

New York State

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Finance and Insurance

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PTA Finance and Insurance

At A Glance...

- P. 3 All members of the executive board have fiduciary responsibility for the well-being of the PTA. The executive board includes the elected officers, chairmen, and others as listed in the bylaws. The executive board is responsible to practice care and diligence to assure that the best practices of the PTA and its members are protected and preserved.
- Good PTA financial management requires that the members know and approve the budget, approve all fund-raising projects, understand that all the funds (and only those owned and controlled by the PTA) are kept in a PTA bank account, and that the portion of the dues owed to National and NYS PTA are promptly paid to NYS PTA. Two people should count money and receipts should always be given for cash. Corporate sponsorship can be helpful fund raising tools; endorsing any product or service is never appropriate.
- P. 4 The real working capital of the PTA lies in its members, not in its treasury. The PTA should use its money to finance PTA work. PTAs **do not** raise funds for other organizations. The PTA treasurer is the custodian of the funds. All financial records are the property of the PTA. A treasurer should keep a ledger book, the checkbook, and do a monthly reconciliation of the bank statement with a member, who is appointed by the president and who does not sign checks.
- PTA funds should be kept in a bank and at least three (3) officers should sign signature cards. PTA funds belong to the association and are not to be “turned over” to the school to use at their discretion. Two unrelated people should sign all PTA checks (usually the president and the treasurer), all bills should be paid by check, and no other organization can pass funds through a PTA account. PTA funds can be used to purchase Honorary Life memberships and other awards; always use the appropriate form. Attendance at leadership training, events and conferences are legitimate PTA expenses.
- P. 5 A treasurer should give a report to the association at meetings and other times as requested. An annual report should cover the PTA’s fiscal year. A treasurer’s duties involve keeping accurate accounts of the finances, depositing all funds including dues, paying bills, preparing a budget, and knowing the financial procedures recommended by State and National PTA.
- P. 6 A sample Treasurer’s Report is shown here.
- P. 7 Reimbursement voucher forms offer PTAs an easy way to keep accurate records of expenses, and prove that members were properly paid for PTA expenses.
- P. 8 The budget is an outline of estimated income and expenses. A PTA must have a budget in place at all times in order to operate. Developing the budget should be done by a committee and the PTA’s goals for the year should determine the size of the budget. The budget should provide funds for leadership training, parent education, PTA programs, and the unit administrative expenses and operating costs. The proposed budget should be first shown to the executive board and then to the general membership for approval. A budget can always be amended. Income and expenses should be in balance.
- P. 9 A sample PTA unit budget is shown.
- P. 10,11 NYS PTA’s units and councils in good standing are exempt from federal income tax under Section 501 (c)(3) of the IRS Code **if** its revenue was raised in a manner related to the PTA’s purposes. Strict compliance with all applicable federal, state and local laws is important. A PTA cannot support any political candidates. Unrelated business income (which is taxable) occurs if a PTA has revenue from an activity which constitutes the sale of goods or services, that is conducted more than once a year, and is not directly related to education or advocacy. PTAs are required to give receipts for donations, and to give notice of the extent to which contributions are legally tax deductible (for example, the dollar value of the non-food portion of a charity dinner).
- P. 12 Contracts are legal documents that only the president is permitted to sign on behalf of the unit or council, **after** the PTA has authorized the expenditure and a committee has studied the contract.
- P. 13,14 It is PTA policy to hire only Independent Contractors to provide services for PTA. An individual is an Independent Contractor if the PTA has the right to control or direct only the result of the work and not the means or method of accomplishing the result of the work.

- P. 14,15 Guidelines from the NYS PTA attorney regarding Independent Contractor status.
- P. 16, 17 Sample agreement form for Independent Contractors.
- P. 18 Donations of equipment cannot be given to individual schools- they are always given to the school district. The Board of Education must accept the gift, and should give written confirmation of that acceptance. Once donated, the gift can be used at the discretion of the school board. It is therefore advisable that PTAs consider giving grants rather than gifts. A grant can be given for specific reasons or given to particular persons. An application process and grant agreement is recommended.
- P.19 Sample grant agreement. All of the sample forms printed in this section can be customized for your PTA.
- P. 20 A PTA can give scholarships to students or teachers if the members vote to do so. Funds for scholarships can be raised but must be used for that purpose only. A procedure that determines how the recipients are to be selected must be decided in advance and written out. A committee should be formed to do this work; no one should serve on the committee whose objectivity could be called into question.
- PTA funds cannot be mingled with the funds of any other organization or person. The funds of another organization or person cannot be deposited into the PTA accounts for any reason. PTA funds **may not** be **donated** to or **raised** for another group. When working within a coalition, the PTA may certainly pay its fair share of the coalition's expenses, provided that the PTA's representatives were involved in determining the coalition's expenses.
- P. 21 A PTA must audit its books and records every year. An audit certifies the accuracy of the books and records, and is required by bylaws. An audit can be done by a PTA committee, or by a professional person or firm hired by the PTA. The treasurer and president are never part of the audit committee.
- P. 22 An audit report is given to the association after the audit is completed. If the audit has found any discrepancies, those can be noted in the report. An investigation by the audit committee is strictly confidential. Remember, all of the board bears responsibility for the finances, and they are fellow PTA volunteers as well as neighbors with children in the school. Always be tactful. If advice is needed, contact the Region PTA Assistant Director or Region Director.
- P. 23 Sample audit report.
- P. 24, 25 The tax information given here is specific and should be read in full.
- P. 26 The primary focus of PTA should be on the promotion of the PTA Purposes, not on fund-raising. However, all PTAs need funds in order to operate and dues may not be sufficient to cover expenses needed to meet the goals of the PTA for the year. Fund-raising events should conform to the basic policies of PTA. The membership must first vote affirmatively for the fund-raising activity.
- P. 27 Children and youth must never be exploited through PTA fund-raising. Fund-raisers should create good will for PTA as well as funds. National PTA recommends that there be at least three (3) PTA activities for every one (1) fund-raiser.
- P. 28 Select fund-raisers that fit the needs of the PTA. Delegate and involve as many volunteers as possible. Don't overdo it. Check out any fund-raising company in advance. Keep things simple. Have fun!
- P. 29,30 The budget serves as the financial guide for the year. Plan in advance for any fund-raising. Gambling is not a recommended activity- this includes raffles, bingo, lotteries and casino nights. Although New York State law allows for raffles under certain circumstances, the school district may not. Both state law and school district policy must be strictly followed.
- P. 31 A PTA must not raise funds for an individual, no matter how worthy the cause. A copy of the IRS letter confirming that your PTA is a 501(c)(3) organization may be obtained from your Assistant Director or Region Director. A PTA can carry over from one year to the next the money it needs to operate, according to its projected budget and plan of fund-raisers for the coming year. Each PTA will have a different amount it may carry forward. The National and State portion of dues belongs to National and NYS PTA and must be forwarded to NYS PTA to pay for the work of those associations.
- P. 32 The Insurance and Loss Prevention Summary information is given here. To allow duplication of this material, white copies of the "green light, yellow light, red light" pages are given. All PTA officers are covered by the PTA insurance for liability, but not for negligence. Follow the guidance provided here to ensure safe activities and protection against fraudulent acts resulting in the loss of PTA funds.

Principles of PTA Financial Management

Fiduciary Responsibilities of the Board

The entire executive board, not just the treasurer, is responsible for the financial well-being of the PTA. The executive board consists of the elected officers, appointed standing committee chairmen, and others listed in the bylaws.

The board members should read and thoroughly study this section in order to develop a basic view of the procedures and processes which should be in place to help assure the proper, prudent, reasonable, and diligent management of the PTA's financial resources.

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

The fiduciary obligations of board members involve core principles that have remained essentially unchanged for many years, but their burden to prove that they have acted in good faith on those principles has changed. Courts are showing impatience with boards that appear to be ill-informed and ill-prepared when making decisions.

Principles of Good Financial Management for PTAs

- No other organization may pass its money through PTA accounts. Only funds owned and controlled by the PTA membership should be in the PTA account. The association membership must approve all fundraising projects.
- All officers and chairmen have directors and officers insurance coverage under the PTA unit insurance.
- Money should be counted by at least two persons and a carbon receipt signed by both (one copy for the officer or chairman and one kept with the treasurer's files).
- Personal or school moneys should never be deposited in a PTA account.
- Cash should never be kept at home or at school, even in a vault.
- All PTA moneys and checks received should be deposited promptly in the PTA account.
- PTA moneys should **never** be deposited in a personal or school account.
- All bills must be paid by check—never by cash.
- Two signatures are required on all PTA checks.
- Never sign a blank check.

- Money should never be “turned over” to the school and/or the principal to spend at their discretion.
- New York State and National PTA portions of dues are never recorded as unit income or revenue; therefore, those dues are not included in the calculation of gross income on IRS Form 990(EZ).
- New York State and National PTA portions of dues must be remitted to the New York State PTA on a regular basis.
- New York State and National PTA portions of dues must be collected from each individual who joins a PTA unit. Honorary New York State PTA Life Members are not exempt from paying dues.
- The PTA general membership must authorize the expenditure of all funds. This is done by approving the budget and any subsequent amendments.

Sponsorship vs. Endorsement

A 501(c)(3) organization such as PTA is not prohibited from engaging in corporate sponsorship activities. Qualifying corporate sponsorship income is considered a charitable donation. However, use of this method of potential fundraising can be confusing and its misuse can cause serious unit friction and tax implications.

Corporate sponsors provide cash, products, or know-how to a charitable or educational organization in return for an acknowledgment of thanks that usually takes the form of public recognition for the sponsor's support. This is an appropriate way to fund-raise.

Endorsements, on the other hand, occur when the charitable or educational organization specifically endorses products or services.

The PTA name and logo must not be used, except to recognize the sponsor: “X Company, official sponsor of __ PTA”

If your unit is considering an activity for which the difference between a sponsorship and an endorsement seems unclear, consult your Region PTA for clarification.

Treasurer

The real working capital of a PTA lies in its members, not in its treasury. Although funds are necessary in order for a PTA to develop and implement its programs, the primary emphasis must be focused on the promotion of the Purposes of PTA, not upon fund-raising. The association is obligated to use its funds for the purpose for which they are raised, to finance PTA work. PTAs **do not** raise funds for other organizations. Attendance at PTA leadership training, events and conferences are legitimate PTA expenses.

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

Record Keeping

- A ledger book showing all income and expenditures should be maintained with supporting receipts. A ledger sheet for each budget category should be kept to reflect expenditures.
- The checkbook must be kept balanced and the bank statement must be reconciled to the checkbook monthly by two members of the executive committee (treasurer and one member who does not sign checks). The records should be maintained for seven years.

Vouchers

A PTA should use a voucher system for its expenditures. A voucher is written documentation for expenditures. Checks are then written for the purposes authorized by the voucher. These records should be maintained for seven years. A sample PTA voucher is shown on page 7.

Depositing Funds

PTA moneys should be deposited in a bank approved by the executive committee. Bank statements should be kept for seven years. This account is in the name of the PTA and checks should be printed with the name of the PTA and its code number (i.e., 21-123, Any School PTA). PTAs are required to provide the bank with a Federal Employer Identification Number (FEIN) for checking and savings accounts. All money should be deposited in the bank on a daily basis for all fund-raising and membership dues-collecting events.

Money should be counted by at least two people and a two-part carbon receipt signed by both (one copy for the officer or chairman and one kept with the treasurer's files). All moneys collected should be turned over to the treasurer immediately. Arrange with the bank for a special night deposit bag for event(s) concluding after banking hours.

Never deposit money in anyone's personal account or leave the money in the school building (even in a vault), or in someone's home. PTA funds belong to the association

and should never be made part of the school's, and/or principal's, or activity funds. Personal and school moneys should never be deposited in a PTA account. Money should never be "turned over" to the school and/or principal to spend at their discretion.

Paying bills

Two people, usually the president and the treasurer, should sign checks, with three signatures on the signature card filed with the bank. The third person may be another officer such as the first vice president. If a person is designated an authorized signer on the account(s) and is also the payee, it is advisable that he should not sign the check. Example: If the treasurer is to be reimbursed for purchased supplies, the two signatures on the reimbursement check to the treasurer should be the other two people authorized to sign checks.

All bills should be paid by check, never cash. Never sign a blank check. Each check written should have a receipt or voucher verifying disbursement with receipt and/or bill attached.

PTAs never use debit cards, credit cards, or make on-line bank transactions.

No other organization should pass its money through the PTA account in an effort to achieve tax-exempt status. The IRS will consider all funds in a PTA account to be PTA funds which must be reported.

Other Recommended Expenditures

New York State PTA Honorary Life Memberships: Life memberships can be used to honor a person who has given time and talents for the youth of the community. The application and fee for life memberships should be sent to the New York State PTA Office. The money goes into the Twin Projects Fund, which is the primary source of revenue supporting the NYS PTA Teacher Fellowship for Graduate Study and the Jenkins Memorial Scholarships.

Distinguished Service Award: This award has been established to honor PTA members who have first received a New York State PTA Honorary Life Membership. Funds from the award go to fund special equipment for use in the state office or for special purposes.

Founders Day Donation: These donations are equally divided between State and National PTA and are used to strengthen PTA leadership, increase membership, improve PTA programming, and stimulate vigorous, informed PTA action on critical issues.

Diamond and Golden Oak Awards: Proceeds from these outstanding awards for dedicated volunteers will supplement leadership development throughout our state PTA.

The appropriate New York State PTA form for all award applications are available on our website (www.nyspta.org) or by calling the state PTA office toll free at 1-877-569-7782.

