

## PTA AND THE IRS

As of 2006 every non-profit organization, including all PTAs, must file a 990 annual information form with the IRS. Any non-profit that has not filed for three consecutive years is subject to removal of their non-profit status. To become reinstated non-profit groups that have not filed may have to file a 1023 Application for Non-Profit Status including fees of \$400 and up. Has your PTA filed a 990 this year?

While the most detailed and correct information is available through the IRS, here are a few pointers that may help.

**Fiscal Year and Tax Year:** Your PTA's **fiscal year** is defined in your bylaws. The fiscal year covers a full 12 months and most local PTA years run from July 1-June 30 and others from June 1-May 31 or August 1-June 31. When the fiscal year bridges parts of two calendar years then the corresponding **tax year** is defined as the first year of those twelve months, such as for the fiscal year 2010-2011 the tax year is 2010. *If you find a discrepancy between the fiscal year on your bylaws and that that is listed with the IRS, please call the Missouri PTA office and ask for assistance to make the correction.*

**IRS Filing Deadline:** The IRS filing is due the fifteenth day of the fifth month following the close of the fiscal year. If your fiscal year ends June 30, then your filing deadline is November 15<sup>th</sup>. You can file any time between the close of your fiscal year and the deadline. *Do not be late.* The IRS is quite serious about imposing penalties and fines for being tardy. If you are genuinely running late you can file an extension for the 990-EZ but not for the 990-N.

**Full PTA Name:** While the name of your PTA may seem very obvious to you, the IRS

has its own labeling system. Since all local PTAs are part of Missouri PTA and National PTA you will find your PTA listed as "PTA – Missouri Congress-- (local unit name)". Missouri PTA has listed the name we have for your PTA on the Local Unit Information Page included in the pocket folder of the Summer *Tool Kit* from Missouri PTA.

**990-N or 990-EZ?** See the IRS page on "990 Series – Which Form to File" included in the next pages of this article. The **990-N** is filed by PTAs that brought in **\$50,000** or less in gross receipts (which includes all money deposited in your PTA account except the state and national portions of dues). If you are filing for a previous year during 2007-2010, the limit is \$25,000.

The 990-N is filed online at <http://epostcard.form990.org/>. Have your email address and the following information: EIN, official PTA name and alternate names, PTA mailing address (school's address), president's name and address, the PTA's web address if it has one, the PTA fiscal year and proof of the annual income (treasurer's annual report and the audit report), you will be able to make the 990-N filing in about 15 minutes. If no 990-N has been previously filed you can use the drop down menu of the tax year box to select a previous tax year. Once you have filed for any one year, the site will not allow you to file a 990-N for a previous year. Your filing will be confirmed with an email notice. Print off the email and save in PTA records, also forward the email to Missouri PTA. (see included directions)

A **990-EZ and Schedule A** should be filed by PTAs who regularly bring in more than \$50,000 but less than \$500,000 in gross receipts. These forms are more detailed, fill them out thoroughly; incomplete returns will be rejected. A local PTA is a subordinate of

Missouri PTA; therefore use Missouri PTA's Group Exemption Number (GEN) 2198. On Schedule A check Box 9 on the first page. Use broad terms such as "child advocacy", "student activities", "teacher support", etc. to describe your activities. Fill in Schedule A Part III using totals on your past treasurers' Year-End/Annual Financial Reports and/or previous 990 filings. Forms and instructions can be found at [www.IRS.gov](http://www.IRS.gov). Filing can be done electronically or on paper, either way save a printed copy. If your PTA hires a tax expert make sure they have experience with group non-profit organizations. See the IRS page on "990 Series – Which Form to File" included in the next pages of this article.

**Letters from the IRS:** The IRS makes every attempt to contact a PTA for which there are questions or notifications. Letters from the IRS can be quite intimidating, however do not hide or throw them away. Respond promptly before the stated deadline, if the deadline has passed call immediately to explain. Supply the requested information. If there are extenuating circumstances then explain them. Always use the PTA's EIN number on all correspondence. Include copies of the IRS letter and any enclosed signature forms with your new/corrected information as instructed. Record dates of any phone calls and name(s) of those to whom you've spoken and keep copies of all correspondence.

