PTAs may be required to file an annual report with the IRS. This is only an information return; it is not a tax return.

- **990EZ** is filed under two circumstances:
  1. if the PTA has gross receipts of more than \$25,000 in a fiscal year (July 1-June 30), OR
  2. if the PTA has gross receipts of less than \$25,000 in a fiscal year and has received an information return from the IRS. When this happens, check the box at the top of the IRS form which indicates that the PTA doesn’t normally have over \$25,000 in gross receipts.
- **990** is filed if the PTA has gross receipts of: more than \$100,000 in a fiscal year (July 1-June 30).

Failure to file a 990/990EZ form, when required, may result in penalties of up to \$20 per day, up to \$10,000 or 5% of the PTA’s annual gross receipts, whichever is less.

If a PTA is required to file a 990 or 990 EZ Form, the filing deadline is **November 15th**.

**If the PTA receives a notice from the IRS,  
don’t ignore it.**

**PUBLIC INSPECTION OF RECORDS**

The IRS requires that certain records of tax-exempt PTAs be available for public inspection. These records include:

- The PTA’s application for tax-exempt status.
- All 990 or 990EZ Forms that have been filed.

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## **FORMS THAT MUST BE RENEWED ANNUALLY**

### **INCORPORATION ANNUAL REPORT**

In order to maintain its nonprofit status, each PTA must file an annual report with the Washington Secretary of State in its anniversary month. The Secretary of State mails the renewal report to the registered agent. If the Washington State PTA is the registered agent, it will be forwarded to the State PTA who will then send it to the current officers of the PTA. There is a nominal fee for processing.

A PTA may be administratively dissolved by the Secretary of State if the annual report is not filed in a timely manner. When this happens, the PTA is no longer a nonprofit corporation and will lose its tax exempt status with the IRS. To reinstate your corporate status, contact the State PTA office for assistance.

For more information go to:  
[www.secstate.wa.gov/corps](http://www.secstate.wa.gov/corps)

### **CHARITABLE SOLICITATIONS ACT**

A PTA is required to register with the State of Washington under the Charitable Solicitations Act. The type of registration will depend on the annual gross income\* of the PTA.

If the annual renewal is required,\*\* renewal forms are sent (usually in April) to the PTA by the Secretary of State's office. If the Washington State PTA is the registered agent, these forms will come first to the State PTA office. The forms will then be forwarded, along with instructions, to the current treasurer.

\*Gross income: All income from every source before any deductions for expenses.

\*\* The renewal must be filed by May 31 if gross income exceeds \$25,000 whether or not renewal form has been received from the Secretary of State.

Charitable solicitations are covered more fully in the WSPTA publication *Your PTA and the Law*.

## **OTHER CONCERNS**

### **INSURANCE**

A PTA may obtain insurance through any reputable company. The Washington State PTA has negotiated with an insurance company to offer PTAs a variety of programs for a reduced cost.

#### **GENERAL LIABILITY**

One of the legal duties of a PTA is to protect its membership and the general public from accident or injury at a PTA activity. General liability insurance covers the PTA in the following ways:

- Covers PTA members against claims by third parties for damage to property or personal injury

incurred at a PTA-sponsored activity.

- Coverage extends to product defects or to claims of libel, slander or arrest.
- General liability does not include coverage for ski schools; Boy Scout or Cub Scout sponsorship; automotive, aircraft and watercraft travel; organized sports events; intentional acts; damage to property owned by or under the control of the PTA; mechanical rides at carnivals and fairs; or damages caused by fireworks.

**Purchasing General Liability Insurance is one of the strongest recommendations of the Washington State PTA.**

#### **FIDELITY BONDING**

Fidelity bonding protects the PTA from dishonest acts by PTA officers or members who handle PTA funds. If an officer or member embezzles PTA funds, the fidelity bond may be used to repay those funds (less the deductible).

#### **ACCIDENT AND MEDICAL INSURANCE**

The Accident Medical policy is designed to complement your General Liability policy. This policy provides medical coverage for activities that are excluded from the General Liability policy such as automobile, mechanical rides, watercraft and fireworks coverage and provides additional medical payment coverage to help deter lawsuits. This is not a replacement of your liability policy. The accident medical limits are \$10,000, \$25,000, and \$50,000 with no deductible.

#### **DIRECTORS AND OFFICERS INSURANCE**

Directors and officers insurance can protect the personal assets of the PTA's directors and officers. It can also cover the assets of the PTA in the event a member (or nonmember) files a lawsuit claiming that an officer or director was negligent in the management or operation of the PTA.

#### **PROPERTY INSURANCE**

Property insurance protects any personal property owned or under the care, custody or control of the PTA against damage or loss. The insurance covers the cost of replacing the damaged item.

#### **SALES TAX**

Washington State imposes retail sales tax on the sale of any item of tangible personal property and retail services to consumers. Your PTA must pay sales tax on products and services it consumes, such as office supplies, equipment, and repairs. Your PTA is exempt from paying sales tax on items purchased for resale, if you provide your vendor or supplier with a copy of a resale certificate. A sample form can be found in the Appendix or downloaded from the WSPTA website.

## **BUSINESS AND OCCUPATION TAX**

Washington State imposes a business and occupation (B&O) tax on the gross income generated from business activities. There are no deductions from the B&O tax for labor, materials, or other costs of doing business.

Note: Local B&O tax is imposed and administered by certain cities in Washington.

## **PERIODIC FUNDRAISING ACTIVITIES**

A PTA that qualifies as tax exempt under federal law (as either a Section 501(c)(3) or 501 (c)(4) organization) is also exempt from paying Washington's B&O and retail sales taxes on income generated through periodic fundraising activities. Fundraising activities include directly soliciting money or other property, or selling goods or services to further the PTA's goals. It does not include a regular place of business with regular hours such as a student store or similar business.

Note: Book fairs generally qualify as periodic fundraisers. However, if a PTA sells the books on behalf of the (for profit) book seller, the PTA is required to collect and remit sales tax on such sales. Typically, a PTA can remit the sales tax to the book seller for reporting on the seller's Combined Excise Tax Return. Please call the WSPTA office if your company is not registered with the Washington State Department of Revenue.

## **CONTRACTS**

In the course of a year, a PTA will enter into a variety of contracts.

**The PTA assumes the responsibility and the legal obligation to comply with the terms and conditions of the contract including any payment specified by the contract.**

The fact that an activity is or is not a financial success, or that a PTA has insufficient funds to meet its obligations, has no effect on the legal requirements to fulfill the terms of the contract.

For a contract to be valid, the following conditions must be met:

- The person negotiating the contract has the authority to do so.
- The Board of Directors has reviewed and authorized the contract.
- The terms and conditions of the contract, including the fine print, are understood and agreeable to the PTA.
- The PTA has the ability to comply with all the terms of the contract.

- The contract bears the signature of the PTA president and one other elected officer. Contracts are covered in detail in the **PTA and the Law** book.

All contracts should be in writing and signed by two elected officers. Include the titles of the officers in the signature lines.

For example:

*Sally Simpson, Sample PTA President*

## **PAYMENTS TO CONTRACTORS**

### **FORM 1099**

If you pay independent contractors, you may have to file Form 1099-MISC, Miscellaneous Income, to report payments for services performed for your trade or business. If the following four conditions are met, you must generally report a payment as non-employee compensation.

- You made the payment to someone who is not your employee;
- You made the payment for services in the course of your trade or business (including government agencies and nonprofit organizations);
- You made the payment to an individual, partnership, estate, or in some cases, a corporation; and
- You made payments to the payee of at least \$600 during the calendar year (Jan-Dec).

### **FORM W-9**

Use this IRS form used to request taxpayer information so that you may properly report to the IRS payments for services provided to the PTA by independent contractors. It is a "Best Practice" to complete a W-9 for any individual or organization that provides services to the PTA

## **DONATIONS OF EQUIPMENT**

Donations of equipment or material to any school or school district should not be done by a PTA. Donations of this kind puts the liability for any defect in the property or equipment on the PTA.

## **GRANTS/RESTRICTED DONATIONS**

PTAs may make a grant to a school district which directs the district to purchase equipment or material. A grant may be made for other purposes as well. When granting money to the school district, the PTA should:

1. verify the need for the grant; and
2. clarify the terms of the grant with the school district; and
3. certify the understanding of the grant in a written agreement that is signed by the PTA and the school district. The restricted donation agreement should include:
  - Parties involved in the grant.
  - Amount of the grant.
  - Purpose of the grant.
  - Date by which the grant funds must be expended.
  - Location where equipment will be placed and how long it will remain there.

A Sample Restricted Donation Form is included on the last page of this publication.

### **RAFFLES/GAMBLING**

Under state law, bingo, raffles and amusement games are considered gambling activities. These are regulated by the State Gambling Commission.

However, the PTA does not need a gambling license if the following are true:

- PTA is a “bona fide charitable or nonprofit organization” (a 501(c)(3) or 501(c)(4) organization).
- PTA has been in existence for at least 12 calendar months before the activity is scheduled.
- Wages that may be paid are reasonable.
- Membership of the PTA must be at least 15 individuals.

If the PTA does not meet these criteria, a gambling license must be obtained before conducting the activity.

### **MEETING THE CRITERIA—OPERATING WITHOUT A GAMBLING LICENSE**

In order to conduct bingo, raffles or amusement games without a license, the PTA must follow these limitations:

- Only two (2) gambling events may be held in a calendar year.
- Gross revenues from the combined activities must not exceed \$5,000 in any calendar year.
- Local police must be notified of the activity at least 5 days prior to the event.