Treasurer's Written Report

The bylaws provide that the treasurer's report to the association at general meetings, executive board meetings, and other times when requested by the executive board. Reports must be given at every meeting for all accounts, not just the general account.

This written report should indicate the period of the fiscal year the report covers, the date it was prepared, and by whom.

- Start with the balance on hand at the beginning of the year, month or last meeting.
- List all receipts in detail and total; itemize all disbursements and total.
- End with the balance on hand as of the date of the report.
- Copies of the report should be distributed to the members in attendance when possible. This report should not be adopted but filed and referred to the audit committee during the auditing process and maintained for three years.
- Both the treasurer and the secretary should retain a copy.
- *A sample monthly treasurer's report is shown on page 6.*

Annual Report

At the close of the PTA's fiscal year, the treasurer shall prepare an annual report covering the entire fiscal year. The treasurer should also make an annual report to the membership at the annual meeting. This report would cover the period from the previous annual meeting to the current one.

An audit should be completed prior to the completion of the annual report. The annual report and the audit report are filed with permanent financial records and with the secretary.

The annual report should look just like the annual budget but with year-end actual figures. It should be presented in a format comparing actual figures to the approved

budget as amended. The annual report should be retained permanently.

The full description of the duties of the treasurer are given in Section 3, The PTA Board, page 9. The list given next is a duplication of part of that page.

A TREASURER MUST REMEMBER TO:

- Study carefully all references to dues and finances in the National PTA and New York State PTA publications, and in the local, state, and the National PTA bylaws.
- Keep accurate and detailed accounts in the treasurer's permanent book of all the money received and paid out (disbursed).
- Preserve all vouchers, receipts, bank statements, and canceled checks.
- Submit a written treasurer's report at regular meetings of the association, including total balance on hand at the beginning of the period covered by the report and the separate amounts credited to the general fund, the state fund, and the special funds (if the association carries any special funds); receipts; disbursements; and balances on hand at the date of the report.
- Receive all monies for all accounts, including dues.
- Deposit all money in the name of the PTA and in a bank approved by the executive committee. Association funds should not be deposited in either the school's account or personal account of the treasurer or any other member.
- Pay by check all bills as authorized by the president, executive board, or association.
- Keeps the record of the National and State portions of membership dues and of all other National PTA and State money separate from the record of the general funds of the local unit.
- Forward to NYS PTA, One Wembley Court, Albany, NY 12205 the State PTA and National PTA portions of the dues. Each remittance should be accompanied by a statement showing the name and code number of the PTA unit and the number of its members. Submit the first payment before November 1.
- Pay by June 1 the insurance premium per building to NYS PTA.
- Cooperate with the membership chair and the secretary in keeping an accurate list of PTA members.
- Be sure that all unit checks bear two signatures.

Failure to remit dues collected for National and State PTA can constitute fraud.

Any School PTA Monthly Treasurer's Report

This sample treasurer's report is given to show how PTA treasurers can present a clear report to the unit.

Current Fiscal Year			
	Budget	Month to Date	Year to Date
Balance Forwarded	\$ 3,701.25	\$ 7,356.82 (prior month's balance)	\$ 3,701.25
<u>RECEIPTS</u>			
Dues 400@3.75	\$ 1,500.00	\$ 187.50	\$ 1,125.00
Book Fair	\$ 14,000.00		\$ 14,623.65
Craft Fair	\$ 5,000.00		
Silent Auction	\$ 3,000.00	\$ 350.00	\$ 3,500.75
Spring Surprise	\$ 4,000.00		
Misc.	\$ 800.00		\$ 371.05
TOTAL REVENUES	\$ 32,001.25	\$ 7,894.32	\$ 23,321.70
<u>EXPENDITURES</u>			
<u>LEADERSHIP TRAINING</u>			
Workshops	\$ 500.00	\$ 50.00	\$ 250.00
PTA Convention	\$ 1,200.00		\$ 1,136.45
Presidents/Principals Dinner	\$ 200.00	\$ 140.00	\$ 140.00
Legislative Breakfast	\$ 60.00		
TOTAL	\$ 1,960.00	\$ 190.00	\$ 1,526.45
<u>ADMINISTRATIVE EXPENSES</u>			
Hospitality			
PTA Meetings	\$ 400.00	\$ 35.25	\$ 172.75
Meet the Teacher Night	\$ 180.00		\$ 167.00
Council Refreshments	\$ 60.00		\$ 56.73
Orientation	\$ 150.00		\$ 132.10
Staff Recognition	\$ 250.00		
Awards Night	\$ 250.00		
Council Dues	\$ 150.00		\$ 150.00
Council Mailings	\$ 50.00	\$ 25.00	\$ 25.00
Insurance	\$ 145.00		
Postage	\$ 250.00	\$ 18.00	\$ 120.00
Supplies	\$ 550.00		\$ 250.00
Newsletter	\$ 300.00	\$ 20.00	\$ 150.00
Misc.	\$ 200.00	\$ 12.00	\$ 86.00
TOTAL	\$ 2,935.00	\$ 110.25	\$ 1,309.58
<u>PROGRAMS</u>			
Red Ribbon Week	\$ 200.00		
Cultural Arts	\$ 3,000.00	\$ 250.00	\$ 1,575.00
Reflections	\$ 600.00		\$ 567.15
PARP	\$ 1,000.00		
Parenting Programs	\$ 400.00		\$ 125.00
Scholarships	\$ 2,000.00		
TOTAL	\$ 7,200.00		\$ 2,267.15
<u>FUND RAISING EXPENSES</u>			
Book Fair	\$ 9,000.00		\$ 8,997.58
Craft Fair	\$ 3,000.00		
Silent Auction	\$ 2,200.00	\$ 350.00	\$ 2,226.87
Spring Surprise	\$ 2,700.00		
TOTAL	\$ 16,900.00	\$ 350.00	\$ 11,224.45
TOTAL	\$ 28,995.00	\$ 900.25	\$ 16,327.63
Undistributed Funds	\$ 3,006.25		
	\$ 32,001.25		
TOTAL REVENUES		\$ 7,894.32	\$ 23,321.70
TOTAL EXPENSES		\$ 900.25	\$ 16,327.63
AVAILABLE CASH		\$ 6,994.07	\$ 6,994.07
Dues sent to State and National	\$ 525.00		
Sunshine Fund	\$ 75.36		

Treasurer _____

Filed for Audit _____

Sample Reimbursement Voucher Form

This is a sample voucher form that units, councils and region PTAs can customize for their own use.

Reimbursement Voucher for _____ PTA

Name _____

Address _____

Telephone Number _____ Date _____

PTA Board Position _____

Item	Purpose of Expenditure	Amount

Attach All Receipts to back of Voucher

REMARKS:

(Check One)

Reimbursement Requested _____ Tax Credit Requested _____

Signature _____

Treasurer's Notes

Receipts Received _____

Date Paid _____ Check Number _____ Amount _____

Treasurer's Initials _____

Budget

The budget is an outline of estimated income and expenses. It explains the kinds of programs and PTA development you want to carry out and how much money is needed to be raised to carry out the program.

Effective budgeting requires a determination of both the purpose for which money is needed, and the amount of money needed to achieve that purpose.

Developing the Budget

- PTA bylaws call for a budget committee, with the treasurer serving as chairman. This committee usually has three to five members and may include the membership chairman, the ways and means chairman, and others with an understanding of the financial needs of the PTA.
- The budget committee should review the previous year's budget and treasurer's reports to determine how well the budget met the organization's needs.
- Members should determine the projected financial requirements, taking into consideration the funds needed for the approved programs, projects, and leadership development.
- The committee then develops the budget.

Duties of the Budget Committee

The committee should study the previous year's budget and financial reports to determine how that budget met the association's needs.

- Encourage all committee chairmen to present a budget request with supportive information for anticipated needs by a given deadline.
- Estimate probable income from all sources. State and National portions of dues are never considered as income or as expenditures.
- The budget should show anticipated income (i.e., local portion of dues, all fund-raisers, interest earned, etc.).

The budget should show anticipated expenditures such as:

- Parent Education
- Leadership training (NYS PTA's Summer Leadership Conference, Legislation/Education Conference, Annual Convention, and Region PTA fall and spring conferences and workshops)
- PTA administrative expenses
- Newsletter publishing costs

The budget should include the estimated anticipated number of members multiplied by the local portion of dues, as well as estimated proceeds from each approved fund-raiser. Receipts should be stated as the gross amount before any

cost of sales is deducted. All expense categories, including the cost of merchandise sold, should be estimated and included in the budget.

Without an approved budget there is no authorization to expend funds or to conduct fund-raisers. Any funds spent without proper approval would have to be repaid to the association if the membership does not retroactively approve the expenditure. Therefore, it is essential to have a budget in place at all times.

Approving the Budget

- After the budget has been drafted, it should be presented by the treasurer to the PTA executive board for review.
- It is then presented to the PTA membership for approval. After a motion is made to adopt the budget as presented, it is reviewed item by item to allow discussion and amendment of each section.
- A majority vote of the members present and voting is required for adoption.

Amending the Budget

Once the budget is adopted, it may be amended at any meeting of the association.

- When expense items do not have sufficient funds or new projects are planned or if income from a fundraiser is higher or lower than expected, the budget should be amended.
- A previously adopted budget may be amended with two-thirds vote or majority vote if prior notice was given.
- Any time budgeted items do not have sufficient funds allotted in that line item to cover expenses or new projects are planned, the budget has to be amended. The same is true of the income items.

A budget must be in place at all times. Therefore, a budget should be developed and adopted as soon as possible in the new fiscal year. Many times not all of the plans will be finalized by that time. A budget need include only those income and expense items that have been planned at the time it is developed.

At the first general meeting of the new year, the treasurer should present the budget for approval by the general membership. Changes to line items and the addition of any fund-raisers and expenses based upon the plans of work will require the budget to be amended.

Balancing a budget

Anticipated income and anticipated expenditures must balance. Upon approval by the membership, any excess income could be dropped into a contingency line to be moved out to another line item as needed upon approval of the membership.

A Sample PTA Unit Budget

This sample unit budget is given to show how PTAs can create their own budget.

	Current Fiscal Year		New Fiscal Year
	Budget	Actual	Proposed
Balance Forwarded	\$ 3,701.25	\$ 3,701.25	\$ 4,322.08
<u>RECEIPTS (Income)</u>			
Dues 400 @ \$3.75	\$ 1,500.00	\$ 1,552.50	\$ 1,687.50
Book Fair	\$ 14,000.00	\$ 14,623.65	\$ 14,000.00
Craft Fair	\$ 5,000.00	\$ 4,558.48	\$ 4,000.00
Silent Auction	\$ 3,000.00	\$ 3,500.75	\$ 3,000.00
Spring Surprise	\$ 4,000.00	\$ 4,003.00	\$ 4,000.00
Miscellaneous	\$ 800.00	\$ 671.05	\$ 800.00
TOTAL REVENUES	\$ 32,001.25	\$ 32,610.68	\$ 31,809.58
<u>EXPENDITURES</u>			
Leadership Training			
Workshops	\$ 500.00	\$ 456.00	\$ 500.00
PTA Convention	\$ 1,200.00	\$ 1,136.45	\$ 1,400.00
Presidents/Principals Dinner	\$ 200.00	\$ 140.00	\$ 200.00
Legislative Breakfast	\$ 60.00	\$ 66.00	\$ 75.00
TOTAL	\$ 1,960.00	\$ 1,798.45	\$ 2,175.00
Administrative Expenses			
Hospitality			
PTA Meetings	\$ 400.00	\$ 352.75	\$ 400.00
Meet the Teacher Night	\$ 180.00	\$ 167.00	\$ 180.00
Council Refreshments	\$ 60.00	\$ 56.73	\$ 75.00
Orientation	\$ 150.00	\$ 132.10	\$ 150.00
Staff Recognition	\$ 250.00	\$ 265.46	\$ 275.00
Awards Night	\$ 250.00	\$ 206.68	\$ 250.00
Council Dues	\$ 150.00	\$ 150.00	\$ 150.00
Council Mailings	\$ 50.00	\$ 50.00	\$ 50.00
Insurance	\$ 145.00	\$ 145.00	\$ 170.00
Postage	\$ 250.00	\$ 264.00	\$ 275.00
Supplies	\$ 550.00	\$ 476.56	\$ 500.00
Newsletter	\$ 300.00	\$ 291.00	\$ 300.00
Misc.	\$ 200.00	\$ 200.00	\$ 200.00
TOTAL	\$ 2,935.00	\$ 2,757.28	\$ 2,960.00
Programs			
Red Ribbon Week	\$ 200.00	\$ 235.51	\$ 250.00
Cultural Arts	\$ 3,000.00	\$ 2,950.00	\$ 3,000.00
Reflections	\$ 600.00	\$ 567.15	\$ 600.00
Parents As Reading Partners	\$ 1,000.00	\$ 964.76	\$ 1,000.00
Parenting Programs	\$ 400.00	\$ 302.28	\$ 400.00
Scholarships	\$ 2,000.00	\$ 2,000.00	\$ 2,000.00
TOTAL	\$ 7,200.00	\$ 7,019.70	\$ 7,250.00
Fund Raising Expenses			
Book Fair	\$ 9,000.00	\$ 8,997.58	\$ 9,000.00
Craft Fair	\$ 3,000.00	\$ 2,701.15	\$ 3,000.00
Silent Auction	\$ 2,200.00	\$ 2,226.87	\$ 2,200.00
Spring Surprise	\$ 2,700.00	\$ 2,787.57	\$ 2,800.00
TOTAL	\$ 16,900.00	\$ 16,713.17	\$ 17,050.00
TOTAL	\$ 28,995.00	\$ 28,288.60	\$ 29,435.00
Undistributed Funds	\$ 3,006.25		\$ 2,374.58
	\$ 32,001.25		\$ 31,809.58
TOTAL REVENUES		\$ 32,610.68	
TOTAL EXPENSES		\$ 28,288.60	
AVAILABLE CASH		\$ 4,322.08	
TREASURER _____		ADOPTED _____	

Finance & Insurance

Protecting PTA Tax Exemption

This information is intended to provide a quick source of information and is not intended to be all-inclusive.