If you have received a letter stating you are incurring penalties and fines, respond immediately. Ask about your options. If you have resolved the initial discrepancy but are still facing penalties and fines you can try to request a waiver, reduction and/or payment plan; this is not always possible but it is worth a try.

**Be Responsible:** Each PTA will have its own standard as to whose individual responsibility it is to file the 990. The outgoing treasurer will know the financial information best, the new treasurer may be called upon to do any follow up work; it may be a project best shared by both treasurers shortly after the close of the fiscal year. No matter who is supposed to take care of it, every board member should be aware of the filing and if the IRS was satisfied. Has your PTA filed a 990 this year?

**Copies to Missouri PTA:** The IRS asks Missouri PTA to prove which local PTAs are in good standing. In order for Missouri PTA to support your PTA's good standing status, your PTA must submit by December 1<sup>st</sup> copies of the following:

- (1) 990-N email receipt or copy of 990-EZ with Schedule A filing
- (2) Treasurer's Fiscal Year-End Report and
- (3) the unit's Annual Financial Review (audit).

**Resources:** For more information please consult the IRS at [www.irs.gov](http://www.irs.gov), put key phrases in the search box. Remember that PTAs are non-profit group organizations that must file individual reports.

Missouri PTA may also be able to help, call 1-800-328-7330 or email [office@mopta.org](mailto:office@mopta.org)

**Form 990 Series – Which Form to File:** PTA's are required to file annual information forms with the IRS. That's either a Form 990, 990-EZ, 990-PF or the 990-N (e-Postcard). Filing the form is necessary to maintain an organization's tax-exempt status.

## Form 990 Series - Which Form to File (Filing Phase-In)



### Form 990 Series - Which Form to File (Filing Phase-In)

Most tax-exempt organizations are required to file an annual return. Which form an organization must file generally depends on its financial activity, as indicated in the chart below. The chart also shows the transition period for exempt organizations required to file a redesigned annual return beginning with 2008 tax years (returns filed beginning in 2009).

<b>2007 Tax Year (Filed in 2008 or 2009)</b>	<b>Form to File</b>	<b>Instructions</b>
Gross receipts normally $\leq$ \$25,000 <b>Note:</b> Organizations eligible to file the <i>e-Postcard</i> may choose to file a full return.	990-N	n/a
Gross receipts $<$ \$100,000, and Total assets $<$ \$250,000	990-EZ or 990	Instructions
Gross receipts $\geq$ \$100,000, or Total assets $\geq$ \$250,000	990	Instructions
Private foundation	990-PF	Instructions

<b>2008 Tax Year (Filed in 2009 or 2010)</b>	<b>Form to File</b>	<b>Instructions</b>
Gross receipts normally $\leq$ \$25,000 <b>Note:</b> Organizations eligible to file the <i>e-Postcard</i> may choose to file a full return.	990-N	n/a
Gross receipts $<$ \$1 million, and Total assets $<$ \$2.5 million	990-EZ or 990	Instructions
Gross receipts $\geq$ \$1 million, or Total assets $\geq$ \$2.5 million	990	Instructions
Private foundation	990-PF	Instructions

<b>2009 Tax Year (Filed in 2010 or 2011)</b>	<b>Form to File</b>	<b>Instructions</b>
Gross receipts normally $\leq$ \$25,000 <b>Note:</b> Organizations eligible to file the <i>e-Postcard</i> may choose to file a full return.	990-N	n/a
Gross receipts $<$ \$500,000, and Total assets $<$ \$1.25 million	990-EZ or 990	Instructions
Gross receipts $\geq$ \$500,000, or Total assets $\geq$ \$1.25 million	990	Instructions
Private foundation	990-PF	Instructions

<b>2010 Tax Year and later (Filed in 2011 and later)</b>	<b>Form to File</b>	<b>Instructions</b>
Gross receipts normally $\leq$ \$50,000 <b>Note:</b> Organizations eligible to file the <i>e-Postcard</i> may choose to file a full return.	990-N	n/a
Gross receipts $<$ \$200,000, and Total assets $<$ \$500,000	990-EZ or 990	Instructions
Gross receipts $\geq$ \$200,000, or Total assets $\geq$ \$500,000	990	Instructions
Private foundation	990-PF	Instructions