### **RECORD KEEPING—USE OF FUNDS**

Records relating to the gambling events must be kept for at least one year. Included in these records should be the gross revenue from each activity, an itemization of expenses and how the revenues were used by the PTA.

### **RAFFLE TICKETS**

Special rules apply to the sale of raffle tickets:

- Tickets must be consecutively numbered.
- Maximum price per ticket is \$25.
- Tickets must be sold for the same price and only by members (at least 18 years old) of the organization.
- No tickets may be given away free.
- Tickets must state how much they cost, the date, time and location of the drawing, the name of the sponsor, a description of the prizes and whether persons who purchase the tickets must be present to win.

### **PRIOR TO A GAMBLING ACTIVITY**

Plan ahead. Planning should include checking local city and county laws that may apply. If gambling activities require a gambling license, applications should be submitted to the Washington State Gambling Commission at least 60 days prior to the date of the event.

### **AUCTIONS**

An auction is not a gambling activity. Under State law, it is generally unlawful for any person to act as an auctioneer without a license. A general exception to this law is if the auction is conducted by or on behalf of a charitable organization.

### **ASB**

Many elementary and secondary schools have ASBs (Associated Student Bodies). Funds raised by an ASB belong to the school district, not the PTA. When a PTA shares a school with an ASB, the PTA must take great care that there is a clear understanding of what is the PTA’s and what belongs to the ASB. When planning the PTA calendar for the year, it might be helpful to work together.

ASBs may come to a PTA and ask to work together to raise funds. ASBs and PTAs may work together, but the PTA must take care to properly document the nature of the activities and how the funds will be handled in a contract with the ASB.

To determine whether an activity belongs to PTA or the ASB, the event must meet the following criteria:

1. **Intent.** The activity must be consistent with the PTA’s annual plan. Any funds raised should be used to help a PTA accomplish a set of predetermined goals and objectives. Sometimes, school employees will try to involve the PTA in a fund raising activity or they will ask the PTA to administer funds in order to circumvent the rules, regulations or laws governing ASB or school district funds. Obviously, this does not constitute proper intent.

**2. Process.** The PTA must be in charge of the activity. In other words, the activity must be conducted under the direction and supervision of the PTA.

- Contracts must be negotiated and signed by the PTA officers.
- The activity must be initiated, created, planned and implemented by the PTA. School district employees involved in the activity should participate on their own time.
- Approval to do the activity must come from the PTA membership or board and be part of the PTA budget.
- Funds must be deposited into the PTA bank account.

**3. Rule of Thumb.** Knowing all the facts, if a reasonable person would conclude the activity was conducted on behalf of the ASB instead of the PTA, it is a PTA activity.

### **LEAVING OFFICE**

Upon leaving the office of treasurer, there are a few things that can be done to help with the transition for the incoming treasurer.

- Participate in the development of the budget for the next year.
- Verify that all membership service fees have been sent in.
- Complete the June 30th Monthly Financial Report.
- Complete the Annual Treasurer's Report.
- Submit the books/records to the financial review committee.
- Complete the 990/990EZ form if applicable.

### **CONCLUSION**

The treasurer is elected by the members to administer the funds of the PTA.

The entire Board of Directors has the legal duty and responsibility for the management of the PTA—including its financial well-being.

To be effective in these responsibilities, the Board of Directors of the PTA is strongly encouraged to:

- Read Washington State PTA *Money Matters*.
- Attend a **PTA and the Law** workshop, if available.
- Follow the "Principles of Financial Management."

## **THE BUDGET**

### **DEVELOPMENT**

It is recommended that the budget for the next fiscal year (July 1-June 30) be developed and approved before the end of the current fiscal year (June 30). This allows the PTA to continue operating and to meet its financial obligations after school is typically out for the summer.

### **PROCESS**

There are three (3) basic steps in developing a budget. They are:

1. Determine the PTA's goals and objectives and assign costs to them.
2. Develop a revenue source to cover the goals and objectives.
3. Reconcile or balance steps 1 and 2 with each other.

**WITHOUT an approved budget, the PTA DOES NOT have the authority to spend money for any purpose.**

### **GOALS AND OBJECTIVES**

- **Mission Statement**—Does the PTA have a clear understanding of its mission? If not, consider adopting a mission statement that reflects the REASON why the organization is a PTA. An example might be...*"Sample PTA is an organization that promotes the welfare of children and youth in the home, school and place of worship."*
- **Goals**—What are the goals and the objectives for the upcoming year? What does the PTA want to accomplish? The goals should align with the mission statement. Some goals might include:
  - ◇ *Increase our outreach to the community.*
  - ◇ *Develop better communication among school, home and the community.*
  - ◇ *Facilitate and celebrate every child's accomplishments.*
- **Objectives**—What actions will be taken to move the PTA closer to its goals? This may involve:
  - ◇ *Strategic planning—done by the board of directors.*
  - ◇ *Research, make recommendations and recruit help—done by the Executive Committee.*
  - ◇ *Action—done by committees.*

The objectives should tell who will take the action, what the action will be, why the action is necessary, when the action will take place (includes a timeline), and where the action will take place.

### **GOAL SETTING TOOLS**

There are several tools to help in identifying new goals and assessing existing ones. They include surveys, program assessments, individual program suggestions and brainstorming sessions. Examples for each of these are included in the Budget & Financial Review Resource section of this publication.

## REVENUE DEVELOPMENT

Now that the PTA has determined its goals and objectives, it must carefully consider how to best raise the funds needed to accomplish them.

During the goal setting phase, expected income and expenses should be estimated for each activity and entered on the budget worksheet. A sample of the budget worksheet can be found in the Appendix of this publication.

## RECONCILIATION

Finally, a comparison is made between the expenses/costs of accomplishing the goals/objectives and the anticipated revenue. If there is a serious difference between the two, realistic adjustments must be made to either or both of these areas.

When the two areas equal each other, the budgeting process is completed.

## BUDGET COMMITTEE

The budget is usually developed by a budget or finance committee. The committee is chaired by the treasurer. Its members should include several other PTA leaders who have knowledge of what has occurred in the past and what developing plans are appropriate for the PTA in the future. Both incoming and outgoing officers may serve on this committee.

A PTA may modify the budget to meet its needs. An added bonus of utilizing a Budget Committee is to develop and train potential treasurers. It can also help with the transition between outgoing and incoming treasurers.

The committee can be as large as 5-7 PTA board members and may include the president. The treasurer is the chair of the committee and brings the committee's recommendations to the board of directors. The budget committee evaluates new budgetary requests, reviews programs that have occurred and makes recommendations to the board of directors and membership throughout the year. When it is time to prepare a budget, much of the groundwork has already been done making the actual development of the budget more efficient. The Washington State PTA uses a corporate finance committee which meets throughout the fiscal year.

## APPROVING THE BUDGET

After the budget has been drafted, it should be reviewed by the Board of Directors. Following the board's review and approval, the budget must be presented to the membership for approval.

**The budget should be approved in the spring, normally at the final membership meeting of the year.**

A majority vote is required by Robert's Rules of Order for approval of the budget by the PTA's general membership.

## COMMITTEE BUDGETS/EXPENSES

When the membership approves the PTA's budget, it is authorizing the board of directors to spend the PTA funds. **This is not an authorization for a committee to spend funds.**

It is common practice for each committee to formulate its own plan and budget, and present these to the board of directors. The board reviews these plans and the committee's budget in relation to the entire PTA budget and approves, modifies or disapproves the committee's plans or budget.

No committee chair or committee member can obligate the PTA to a program, project, activity, plan or any obligation, financial or otherwise, without approval of the board of directors. If there are contracts to be signed, only elected officers may sign them.

When plans change within a committee which may impact the budget, approval must be obtained to spend funds not previously approved. **Expenses incurred without prior approval may become a personal expense and not be reimbursed by the PTA.**

## AMENDING (REALLOCATING) THE BUDGET

The budget is an annual plan. It is only an estimate of expenses and income. Plans will change. Therefore, the budget may have to change or be amended.

No budget should be so rigid that it cannot be easily changed to meet the changing needs faced by PTAs. The budget may be changed (amended or reallocated) by:

- Vote of the general membership.
- Vote of the board of directors acting on behalf of the membership, between meetings of the membership.
  - ◊ **When the board of directors amends the budget, it must be sure that it is acting with permission of the general membership through the standing rules or a budget notation.**

A sample budget is included in the Appendix of this publication.

## THE FINANCIAL REVIEW

The financial review involves an examination of the financial transactions of the PTA, and the procedures used to conduct those transactions.

The treasurer is the custodian of the funds of the PTA and is charged with the responsibility to deposit and disburse funds, and to keep accurate records.

However, the board of directors has the responsibility to see that the funds of the PTA are administered properly and actions are made in the best interests of the members. To assure that this has been done, that the board acted responsibly, and that good financial practices have been followed, a financial review of the books and records must be conducted.