New York State PTA and all units/councils in good standing are exempt from federal income tax as a charitable and educational organization under the provisions of section 501(c)(3) of the Internal Revenue Code.

Strict compliance with all applicable federal, state, and local laws is extremely important to prevent even the most well-intentioned effort from becoming a serious problem for the association.

Certain restrictions that apply to 501(c)(3) classification must not be violated:

- Each PTA must be organized and operated exclusively for charitable, educational, or scientific purposes.
- Its resources and funds cannot be used for private benefit of an officer, board member, or private individual. Board members may not receive an impermissible benefit if they provide goods or services for the organization.
- Upon dissolution, its assets must be distributed for one or more of those defined exempt purposes.
- It cannot engage in a substantial amount of lobbying activity.
- It cannot engage in any political activity. Tax-exempt 501(c)(3) organizations are forbidden to support candidates for public office, including school board elections.

IRS Rules and Regulations

Donors must obtain a receipt from charitable organizations for contributions made in one day that exceed \$250. Canceled checks are no longer sufficient. This provision is now a mandated section of all unit/council bylaws.

PTAs must therefore be prepared to issue receipts. There is no required format for the receipt and Social Security numbers are not required. At a minimum, the receipt must have the PTA's name on it and reflect the donor's name, date, cash amount received, or a description of the property received (the charitable organization is not required to value property received). If a donor receives value for the donation, only the portion in excess of the value is deemed a donation and only that amount should be reflected on the receipt.

Unrelated Business Income Tax

As a tax-exempt organization, PTA revenues are not subject to federal income tax if the revenue is raised in a manner that is related to the PTA's tax-exempt purpose. However, it is possible for some revenue to be subject to income taxation. Even if an activity does not generate a profit, the amount earned may be subject to taxation because it may fall into the category of unrelated business income.

A transaction or activity generally will be classified as yielding unrelated business income if it has all of the following three properties:

1. The activity provides income (but does not necessarily produce a profit) and the PTA takes an active role in the generation of the income.
2. The activity is conducted on a regular and continuous basis.
3. The fund-raising activity is unrelated to the mission of the PTA. (Even if the proceeds are used to further PTA Purposes, it is deemed unrelated business income if the method of raising the funds is unrelated. Fund-raising, per se, is not a related activity even if all of the net revenue will be used to support PTA programs. Running a concession stand on a regular basis is one example of an activity the IRS can determine to be unrelated business income because the activity itself is not related to PTA's mission or Purposes.)

However, if the activity is conducted by the PTA and at least 85% of the labor is provided by PTA volunteers, the income generally will be excluded from taxation, even if the above three conditions exist.

If the PTA's unrelated business activity begins to rival its related exempt activity so that the unrelated activity is perceived to be dominant, the PTA may no longer be perceived as a charity supporting itself with some unrelated business income. It may, instead, be viewed by the IRS as a business with some charitable activities. At that point, the PTA could lose its tax-exempt status.

IRS regulations require not-for-profits to do the following:

- Report unrelated business activities when gross receipts are at least \$1,000.
- Report and pay taxes on such income by filing IRS Form 990-T and related New York State returns (usually Form CT-13).

Disclosure Statements

PTAs are required by IRS disclosure rules to inform prospective donors about the extent to which their contributions are legally tax deductible.

This disclosure must be prominent on any invitations or fund-raising material and should indicate:

- The fair market value of any tangible benefits received in exchange for a contribution
- The portion of the donation that is deductible as a charitable contribution.

If a PTA holds a fund-raising event that provides a meal or some tangible item in return for the purchase of a ticket, then the portion of the ticket that is tax deductible is the ticket price less the fair market value of the meal or item received.

For example, if a spaghetti supper ticket sells for \$20 and the value of the meal is determined to be \$5, the purchaser is entitled to a \$15 charitable contribution deduction. The \$5 is not the cost to the PTA but is the value of a prepared and served meal, which the donor is considered to be purchasing.

U.S. Postal Regulations

A PTA should exercise caution in using its not-for-profit standard mailing permit. If in doubt, it is best to show the standard mail coordinator at the local post office a sample of what the PTA is intending to send with its permit to make certain the material meets applicable postal regulations.

The post office has the right to open any standard mailing for examination and hold any mailing not in compliance.

Two areas of concern:

- Misleading direct mail pieces such as the distribution of flyers of other organizations submitted to PTA.
- Allowing the permit to be used in a cooperative mailing with for-profit businesses. Fines may be imposed if abuses are found.

Records Retention

Certain PTA records should be stored in a safe place and kept:

Permanently:

- Annual audit reports
- Articles of Incorporation
- Bylaws and all amendments
- Canceled checks paid to taxes, contracts, important items
- Contracts and leases still in effect
- Corporation reports filed with the secretary of state
- Equipment owned by the PTA
- Insurance records, accident reports, claims, policies, certificates
- Legal correspondence
- Journals
- Minute books
- PTA charter
- Standing rules or Procedures that are current
- Tax exempt status documents: letters of determination, FEIN numbers, correspondence with IRS
- Tax returns; Form 990T, if applicable, for UBI

Ten Years:

- Financial statements and budgets
- Grant award forms, correspondence

Seven Years:

- Accounts payable records
- Canceled checks for regular business
- Cash receipt records
- Contracts and leases that have expired
- Inventories
- Invoices, purchase orders and sales receipts
- Sales records
- Vouchers

Three Years:

- General correspondence
- Bank records
- Petty Cash vouchers

One Year:

- Bank reconciliations
- Correspondence with vendors
- Duplicate deposit slips

Contracts

PTAs should be aware of the possibility of legal involvement as a consequence of signing contracts or acting as agents for any commercial enterprise.

During the course of a year, many PTAs enter into a variety of contracts. For instance, a PTA may contract with a band for a dance or may purchase supplies for a fund-raising venture. The PTA assumes the responsibility of complying with terms and conditions of the contract and paying the stated sum. The fact that an activity is not a financial success or that the PTA has insufficient funds to meet its obligation has no effect on the responsibility assumed.

Having a written contract is very important when it comes to the business dealings of any association. Written agreements are less subject to future misunderstandings. Any oral understandings or agreements which are not incorporated into the written contract will be difficult to enforce. A PTA can find itself in an awkward position if it does not adhere to the basic rule of always having a written contract to cover business transactions.

A PTA should not commit future boards to long term projects and large financial obligations.

It is especially important to remember that only the PTA president may sign contracts.

Factors to consider before signing a contract:

1. At least two people should review the contract to see that it includes all that has been agreed to.
2. All contracts need to be approved by the executive committee before the president signs them.
3. If the delivery date is important, be sure it is part of the contract: "In the event that the contractor is unable to, or fails to, effect timely and satisfactory performance as required, this contract may be canceled by PTA."
4. Provide for a delivery date WELL IN ADVANCE of the fund-raiser so that last minute adjustments can be made if necessary. Be sure adequate storage space is available for items ordered.
5. Service providers should be asked to provide proof of insurance.
6. Be aware of what taxes, if any, will be charged.
7. Check if additional orders can be made at a later date.
8. Prepare and submit the order.
9. Should only commit the PTA to one year contracts.

Before entering into a contract on behalf of a PTA:

- The general membership and/or executive board must vote to authorize the activity.
- The person negotiating the contract must have the authority to do so and must keep the president informed.
- The terms and conditions of the contract including the fine print must be understood and agreeable to the PTA.
- The unit/council must be able to comply with the terms of the contract.

When entering into a contract, the president should clearly indicate that it is the PTA which is entering into the contract and NOT the individual. In New York State the person(s) signing a contract must be eighteen (18) years of age or older. The signature on a written contract should read:

_____ PTA/PTSA

By _____ (President's Name)

Title _____ President

Any contract with a service provider should avoid terms that detail instructions or control over the provider that would indicate employee status rather than independent contractor status. The agreement should be called "Independent Contractor's Agreement" and should provide for payment as a fixed amount for services, rather than a regular weekly or monthly salary. In addition, service providers must include their Social Security Number or Employee Identification Number (EIN).

**If there is any question
about terms or conditions of the contract,
the proper time to seek advice is
BEFORE signing on the dotted line.**

Independent Contractors

It is PTA policy to hire only Independent Contractors to provide services for PTA and not to hire employees. By contracting with Independent Contractors, PTA can avoid many of the burdens and expenses associated with the employer-employee relationship such as Worker's Compensation, Income Tax Withholding, FICA, and Unemployment Taxes. It is not enough to merely label a service provider an Independent Contractor; the classification must reflect the reality of the relationship or else PTA may be liable for severe tax penalties.

People such as lawyers, contractors, subcontractors, public stenographers, auctioneers, etc., who follow an independent trade, business, or profession in which they offer their services to the general public, are generally not employees. However, whether such people are employees or independent contractors depends on the facts in each case.

The general rule is that an individual is an Independent Contractor if the PTA has the right to control or direct only the result of the work and not the means and methods of accomplishing the result. You do not have to withhold or pay taxes on payments you make to Independent Contractors.

The IRS has identified 20 factors that indicate whether an individual is an employee or an Independent Contractor. They are based upon the amount of control the PTA has over both the method and the result of the services to be performed.

- 1. Instructions.** An employee must comply with instructions about when, where, and how to work. Even if no instructions are given, the control is present if the employer has the right to give instructions.
- 2. Training.** An employee is trained to perform services in a particular manner. Independent Contractors ordinarily use their own methods and receive no training from the purchasers of their services.
- 3. Integration.** An employee's services are integrated into the business operations because the services are important to the success or continuation of the business. This shows that the employee is subject to direction and control.
- 4. Services rendered personally.** An employee renders services personally. This shows that the employer is interested in the methods as well as the results. An independent contractor may have the ability to substitute someone else to do the work.
- 5. Hiring assistants.** An employee works for an employer who hires, supervises, and pays assistants. An Independent Contractor hires assistants under a contract that requires him or her to provide materials and labor and to be responsible only for the results.
- 6. Continuing relationship.** An employee has a continuing relationship with an employer. A continuing relationship may exist where work is performed at frequently recurring although irregular intervals.
- 7. Set hours of work.** An employee has set hours of work established by an employer. An Independent Contractor is the master of his or her own time.
- 8. Full-time work.** An employee normally works full time for an employer. An Independent Contractor can work when and for whom he or she chooses.
- 9. Work done on premises.** An employee works on the premises of an employer, or works on a route or at a location designated by an employer.
- 10. Order or sequence set.** An employee must perform services in the order or sequence set by an employer. This shows that the employee is subject to direction and control.
- 11. Reports.** An employee submits reports to an employer. This shows that the employee must account to the employer for his or her actions.
- 12. Payments.** An employee is paid by the hour, week, or month. An Independent Contractor is paid by the job or on a straight commission.
- 13. Expenses.** An employee's business and travel expenses are paid by the employer, showing that the employee is subject to regulation and control.
- 14. Tools and materials.** An employee is furnished tools, materials, and other equipment by an employer. An independent contractor often brings their own.
- 15. Investment.** An Independent Contractor has a significant investment in the facilities he or she uses in performing services for someone else.
- 16. Profit or loss.** An Independent Contractor can make a profit or suffer a loss.
- 17. Works for more than one person or firm.** An independent contractor may give his or her services to two or more unrelated persons or firms at the same time.
- 18. Offers services to general public.** An Independent Contractor offers services to the general public.
- 19. Right to fire.** An employer can fire an employee. An Independent Contractor cannot be fired so long as he or she produces a result that meets the specifications of the contract.
- 20. Right to quit.** An employee can quit his or her job at any time without incurring liability. An independent contractor usually agrees to complete a specific job and is responsible for its satisfactory completion, or is legally obligated to make good for failure to complete it.

Any contract with an Independent Contractor must include the contractor's Social Security Number or Employee Identification Number.

The PTA is also responsible for filing a Form 1099-MISC to report payments of \$600 or more in a calendar year for services performed for the PTA by people not treated as employees. This form must be sent to the service providers before January 31 and filed with the IRS on or before February 28 of each year.

There is another form that should be filed with the IRS; specifically, Form 1096, which indicates the number of 1099s filed. Failure to prepare these forms can result in fines and penalties. These forms need not be issued to corporations (incorporated businesses) or to individuals paid less than \$600.

It is crucial that Independent Contractors who provide services for PTA have their own insurance, as they are not included under PTA's liability insurance.

Insurance requirements for Independent Contractors

1. Certificate of Commercial General Liability Insurance naming NY State PTA and "Your Unit" as an additional insured including Products/Completed Operations and Contractual Liability with a minimum Combined Single Limit of \$1,000,000 per occurrence.
2. Automobile Liability with a minimum of \$1,000,000 Combined Single Limit for bodily injury and property damages.
3. Workers' Compensation insurance with statutory limits for the state or states in which the Worker's Compensation is to be performed, and Employer's Liability insurance with minimum limits of \$100,000 each accident/\$500,000 disease policy limit/\$100,000 disease each employee.
4. Professional Liability (where applicable) \$1,000,000 per claim and aggregate.

Guidelines From the State PTA Attorney in Regard to Independent Contractor Status

We understand that many PTA units are concerned that the persons with whom they contract for the performance of various services should be considered Independent Contractors rather than employees of the PTA unit.