Additional forms, schedules, and instructions are available:

- Current tax year
- Prior tax years

## INSTRUCTIONS FOR COMPLETING YOUR 990-N (e-Postcard)

**Look at the Local Unit Information sheet in the most recent Summer Packet, which was mailed to presidents, to help you with the information you need to collect below.**

To complete the e-postcard you will need the following information:

- PTA EIN number (Employer Identification Number)
- PTA's legal name – Since your PTA is a subordinate member of Missouri Congress of Parents and Teachers, your IRS PTA name will start with those words, look on the Local Unit Information sheet for your legal name.
- Proof that your gross receipts are \$50,000.00 or less. (Treasurer's Year-End Financial Report)
- PTA mailing address. (If you are a unit, use the school's address, if you are a council or a district-wide unit use the school district's office address)
- One or more other names (DBA-doing business as) names used by your unit. Name(s) other than your legal IRS name listed on the Local Unit Information Sheet. Example: *Missouri Congress of Parents and Teachers* is the state PTA's IRS legal name. The DBA names are *Missouri PTA*, *MOPTA*, and *MCPT*.
- PTA website address, if it has one.
- The president's name and home address. ("Principal Officer" is requested, this is your current president.)
- PTA's fiscal year. (Check your bylaws, if not certain.)

### Steps for filing an e-Postcard

Go to <http://epostcard.form990.org> website and choose

**STEP 1: Register as a New User.** This will give you a login ID.

- Click **Next** (don't use the browser's "Back" or "Forward" buttons) and select exempt organization and enter PTA's EIN (Employee Identification Number). The EIN was given to your PTA by the IRS when the unit was chartered. The EIN is listed on the Local Unit Information sheet)
- Click **Next** to create a password and fill in your personal contact information (so if they have any questions they know who to contact).
- Once completed, you will receive an email containing an activation link.
- Close IRS site and **open** your email account. (Make sure your browser will allow mail from [epostcard@urban.org](mailto:epostcard@urban.org).)
- **Open** your email from [epostcard@urban.org](mailto:epostcard@urban.org)
- **Click** on the link in the email to activate and use your login ID. (Use your newly established password to open this account.)
- Your login ID will appear with your password. (If you print this off please keep in a safe place.)

## **STEP 2: Create your Form 990-N (e-Postcard)**

- With the login ID and password, you can access the system and click **Create your Form 990-N (e-Postcard) Now**.
- On the next page fill in PTA fiscal year. (Beginning and ending dates)
- Answer NO to “Has your organization terminated or gone out of business?”
- Answer YES to “Are your gross receipts normally \$50,000 or less?”
- Enter the EIN and the PTA’s legal name should appear (Missouri Congress...), verify that it is correct.
- There are “?” by each question that you may click for help/instructions.
- The next page is **Organization Address and Principal Officer Information**
- DBA (means doing business as) name- If you unit goes by a name other than the IRS legal name you need to enter that name(s) here.
- For units, the school address is the organization’s mailing address. For councils and district-wide units, the school district office address is the organization’s mailing address.
- It asks for Principal Officer’s name and their home address. This is your current president and their home address.
- If your PTA has a website, enter it.

## **STEP 3: Summit your Form 990-N (e-Postcard)**

- Click on the **Submit Filing to IRS** after checking to make sure everything is correct
- It will take you to **Congratulations, your Form 990-N (e-postcard) has been submitted to the IRS.**
- Once the IRS receives and processes your e-postcard (usually within 30 minutes), you will receive an email indicating whether your e-postcard was accepted or rejected. If accepted, you are done for the year. If rejected, the e-filing receipt email will contain instructions on how to correct the problem.
- At the bottom of this page you can either click log out or go to filing status page.

**PRINT THE EMAIL FROM THE IRS THAT STATES YOUR E-POSTCARD HAS BEEN ACCEPTED.** Keep a copy for your records for treasurer's book, president's book, secretary's book; forward the email to [office@mopta.org](mailto:office@mopta.org) or mail a *copy to Missouri PTA by December 1<sup>st</sup>*.

If you have any questions please contact: Missouri PTA 800-328-7330, [office@mopta.org](mailto:office@mopta.org)

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