### **A FINANCIAL REVIEW MUST BE CONDUCTED:**

- **Immediately following the end of the fiscal year (June 30th) in compliance with WSPTA Uniform Bylaws.**
- **When a new PTA member assumes the treasurer position.**
- **Whenever there is a question about the financial well-being or performance of the PTA.**

### **UNIFORM BYLAWS OF THE WASHINGTON STATE PTA**

*“The treasurer or other finance officer shall... close the books on June 30 and submit the books and records for financial review to a financial review committee of no fewer than three (3) members appointed by the president. The financial review committee shall not include the people who were authorized to sign on the bank account for the period being reviewed.”*

*-Articles 5 & 6, Duties of Officers  
Section 7(e)(2), Treasurer/Finance Officer*

### **RECOMMENDATION**

A mid-year financial review is strongly recommended for all PTAs. This financial review should be conducted in the same manner as the one at the end of the fiscal year.

### **WHO CAN PERFORM THE FINANCIAL REVIEW**

The Washington State PTA Uniform Bylaws are very specific in defining who can conduct a financial review of the PTA's books and records.

### **Financial Review Committee**

This committee must consist of no less than three (3) members of the PTA whose books/records are being reviewed. Members of the Financial Review committee must not have signature privileges on PTA documents during the period being reviewed.

Non-members or members of another PTA do not have the right to examine a PTA's records.

### **PREPARING FOR THE FINANCIAL REVIEW**

It is very important that the PTA's financial records be well-organized for the review. The treasurer should gather all the financial records for delivery to the financial review committee.

### **ITEMS TO BE DELIVERED TO THE FINANCIAL REVIEW COMMITTEE**

- Legal records of the organization
- Checkbook and canceled checks
- Bank statements and duplicate deposit slips
- Income ledger
- Expense ledger
- Copies of all bills, invoices, and receipts for which a check was written
- Copies of monthly financial reports
- Copy of the Annual Treasurer's Report
- Copy of the budget for the period being reviewed
- Copy of the results of the last financial review
- Copies of all general membership and board of directors minutes
- Other material or information requested by the financial review committee.

### **RESPONSIBILITIES**

#### **FINANCIAL REVIEW COMMITTEE**

- Investigate and examine the records.
- Draw conclusions from the records.
- Present a written report of its work to the board of directors.

As part of its work, the committee may interview people who handled funds.

#### **TREASURER**

The treasurer, while not a member of the financial review committee, is a resource to the com-

mittee. The treasurer is normally not present when the financial review committee meets, but should be available by phone to answer questions.

#### **BOARD OF DIRECTORS**

- Receives the report from the financial review committee
- Acts on the report

The board of directors has the legal responsibility to report the results of the financial review to the membership and, if action is necessary, what the board has done or will do in response to the report.

#### **POSSIBLE FINANCIAL REVIEW REPORT RESULTS**

- Report is fine and everything is in order, then reporting to the membership is easy.
- Report reveals some procedural areas that need improvement, the board must examine the committee's recommendations and implement those it feels are important and necessary.
- Report points out the improper administration of PTA funds, or the theft of funds, or other serious charges. The board must immediately act to fix what is wrong. This would include the collecting of any funds that are missing.

A Financial Review Checklist can be found in the Appendix of this publication.

**In all cases, the Financial Review results and the action of the board MUST BE REPORTED to the membership.**

#### **WRITING CHECKS**

The PTA has the obligation to continue paying its debts—even while the financial review is being conducted. Generally, this does not present a problem because the financial review will take only a few days. However, when extra time is required for the financial review, the board of directors may authorize the writing of a check or checks so the PTA may meet its legal obligations to those whom it owes money.

#### **MISSING MONEY**

Whenever a PTA has reason to believe there is a problem with its funds, there are two (2) very basic steps which the PTA must take immediately:

1. Conduct a financial review.
2. Call the WSPTA office and your region director.

If the financial review verifies that funds are missing:

#### **ACTIONS OF THE PTA**

- Every action MUST be taken by the **board of directors**—not the executive committee or the treasurer or president or other officers—but by the entire board of directors.
- The board of directors MUST take every reasonable step to collect or recover the missing funds.
- All the actions of the board of directors MUST be recorded in the minutes of the board.
- At some point, the board of directors will have to report the missing funds, as well as the board's attempt to recover the funds, to the membership.

#### **DO NOT**

- **Do not** seek advice from the school district, school principal, or school district attorney.
- **Do not** make any public or private statements.
- **Do not** take any action without the approval of the board of directors meeting in formal session.

#### **CONCLUSION**

##### **GENERAL SUMMARY**

In accordance with the Washington State PTA Uniform Bylaws, the PTA treasurer is required to close the books as of June 30 and immediately submit the books for a financial review. This financial review must be done by a financial review committee. The committee must consist of at least three (3) of its PTA members who did not have signature privileges on PTA documents during the period being reviewed.

A financial review may be conducted at any time, but needs to be done in a timely manner. During a financial review, the treasurer may write checks to meet the financial obligations of the PTA, if authorized by the board of directors.

A report must be made to the Board of Directors and the board must take action on the recommendations made.

## GLOSSARY OF FINANCIAL TERMS

- 990/990EZ:** Internal Revenue Service forms that may be required annually by the IRS. These are informational only and are based on the annual gross income of the organization.
- Form 1099:** The IRS form to be used to report payments made in the course of trade or businesses (i.e., performers, custodians, presenters, rents, payments of prizes).
- Form W-9:** IRS form used to request taxpayer information so that you may properly report to the IRS payments for services provided to the PTA by independent contractors.
- ASB:** Associated Student Body—a structure within a school system that is self governing. ASB has elected student officers, its own budget and works under the guidance and regulations of a school district.
- Accounting/Bookkeeping:** The process of identifying, measuring, recording and communicating the financial information of an organization.
- Budget:** A financial plan for an organization that expresses the goals and objectives (the programs and activities) in terms of income and expenses. The goals of the organization drive the budget, not the income.
- Designated Funds:** A fund established to set aside money for a specific purpose where there is a need to accumulate dollars over a period of time longer than two years.
- Discretionary Funds:** Money remaining after an organization has paid its bills and provided needed/required expenses (encumbered funds).
- Expenses:** Those transactions where the organization spends money in order to buy or do something.
- Financial Review:** Observation of, inquiry about and or testing of the financial data, accounting records and legal documents to verify accuracy.
- Financial Statement/Balance Sheet/Income Sheet:** A traditional activity-oriented financial statement prepared for a defined time interval (monthly and yearly). This statement summarizes the organization’s income and expenses.
- Fiscal Year:** A 12-month period at the end of which all accounts are completed in order to finish an annual financial report for the organization. This report may be used for tax purposes. The fiscal year does not necessarily correspond with a calendar year. The WSPTA fiscal year for local units and councils is July 1—June 30.
- Gross Expenses:** All expenses made by the organization. However, it does not include membership service fees that are sent to council or Washington State PTA.
- Gross Income (per IRS):** All income from every source before any deductions for expenses. However, it does not include membership service fees that are sent to council or Washington State PTA.
- Income/Revenue:** Any amount of money received over a period of time either as payment for work, goods, or services, or as profit on capital (savings account, or CDs).
- Net Income:** The difference between all money received and expended during a given period of time. A net income may be positive or negative.
- Receipt:** A written or printed acknowledgement that things such as sums of money have been received by the organization. A duplicate receipt system should be used so both parties have a copy.
- Restricted Funds:** – Funds that have been set aside because of limitations in their use placed upon them by individuals or agencies outside of the membership or board of the PTA. Legally, the funds must be used in accordance with the wishes of the donor or the advertised purpose of the special event that brought in the associated income.
- Service Fees:** The expenses that the organization is required to pay (WSPTA and NPTA membership fees, council fees for example).

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**SAMPLE PTA**  
**Monthly Financial Report (OPTION 1)**  
**February, 20\_\_**

	<u>MONTHLY</u>	<u>YR-TO-DATE</u>	<u>BUDGETED</u>	<u>VARIANCE</u>
<b>INCOME</b>				
1. Membership Service Fees @ \$10	220.00	3,750.00	3,750.00	-
2. Fundraising Projects				
A. Carnival	-	6,458.50	6,100.00	358.50
B. Book Fair	-	786.50	950.00	(163.50)
C. T-Shirt Sale	-	903.60	1,000.00	(96.40)
D. Candy/Gift Wrap	8,165.00	8,165.00	7,500.00	665.00
E. Miscellaneous	5.38	116.50	1,291.25	(1,174.75)
<b>TOTAL INCOME</b>	<b>8,390.38</b>	<b>20,180.10</b>	<b>20,591.25</b>	<b>(411.15)</b>
<b>EXPENSES</b>				
1. Administration				
A. Supplies	26.50	201.78	300.00	98.22
B. General Mailings @ \$20	-	80.00	80.00	-
C. Liability Insurance	-	90.00	100.00	10.00
D. Bonding Insurance	-	85.00	85.00	-
E. Annual Corporation	10.00	10.00	10.00	-
F. Charitable Solicitation	-	10.00	10.00	-
G. President's Fund	5.86	21.50	50.00	28.50
2. Leadership Education				
A. Region Workshops	10.00	60.00	100.00	40.00
B. Legislative Assembly	-	265.00	250.00	(15.00)
C. WSPTA Convention	-	-	1,000.00	1,000.00
D. Publications/Brochures	10.00	75.00	100.00	25.00
3. Committees				
A. Membership	15.25	308.50	300.00	(8.50)
B. Hospitality	-	115.90	150.00	34.10
C. Programs	-	286.50	400.00	113.50
D. Miscellaneous	12.00	12.00	40.00	28.00
4. Recognition				
A. Golden Acorn (3)	-	-	195.00	195.00
B. Outstanding Educator (2)	-	-	130.00	130.00
C. Outstanding Advocate			65.00	65.00
5. Membership Service Fees				
A. WSPTA / NPTA @ \$6.50 each (20 members)	130.00	2,437.50	2,437.50	
B. Council @ \$.50	10.00	187.50	187.50	
C. Annual Local Unit Required Fees		5.00	5.00	
6. Projects				
A. Carnival	3.56	1,671.40	1,450.00	(221.40)
B. Book Fair	-	261.00	300.00	39.00
C. T-Shirt Sale	-	406.95	450.00	43.05
D. Candy/Gift Wrap	2,009.65	2,009.65	2,000.00	(9.65)
E. Reflections	585.98	629.78	500.00	(129.78)
F. Student Enrichment Grants	750.00	2,100.00	4,000.00	1,900.00
G. Miscellaneous	23.50	13.15	1,106.25	1,093.10
7. Unallocated Funds for Unanticipated Programs/Projects/Activities	800.00	2,790.00	2,790.00	
<b>TOTAL EXPENSES</b>	<b>4,402.30</b>	<b>14,133.11</b>	<b>18,594.25</b>	<b>4,461.14</b>
<b>BALANCE ON HAND 1/31/___</b>				
<b>NET INCOME</b>	<b>1,678.91</b>	<b>6,049.99</b>	<b>2,000*</b>	
<b>BALANCE ON HAND 2/28/___</b>	<b>7,728.90</b>			