First, they are concerned that they not incur the expense required to cover these persons as employees under a Worker's Compensation insurance policy. Corollary to this concern, they naturally do not wish to be subject to double indemnity liability under the Worker's Compensation Laws, in the event of an accident or injury, for failing to cover such persons under a Worker's Compensation insurance policy if it should turn out that they are required to do so. The second major concern is that the PTA not be subject to liability for the tortious actions of such person as an employee of PTA. Finally, they do not want the burden, expense, and worry of being required to comply with all the many laws affecting an "employment" relationship, including minimum wage and overtime regulations, payment of wage requirements and other State labor statutes, withholding taxes, social security, unemployment compensation, and so forth.

In any event, as the PTA has realized, liability to "servants" under Worker's Compensation Laws, or to third parties for the tortious acts of those "servants," and the other problems attendant upon an employment relationship, are most likely to be avoided if the relationship between the PTA and the "worker" hired is maintained as an Independent Contractor rather than an employer-employee relationship.

The principal factors to be considered in determining whether a person is an employee or an Independent Contractor are the extent of the employer's control of the manner and means of performing the work in contrast

to the results of the work; the method of payment; the furnishing of equipment; the right to discharge or terminate the services of the person involved; and the "relative nature of the work". This last factor includes the character of the work, the extent to which the worker is engaged in a separate calling, whether the work is continuous or intermittent, the importance of the work to the employer's business, whether the work is of a type intimately related to that which the "employer" is normally engaged, etc.

Other factors relevant to the determination include the execution of a written contract, whether the agreement calls for performance of a specific job or for work in general, whether the worker is employed in an independent occupation or works primarily for the "employer" in question, and whether the worker has the right to employ substitutes or assistants.

The existence of an agreement designating a worker as an Independent Contractor is not conclusive. Thus, for example, in one case a Worker's Compensation claimant was held to be an employee of a department store rather than an employee of a concessionaire in the store and an Independent Contractor with regard to the store despite (1) a form which specifically disclaimed an employment relationship with the department store and (2) the fact that he was paid in cash directly from the concessionaire's cash register. Despite the disclaimer, the department store had a right to approve the hiring and firing of the concessionaire's workers, could initiate and cause dismissal, established work rules to which the concessionaire's workers were subject, and issued "employee" identification badges to the concessionaire's workers.

A primary, if not decisive, factor is the extent to which the worker is in fact independent in the performance of his work. An Independent Contractor may be directed as to things to be done but is not subject to the control of the employer except as to the product or result of the work. An Independent Contractor retains control over the method and means of performing the work. In one case, for example, a person was found to be an employee despite the fact that the corporation for which he worked did not withhold income or social security taxes and despite the fact that the worker set his own hours and listed himself as “self-employed” on his tax returns. He was held to be an employee because he was paid hourly, used his employer’s tools, and his assignments and activities on the job were directed and controlled by the employer.

In another case a delivery man was held to be an employee rather than an Independent Contractor despite the fact that he was primarily employed by a different employer, he furnished his own truck, and was paid for each delivery rather than for his time. The employer in that case directed the employee where to deliver and also provided him a helper at the employer’s expense.

By contrast, in a third case, the claimant was engaged in tree trimming and removal work for a number of different municipalities and individuals. He worked under a contract to perform these services for the town at a fixed price and was later engaged to do additional work at a certain price per day. He supplied his own equipment, had one employee, and carried his own liability and compensation insurance. The extent of control by the Town was limited to specifying the time he should perform his work, which had to be coordinated with the availability of grounds crews employed by the Town for the removal of debris. The Town was held not to be his employer.

In summary, the following general guidelines can be followed to establish an Independent Contractor rather than employer-employee relationship:

- a) The most important factor is the degree to which the PTA retains control over the manner and means by which the worker delivers the services for which he is hired. The greater the control exercised by the PTA, the more likely that the relationship will be one of employment.

- b) One who furnishes his own tools, equipment, or job site is more likely to be held an Independent Contractor than one who does not.
- c) The authority to hire assistants or substitutes to do the work in whole or in part indicates an Independent Contractor relationship. However, if the PTA retains right of approval or right to discharge such assistants or substitutes, this will tend to indicate that the person hired is an employee and not an Independent Contractor.
- d) Payment on a time basis is a strong indication of employment status; payment on a completed project basis is indicative of Independent Contractor status; payment on a piece of work or commission basis is consistent with either status.
- e) The right to discharge a person or terminate his services at will may also indicate employment status.
- f) One commentator has noted a tendency to find employment when the work is an integral part of the regular business of the employer; i.e., when the worker, relative to the employer, does not furnish an independent business or professional service.

In view of the foregoing, we are attaching a draft of the kind of agreement that might be used by a PTA for the purpose of retaining an individual to perform services as an Independent Contractor.

It must always be remembered that a contract is not conclusive on this issue; regardless of the terms of the contract, the actual facts surrounding the delivery and control of the services will govern the status of the individual as employee or Independent Contractor. Moreover, the enclosed form may be more or less appropriate depending upon the circumstances and the purposes for which the retaineer is hired. Thus, modifications will be necessary in individual circumstances. Such modifications may enhance or dilute its effectiveness as a tool for maintaining Individual Contractor status.

Note: According to law, anyone earning \$500 or more per year is considered to no longer be a volunteer and is not covered under the Volunteer Protection Act.



Independent Contractor Agreement

THIS AGREEMENT DATED _____ by and between the _____

Parent Teacher Association _____, an unincorporated association having its principal office and place of business at

hereinafter referred to as "PTA," and _____

An individual residing at _____

A corporation having its principal office and place of business at _____

An unincorporated association having its principal office and place of business at _____

hereinafter referred to as "Contractor,"

(Cross-out and initial the inapplicable phrases)

Witness: _____

WHEREAS, PTA desires to retain the services of an Independent Contractor to perform certain services which PTA itself does not normally perform, to wit:

_____ ;and

WHEREAS, Contractor represents that as an Independent Contractor, said Contractor wishes to and has the experience and ability to provide the manpower, equipment, and facilities necessary to effect timely and effective performance of such services;

NOW, THEREFORE, in exchange for the mutual covenants and considerations contained herein and for other goods and valuable consideration, it is agreed by and between the parties as follows:

- 1. Status of Contractor.** Contractor represents and warrants that as an Independent contractor, it will provide timely and satisfactory performance of the services set forth above, and the manpower, equipment, and facilities necessary for such performance. Nothing in this agreement shall be deemed to create an employer-employee relationship, partnership, or agency relationship between PTA and Contractor. Nothing herein shall be construed to prevent Contractor from performing the services set forth above, or any other services, for other persons, forms, or corporations, provided, however, that Contractor continues to be able to and does effect timely and satisfactory performance of the service set forth as required by PTA. In the event that the Contractor is unable to, or fails to, effect timely and satisfactory performance as required, this contract may be canceled by PTA immediately and without the five (5) days' notice otherwise required by Paragraph 7 hereof.
- 2. Service Fee.** Upon satisfactory completion of the services set forth above, PTA shall pay Contractor the sum of \$ _____.
- 3. Other Carriers.** If, in order to accomplish timely and effective performance of the services set forth above, Contractor decides to hire other persons to fulfill its obligations hereunder, Contractor shall at its own expense, recruit, train, and assign such person or persons to deliver said services on a timely and effective basis to fulfill Contractor's obligations hereunder. Any such person or persons shall be considered, for all purposes, to be agents, servants, and /or employees of Contractor and shall not be considered, for all purposes, to be agents, servants, and /or employees of PTA. Contractor has sole and exclusive control over any such persons hired by Contractor including but not limited to the number of such persons to be hired and their time and places of performance. Contractor expressly warrants that it will pay all taxes and required contributions and obey all laws relating to its employment of any persons it hires to perform the terms and condition of this agreement.

4. **Compliance with Law.** Contractor expressly warrants that Contractor shall comply with all governmental laws, rules and regulations, including, local, state, and federal laws, and Contractor agrees to save and hold harmless PTA from any and all claims of liability, including federal, state and local taxes or contributions and unemployment contributions. Contractor shall defend any legal actions against PTA arising out of or related to the activities of Contractor under this agreement. Upon request of PTA, Contractor shall file with PTA a certificate of insurance evidencing public liability and property insurance covering all properties, facilities, and persons employed by Contractor, its employees, and agents in performing the services set forth herein.
5. **Liability.** Except as provided for in Paragraph 2 above, PTA shall not be liable to Contractor for any expenses incurred by Contractor, or for any act or omission of Contractor, or of any agent, servant, and/or employee of Contractor. Contractor shall, at its own expense, provide and pay for any liability or other insurance necessary and appropriate to its performance of the services set forth herein and its obligations and liabilities hereunder. Contractor, as an Independent Contractor, shall have no authority, nor shall any agent, servant, and/or employee employed by Contractor, have authority to bind PTA by any promise or representations expressed or implied. PTA shall not be liable to employees, agents, or other persons hired by Contractor for any act or commission of PTA or of Contractor.
6. **In-force liability insurance.** Before the execution of this agreement Contractor must attach a Certificate of Insurance, written by an AM Best Rated A insurance company, showing that the contractor has in-force liability insurance with limits of at least \$1,000,000 and naming the PTA unit and the NYS PTA as Additional Insureds.
7. **Hold Harmless.** Contractor agrees to hold the PTA harmless from any and all liability that arises out of the operations of the contractor.
8. **Assignment.** Neither this agreement nor any interest therein may be assigned or transferred by Contractor to any other party unless expressly authorized by PTA in writing.
9. **Termination.** Except as provided above in Paragraph 1, this agreement may be terminated upon completion of the services provided or upon five (5) days' written notice by either party to the other party, whichever comes first.

PTA Name: _____

Contractor's Name: _____

By: _____

By: _____

(Signature): _____

(Signature): _____

(Title): _____

(Address): _____

(Date): _____

(Social Security # or EIN #): _____

Donations of Equipment to School Districts

The primary function of PTA is child advocacy. Each PTA unit is self-governing and operates under the guidance and structure of National, State, and Region PTA.

PTA is an educational organization and should not be expected to provide for the needs of their school district or individual school. It should not allow itself to become the provider of services, supplies or equipment for schools, even during times of financial strain.

If a unit feels there is a specific need in their school, approach the principal and site-based team first and encourage them to include this item in the individual school building budget or school district budget.

It is **NOT** recommended, but if a unit chooses to donate a gift or money to their school, it should be supportive of school programs and educational needs. The gift must be approved by a unit's general membership and donated to the school district's board of education. The Board of Education has to approve the receipt of the gift and the PTA should receive written verification of the School Board's acceptance of the gift. Upon the board's acceptance of said gift, the PTA relinquishes all control. The equipment becomes the property of the district, and the district is free to use the equipment in any manner it deems appropriate. This could include moving it, selling it, not using it, or giving it away.

The following are reasons why PTAs **should not** give gifts to schools:

1. It can provide inequity among schools.
2. Liability factor (in certain circumstances).
3. A donated gift does not necessarily remain in the school it was originally intended for.
4. Where does the responsibility lie for maintenance and servicing of donated gift?
5. When a gift is given by one PTA, it puts other units in the district in a difficult position by parents and school personnel who now exert pressure for a similar donation.
6. It establishes a precedent that it's an acceptable practice.
7. Constant and unnecessary fundraising establishes PTA as a "fund-raising" organization and members easily lose sight of their goals.
8. Lastly, it is not PTA's job to provide financial assistance to schools. It is however, their responsibility to be vocal during school district's budget sessions to ensure that the needs of the children and teachers are met.

Grants of Money to School Districts

The purpose of PTA is not to buy equipment and donate it to a school district. If a PTA wants to purchase (or help purchase) equipment for a school district, it should do so only through a "grant" process. A "grant" is a gift of money for a very specific purpose. A grant of funds to the district (rather than the PTA purchasing equipment and donating it to the district) is the smartest and safest way for PTA to conduct its affairs. It assures the funds will be used for their intended purpose or they must be returned to the PTA. The PTA does not become the owner of a product or piece of equipment, this DOES NOT absolve the PTA of all liability but does lessen their exposure.

If a grant (or multiple grants) is to be offered, the PTA can establish a committee to prepare a grant application, receive and review the completed applications, and determine the process by which grant recipients are to be decided. The plan of the committee should be approved by the membership prior to the offering of the grants.

Publicize the applications to all those who may be eligible to apply, and after the selection is completed, publicize the recipients of the program or supplies to be funded.

Before granting funds to a school district (or other recipient), the PTA should take the following steps:

- Determine that the school district (or other recipient) actually wants the equipment or project which the PTA is willing to fund.
- Secure an understanding with the district (or other recipient) on all the terms of the grant before writing the specific grant agreement.

A grant agreement should be signed between the PTA and the school district (or other recipient).

This agreement should specify:

- The amount of the grant
- The "sole and express" purpose of the grant
- A date by which the district (or other recipient of a PTA grant) must spend the grant funds
- Unused grant funds must be returned to the PTA. A complete accounting of the expenditure of the grant fund should be submitted to the PTA.

Sample Grant Agreement

The _____ Parent Teacher Association (PTA) hereby gives to the _____ School District a monetary grant in the amount of _____ Dollars (\$ _____) by check number _____.

This grant is for the sole and express purpose of _____

_____.

It is agreed that the grant will be spent for the stated purposes on or before _____ or the funds will be refunded to the PTA.

Any unused or unexpected funds will be refunded to the _____ PTA.

The School District will provide a complete accounting of the expenditure of the grant funds to the _____ PTA.

Date:

PTA President

PTA Secretary

Date:

Superintendent

Finance & Insurance

Scholarships for Students

If a PTA gives scholarships to either students or teachers, certain procedures must be followed. The single most important issue is objectivity and equal access.

