

Tax Information for PTAs with Income Less Than \$50,000 for the Tax Year 2016-2017

Dear Treasurers, Presidents, and other officers too,

The IRS DOES NOT allow for any extensions if gross receipts are \$50,000 or less, so you MUST file by November 15.

Although the IRS and State of California have a November 15 deadline, we would like all units to file no later than **Tuesday, Nov 7**. The good news is, if your unit made \$50,000 or less, it will take you less than one hour to complete all three forms.

All PTA units have to file three returns each year by November 15.

You must file with each of the following agencies, even if your PTA made \$0 last year:

- IRS - Form 990n
 - California Franchise Tax Board (FTB) - Form 199n
 - California Attorney General - Form RRF-1
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- IRS rule: a PTA/PTSA will automatically lose its tax-exempt status for not filing for three consecutive years, so file now!
 - FTB rule: every unit must file or have filed for 2010, 2011, 2012, 2013, 2014, 2015, and 2016 by November 15 or they will lose their California tax exempt status.

Whenever you receive correspondence from a governmental agency, be sure to check with your district PTA and provide them with a copy of what you received. **Do not call the government agency directly** because California State PTA has a relationship with these agencies and can more effectively and correctly address any issues that arise.

What you will need before starting the forms:

Your unit bylaws will have:

- The official name of your PTA is on the cover. See note below concerning 990n/990EZ/990.
- Your school Address as listed on your bylaws.
- EIN, FTB, and CT number - your bylaws have them listed in Article XIV - Identification Numbers and Fiscal Year or contact your council (in council) or Sixth District for help.
- Fiscal Year is also found in Article XIV.

Name of a principal officer (usually the president, but it can be any elected officer). Address of officer can be the school address.

Login ID and password - The IRS is now hosting the 990n site. If your PTA registered last year, then you do not need to register again this year if you know your username. If you do not or have not registered, then you will need to set up a PTA account before filing the Form 990-N. **Leave plenty of time to do this - do not wait until the last minute.**

You need to know your gross receipts before you start the forms online.

- **Gross receipts** include all of the income your unit received **except** for the per capita portion of the membership (the amount you forwarded to council or district).
- **Income** means the amount your PTA received from all sources during the fiscal year, without subtracting any costs or expenses.
- **Income** includes all the money you raised from fundraisers, donations, bank interest and the membership dues you keep in your unit (not the membership dues you forward to Council or Sixth District).
- California Attorney General uses a different definition for gross receipts for the RRF-1. Information in the RRF-1 section below.
- You will find the gross receipts number in your **Annual Financial Report**.
- If you don't have your annual financial report for the year ended June 30 or have questions concerning filing taxes, contact Sandee Ruiz, Sixth District Treasurer and she will connect you with a council or district officer who can help you. [treasurer@capta6.org]

You need to know your total assets -

- **Ending balance** that is on your **Annual Financial Report** for the year.
- This is the amount of money that your unit has on June 30, 2016 from all sources. This includes bank accounts checking, savings, CDs, cash, and if you have paper scrip or gift cards, then its value.

If gross receipts are \$50,000 or less:

Electronically file the 990N to the IRS - [Form 990n](#)

- Do not use a smart phone to register or file your Form 990-N.
- The Form 990-N electronic-filing system was moved from Urban Institute's website to IRS.gov on Feb. 29, 2016. This is the second year using the IRS site to file the 990n.
- If your PTA registered last year, then you do not need to register again this year if you know your username. If you do not or have not registered, then you will need to set up a PTA account before filing the Form 990-N. **Leave plenty of time to do this - do not wait until the last minute.**
- Please follow the instructions in the "[IRS Form 990-N Electronic Filing System \(e-Postcard\) User Guide](#)" to register.
- Remember to write down your password and answers to the four security questions.
- Your official PTA name for the IRS is:

PTA California Congress of Parents, Teachers, and Students, Inc
(all PTA's in California have this official name with the IRS)
DBA (doing business as) - use your PTA unit's name
(the name on the cover of your bylaws)

- The IRS only asks a yes or no question - did you make less than \$50,000?
- The IRS no longer sends an email confirming your submission. **Click on the word PRINT at the bottom of the page to print a copy for your records.** Once you leave the page, you won't be able to print this filing.
- After making a copy, click on "Manage Form 990-N Submissions" button.
- After 7 minutes, refresh the page (F5 key for Windows; Command-R for Mac) and the **GET UPDATED STATUS** button will be visible. Select **GET UPDATED STATUS** to see if your submission was accepted or rejected.