\* \$2000 must be carried over for the next year. (This is suggested wording.)

	<u>MONTHLY</u>	<u>YR-TO-DATE</u>	<u>BUDGETED</u>	<u>VARIANCE</u>
<b>INCOME</b>				
1. Membership Service Fees @ \$10	220.00	3,750.00	3,750.00	-
2. Fundraising Projects				
A. Carnival	-	6,458.50	6,100.00	358.50
B. Book Fair	-	786.50	950.00	(163.50)
C. T-Shirt Sale	-	903.60	1,000.00	(96.40)
D. Candy/Gift Wrap	8,165.00	8,165.00	7,500.00	665.00
E. Miscellaneous	5.38	116.50	1,291.25	(1,174.75)
<b>TOTAL INCOME</b>	<b>8,390.38</b>	<b>20,180.10</b>	<b>20,591.25</b>	<b>(411.15)</b>
<b>EXPENSES</b>				
<b>RELATED TO INCOME</b>				
1. Membership Service Fees				
A. WSPTA / NPTA @ \$6.50 each	130.00	2,437.50	2,437.50	
B. Council @ \$.50	10.00	187.50	187.50	
C. Annual Local Unit Required Fee		5.00	5.00	
2. Fund Raising Projects				
A. Carnival	3.56	1,671.40	1,450.00	(221.40)
B. Book Fair	-	261.00	300.00	39.00
C. T-Shirt Sale	-	406.95	450.00	43.05
D. Candy/Gift Wrap	2,009.65	2,009.65		
<b>TOTAL EXPENSES</b>	<b>2,153.21</b>	<b>6,979.00</b>	<b>6,830.00</b>	<b>(149.00)</b>
<b>RELATED TO INCOME</b>				
<b>OTHER EXPENSES</b>				

**SAMPLE PTA**  
**Annual Financial Report (OPTION 1)**  
**July 1, 20\_\_ - June 30, 20\_\_**

	<b>TOTAL</b>	<b>BUDGETED</b>	<b>VARIANCE</b>
<b>INCOME</b>			
1. Membership Service Fees @ \$10	3,860.00	3,750.00	110.00
2. Fundraising Projects			
A. Carnival	6,458.50	6,100.00	358.50
B. Book Fair	786.50	950.00	(163.50)
C. T-Shirt Sale	903.60	1,000.00	(96.40)
D. Candy/Gift Wrap	8,165.00	7,500.00	665.00
E. Miscellaneous	252.50	1,291.25	(1,041.75)
<b>TOTAL INCOME</b>	<b>20,423.10</b>	<b>20,591.25</b>	<b>(168.15)</b>
<b>EXPENSES</b>			
1. Administration			
A. Supplies	358.90	300.00	(58.90)
B. General Mailings @ \$20	80.00	80.00	-
C. Liability Insurance	90.00	100.00	10.00
D. Bonding Insurance	85.00	85.00	-
E. Annual Corporation	10.00	10.00	-
F. Charitable Solicitation	10.00	10.00	-
G. President's Fund	48.97	50.00	1.03
2. Leadership Education			
A. Region Workshops	90.00	100.00	10.00
B. Legislative Assembly	265.00	250.00	(15.00)
C. WSPTA Convention	949.50	1,000.00	50.50
D. Publications/Brochures	110.00	100.00	(10.00)
3. Committees			-
A. Membership	308.50	300.00	(8.50)
B. Hospitality	146.75	150.00	3.25
C. Programs	358.00	400.00	42.00
D. Miscellaneous	51.50	40.00	(11.50)
4. Recognition			
A. Golden Acorn (3)	195.00	195.00	-
B. Outstanding Educator (2)	130.00	130.00	-
C. Outstanding Advocate	65.00	65.00	-
5. Membership Service Fees			-
A. WSPTA / NPTA @ \$6.50 each (386 members)	2,509.00	2,437.50	(71.50)
B. Council @ \$.50	193.00	187.50	(5.50)
C. Annual Local Unit Required Fee	5.00	5.00	-
6. Projects			
A. Carnival	1,671.40	1,450.00	(221.40)
B. Book Fair	261.00	300.00	39.00
C. T-Shirt Sale	406.95	450.00	43.05
D. Candy/Gift Wrap	2,009.65	2,000.00	(9.65)
E. Reflections	629.78	500.00	(129.78)
F. Student Enrichment Grants	2,100.00	4,000.00	1,900.00
G. Miscellaneous	591.30	1,106.25	514.95
7. Unallocated Funds for Unanticipated Programs/Projects/Activities	2,790.00	2,790.00	-
<b>TOTAL EXPENSES</b>	<b>16,522.20</b>	<b>18,594.25</b>	<b>2,072.05</b>
<b>BALANCE ON HAND 7/1/___</b>	<b>780.00</b>		
<b>NET INCOME</b>	<b>3,903.90</b>	<b>2,000*</b>	
<b>BALANCE ON HAND 6/30/___</b>	<b>4,683.90</b>		

\* \$2000 must be carried over for the next year. (This is suggested wording.)

**SAMPLE PTA**  
**Annual Financial Report (OPTION 2)**  
**July 1, 20\_\_ - June 30, 20\_\_**

	<u>TOTAL</u>	<u>BUDGETED</u>	<u>VARIANCE</u>
<b>INCOME</b>			
1. Membership Service Fees @ \$10	3,860.00	3,750.00	110.00
2. Fundraising Projects			-
A. Carnival	6,458.50	6,100.00	358.50
B. Book Fair	786.50	950.00	(163.50)
C. T-Shirt Sale	903.60	1,000.00	(96.40)
D. Candy/Gift Wrap	8,165.00	7,500.00	665.00
E. Miscellaneous	252.50	1,291.25	(1,041.75)
<b>TOTAL INCOME</b>	<b>20,293.10</b>	<b>20,458.25</b>	<b>(168.15)</b>
<b>EXPENSES RELATED TO INCOME</b>			
1. Membership Service Fees			
A. WSPTA / NPTA @ \$6.50 each (386 members)	2,509.00	2,437.00	(72.00)
B. Council @ \$.50	193.00	187.50	(5.50)
C. Annual Local Unit Required Fee	5.00	5.00	
2. Fund Raising Projects			
A. Carnival	1,671.40	1,450.00	(221.40)
B. Book Fair	261.00	300.00	39.00
C. T-Shirt Sale	406.95	450.00	43.05
D. Candy/Gift Wrap	2,009.65	2,000.00	(9.65)
<b>TOTAL EXPENSES RELATED TO INCOME</b>	<b>7,056.00</b>	<b>6,829.50</b>	<b>(226.50)</b>
<b>OTHER EXPENSES</b>			
1. Administration			
A. Supplies	358.90	300.00	(58.90)
B. General Mailings @ \$20	80.00	80.00	
C. Liability Insurance	90.00	100.00	10.00
D. Bonding Insurance	85.00	85.00	
E. Annual Corporation	10.00	10.00	
F. Charitable Solicitation	10.00	10.00	
G. President's Fund	48.97	50.00	1.03
2. Leadership Education			
A. Region Workshops	90.00	100.00	10.00
B. Legislative Assembly	265.00	250.00	(15.00)
C. WSPTA Convention	949.50	1,000.00	50.50
D. Publications/Brochures	110.00	100.00	(10.00)
3. Committees			
A. Membership	308.50	300.00	(8.50)
B. Hospitality	146.75	150.00	3.25
C. Programs	358.00	400.00	42.00
D. Miscellaneous	51.50	40.00	(11.50)
4. Recognition			
A. Golden Acorn (3)	195.00	195.00	
B. Outstanding Educator (2)	130.00	130.00	
C. Outstanding Advocate	65.00	65.00	
5. Projects			
A. Reflections	629.78	500.00	(129.78)
B. Student Enrichment Grants	2,100.00	4,000.00	1,900.00
C. Miscellaneous	591.30	1,106.75	515.45
6. Funds for Unanticipated Programs/Projects/Activities	2,790.00	2,790.00	
<b>TOTAL OTHER EXPENSES</b>	<b>9,463.20</b>	<b>11,761.75</b>	<b>(2,298.55)</b>
<b>TOTAL EXPENSES</b>	<b>16,519.20</b>	<b>18,591.25</b>	<b>2,072.05</b>
<b>BALANCE ON HAND 7/1/___</b>	<b>780.00</b>		
<b>NET INCOME</b>	<b>3,903.90</b>	<b>2,000*</b>	
<b>BALANCE ON HAND 6/30/___</b>	<b>4,683.90</b>		

\* \$2000 must be carried over for the next year. (This is suggested wording.)