The procedures determining how scholarship recipients are selected should be in writing. The opportunity to apply and receive a scholarship must be objective and open to all that meet the criteria established. The procedures should establish how the Scholarship Committee is selected (whether elected or appointed, how many people on the committee, etc.). No one should serve on the committee whose objectivity would be rendered questionable because of a relationship to an applicant. All of these requirements should be listed in the committee's procedures.

The source of funds for scholarships may be, for example, an endowment fund for which the PTA solicits tax deductible contributions. Scholarships may be funded strictly from the current year earnings if this is the desire of the unit. A fund may take years to build to a sufficient level for current year earnings to fund scholarships. This is allowable as long as the PTA has a written plan of its intentions and follows this plan.

While it is not necessarily required it is advisable to keep funds designated for scholarship purposes in a separate account from general PTA funds.

Donors need to be aware of the status of the plan before contributing. Guard against soliciting contributions "for scholarships" if scholarships will not be offered until the plan reaches a certain level, which could be three years away. Once that level is reached, scholarships must be awarded in compliance with the plan. PTAs cannot continue to solicit contributions and not grant scholarships with the current year earnings.

A 1099 is not required for scholarships. Recipients should be made aware that, if any of the funds received are not used for school fees such as tuition, books or lab fees, that portion is taxable income. Any funds used for travel expense, babysitting or housing is taxable income. Beyond making the recipient aware of this issue, the PTA has no obligation.

PTA Funds and the Funds of Other Groups

PTA money should be kept in a PTA bank account and should never be deposited in a personal or school account or mingled with the funds of other groups.

The money of another group or organization cannot be deposited into a PTA account. Occasionally a booster club or student organization will ask to deposit money into a PTA account or to have PTA make expenditures for it. A reason often given is to sell or purchase items using PTA's tax-exempt status. This must not be done. Accountability is difficult and frequently the practice violates Internal Revenue Service guidelines. It may be interpreted as an attempt to circumvent tax laws. Any request to use a PTA bank account, even if it costs the PTA no money, is unacceptable and possibly illegal.

Funds may not be donated to or raised for another group.

While a PTA may never donate money to another group or organization or to any individual person or family, it may work cooperatively in coalitions if the purpose is within the Purposes of PTA. If a separate coalition organization that has 501(c)(3) status is established, PTA may share in its funding only if one or more PTA representatives are part of the governing body of the coalition.

PTA policy concerning nonpartisan, nonsectarian and noncommercial activity must be followed. (Refer to National PTA Money Matters.)

In summary:

- PTA money must always be in a PTA account.
- Only PTA money may be in a PTA account.
- A PTA may not donate to or raise money for other organizations or for any individual. A PTA may work in partnerships with other 501(c)(3) groups and may pay its share of joint activities.

Audit

Audit Objective

The purpose of the audit is to certify the accuracy of the books and records of the PTA and to assure the membership that the association's resources/funds are being managed in a business-like manner within the procedures established.

PTA bylaws indicate the procedure for selecting the individuals to conduct an audit. If a professional firm or person is retained to conduct the audit, be sure that individual has not-for-profit accounting experience. Also, that firm/person should not be related to any of the officers. The treasurer should see that the audit committee receives the following:

- A copy of the annual report
- Sales tax returns filed
- Form 990(EZ), if required to be filed
- A copy of the last audit report
- Checkbook and canceled checks
- Bank statements and deposit receipts
- Treasurer's book or ledger
- Vouchers and/or invoices with bills attached
- All financial reports for the period to be audited
- Minutes that would include an adopted budget and any amendments that were approved during the year
- Current bylaws and procedures
- Any other information requested by the audit committee

Composition of audit committee:

The audit committee is composed of not less than three members appointed by the president with approval of the executive committee at least 30 days before the last meeting of the year. The treasurer and president or any other authorized check signer is never a part of the audit committee.

When should an audit be performed:

- Before the end of the fiscal year and/or before the annual meeting
- When any authorized check signer is added or deleted on any bank account
- When the treasurer changes.
- At any time deemed necessary.

Conducting the Audit

Check the minutes of the general and executive board meetings to verify the following:

- Adoption of budget. (general)

- Approval of budget for expenditures not addressed in the original budget. (general)
- Approval of fund-raisers. (general)
- Financial reports presented at all meetings. (executive board and general)
- That the ending and beginning balances of the financial statements coincide with the dates of the meetings. (executive board and general)
- That a report was given of all expenditures and profits from each fund-raising event. (executive board and general)
- Comparison of the amounts on financial reports to ledger totals to make sure they match.
- Comparison of the beginning balance(s) to the prior year's ending balance(s) and/or ending audited financial report balance to see that they match.
- Budget(s) and amendments approved by the membership to see that all expenditures fall within approved budget amounts.
- Bank statements and reconciliation. Verify math and clerical accuracy. Compare check payees to ledger record payees. Check deposit dates in relation to fund-raising events. Verify that deposits were made promptly and accurately. Verify that the bank statement is reconciled monthly.
- That the proper membership dues were paid to the New York State PTA.

In financial records, changes should be lined through and corrected. Correction fluid should not be used. Entries should never be erased and all entries should be in ink. If your PTA uses a computer program for financial record keeping, be sure to retain the disk and a printed hard copy of any computer-generated records

Check the procedures used for check issuance and signing. Check to see that:

- Two signatures are present.
- Documentation exists for each check issued. (receipt, invoice, and/or voucher)
- Voided checks are noted on the stub.
- Review documentation for check. Verify payee, amount, and budget category.
- How many PTA accounts exist? (Regular account, scholarship account, etc.)
- Multiple handwriting on checks may indicate the issuance of blank checks.

- No checks should be made out to an individual who then also signs the check.
- Checks should not be made payable to “self” or “cash”. Withdrawals for startup change should be made payable to an individual who is held accountable for these funds until which time these funds are re-deposited. These transactions should be carefully documented.
- Check numbers and dates should be in sequence. All checks should have pre-printed sequential numbers.

Determine if any restricted contributions or donated items were received during the period audited. If so, make sure the PTA satisfied all restrictions. A record should be maintained of any restrictions that cover more than one year.

Review and make sure the current Form 990 (EZ) was filed with the IRS and verify clerical and math accuracy. Form 990(EZ) must be filed within 4½ months after the end of the fiscal year. IRS deems an organization to “normally exceed \$25,000” if the most recent three years of gross receipts average in excess of \$25,000. A regular Form 990 and Schedule A should be filed if the average gross receipts are more than \$25,000. (Refer to section on Tax Information.)

After the audit is completed and the financial accounting is deemed satisfactory, draw a line across the checkbook and ledger where the audit concludes and sign and date. Use different color ink than was used to record in the ledger and checkbook.

Audit Report

The audit report must be presented to the association at the first general meeting after the completion of the audit and adopted by the association at that time. The report should indicate the outcome of the audit and should be signed by every member of the committee. It should be attached to the completed annual report covering the entire fiscal year.

Irregularities in the Records

If the audit committee finds irregularities in the records of the treasurer, the following steps should be followed:

- Contact the treasurer to secure additional records or information.
- If the matter cannot be settled to the committee’s satisfaction, contact the PTA president to work out what additional steps need to be taken.
- The PTA president should request additional guidance from the area’s assistant director or from the Region PTA Director.

In reporting an audit that finds inaccuracies in the records of the treasurer, the following statement should be given at the appropriate time:

“The audit committee has examined the records of the treasurer of _____ PTA for the period to _____.

The current balance on hand is \$_____.”

*The following irregularities have been found:
(List all irregularities)*

*The following steps were taken to correct the problems:
(List all steps)*

To prevent these types of problems from occurring in the future, the audit committee recommends the following: (List the recommendations)

Remember that the treasurer is legally responsible for all the funds of the association. However, the officers of the association are elected by the membership and share the fiduciary responsibility of keeping the affairs of the association on a sound financial basis. A member of the audit committee or the secretary should read the report. The presiding officer should then call for the appropriate action.

**Important:
Any investigation by the
audit committee must be
kept confidential.**

Sample Audit Report

Audit Report of _____ PTA

Audit covering period of _____ to _____.

Balance on Hand \$ _____

Receipts \$ _____

Total \$ _____

Disbursements \$ _____

Balance on Hand \$ _____

Last Bank Statement Balance \$ _____

Checks Outstanding	Check Number	Amount
	_____	\$ _____
	_____	\$ _____
	_____	\$ _____

Total Checks Outstanding \$ _____

Balance in Checking Account \$ _____

Date of Audit _____

We, the undersigned members of the audit committee, have examined the books of the treasurer of _____ PTA and find them to be in order.

Chairman

Tax Information

Federal Income Tax

There are two taxing authorities that are of concern to the PTA. They are the Internal Revenue Service (IRS) and the New York State Department of Taxation and Finance. Structurally and politically, these tax collection agencies are totally separate entities. It is the responsibility of each unit's officers to learn and fulfill the obligations of the PTA to these authorities.

New York State PTA is required by law to report annually to the Internal Revenue Service any unit or council that is not in good standing with the state association and therefore are no longer eligible for continued group tax-exempt status.

To obtain the following forms, you may call the Internal Revenue Service at 1-800-829-1040 or access their website at www.irs.gov.

FORM 990(EZ)

In a ruling dated May, 1954, the Internal Revenue Service held that New York State PTA and its PTAs are exempt from federal income tax under the provision of Section 501(c)(3) of the Internal Revenue Code of 1954. This ruling further holds that contributions to the New York State PTA and its units or councils are deductible as charitable contributions for federal income tax purposes.

Under the terms of this ruling, the New York State PTA and its units and councils are required to file 990(EZ) if the average of gross receipts for the past three fiscal years (including the year for which the return would be filed) is over \$25,000. If the unit has been in existence only one year, a return is required if receipts were over \$37,500. After two years in existence, if the average is over \$30,000, a return is required. Gross receipts are defined as the total amount the organization receives from all sources during its annual accounting period without subtracting any costs or expenses. State and National PTA dues are not a source of revenue to the unit and therefore are not included in the calculation. Also not included would be cash re-deposited that had been taken out of the PTA account for "startup cash" at a fund-raising event.

If gross receipts are less than \$25,000, units and councils do not need to file a Form 990(EZ). However, if you receive a Form 990(EZ) from the IRS, it must be signed by an officer and returned to the IRS. Check the box on the face of the form indicating that receipts were less than \$25,000. IRS will mail the Form 990(EZ) to the address used when the SS-4 form is filed. It is recommended that you use the school address for consistency. The PTA is responsible for completing this form and returning it to the IRS.

If average gross receipts are over \$25,000 and no Form 990(EZ) was received, it is the responsibility of the PTA to obtain a form and file it in a timely manner. If gross receipts are more than \$100,000, Form 990 must be filed.

When completing the Form 990(EZ), two numbers must appear on page one in the appropriate place. The first number is the New York State PTA group exemption number (GEN) 1258. The second number is the unit or council's Federal Employer Identification Number (FEIN). Schedule A must be completed and attached to the Form 990(EZ).

The IRS filing deadline for both Form 990 and Form 990(EZ) is the 15th day of the 5th month (four and one half months) following the end of your PTA's fiscal year, as determined in the unit or council bylaws (i.e., fiscal is July 1 to June 30; the return is due by Nov. 15).

The Form 990(EZ) is an informational return only. No tax will be due if filed timely and accurately. Returns are required to be available for public inspection, and copies must be provided to persons who request them.

If your unit/council is assessed penalties for failure to file, contact the region director for assistance prior to paying. Be sure to adhere to all deadlines given.

e-Postcard Filing (FORM 990N)

Small tax-exempt organizations whose gross receipts are less than \$25,000 will be required to electronically submit Form 990N, also known as the e-Postcard. The e-Postcards are due every year by the 15th day of the 5th month after the close of your tax year. For PTAs whose year end is June 30th, the e-Postcard will be due November 15th. The e-Postcard cannot be filed until after your tax year ends.

The e-Postcard can only be filed electronically by accessing the following web address: <http://epostcard.form990.org>. In order to complete the e-Postcard you will need to have your unit's Federal Employer Identification Number, year end date, legal name of the unit and mailing address, name and address of the unit president, and you will need to confirm that the unit's gross receipts are less than \$25,000.

FORM SS-4

Each unit and council must have a nine-digit tax identification number, known as a Federal Employer Identification Number (FEIN), issued by the IRS. This number is applied for by filing IRS Form SS-4. These numbers should be part of the permanent records of the unit and council and should also be sent to the Region Director to be kept on file in the New York State PTA Office. All FEINs are reported to IRS annually to identify those units covered by the New York State PTA group exemption.

The FEIN should be used for all checking account(s), savings account(s), and certificates of deposit(s) of the unit or council. The number also will be required when filing a Form 990(EZ) or applying for a New York State sales tax exemption.

If the FEIN is unknown or there is reason to believe no number has been assigned, please contact the New York State PTA Treasurer **do not call the IRS directly**.

FORM 1099-MISC

All PTAs are required to file Form 1099-MISC with the IRS if they pay an individual or unincorporated business a total of \$600 or more during a calendar year for services rendered. An example where this applies is for paid guest speakers. A 1099 is not required when payments are for the purchase of merchandise. The Form 1099-MISC must be sent by the PTA to the payee on or before Jan. 31 of each year and filed with the IRS along with Form 1096 on or before Feb. 28 of each year. Form 1099 includes the name and address of the payee, his or her social security number or EIN, and the total amount paid during the calendar year. You should obtain the name, address and social security number of anyone who meets this criteria, before the payment is made.

Form 1099 is not required for scholarship recipients regardless of the amount paid. Recipients should, however, be made aware that if not all of the funds received were spent on tuition and required school expenses, they are required to report the excess as miscellaneous income on their personal return.