Electronically file the 199n for the FTB - [Form 199n](#)

- The 199n requires you to fill-in what were the gross receipts for the year.
- Gross receipts - your PTA's income excluding funds not belonging to the unit.
- Your official PTA name for the FTB is: your PTA unit's name (the name on the cover of your bylaws)
- Important: **You must PRINT your 199n at the time you file.** Please do this before you leave the FTB confirmation screen.
- The FTB does NOT send an email or have a public copy available.

Mail a paper copy of the RRF-1 to the CA Attorney General - [Form RRF-1](#)

- It must be postmarked by November 15.
- For a sample filled-in RRF-1 ([annotated RRF-1](#))
- CT Number: Enter Charitable Trust Number
- Your official PTA name for the CA Attorney General is: your PTA unit's name (the name on the cover of your bylaws)
- Address: Use school address
- CA Corp Number: Use the Entity or FTB number
- Federal Employer ID Number: Enter your EIN
- Complete Part A and Part B

RRF-1, Part A:

On the RRF-1, you will need to fill-in a number for:

- **Total assets** (what's in all of your checking/saving/CDs/paper scrip/gift cards accounts on June 30).
- **Gross receipts** (CA Attorney General uses a different guideline for what is gross receipts)

Gross Annual Revenue ONLY for CA Atty General:

990N - Use Annual Financial Report - Income minus fundraising expense

990EZ - Part 1 Line 9 (check using Annual Financial Report)

990 - Part 1, Line 12 (check using Annual Financial Report)

Example: AFR Gross Receipts = \$31,500 Fundraising Expense = \$ 9,500

The Gross receipts for RRF-1 = 22,0000

- **Fees:**
 - If your PTA unit made less than \$25,000 there is no fee.
 - If your unit made between \$25,001 and \$50,000, you will need to include a check for \$25 made out to Attorney General's Registry of Charitable Trust.

RRF-1, Part B:

If you answer "YES" to any questions in Part B, you must attach an additional page with an explanation. The RRF-1 will not be accepted by the Attorney General without the attachment.

- **RRF-1 - Question 9** - *Did your organization have prepared an audited financial statement in accordance with generally accepted accounting principles for this reporting period?* The answer is no, unless your unit paid several thousand dollars to an accounting firm to do the audit.

For a sample filled-in RRF-1, see CAPTA's [Tax Filing: What Do We Need to File](#)

Tips for filing your forms:

* Use your official PTA name

IRS -

Official name is PTA California Congress of Parents, Teachers, Students, Inc
(all PTA's in California have this official name with the IRS)
DBA (doing business as) - use your PTA unit's name
(the name on the cover of your bylaws)

FTB and CA Attorney General -

Official name is your PTA unit's name (the name on the cover of your bylaws)

* Make sure you are also using the correct identification numbers (EIN, Entity/FTB Number, and CT Number)

These numbers can be found in your bylaws, ARTICLE XIII - FISCAL YEAR AND IDENTIFICATION NUMBER or contact your council PTA or district PTA.

* If your unit raises less than \$50,000 you probably do not need to use a tax consultant. But if you do use one, please know that not all tax professionals understand non-profit filing.

Make sure they address their questions to [California State PTA](#) and not the government agency.

For additional tips, see CAPTA's [Tax Filing: What Do We Need to File](#)

Questions: Contact Sixth District Treasurer, [Sandee Ruiz](#) (treasurer@capta6.org)
Ayuda en español, favor mandar email a [Wendy Akers-Ghose](#) (wendyghose@yahoo.com)