Description	From/Receipt	Amount Received	Bank Deposit	Membership Fees	Fund Raiser	Misc.
Memberships	Karen/771	100.00		100.00		
Candy/Gift Wrap	John/772	950.00			950.00	
Deposit			1,055.00			
Candy/Gift Wrap	John/773	2,460.00			2,460.00	
Deposit			2,460.00			
Candy/Gift Wrap	John/774	3,165.00			3,165.00	
Donation	Karen/775	5.00				5.00
Deposit			3,170.00			
Candy/Gift Wrap	John/776	1,590.00			1,590.00	
Deposit			1,590.00			
\$ Found in Grass		0.38				0.38
Memberships	Karen/777	120.00		120.00		
Deposit			115.38			
<b>MONTHLY TOTALS</b>		<b>8,390.38</b>	<b>8,390.38</b>	<b>220.00</b>	<b>8,165.00</b>	<b>5.38</b>

- AMOUNT RECEIVED column must equal BANK DEPOSIT column.
- The sum of the MEMBERSHIP FEES, FUND RAISER, and the MISC columns must equal both the AMOUNT RECEIVED and BANK DEPOSIT columns.
- The amount in the MEMBERSHIP FEES, FUND RAISER, and MISC columns are transferred to the MONTHLY TREASURER'S REPORT.
- The BANK DEPOSIT column must equal the amount shown on the BANK STATEMENT for deposits.

Date	Description	Check No.	Ac-count	Check Amount	Admin	Leadership Education	Committees	Volunteer Recognition	Membership Fees	Projects
2/2	Paper	1121	1a	26.50	26.50					
2/2	WSPTA Workshop	1122	2a	10.00		10.00				
2/4	Committee Paper	1123	3c	12.00			12.00			
2/4	Trophy	1124	6g	25.00				25.00		
2/4	Pins	1125	6g	3.50						3.50
2/6	Photos	1126	7	150.00						150.00
2/9	Get Well Card	1127	1g	5.86	5.86					
2/10	WSPTA - Books	1128	2d	10.00		10.00				
2/11	Carnival	1129	6a	3.56						3.56
2/14	Member Marketing	1130	3a	15.25			15.25			
2/15	Assembly	1131	7	650.00						650.00
2/16	Candy/Gift Wrap	1132	6e	2,009.65						2,009.65
2/16	Corp Report	1133	1e	10.00	10.00					
2/18	Display/Prizes	1134	6e	585.98						585.98
2/21	Clean Program	1135	6f	300.00						300.00
2/23	Good Citizens	1136	6f	450.00						450.00
2/27	Council	1137	5a/b	135.00					135.00	
	<b>MONTHLY TOTALS</b>			<b>4,402.30</b>	<b>42.36</b>	<b>20.00</b>	<b>27.25</b>	<b>25.00</b>	<b>135.00</b>	<b>4,152.69</b>

- The sum of the ADMIN, LEADERSHIP EDUCATION, COMMITTEE, VOLUNTEER RECOGNITION, MEMBERSHIP FEES, and the PROJECTS columns must equal the CHECK AMOUNT column.
- The CHECK AMOUNT column must equal the amount shown on the bank statement for withdrawals.

Sample PTA

Money Receipt / Tally Sheet

Date: \_\_\_\_\_

Program Project: \_\_\_\_\_

Committee Chair: \_\_\_\_\_

	<u>Qty.</u>	<u>Amount</u>
Checks	_____	\$ _____
\$100s	_____	\$ _____
\$50s	_____	\$ _____
\$20s	_____	\$ _____
\$10s	_____	\$ _____
\$5s	_____	\$ _____
\$1s	_____	\$ _____
Quarters	_____	\$ _____
Dimes	_____	\$ _____
Nickels	_____	\$ _____
Pennies	_____	\$ _____
<b>Total</b>		\$ _____

Counted By: \_\_\_\_\_

*Always have two people count the money.*

Date Received by Treasurer: \_\_\_\_\_

Treasurer's Signature: \_\_\_\_\_

Amount verified:	<input type="checkbox"/> Yes <input type="checkbox"/> No
Verified by two people:	<input type="checkbox"/> Yes <input type="checkbox"/> No
Initials of verifiers	_____

Sample PTA

Cash Box Starting Inventory

Date: \_\_\_\_\_

Program Project: \_\_\_\_\_

Committee Chair: \_\_\_\_\_

Amount Issued: \$ \_\_\_\_\_

	<u>Qty.</u>	<u>Amount</u>
\$100s	_____	\$ _____
\$50s	_____	\$ _____
\$20s	_____	\$ _____
\$10s	_____	\$ _____
\$5s	_____	\$ _____
\$1s	_____	\$ _____
Quarters	_____	\$ _____
Dimes	_____	\$ _____
Nickels	_____	\$ _____
Pennies	_____	\$ _____
<b>Total</b>		\$ _____

Additional Items:

- Cash box
- Bank money bag
- Receipt book
- Sample PTA stamp
- Calculator
- Pens
- Scratch Paper

Received by: \_\_\_\_\_

Treasurer: \_\_\_\_\_

Amount verified:	<input type="checkbox"/> Yes <input type="checkbox"/> No
Verified by two people:	<input type="checkbox"/> Yes <input type="checkbox"/> No
Initials of verifiers	_____

## Sample PTA Application for Funds Request

Date: _____
Applicant's Name: _____
Contact Person: _____
Telephone: _____ day _____ evening
E-mail: _____

**Program/Project Title:** \_\_\_\_\_

Is this a continuation of an existing program?  Yes  No

Program/Project Start Date: \_\_\_\_\_

Ending Date: \_\_\_\_\_

<u>Proposed Program/Project Budget</u>	
	<b>Expenses</b>
	Materials \$ _____
	Equipment \$ _____
	Other \$ _____
	Total \$ _____
	<b>Income</b>
	Donations \$ _____
	Grants \$ _____
	Fees \$ _____
	Other \$ _____
	Total \$ _____
	<b>Total Amount of Funds Requested \$ _____</b>

## Sample PTA REIMBURSEMENT VOUCHER

**Please attach receipts or invoices to this form.** This will help the treasurer in keeping accurate account information for line items. If you need cash for making change at a PTA event, please give the treasurer at least one (1) week notice prior to the activity/project.

- Reimbursement**  
 **Cash** *(Please check the appropriate box)*

Date of Request: \_\_\_\_\_ Date Needed: \_\_\_\_\_

Amount Requested: \_\_\_\_\_ Committee: \_\_\_\_\_

Line Item (if different from committee name): \_\_\_\_\_

Purpose: \_\_\_\_\_

Requested by: \_\_\_\_\_ Signature: \_\_\_\_\_

Project: \_\_\_\_\_

<b>FOR TREASURER'S USE ONLY</b>	Date Received: _____
<input type="checkbox"/> Reimbursement Made To: _____	
Check Number: _____	Check Amount: _____
Budget Line Item: _____	
<input type="checkbox"/> Cash	
Purpose: _____	

# Sample PTA Survey

Your input is very important to the Sample PTA. The PTA will be developing a calendar for next year and we hope you will help us. Please take a few minutes and fill out this brief survey. Every response will be considered. Return the completed form to the PTA. Thank you for helping us in developing a program that will be fun and beneficial to our students, school and the community.

Please check off which events you or your family participated in during this year:

- |  |  |  |  |                                     |
|--|--|--|--|-------------------------------------|
| <input type="checkbox"/> Carnival        | <input type="checkbox"/> Book Fair           | <input type="checkbox"/> School Clothing   | <input type="checkbox"/> School Pictures             | <input type="checkbox"/> Book Fair  |
| <input type="checkbox"/> Reading Program | <input type="checkbox"/> Parenting Workshops | <input type="checkbox"/> Emergency Kits    | <input type="checkbox"/> Assemblies                  | <input type="checkbox"/> Santa Shop |
| <input type="checkbox"/> Field Trips     | <input type="checkbox"/> Reflections         | <input type="checkbox"/> Family Fun Nights | <input type="checkbox"/> Candy/Gift Wrap Fund Raiser |                                     |

Please check which events you feel we should include next year:

- |                                      |  |  |  |  |
|--------------------------------------|--|--|--|--|
| <input type="checkbox"/> Carnival    | <input type="checkbox"/> Book Fair         | <input type="checkbox"/> School Clothing | <input type="checkbox"/> School Pictures             | <input type="checkbox"/> Parenting Workshops |
| <input type="checkbox"/> Field Trips | <input type="checkbox"/> Assemblies        | <input type="checkbox"/> Emergency Kits  | <input type="checkbox"/> Book Fair                   | <input type="checkbox"/> Reflections         |
| <input type="checkbox"/> Santa Shop  | <input type="checkbox"/> Family Fun Nights | <input type="checkbox"/> Reading Program | <input type="checkbox"/> Candy/Gift Wrap Fund Raiser |  |

Is there a project, program or service activity that you feel we should consider? If so, please describe it: \_\_\_\_\_

If this project, program or service activity is included in the calendar, are you willing to serve on the committee for it?