New York State Sales Tax

PTAs are not required to pay New York State Sales tax on items purchased for use in presenting programs or carrying out the work of PTA. When PTA members purchase items for the PTA, they should present an exemption certificate to the retailer in order not to be charged sales tax. The PTA is required to complete the form with the tax exemption

number issued to them by the New York State Department of Taxation. This number is received by filing form ST-119.

However, if the PTA acts as an agent for the company, as in the example of book fairs, and never owns the merchandise, sales tax must be remitted. The PTA may choose one of the following options: to collect the tax on each sale; to adjust the cost of the item to include the tax; or to calculate the tax on the gross sales and take the tax expense out of their profit. The PTA should write a separate check to the vendor for the sales tax. The agreement between the PTA and the vendor should clearly show that it is the vendor who will be responsible for paying the sales tax to New York State.

If the PTA owns the items, but they are sold on a regular basis, sales tax must be collected and remitted to New York State. For example, a PTA school store that is operated on a regular basis (e.g. every Tuesday, the first Wednesday of the month, etc.), the PTA would be required to collect and remit sales tax to New York State.

Change in Accounting Period

The IRS is advising that all subordinate organizations have the same year end as the parent organization. NYS PTA year end is June 30. Therefore, all new charters must have a June 30 year end. If a PTA wishes to change its year end please contact your Region Director or the NYS PTA Treasurer for assistance.

Ways and Means

Ways and Means

The primary emphasis of PTA should be focused upon the promotion of the Purposes of PTA, not upon fund-raising. However, all PTAs need to do some fund-raising. PTA funds should always be used to further a PTA's educational purpose and should be raised in a manner that promotes a PTA Purpose.

The PTA should begin the year with specific program goals in mind before deciding what fund-raisers will be conducted to raise the necessary funds.

For most PTAs, the best solution is a single money-raising project. One well-planned event, along with the local portion of dues, usually raises sufficient funds to finance the year's activities. The fund-raising event should reflect the high principles of the association. It should have educational, social, or recreational value. Be careful to avoid parent burnout. Too many fund-raisers may drive away members. With fund-raising, less can be more.

Fund-raisers should not be conducted simply to raise money for which there is no planned use. Check with other groups in the area to see what fund-raisers they are doing in order not to compete with one another. Timing as well as product need to be considered.

Relationship of members/students to fund-raisers

- PTA members are volunteers dedicated to improving the environment for their children. As such, no individual PTA volunteer shall profit monetarily from any fund-raiser.
- PTA boards should select and approve fund-raisers to preclude any potential "conflict of interest."
- Children must never be placed in a position of risk to further any fund-raising project.
- How money is handled, earned, or expended must be determined solely on the basis of maximizing the benefits available to children.
- The primary emphasis of PTA should focus upon PTA Purposes, not upon fund-raising.
- Units must refrain from organizing and participating in any fund-raising activity that may entice a student to go door-to-door (1998 New York State PTA Resolution).
- Award programs, if used, should thank and recognize all families for their help and participation, not just a few "top sellers." Do not use a program in which the value of a fund-raising award may entice door-to-door sales.

The Chairman's Duties

Before starting any fund-raiser the chairman should:

- Establish a plan of work.
- Coordinate and work with a committee.
- Comply with local, state, and federal laws and with school district rules.
- Check to see that the company is a recognized fund-raising company. How long has it been in business? Ask for and check references.
- Obtain the name of the company's local sales representative.
- Establish who will take care of problems-the company, the sales representative, or the PTA.
- Verify that the president has signed the contract or agreement. Remember, only the president may LEGALLY sign a contract.

Ask the following questions when planning a fund-raiser:

- Does the fund-raising event conform to the basic policies and Purposes of the PTA?
- Does the activity serve as a good example for children and youth?
- Does the project have the approval of the general membership?
- For what purpose will the money be used? How much will be needed? How long will it take to raise it?

During the fund-raiser the chairman should:

- Make certain that all money collected is turned over to the treasurer immediately.
- See that all money is always counted by two people from separate households, one of these being the treasurer, and a receipt verifying the amount is signed by both.
- Ensure money is promptly deposited to the PTA bank account.
- Present all bills to the treasurer to be paid by check- NEVER BY CASH!

Following the fund-raiser the chairman should:

- Report to the board and the association all expenditures and profit from the fund-raising event at the meeting immediately following the activity.

PTA must never be involved in the sale or purchase of alcohol, nor promote it as a means to fund-raise.

Criteria for PTA Fund-Raising

Fund-Raising Position

Resolved, that the New York State Congress of Parents and Teachers, Inc., seek to prevent the exploitation of children through PTA fund-raising, and be it further

Resolved, that children and youth should never sell door-to-door for PTA; and be it further

Resolved, that children and youth should never be offered prize incentives for fund-raising; and be it further

Resolved, that the New York State PTA educate its units and councils about the dangers involved in fund-raising practices which utilize children in the generation of sales and revenue; and be it further

Resolved, that all PTAs re-examine their fund-raising practices as to whether those activities promote PTA's Purposes.

Adopted November, 1998 New York State PTA Convention Delegates

The 3-to-1 Rule

When planning the year's activities, PTAs need to use the 3 to 1 Rule: There should be at least 3 non-fund-raising projects aimed at helping parents and children or advocating to every 1 fund-raising event.

National PTA Policy

Why Funds Are Needed

PTA funds should be used for PTA purposes. Money should be raised ethically, recorded accurately, and spent wisely. The following are some functions for which funds should be budgeted:

Leadership Training: Legitimate expenditures for payments of delegates' expenses to Summer Leadership Conference, PTA conventions (State and National), Region PTA conferences and workshops. Other areas include payment of delegates' expenses to meetings on education, health, safety, and similar topics, and/or conferences.

Legislation, Programs, and Parent Education: Expenses may include speakers, film/video rental, materials for a PTA library, and special programs such as Reflections for the children and general membership.

Bonding/Insurance: It is required that the unit pay the yearly premium for fidelity bonding for the treasurer and all other persons authorized to handle funds and securities of the association, as well as liability or property insurance.

PTA Administration: Expenditures for the secretary's and treasurer's record books, duplicating materials, office supplies, postage, telephone calls, and other necessary expenses of the president, officers, and chairmen.

Expenditures of all Committee Chairmen: Funds are needed for the preparation of newsletters and other material explaining PTA activities. Subscriptions to the New York Parent Teacher are available through the New York State PTA Office. Our Children is a National PTA publication and can be obtained through the National PTA. Funds should be set aside for chairman's guides, additional copies of the New York State PTA *Resource Guide*, and a second mailing from State PTA for the secretary or vice president.

Funds should be included for New York State PTA and National PTA National PTAs Life Achievement Award to PTA leaders and other civic leaders for outstanding service to children and youth. Other special honors include Distinguished Service Awards, a past-president pin, and other recognitions that further the Purposes of PTA.

Funds may be spent for other activities consistent with PTA Purposes and the needs of the PTA.

Fund-raising should:

- Be carried on within the framework of PTA policies.
- Not be undertaken by a PTA if it is detrimental to character building.
- Make children's roles be either a natural outgrowth of regular schoolwork or a constructive leisure-time activity.
- Not allow children to be exploited or used as fund-raisers.
- Create good will for the PTA.
- Be approved by the association members.

Funds must be raised ethically and must conform to community standards.

- All income and expenditures must be recorded accurately.
- Proceeds from a fund-raiser must NOT be used to finance the work of any other organization or group.
- Units shall not consider lottery sales as a fund-raiser.
- Federal, state, and local laws, including school district policies, must be followed.

Top ten things to remember when fund-raising:

1. Have a specific goal for each fund-raiser. Regularly remind the committee and the volunteers of that goal and promote it to the community.
2. Assign an organized person to serve as fund-raising chairman.
3. If a fund-raising company is being used, know the company, check out references, check with the Better Business Bureau and have a written contract.
4. Select a program that fits the needs of the PTA.
5. Make sure the product being sold represents a good value at a fair price.
6. Look for fund-raising activities that have educational value and promote community involvement.
7. Delegate and involve as many volunteers as possible.
8. Keep it short. People lose interest in long projects.
9. Don't overdo it. Remember kids are in school to learn and parents can only afford so much.
10. Have fun. It's got to be fun!

Online Fund-Raising

Online fund-raising has caught the attention of many PTA units, councils, and regions. This online version of the retail mall has participants receiving rebates based on online purchases.

While the NYS PTA is not a participant in the online fund-raising programs, units, councils, and regions are able to participate in these programs. There are many choices available to the PTA units to choose from in setting up an online fund-raising program.

The NYS PTA suggests the following considerations when choosing a company to use for online fund-raising:

- Will the company treat the PTA unit as the recipient of the funds, rather than the school?
- Does the company have a “cap” on earnings for the year? The program should be able to generate revenue year round, without any maximum cap on earnings to the PTA.
- Does the company’s web-site use “framing”? This should not be allowed as it raises the issue of third party monitoring of the transaction, which could be a privacy violation.
- What is the privacy policy of the company? Can participants enter with a minimum registration (name and email address)? What will be done with the information collected?

- Is the user interface easy to use? Finding the participating unit should be possible with a minimum number of keystrokes.
- How are the participating merchants screened? A merchant that features tobacco, liquor, firearms, or adult content does not belong in a PTA fund-raiser. The PTA should have the right to request removal of offensive merchants.
- What customer support is available? Support to the PTA should be fast, friendly, and helpful.
- What is the financial incentive to the PTA? What is the percentage of the rebate being returned to the PTA? How is the rebate figured? Is there a minimum that must be earned before a check is sent to the PTA? How frequently are checks sent to the PTA?

The NYS PTA recommends that contracts not be “exclusive”. PTAs should be free to join with more than one online company. Also, the participation of the PTA should be minimal. The local unit may make its members aware of the online shopping possibilities, but must not be involved in the ongoing promotion of the online company.

The NYS PTA recognizes that this is a new area, and questions may come up. Please refer these questions to your Region Director. We will keep you informed as our units gain more experience with the program.

Steps of Fund-Raising

The development of a budget is the first step in fund-raising. The budget committee develops a budget to meet the needs of the PTA for the fiscal year. All fund-raising projects should be shown as anticipated income in the association budget. The budget and plans for raising funds must be referred to the executive board for consideration. The association, at a general meeting of the membership, must adopt the budget and any plan for raising funds.

After the budget has been adopted, it serves as the financial guide for the fiscal year. Since the budget is only an estimate of the planned expenditures and income for the year, amendments may become necessary from time to time. When there are additional expenses or charges in an allocated expenditure or income, the budget must be amended by a vote of the association at any regular meeting or at a special meeting called for that purpose. Amendments require a two-thirds vote unless previous notice has been given, in which case a majority vote will suffice.

The treasurer is the authorized custodian of all funds of the association. He receives and disburses all money as indicated in the budget, as prescribed in the bylaws, or as authorized by the association.

IRS REQUIREMENTS

The PTA is required to file Form 990(EZ) and Schedule A with the IRS if the total amount of gross receipts for a fiscal year normally exceeds \$25,000. The completed form is due 4½ months after the end of the fiscal year. If PTAs give prizes where the value of the prize exceeds \$600, the PTA must provide an IRS Form 1099 to the recipient.

Fund-Raising Contracts

More and more fund-raising companies are asking for written contracts. It's a good idea because it protects the PTA and the fund-raising company to have all major decisions in writing. With a contractual agreement, both assume responsibility for complying with the terms, but the PTA also begins the fund-raising project with a clear understanding of who is responsible for what. Here are some things to look for when reviewing a fund-raising contract:

- Double-check all the numbers. Are the costs, percentages, etc., the same as those agreed upon?
- Are all of the needed services included? (For example: kick-off presentations, tallying, packing, and shipping.) Is it clear that the company covers the cost for these services?
- Are the promotional materials reviewed and approved listed? (Take-home brochures, display kit, sample packs, etc.)

- Are dates for payment and product delivery included and consistent with the verbal agreement?
- Is there a clause covering the procedure for handling damaged, unsold, or returned merchandise?

Also, make sure the contract is clearly an agreement between two organizations, NOT two individuals. Signatures on the written contract should appear as follows:

Jane Doe Fund-raising (Fund-raising Company name)
By: _____ (Company's representative)
<u>ABC Elementary School PTA</u> (PTA's Name)
By: _____ (PTA President)

Gambling for Fund-raising Dollars

In today's financial climate, there is more competition for the dollars that are available and, at the same time, society is showing an increased interest in gambling. Consequently, fund-raising and gambling seem to be a natural match.

However, the PTA does not recommend any form of gambling for raising funds to accomplish the goals of the National, state, or local PTA.

Gambling comes in many forms such as raffles, bingo, lotteries, and casino nights. Before the PTA becomes involved in gambling, it should know some of the rules and pitfalls. Because gambling is ripe for fraud, various federal, state, and local authorities monitor it. Become familiar with the laws before taking the first step, not after it is too late.

Raffles

Raffles by definition are illegal, but charities have been granted federal exemption from this prohibition giving them a monopoly on this game. In order to have a valid raffle, three elements must be present, including chance, consideration, and a prize. Regulation starts at the federal level. The U.S. Post Office has rules about mailing literature, advertisements, or the actual ticket across state lines to states that prohibit raffles. Generally, it is advisable for all literature involving raffles to contain a disclaimer stating "This raffle is void where prohibited by law."

States and municipalities also regulate raffles. Under the New York State Law that went into effect January 10, 1999, raffles are now legal but are regulated to a degree. Basically, the law requires that all not-for-profits have to have a ‘games of chance’ number to hold a raffle.