- Yes       No

Name \_\_\_\_\_

Student(s) Name(s) \_\_\_\_\_

Student(s) Teacher(s) \_\_\_\_\_

Again, thank you for your valuable input. As a thank you for returning the completed form, a free bag of popcorn will be available for your student(s) on the next popcorn day.

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## Sample PTA Planning Form

If you have an idea for a project, program or service activity that you feel the Sample PTA should consider, please provide the following information. Return the completed form to any elected PTA officer for consideration. You will be notified if your project has been approved. Thank you for your idea and for helping us provide new and different events for our membership and the community we serve.

Name of project, program or service activity: \_\_\_\_\_ Is this activity a:  Project  Program  Service

Name of person submitting this activity: \_\_\_\_\_ Phone number: \_\_\_\_\_ E-mail: \_\_\_\_\_

**Please give specifics of this activity to the best of your ability.**

Expected Income \$ \_\_\_\_\_

Expenses \$ \_\_\_\_\_

Resources Needed \_\_\_\_\_

Expenses will cover the purchase of \_\_\_\_\_ al  
thefollowine \_\_\_\_\_ ed \_\_\_\_\_

**BUDGET WORKSHEET  
GOALS & OBJECTIVES  
(Programs, Projects, Activities)**

**CONTINUING PROGRAMS/PROJECTS**

Name \_\_\_\_\_

Description/Reason \_\_\_\_\_

\_\_\_\_\_

Est. Date \_\_\_\_\_ Est. Cost \_\_\_\_\_

Name \_\_\_\_\_

Description/Reason \_\_\_\_\_

\_\_\_\_\_

Est. Date \_\_\_\_\_ Est. Cost \_\_\_\_\_

Name \_\_\_\_\_

Description/Reason \_\_\_\_\_

\_\_\_\_\_

Est. Date \_\_\_\_\_ Est. Cost \_\_\_\_\_

Name \_\_\_\_\_

Description/Reason \_\_\_\_\_

\_\_\_\_\_

Est. Date \_\_\_\_\_ Est. Cost \_\_\_\_\_

**NEW PROGRAMS/PROJECTS**

Name \_\_\_\_\_

Description/Reason \_\_\_\_\_

\_\_\_\_\_

Est. Date \_\_\_\_\_ Est. Cost \_\_\_\_\_

Name \_\_\_\_\_

Description/Reason \_\_\_\_\_

\_\_\_\_\_

Est. Date \_\_\_\_\_ Est. Cost \_\_\_\_\_

Name \_\_\_\_\_

Description/Reason \_\_\_\_\_

\_\_\_\_\_

Est. Date \_\_\_\_\_ Est. Cost \_\_\_\_\_

Name \_\_\_\_\_

Description/Reason \_\_\_\_\_

\_\_\_\_\_

Est. Date \_\_\_\_\_ Est. Cost \_\_\_\_\_

**LEADERSHIP EDUCATION**

Region Workshops Est. Cost \_\_\_\_\_

PTA and the Law Est. Cost \_\_\_\_\_

Legislative Assembly Est. Cost \_\_\_\_\_

State PTA Convention Est. Cost \_\_\_\_\_

Leadership Publications Est. Cost \_\_\_\_\_

\_\_\_\_\_ Est. Cost \_\_\_\_\_

\_\_\_\_\_ Est. Cost \_\_\_\_\_

\_\_\_\_\_ Est. Cost \_\_\_\_\_

**MEMBERSHIP SERVICE FEES**

To Washington State PTA Est. Cost \_\_\_\_\_

To Council (if in a council) Est. Cost \_\_\_\_\_

**ADMINISTRATION**

Supplies Est. Cost \_\_\_\_\_

Postage Est. Cost \_\_\_\_\_

Past President's pin Est. Cost \_\_\_\_\_

"General Mailing"

subscription Est. Cost \_\_\_\_\_

General liability insurance Est. Cost \_\_\_\_\_

Fidelity bonding insurance Est. Cost \_\_\_\_\_

Annual Corporation Report Est. Cost \_\_\_\_\_

Charitable Solicitations Est. Cost \_\_\_\_\_

\_\_\_\_\_ Est. Cost \_\_\_\_\_

\_\_\_\_\_ Est. Cost \_\_\_\_\_

\_\_\_\_\_ Est. Cost \_\_\_\_\_

**RECOGNITION**

Golden Acorn Award Est. Cost \_\_\_\_\_

Honorary Life Membership Est. Cost \_\_\_\_\_

Outstanding Educator Est. Cost \_\_\_\_\_

Outstanding Advocate Est. Cost \_\_\_\_\_

**COMMITTEES**

Membership Est. Cost \_\_\_\_\_

Hospitality Est. Cost \_\_\_\_\_

Legislation Est. Cost \_\_\_\_\_

Programs Est. Cost \_\_\_\_\_

Advocacy Topic Est. Cost \_\_\_\_\_

Newsletter Est. Cost \_\_\_\_\_

**OTHER**

Carry Forward for Next Year Est. Cost \_\_\_\_\_

**TOTAL ESTIMATED COSTS \$ \_\_\_\_\_**

**BUDGET WORKSHEET  
REVENUE**

**CARRY FORWARD/SURPLUS—  
FROM LAST YEAR**

Surplus funds on June 30th      Est. Cost \_\_\_\_\_

**MEMBERSHIP**

Est. Memberships \_\_\_\_\_  
 Individual Membership Fee \_\_\_\_\_  
 Total of Membership Service Fees    Est. \_\_\_\_\_

**CONTINUING FUND RAISING PROJECTS**

**Name** \_\_\_\_\_  
 Description/Reason \_\_\_\_\_  
 \_\_\_\_\_  
 Est. Date \_\_\_\_\_      Est. Income \_\_\_\_\_

**Name** \_\_\_\_\_  
 Description/Reason \_\_\_\_\_  
 \_\_\_\_\_  
 Est. Date \_\_\_\_\_      Est. Income \_\_\_\_\_

**Name** \_\_\_\_\_  
 Description/Reason \_\_\_\_\_  
 \_\_\_\_\_  
 Est. Date \_\_\_\_\_      Est. Income \_\_\_\_\_

**NEW FUND RAISING PROJECTS**

**Name** \_\_\_\_\_  
 Description/Reason \_\_\_\_\_  
 \_\_\_\_\_  
 Est. Date \_\_\_\_\_      Est. Income \_\_\_\_\_

**Name** \_\_\_\_\_  
 Description/Reason \_\_\_\_\_  
 \_\_\_\_\_  
 Est. Date \_\_\_\_\_      Est. Income \_\_\_\_\_

**Name** \_\_\_\_\_  
 Description/Reason \_\_\_\_\_  
 \_\_\_\_\_  
 Est. Date \_\_\_\_\_      Est. Income \_\_\_\_\_

**Name** \_\_\_\_\_  
 Description/Reason \_\_\_\_\_  
 \_\_\_\_\_  
 Est. Date \_\_\_\_\_      Est. Income \_\_\_\_\_

**Name** \_\_\_\_\_  
 Description/Reason \_\_\_\_\_  
 \_\_\_\_\_  
 Est. Date \_\_\_\_\_      Est. Income \_\_\_\_\_

**Name** \_\_\_\_\_  
 Description/Reason \_\_\_\_\_  
 \_\_\_\_\_  
 Est. Date \_\_\_\_\_      Est. Income \_\_\_\_\_

**TOTAL ESTIMATED INCOME** \_\_\_\_\_ \$

**BUDGET RECONCILIATION**

TOTAL Estimated Income              \$ \_\_\_\_\_  
 TOTAL Estimated Costs                \$ \_\_\_\_\_  
 Net Surplus / <Deficit>                \$ \_\_\_\_\_

If the result is a budget deficit (where “costs” are higher than “income”), use the space below to describe how the PTA will bring the budget into balance.