Some commonly asked questions and answers are:

1. What is a raffle?

A “raffle” is a game of chance governed by New York State law. It includes any game of chance in which a participant purchases a ticket, and a prize is awarded based on the selection of the ticket number (or other designation on the ticket) as a result of a drawing.

2. Is a 50-50 a raffle?

Yes.

3. What types of organizations can hold a raffle?

An “authorized organization” generally includes any religious, charitable, or educational organization that operates without profit to its members. Political parties and organizations formed primarily for the purpose of conducting games of chance are not authorized organizations.

4. Where can the raffle be held?

A raffle can be held in any municipality (village, town, or city) that has passed a “games of chance” law authorizing the conduct of games of chance by authorized organizations within the territorial limits of the municipality.

5. Is a license required to hold a raffle?

Normally, a license and identification number issued by the State Board of Racing and Wagering (the “Board”) are required to conduct games of chance. However, special rules apply for an organization that has filed a “verified statement form” with the clerk of the municipality where the organization is located, and with the Board, stating that the net proceeds from raffles conducted by the organization will be less than \$30,000 for the year. This statement is deemed a license to conduct raffles. The identification number and verified statement forms must be obtained from the Board.

The identification number application form, the verified statement form, and additional information regarding raffles are available on the Board’s website at www.racing.state.ny.us (under charitable gaming/raffle/forms).

6. Is there a fee for filing the verified statement form?

No. However, if the organization had proceeds of more than \$30,000 in a calendar year from raffles, the organization must apply for a regular license, pay a \$25

license fee and pay 2% of the proceeds over \$30,000.

7. Who can sell raffle tickets?

Members of the organization and their immediate relatives, who are at least 18 years of age may sell raffle tickets.

8. Where can tickets be sold?

Filing of a “verified statement” as discussed above allows an organization to conduct raffles in the municipality where the organization is located, if the municipality has enacted a “games of chance” law. In addition, the organization may sell tickets in the counties that are contiguous to the county where the organization is located, if the organization has obtained written authorization from the municipality.

9. What is the maximum prize amount for a raffle?

No single prize awarded by a raffle can exceed \$50,000 except that an organization may award up to \$100,000 if the organization applies for a regular license and includes a statement with the application indicating that the prize will exceed \$50,000.

10. What steps must be taken after the raffle?

An organization that has net proceeds from raffles over \$30,000 in a calendar year must, within 30 days after the raffle is conducted, file with the clerk of the municipality a statement providing certain details regarding the conduct of the raffle.

11. Who enforces the rules?

Local police generally enforce the rules. In addition, the clerk of the municipality and the Board have the power to inspect the books and records of a licensed organization regarding the conduct of the game of chance and the disposition of net proceeds.

12. Are there penalties for not following the regulations?

The organization may be fined up to \$1,000, the organization’s license may be revoked, and persons involved with unlawful conduct may be charged with a misdemeanor.

13. Does a raffle generate unrelated business income (UBI)?

This should be another consideration before a PTA decides to proceed with a raffle. If the number of raffles are limited and not “regularly carried on,” they should not qualify as UBI. If volunteers perform most of the work, the raffle should not generate UBI. Winnings from gambling that are greater than \$600 or more than 300 times the wager (e.g., the raffle ticket costs \$1 and the prize is a TV valued at \$350) must be reported to the IRS by the winner and by the PTA

on form W-2G “Certain Gambling Winnings.” If the winnings are more than \$600 but less than \$5,000 and are at least 300 times the wager, the PTA must withhold 28 percent of the amount. If the winnings are more than \$5,000 or the winner fails to supply his or her social security number, then the withholding is 31 percent. If the prize is something other than cash, it is the PTA’s responsibility to determine fair value for reporting and withholding purposes.

Raffle ticket purchases do not constitute a charitable contribution and cannot be deducted on a personal tax return. A statement to this effect should be considered for inclusion when printing the tickets.

Consider wisely before using any form of gambling as a fund-raiser.

Bingo

Conducting a game of Bingo without a license is a violation of New York State Law. In order for a PTA to sponsor games of bingo, it must first obtain a license. For information regarding licensing and bingo rules in general, contact the New York State Racing and Waging Board at (518) 453-8460 or online at www.racing.state.ny.us. Click on Charitable Games

In addition to the licensing requirement, the law also requires:

- The municipality where the game is to take place allows bingo within its jurisdiction.
- Children under the age of eighteen must be accompanied by an adult if they wish to play and are forbidden from conducting or assisting in the conducting of a game.
- The game must be open to the general public.
- Quarterly financial forms must be filed.
- If a school building is to be used, the Board of Education must specifically authorize the use of the building for the purpose of bingo.

A form W-2G must be filed for every person paid \$1,200 or more. However, the PTA is not required to withhold anything unless the winner fails to provide his or her social security number, in which case the PTA must withhold 31 percent.

For any amount of money withheld by the PTA for any type of gambling winnings, a Form 945 Annual Return of Federal Income Tax must be filed by January 31 of the following year.

FREQUENTLY ASKED QUESTIONS

- 1. Can the PTA raise funds for someone needing a medical procedure/ replacing goods lost to fire or flood/ needing on-going nursing care, etc?**

No. Funds cannot be raised through the PTA for an individual, no matter how worthy the cause.

- 2. A local business wants to make a contribution to the PTA but needs proof of the tax-exempt status. What can be presented as proof?**

Give a copy of the New York State PTA IRS Letter of Determination. Contact your Region Director for a copy. The Region Director’s letter must state that your unit is a unit in good standing of the New York State Congress of Parents and Teachers, Inc. and as such is a tax-exempt, 501(c)(3) organization.

- 3. How much money can we carry over to the next year?**

There is no established minimum or maximum amount. It will vary from PTA to PTA based upon when each holds its fund-raisers. If the PTA has no fund-raiser until spring, it will need to carry over more than if the major fund-raisers are in the early fall.

However, a PTA should not raise more funds than are necessary to carry out its tax-exempt function. At a minimum, sufficient start-up funds for the new year should be carried over when possible. Should a fund-raiser generate more funds than expected, the extra moneys must be accounted for in the budget and can be carried over for the next year’s programs.

- 4. Why must our PTA send in the State PTA and National PTA portion of the dues so early in the school year?**

The portions of the dues that each unit collects on behalf of National PTA and New York State PTA belong to the National and New York State PTA. Ethically, that money does not belong to the unit.

Just as unit budgets reflect anticipated revenue, so do the budgets of National PTA and New York State PTA. In order to provide the services we offer to units, councils and region PTAs, funding is required. That funding is provided by the dues.

Insurance and Loss Prevention Summary

New York State Congress of Parents and Teachers, Inc.
One Wembley Court
Albany, NY 12205-3830
T: (518) 452-8808
Fax: (518) 452-8105

Please refer to our website (www.nyspta.org) under
Publications/Resources for the most recent version.

The PTA is an educational not-for-profit organization whose many programs and projects are “to promote the welfare of children and youth...” In order to protect PTAs in case of litigation the New York State PTA secures liability insurance and fidelity coverage.

INTRODUCTION

This summary presents a discussion about a General Liability, Fidelity and Crime insurance program specifically created for PTA. It is to help you understand how you can better protect yourself, your PTA unit, and your State PTA from the threat of financial loss and/or lawsuits.

This summary has been developed to assist PTA leaders in selecting appropriate fundraising activities, sponsored programs and events. Using this summary will help prepare for the risks associated with these activities. Although this summary is only a guideline, PTA leaders should be careful when choosing fundraising activities to lessen the chances of injury and future lawsuits.

PTA Insurance Broker: Robert E. Welch, Vice President
Rose & Kiernan Inc.
99 Troy Road
East Greenbush, NY 12061
1-800-242-4433
Fax: 1-518-244-4261
Website: www.rkinsurance.com
Email: Rwelch@rkinsurance.com

In order to avoid litigation and to follow the Purposes of PTA for New York State PTA, activities of the Green Light section should be the ones pursued. While we recognize the activities in this Insurance and Loss Prevention Summary are not insurance policy exclusions, they do give guidance as to what should be avoided. When planning activities for your organization now and in the future, a direction might well be to “gravitate towards the GREEN.” Risk management and loss control procedures are in place to provide guidance to NYS PTA members.

PTA Insurance Carriers: Selective Insurance Companies and Philadelphia Insurance Companies

LIABILITY INSURANCE

The purpose of the policy is to protect the PTAs, including all volunteers and employees, from third party claims or lawsuits alleging negligence. It provides protection for the usual events and operations of PTAs. This is not accident insurance. The injured party **MUST PROVE NEGLIGENCE** in order to receive any payment for the injuries.

*While PTA-sponsored activities are covered under the policy (subject to its terms and conditions) currently in force, there are some activities that present a risk or do not support the PTA Purposes. (See **YELLOW LIGHT** page.) In addition, there are some activities that present an extremely high risk and should not be held (See **RED LIGHT** page.)*

If any questions exist as to the relevancy of coverage, please contact Rose & Kiernan, Inc. and then your Region Director prior to the scheduled activity. Additional coverage, if needed, may be secured by contacting Rose & Kiernan, Inc.

Independent Contractors and Insurance – A concessionaire or commercial vendor is a person (or organization) who has a for-profit attraction (such as a Magic Show) that they will operate or conduct on behalf of the PTA for a percentage of the receipts, or for a specific sum of money. Such a person (or organization) is an independent contractor. The PTA is protected against claims or suits arising out of the operations of these independent contractors. However, the independent contractor is afforded **NO** protection under the PTA policy.

When using an independent contractor, the PTA should:

- a) obtain a Certificate of insurance showing that the independent contractor/vendor has **in-force** liability insurance with at least \$1,000,000 (written with AM Best Rated A Company), naming the PTA unit/council and the New York State Congress of Parents and Teachers, Inc. as Additional Insured;
- b) be provided with an Indemnification and Hold Harmless Agreement from the contractor. This would hold PTA harmless from any and all liability that arises out of the operations of the independent contractor, or vendor;
- c) refrain from using any independent contractor/vendor unwilling or unable to provide (a) and (b).

When PTAs enter into a contract with individuals who perform various services for monetary rewards, they institute a relationship that may require Workers' Compensation and other far-reaching consequences including IRS tax and penalty problems, that are outside of the scope of PTA liability coverage. New York State PTA has obtained guidelines from its attorney regarding such independent contractor status (see Section 5 - Finance). Any units involved in activities requiring Workers' Compensation coverage must purchase a separate policy.

FIDELITY BOND

New York State PTA carries Fidelity and Crime insurance which protects the Congress and affiliated units/ councils against loss of money or property caused by fraudulent or dishonest acts of volunteers and employees. Each incident is covered up to \$200,000 with a \$2,500 deductible. PTAs filing a claim must be prepared to file criminal charges against the person accused of taking the money.

To protect the unit:

1. Dual signatures are required on all checks.
2. There should be no pre-signing of checks.
3. There should be a monthly bank reconciliation (balancing of the checkbook) performed by an organization officer usually the treasurer normally responsible for banking functions. A second individual that does not have signature power appointed by the executive committee reviews the monthly reconciliation.
4. No debit cards, credit cards, or on-line bank transactions.

Should a loss occur, a Financial Discrepancy Report (included in this section) should be completed by an officer and mailed to the region director, the New York State PTA Office, the Treasurer, and the insuring agency. The financial Discrepancy Report is not a claim. It is notification of a loss and a confidential communication.

ACCIDENT INSURANCE

PTA's coverage does not cover accidents unless liability is proven.

TRANSPORTATION

You are also advised never to transport individuals to or from any event in private passenger autos but, instead, to use school buses or chartered bus services in compliance with the conditions on the yellow sheet.

DIRECTORS AND OFFICERS INSURANCE (D&O)

New York State PTA carries a D&O policy which insures the Congress and affiliated units and councils against claims for a wrongful act for directors and officers. D&O insurance is a specialized policy coverage for harm resulting from making policy and managing the affairs of the association. For example, an accident occurring at a PTA event will ordinarily be covered under general liability because it involves bodily injury. If a lawsuit is filed to stop the PTA from holding the event, that would be covered by the D&O policy.

INCIDENT REPORT AND CLAIM HANDLING

Should an incident occur, a report form should be completed by an officer of the organization and mailed to the region director, the New York State PTA Office, treasurer, and the insuring agency. The incident report is not a claim. It is a notification of an occurrence and a confidential business communication.

Do not solicit a claim. Do not promise coverage. The insurance company will investigate reported claims and decide their validity.

PAYMENT PROCEDURES

Please note:

- Insurance payments are due to the NYS PTA Office June 1st.
- Two signatures are required on all PTA checks.
- Once payment is received and accepted a Certificate of Insurance will be mailed to your unit president.

School Districts are required to have proof of insurance to allow PTAs to hold activities on school grounds. It is extremely important that your PTA is in compliance!

Insurance Recommendations for PTA Activities

Some activities can be dangerous and jeopardize the safety of our children and youth in spite of precautions taken. Think ahead, weigh the consequences, and plan carefully. Such activities can jeopardize the insurance coverage for all PTAs in New York State.

Be sure to refer to the following recommendations before planning your PTA activities.

GREEN LIGHT Approved activities and events are listed on the **GREEN LIGHT** page of this summary

YELLOW LIGHT Occasionally, PTAs want to sponsor activities which may require additional insurance coverage, waivers of liability and certificate of insurance. PTAs must strictly adhere to PTA guidelines and/or other special arrangements. The following forms are available from your region director: (1) Independent Contract (2) Student Health Inventory and/or Parental Consent Form (3) Indemnification and Hold Harmless Agreement. All conditions must be met before undertaking any activities listed on the **YELLOW LIGHT** pages. The insurance broker must be consulted.