**SAMPLE PTA BUDGET (option 1)**  
**July 1, 20\_\_ - June 30, 20\_\_**  
*(With Permission to the Board of Directors to Reallocate)*

	<u>BUDGET</u>	<u>TOTALS</u>
<b>INCOME</b>		
1. Membership Service Fees 400 @ \$10	4,000.00	
2. Fundraising Projects		
A. Carnival	6,500.00	
B. Book Fair	1,000.00	
C. T-Shirt Sale	1,200.00	
D. Candy/Gift Wrap	8,000.00	
E. Miscellaneous	1,130.00	
<b>TOTAL INCOME</b>		<b>21,830.00</b>
<b>EXPENSES</b>		
1. Administration		
A. Supplies	400.00	
B. General Mailings @ \$20	80.00	
C. Liability Insurance	100.00	
D. Bonding Insurance	85.00	
E. Annual Corporation	10.00	
F. Charitable Solicitation	10.00	
G. President's Fund	50.00	
2. Leadership Education		
A. Region Workshops	100.00	
B. Legislative Assembly	300.00	
C. WSPTA Convention	1,200.00	
D. Publications/Brochures	200.00	
3. Committees		
A. Membership	350.00	
B. Hospitality	200.00	
C. Programs	500.00	
D. Miscellaneous	50.00	
4. Recognition		
A. Golden Acorn (3)	195.00	
B. Outstanding Educator (2)	130.00	
C. Honorary Lifetime Membership	100.00	
D. Outstanding Advocate	65.00	
5. Membership Service Fees		
A. WSPTA / NPTA @ \$6.50 each	2,600.00	
B. Council @ \$.50	200.00	
C. Annual Local Unit Required Fee	5.00	
6. Projects		
A. Carnival	1,550.00	
B. Book Fair	300.00	
C. T-Shirt Sale	450.00	
D. Candy/Gift Wrap	2,000.00	
E. Reflections	500.00	
F. Student Enrichment Grants	4,000.00	
G. Miscellaneous	1,100.00	
7. Unallocated Funds for Unanticipated Programs/ Projects/Activities	3,000.00	
<b>TOTAL EXPENSES</b>		<b>19,830.00</b>
<b>NET INCOME</b>		<b>2,000.00</b>
<b>BALANCE CARRIED FORWARD TO NEXT YEAR</b>		<b>2,000.00*</b>

\* \$2000 must be carried over for the next year. *(This is suggested wording.)*

**SAMPLE PTA BUDGET (option 2)**  
**July 1, 20\_\_ - June 30, 20\_\_**  
*(With Permission to the Board of Directors to Reallocate)*

	<u>BUDGETED</u>	<u>TOTALS</u>
<b>BALANCE ON HAND 7/1/__</b>	2,000.00	
<b>INCOME</b>		
1. Membership Service Fees 400 @ \$10	4,000.00	
2. Fundraising Projects		
A. Carnival	6,500.00	
B. Book Fair	1,000.00	
C. T-Shirt Sale	1,200.00	
D. Candy/Gift Wrap	8,000.00	
E. Miscellaneous	1,130.00	
<b>TOTAL INCOME</b>		<b>21,830.00</b>
<b>EXPENSES RELATED TO INCOME</b>		
1. Membership Service Fees		
A. WSPTA / NPTA @ \$6.50 each	2,600.00	
B. Council @ \$.50	200.00	
C. Annual Local Unit Required Fee	5.00	
2. Fundraising Projects		
A. Carnival	1,550.00	
B. Book Fair	300.00	
C. T-Shirt Sale	450.00	
D. Candy/Gift Wrap	2,000.00	
<b>TOTAL EXPENSES RELATED TO INCOME</b>		<b><u>7,105.00</u></b>
<b>OTHER EXPENSES</b>		
1. Administration		
A. Supplies	400.00	
B. General Mailings @ \$20	80.00	
C. Liability Insurance	100.00	
D. Bonding Insurance	85.00	
E. Annual Corporation	10.00	
F. Charitable Solicitation	10.00	
G. President's Fund	50.00	
2. Leadership Education		
A. Region Workshops	100.00	
B. Legislative Assembly	300.00	
C. WSPTA Convention	1,200.00	
D. Publications/Brochures	200.00	
3. Committees		
A. Membership	350.00	
B. Hospitality	200.00	
C. Programs	500.00	
D. Miscellaneous	50.00	
4. Recognition		
A. Golden Acorn (3)	195.00	
B. Outstanding Educator (2)	130.00	
C. Honorary Lifetime Membership	100.00	
D. Outstanding Advocate	65.00	
5. Projects		
A. Reflections	500.00	
B. Student Enrichment Grants	4,000.00	
C. Miscellaneous	1,100.00	
6. Unallocated Funds for Unanticipated Programs/Projects/Activities	3,000.00	
<b>TOTAL OTHER EXPENSES</b>		<b>12,725.00</b>
<b>TOTAL EXPENSES</b>		<b>19,830.00</b>
<b>NET INCOME</b>		<b>2,000.00</b>
<b>BALANCE CARRIED FORWARD TO NEXT YEAR</b>		<b>2,000.00*</b>

\* \$2000 must be carried over for the next year. *(This is suggested wording.)*

## FINANCIAL REVIEW CHECKLIST

Name of PTA/PTSA: \_\_\_\_\_

Date of this review: \_\_\_\_\_ Period covered by this review: \_\_\_\_\_

Date of last review: \_\_\_\_\_ Period covered by last review: \_\_\_\_\_

The purpose of this Financial Review Checklist Form is to provide the Financial Review Committee with a tool, or guideline, to conduct an inspection of the books and records and a review of the financial management practices of the PTA/PTSA. Please answer the following questions to the best of your knowledge.

### BUDGET

1. Was the budget prepared by a budget committee? Yes/No  
If "NO" — Who prepared the budget? \_\_\_\_\_
2. Was the budget reviewed by the Board of Directors? Yes/No
3. Did the general membership approve the budget? Yes/No  
Date: \_\_\_\_\_ If "NO" — Explain: \_\_\_\_\_
4. Did the budget conform to the format illustrated in *Money Matters*? Yes/No  
If "NO" — Explain: \_\_\_\_\_

### FINANCIAL REPORTS

1. Did the Treasurer prepare a detailed, written financial report for each of the 12 months? Yes/No  
If "NO" — Explain: \_\_\_\_\_
2. Was a detailed, written financial report presented at every Board of Director's meeting? Yes/No  
If "NO" — Explain: \_\_\_\_\_
3. Was a detailed, written financial report presented at every general membership meeting? Yes/No  
If "NO" — Explain: \_\_\_\_\_
4. Did the financial reports generally conform to the format illustrated in *Money Matters*? Yes/No  
If "NO" — Explain: \_\_\_\_\_
5. Were the reports clear, concise, and easily understood? Yes/No  
If "NO" — Explain: \_\_\_\_\_
6. Did the reports show, in detail, the source(s) of all income and expenses? Yes/No  
If "NO" — Explain: \_\_\_\_\_
7. Was there any period of time which exceeded sixty (60) days when no written Treasurer's reports were provided? Yes/No  
If "YES" — Explain: \_\_\_\_\_
8. Did the Treasurer prepare an annual or year-end detailed, written financial report? Yes/No  
If "NO" — Explain: \_\_\_\_\_
9. Did the annual report generally conform to the format illustrated in *Money Matters*? Yes/No  
If "NO" — Explain: \_\_\_\_\_
10. Were the books and records available at every meeting? Yes/No  
If "NO" — Explain: \_\_\_\_\_

### FINANCIAL PROCEDURES/CONTROLS

1. Were PTA funds always deposited promptly into the PTA bank account(s)? Yes/No  
If "NO" — Explain: \_\_\_\_\_
2. Were PTA funds ever deposited into a personal account? Yes/No  
If "YES" — Explain: \_\_\_\_\_
3. Were PTA funds ever deposited into a school district or ASB account? Yes/No  
If "YES" — Explain: \_\_\_\_\_
4. Were PTA funds ever placed in a school building safe? Yes/No  
If "YES" — Explain: \_\_\_\_\_
5. Did two (2) or more people always count the funds? Yes/No  
If "NO" — Explain: \_\_\_\_\_

- 6. Was a receipt always written from the treasurer to the person who gave funds to the treasurer? Yes/No  
If "NO" — Explain: \_\_\_\_\_
- 7. Is the PTA's accounting system sufficient to maintain accurate records of income and expense transactions? Yes/No  
If "NO" — Explain: \_\_\_\_\_
- 8. Was all income properly allocated and categorized into the appropriate budget line-items? Yes/No  
If "NO" — Explain: \_\_\_\_\_
- 9. Were all expenditures properly allocated and categorized into the appropriate budget line-items? Yes/No  
If "NO" — Explain: \_\_\_\_\_
- 10. Was there a proper invoice or receipt for each expenditure? Yes/No  
If "NO" — Explain: \_\_\_\_\_
- 11. Was every expenditure part of the approved budget or properly approved at a general membership meeting or a board of directors' meeting? Yes/No  
If "NO" — Explain: \_\_\_\_\_
- 12. Is there a duplicate bank statement sent, by the bank to the president, and a person not on the bank signature card or obtained online? Yes/No  
If "NO" — Explain: \_\_\_\_\_
- 13. Did all binding agreements have two (2) signatures? Yes/No  
If "NO" — Explain: \_\_\_\_\_

**MEMBERSHIP & MEMBERSHIP SERVICES**

- 1. What was the PTA's total membership count for the year? \_\_\_\_\_
- 2. What was the dollar amount of the membership service fees sent to: WSPTA / NPTA Council \$ \_\_\_\_\_
- 3. What was the total dollar amount of membership fees collected by the PTA on: October 25 \$ \_\_\_\_\_  
January 25 \$ \_\_\_\_\_  
May 25 \$ \_\_\_\_\_  
June 30 \$ \_\_\_\_\_
- 4. Does the number of members enrolled through the on-line membership enrollment program correspond to the amount of membership service fees paid? Yes/No
- 5. Was a list of members given to the financial review committee? Yes/No  
If "NO" — Explain: \_\_\_\_\_
- 6. Does the total number of cards distributed to members equal the number of members enrolled? Yes/No  
If "NO" — Explain: \_\_\_\_\_

**BANK ACCOUNTS**

- 1. With which bank does the PTA maintain its checking account? \_\_\_\_\_
- 2. Does the PTA have more than one checking account? Yes/No  
If "Yes" — Explain: \_\_\_\_\_
- 3. Are all the checks imprinted with sequential numbers? Yes/No  
If "No" — Explain: \_\_\_\_\_
- 4. Were all the checks properly signed by two (2) officers? Yes/No  
If "NO" — Explain: \_\_\_\_\_
- 5. Are all the checks accounted for—including any voided checks? Yes/No  
If "NO" — Explain: \_\_\_\_\_
- 6. Does the PTA have a copy of current bank signature cards? Yes/No
- 7. Does the PTA have a savings account? Yes/No  
If "YES" — Explain: \_\_\_\_\_
- 8. Does the PTA have any certificates of deposit? Yes/No  
If "YES" — Explain: \_\_\_\_\_

**NONPROFIT CORPORATION**

- 1. Is the PTA incorporated? Yes/No  
 If "NO" — Explain: \_\_\_\_\_  
 If "YES" — Corporation number: \_\_\_\_\_ Date: \_\_\_\_\_  
 If "YES" — Was the PTA's Annual Corporation Report filed prior to the deadline? \_\_\_\_\_ Yes/No  
 Deadline is determined by the PTA's incorporation date.  
 If "NO" — Explain: \_\_\_\_\_

IF THIS PTA IS NOT INCORPORATED, THE BOARD OF DIRECTORS SHOULD CONTACT THE WSPTA OFFICE IMMEDIATELY.

**CHARITABLE SOLICITATIONS**

- 1. Did the PTA renew, by May 31st, its Charitable Solicitations registration? Yes/No  
 If "NO" — Explain: \_\_\_\_\_

**INSURANCE**

- 1. Did the PTA purchase general liability insurance? Yes/No  
 If "NO" — Explain: \_\_\_\_\_
- 2. Did the PTA purchase fidelity bonding insurance Yes/No  
 If "YES" — List the amount: \$ \_\_\_\_\_  
 If "NO" — Explain: \_\_\_\_\_  
 If "YES" — Was your monthly bank statement reviewed by someone who does not have authorization to sign checks? Yes/No  
 If "NO" — Explain: \_\_\_\_\_
- 3. Did the PTA purchase directors and officers insurance? Yes/No
- 4. Did the PTA purchase property insurance? Yes/No
- 5. Did the PTA have a claim made against any of its insurance? Yes/No  
 If "Yes" — Explain: \_\_\_\_\_

**INTERNAL REVENUE SERVICE**

- 1. What is the PTA's Employer Identification Number (EIN)? \_\_\_\_\_
- 2. Has the PTA been granted tax-exempt status? Yes/No  
 If "YES" — Under which section:  501(c)(3)  501(c)(4)  
 If "NO" — Explain: \_\_\_\_\_
- 3. Did the PTA's gross income exceed \$25,000 for the most recent fiscal year (July 1-June 30) Yes/No  
 If "YES" — Has the PTA made plans to complete a 990EZ Form? Yes/No
- 4. Are the PTA's Letter of Determination (Letter of Tax-Exempt Status) and any 990EZ Forms which it has filed available for inspection by the general public? Yes/No  
 If "NO" — Explain: \_\_\_\_\_

IF THIS PTA HAS NOT BEEN GRANTED TAX-EXEMPT STATUS, THE BOARD OF DIRECTORS SHOULD CONTACT THE WSPTA OFFICE IMMEDIATELY.

**BANK RECONCILIATION**

- 1. Was the bank account reconciled with the bank statement within five (5) days after receipt of the bank statement? Yes/No  
 If "NO" — Explain: \_\_\_\_\_
- 2. Did the monthly, written financial reports balance with the bank statements? Yes/No  
 If "NO" — Explain: \_\_\_\_\_
- 3. Did the year-end financial report reconcile to the final bank statement? Yes/No  
 If "NO" — Explain: \_\_\_\_\_

- 4. At the time of the review, had all checks cleared the bank? Yes/No  
 If "NO" — List the check numbers which have not cleared: \_\_\_\_\_

**EXAMINATION OF BOOKS & RECORDS**

- 1. Do the canceled checks and the entries in the checkbook and the monthly financial reports—all agree? Yes/No  
 If "NO" — Explain: \_\_\_\_\_
- 2. Do the deposit slips and the entries in the income ledger and the monthly financial reports—all agree? Yes/No  
 If "NO" — Explain: \_\_\_\_\_
- 3. Did all the fund raising activities meet or exceed the budgeted levels and expectations? Yes/No  
 If "NO" — Explain: \_\_\_\_\_
- 4. Did the expenses for all projects and activities fall within budgeted levels and expectations? Yes/No  
 If "NO" — Explain: \_\_\_\_\_
- 5. Were there any significant differences between the income and the expenses of an activity conducted this year, compared to the income and expenses of the same activity conducted in a previous year? Yes/No  
 If "YES" — Explain: \_\_\_\_\_
- 6. Are there any checks written to an individual for the reimbursement of any PTA expense? Yes/No  
 If "YES" — Explain: \_\_\_\_\_
- 7. Are there any checks written for "cash"? Yes/No  
 If "YES" — Explain: \_\_\_\_\_
- 8. Have all the financial obligations of the PTA been paid in full? Yes/No  
 If "NO" — Explain: \_\_\_\_\_

**OTHER**

- 1. Were there any disagreements during the year about the expenditure of funds? Yes/No  
 If "YES" — Explain: \_\_\_\_\_
- 2. Was the treasurer cooperative during the financial review and with the financial review committee? Yes/No
- 3. Were there questions that could not be answered solely by an examination of the books and records that required additional information from the treasurer or another person? Yes/No  
 If "YES" — Explain: \_\_\_\_\_
- 4. Were the books and records legible? Yes/No
- 5. Were the books maintained in ink? Yes/No
- 6. Were the books and records maintained on a computer? Yes/No  
 If "YES" — Were there printed copies of all the information made available to the board and financial review committee? \_\_\_\_\_ Yes/No
- 7. Did the PTA purchase any equipment and donate it to a school district or another organization? Yes/No  
 If "YES" - Explain: \_\_\_\_\_
- 8. Did the PTA grant funds to a school district or to another organization? Yes/No  
 If "YES" - Explain: \_\_\_\_\_
- 9. If the PTA granted funds to the school district, did the PTA ask for a year-end statement? Yes/No  
 If "NO" — Explain: \_\_\_\_\_
- 10. Does the PTA own the equipment? Yes/No  
 If "YES" - List the equipment: \_\_\_\_\_

**RECOMMENDATIONS & COMMENTS OF THE FINANCIAL REVIEW COMMITTEE**

Date Financial Review Completed: \_\_\_\_\_

**FINANCIAL REVIEW COMMITTEE:**

By: \_\_\_\_\_

By: \_\_\_\_\_

By: \_\_\_\_\_

# SALES TAX BULLETIN

PTAs are exempt from Washington State and local sales tax on items they purchase for resale.

Periodic fund raising activities conducted by a PTA, which do not constitute the operation of a regular place of business, are exempt from sales and B&O tax.

- ▶ **EXCEPTIONS:** Book Fairs – You still need to collect tax and remit to the vendor.  
Student Store – This is considered an ongoing business and is therefore subject to sales tax. (Questions? Contact the WSPTA Office)

What this means is:

- PTAs **do not** have a sales tax liability when selling products or services. PTAs do not have to add sales tax to the purchase of an item; collect the tax; nor remit the tax to the Department of Revenue.
- PTAs **do not** have to pay sales tax to suppliers/vendors of products that *are being purchased for resale* **IF** the PTA provides a resale certificate to that supplier/vendor.

A sample copy of a “resale certificate” is located on the back side of this sheet. A master copy is also included for your use. You may also request a master copy by contacting the Washington State PTA office or downloading one from the WSPTA Resources web-page [www.wastatepta.org/resources/resources.htm](http://www.wastatepta.org/resources/resources.htm)

If you are going to use the same company more than once, you may date the Resale Certificate for up to four years into the future.



### RESALE CERTIFICATE

A blank copy of this form can be downloaded from the WSPTA Leadership Resources webpage:  
[www.wastatepta.org/leaders/leaders.htm](http://www.wastatepta.org/leaders/leaders.htm)

- 1. Name of Seller       VENDOR
- 2. Name of Buyer/Business       NAME OF PTA
- 3. Address of Buyer       SCHOOL ADDRESS        
Street City, State Zip
- 4. Buyer's UBI/Revenue Registration       EXEMPT BASED ON SENATE BILL 6599 (or UBI #)  
Number       501(C)(?) (Only 3 or 4) ORGANIZATION
- 5. Buyer is in the business of       GENERIC (VARIETY OF GIFT ITEMS...CANDY, etc.)
- 6. Types of items purchased for resale \_\_\_\_\_  
\_\_\_\_\_

I (the buyer) certify that I am purchasing the items listed on line 6 (please check appropriate box):

- for resale in the regular course of business without intervening use in the regular course of business,
- for use as an ingredient or component of a new article of tangible personal property to be produced for sale,
- as a chemical to be used in processing a new article of tangible property to be produced for sale, or
- for use as feed, seed, seedlings, fertilizer, or spray materials in my capacity as a farmer.

I acknowledge that I am solely responsible for purchasing within the categories listed on line 6. I acknowledge that misuse of the resale privilege claimed by use of this certificate subjects me to a penalty of **50 percent of the tax due**, in addition to the tax, interest, and any other penalties imposed by law.

      ANY ELECTED OFFICER      

Print Name \_\_\_\_\_ Name of Person \_\_\_\_\_  
Authorized to Use Resale Certificate

Signature \_\_\_\_\_  
Signature of Person Authorized to Use Resale Certificate

Effective Date \_\_\_\_\_ through \_\_\_\_\_  
(Not to Exceed 4 Years)