RED LIGHT Certain activities and events should be avoided. Individual PTA officers may be held personally liable for conducting any event listed. The **RED LIGHT** page in this summary lists the activities which are not recommended.

New York State PTA and Rose & Kiernan, Inc. reserve the right to deny requests for additionally insured on the Certificate of Insurance for participation in Red Light activities.

GREEN LIGHT

Approved activities and events are listed below. Plan carefully and take all necessary precautions to have a safe activity.

Under no circumstances should any PTA unit, council or region sign a Hold Harmless Agreement for a vendor or provider or agree in any way that the PTA will be held responsible for liability. Review all contractual arrangements very carefully to make sure that they do not contain such provisions.

Arts & Craft Activities	Karaoke
Arts in Education Programs	Magic Shows
Auction/Silent Auction	Math Fair
Balloon Artist (non-helium inflation)	Movie Night
Band Concerts	Parent Education Workshops Performing Arts
Baseball Toss (through target)	Pizza Night
Bean Bag Toss	Plant Boutique
Bike Displays	Reading Night
Book Fair	Reflections Program
Carnivals (without amusement vendors)	Ring Toss
Christmas Tree Sales (no cutting)	Roll Reversal Plays
Colored Sand Painting	Rummage sales
Community Forums	Flea Market
Costume Carnival (costume rentals)	White Elephant Sale
Craft Fair *	Safety Programs
Craft Workshops	Sales (such as)
DJs	-Gift Wrap
Dances	-Greeting Cards
Dinners (pasta, international, barbecue)	-Fruit
Enrichment (academic)	Sale of Logo Items
Face Painting	Scarecrow Competition
Family Portraits	School Play
Fashion Shows	Science Fair
Football Throw (through target)	Silhouettes
Founders Day Dinner	Spelling Bee
Gift Wrapping	Sponge Toss (using goggles)
Golf Tournaments	Storytellers/ Performers
Hobby Shows	Swap Meets*
Holiday Boutique	Talent Shows
Ice Cream Socials	Walk-A-Thon - adults only
ID Bracelets	

* operated by PTA members with all receipts going to PTA (see **YELLOW LIGHT** page for non-PTA vendors)

Fund raising activities where students may go door-to-door should not be done under any circumstances.

YELLOW LIGHT

Occasionally, PTAs want to sponsor activities which pose a risk and do not support the Purposes of PTA, and/or may require additional insurance coverage. PTAs must strictly adhere to the conditions as indicated. Please contact the insurance agent and the region director or assistant director before undertaking any of these activities listed on the YELLOW LIGHT pages.

Under no circumstances should any PTA unit, council, or region sign a Hold Harmless Agreement for a vendor or provider or agree in any way that the PTA will be held responsible for liability. Review all contractual arrangements very carefully to make sure that they do not contain such provisions.

The number [e.g., (1)] following each activity refer to the CONDITION(S) that must be met prior to PTA voting to sponsor an activity or event.

Any for-Hire Transportation	
Charter Services	(2)
Limousine Services	(2)
Babysitting at PTA Meeting	(3)
Bowling	(1)
Carnival with Amusement Vendors (no motorized rides)	(2)
Craft Fair	(2)
Enrichment Program	
Academic	(1), (4)
Ballet/Dance	(1), (4)
Athletic Sports (non-contact)	(1), (4)
Grad Night for Elementary or Middle School	(1), (2)
Haunted House	(5)
Holiday Boutique	(2) for non-PTA vendors
Student Walk-A-Thon	(1)
Swap Meets	(2) for non-PTA vendors

CONDITIONS

- (1) Obtain a signed PTA student permission from each student's parents or guardian. Anyone eighteen or older may sign their own waiver. (See attached form.) **THIS ACTIVITY SHOULD BE DONE WITH EXTRA CAUTION AND SUPERVISION.**
- (2) Obtain a certificate of Insurance and an endorsement naming PTA as Additional Insured on the policy with an AM Best Rated A Company.
- (3) The only babysitting that is allowed is at PTA meetings where parents are continually on campus and the following conditions are met: The "babysitters" do not change diapers, there are at least two unrelated adults (18 years or older) in attendance at all times, and coffee or other hot fluids are kept outside of the babysitting room or area.
- (4) Have at least two unrelated adults (18 years or older) in attendance at all times.
- (5) On school grounds and with the inspection from the fire department.

RED LIGHT

New York State PTA has adopted certain policies regarding permissible PTA activities in order to minimize the risk of exposure. New York State PTA strongly recommends that certain activities be avoided because they are **dangerous and jeopardize the safety of our children and youth and adults who may participate**. Such activities and events also jeopardize the insurance coverage for all PTAs in the state. **PTA officers may be held personally liable for conducting any of the events listed below. These activities should not be contemplated, even if vendor has own insurance.**

New York State PTA and Rose & Kiernan, Inc. reserve the right to deny requests for additionally insured on the Certificate of Insurance for participation in Red Light activities.

PTA funds can never be used to pay for alcohol.

Aircraft Demonstration

Animal Rides/Hay Rides

Bungee Jumping

Casino Night

Childcare (see babysitting - **Yellow Light** page)

Crossing Guards

Darts/Dart Games

Donkey Baseball/Basketball Dunk Tanks

Enrichment Programs

Martial Arts

Contact Sports (e.g., football, hockey, soccer, lacrosse, rugby)

Swimming

Gymnastics

Skateboarding

Aerobics (e.g., jazzercise)

Roller Blading

Fireworks Sales

Flush Tank / Dunk Tank

Flushem

Hot Air Balloons/Balloon Ride (on ground or in the air)

Ice Skating and Roller Skating

Ice fishing derby

Inflatables (e.g., Astro Walk, Castle Bounce, Cosmo Walk, Moon Walk, Slides, Mazes)

Mazes

Motorized Rides/Amusement Parks

Paint Ball Guns

Pyrotechnic Displays

Rock Climbing Walls

Rocket Launching

Ropes/Challenge Courses

Slam Dancing (moshing, Stage Diving)

Slides

Snow Activities (e.g., Skiing, Snowboarding, Snowmobile Rides, Sledding)

Transportation+

Velcro Walls

Water Activities (e.g., Boat Rides, Sailing, Canoe, Kayak, Water Skiing, Whitewater Rafting, Surfing)

+Transportation should be in school buses or charter service rather than private passenger vehicles.

Student Permission Slip

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One Wembley Court, Albany, New York 12205-3830
518-452-8808 • Toll Free 1-877-569-7782 • 518-452-8105 (Fax)

_____ has my (our) permission to participate in
Name of Minor

_____ on _____
Event or Activity Date

at _____ from _____ to _____
Location Beginning Time Ending Time

I (we), as parent(s) or guardian(s) of the minor, do hereby, for my _____
Son/Daughter

Myself, my heirs, executors and administrators, remise, release and forever discharge

_____ PTA UNIT _____ PTA COUNCIL _____ PTA REGION

and the New York State Congress of Parents and Teachers Inc., and all PTA officers, employees and agents of each of the foregoing, acting officially or otherwise, from any and all claims, demands, actions or causes of action on account of referred. I hereby certify that the minor is my _____

Son/Daughter
and that his/her date of birth is _____ and I do hereby certify that to the best of my knowledge and belief said minor is in good health. In case of illness or accident, permission is granted for emergency treatment to be administered. It is further understood that the undersigned will assume full responsibility for any such action, including payment of costs. I hereby advise that the above named minor has had all the following allergies, medicine reactions or unusual physical condition which should be made known to a treating physician. (If none, please write the word "none".) _____

1. _____
Signature Print Name Address City Phone

2. _____
Signature Print Name Address City Phone

Alternate Adult:

Signature Print Name Address City Phone

Aprobacion de los Padres y Rununcia del Estudiante

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_____ tiene mi (nuestro) permiso para participar
(nombre del menor)

en _____ el _____
(actividad o evento) (fecha)

en _____ entre _____ y _____
(lugar) (hora)

Yo (nosotros), come padre(s) o guardian(es) del menor, por la presente, por mi _____
(hijo/hija)

A mi mismo, mis herederos, ejecutores y administradores, liberta y descarga para siempre a

_____ (nombre de unidad de PTA) _____ (nombre del conseq. de PTA) _____ (numero de distrito de PTA)

y a New York State Congress of Parents and Teachers, Inc., y a todos los oficiales de la PTA, empleados y agentes de todos estos grupos funcionando o no funcionando en su capacidad oficial, de todos los danos y causas de accion en cuenta del referente. Por esto certifico que el menor es mi _____ y
(hijo/hija)

que su fecha de nacimiento es y por la presente certifico que el menor esta bien de salud. En case de accidente o enfermedad, tiene permiso para obtener tratamiento de emergencia. Yo acepto toda responsabilidad por estas acciones incluyendo los gastos. Les aviso que el mencionado menor tiene las siguientes alergias, reacciones a medicacion o condicion fisica que se le debe hacer saber al medico que atienda a mi hijo/hija. (en Case de que no haya nada, favor de escribir "nada.") _____

1. _____
Firma (en letra de molde escribaru nombre, direccion. Ciudad y telefono)

2. _____
Firma (en letra de molde escribaru nombre, direccion. Ciudad y telefono)

Adulto alterno:

_____ Firma (en letra de molde escribaru nombre, direccion. Ciudad y telefono)

Adults Agreement and Waiver

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New York State Congress of Parents and Teachers, Inc.
One Wembley Court, Albany, NY 12205-3830
518-452-8808 • Toll Free 1-877-569-7782 • 518-452-8105 (Fax)

_____ agrees to participate in
Name

_____ on _____
Event or Activity Date

at _____ from _____ to _____
Location Beginning Time Ending Time

I do, hereby, for myself, my heirs, executors and administrators, remise, release and forever discharge

_____ PTA Unit PTA Council PTA Region

and the New York State Congress of Parents, and Teachers Inc., and all PTA officers, employees and agents of each of the foregoing, acting officially or otherwise, from any and all claims, demands, actions or causes or action on account of referred. I do hereby certify that to the best of my knowledge and belief said adult named is in good health. In case of illness or accident, permission is granted for emergency treatment to be administered. It is further understood that the undersigned will assume full responsibility for any such action, including payment of costs. I hereby advise that the above named adult has had all the following allergies, medicine reactions or unusual physical condition which should be made known to a treating physician. (If none, please write the word "none".) _____

1. _____

2. _____

Financial Discrepancy Report Form

NEW YORK STATE PTA®

New York State Congress of Parents and Teachers, Inc.

One Wembley Court, Albany, NY 12205-3830

518-452-8808 • Toll Free 1-877-569-7782 • 518-452-8105 (Fax)

Name of PTA _____ UNIT # _____

PTA Address _____

City _____ NY Zip _____

Date _____ District _____

Contact Person/Position _____

Address _____

City _____ NY Zip _____

Phone Number _____

Amount of Financial Discrepancy _____

Date of the Discovery _____

PROVIDE DETAILS OF FINANCIAL DISCREPANCY AND HOW IT WAS DISCOVERED
(continue on back of form or separate sheet)

Proof of Discrepancy (Please attach copies)

Police Report (if any) # _____

Send one copy of this form to the New York State PTA Office, one copy to the Region Director, and one copy to the New York State PTA Treasurer. Keep one copy in your file with copies of documented proof.

THIS IS A CONFIDENTIAL DOCUMENT USED FOR INSURANCE INVESTIGATIVE PURPOSES.

Incident Report Form

NEW YORK STATE PTA®
New York State Congress of Parents and Teachers, Inc.
One Wembley Court, Albany, NY 12205-3830
518-452-8808 • Toll Free 1-877-569-7782 • 518-452-8105 (Fax)

NAME OF PTA _____ UNIT # _____

ADDRESS _____ REGION _____

CITY _____ STATE _____ ZIP _____ DATE _____

NAME OF INJURED (IF ANY) _____ AGE _____

ADDRESS _____

CITY _____ STATE _____ ZIP _____

PHONE AND FAX # _____ DATE OF INCIDENT _____

NAME OF EVENT _____

PLACE OF INCIDENT _____

TYPE OF EVENT _____

TYPE & EXTENT OF INCIDENT _____

NARRATIVE DESCRIPTION OF HOW INCIDENT OCCURRED

IF INJURY SUSTAINED, WAS TREATMENT RENDERED AT SCENE? _____

WERE AUTHORITIES INVOLVED i.e.: POLICE, EMT, AMBULANCE? _____

IS THERE ANY HOSPITAL REPORT? _____ (ATTACH REPORT IF AVAILABLE)

WAS INJURY DUE TO ANY ACT OR NEGLIGENCE OF PTA? _____ EXPLAIN _____

WHAT WAS INJURED PARTY'S DUTIES IN ACTIVITY (IF ANY)? _____

PTA CONTACT PERSON (PERSON IN CHARGE)

NAME _____

ADDRESS _____

CITY _____ STATE _____ ZIP _____

HOME PHONE # _____ WORK # _____

IF INCIDENT INVOLVED A CONCESSIONAIRE OR VENDOR

COMPANY NAME _____

ADDRESS _____

CITY _____ STATE _____ ZIP _____

PHONE # _____

PERSON PREPARING THIS REPORT

NAME _____

ADDRESS _____

CITY _____ STATE _____ ZIP _____

PHONE # _____

Please note any additional information you feel is important.

Attach a copy of the approved Building/Facility Use Permit for this activity.

THIS IS A CONFIDENTIAL DOCUMENT USED FOR INSURANCE INVESTIGATIVE PURPOSES.

Send one copy of this form to the New York State PTA office, one copy to the Region Director, and one copy to New York State PTA Treasurer. Keep one copy in your file with copies of any other documents.

Notes