PTA money and the money 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.

Sales Tax:
There are always questions about if a PTA unit should charge sales tax or not.

• No sales tax is collected if the PTA buys a product and then sells it – not even for catalog or item orders or even if the company packages the order by student or class.
One example of the exception to this is a PTA school store that is operated on a regular basis (for example on every Tuesday), then the PTA must collect and remit sales tax to New York State.

• Sales tax is collected if the PTA is only acting as an agent for a company, as in the example of book fairs when the PTA never owns the merchandise. The vendor company is responsible for remitting the sales tax. Never fill out or submit a Resale Certificate.

Important Numbers for Your PTA Unit:

• Unit number: 07- __ __ This number is assigned by the NYS PTA Office at charter. This number must be on all checks and PTA correspondence.
• IRS EIN: Employer Identification Number __- __- __- __- __- __- Obtained from IRS at charter. Required to open bank accounts and to file the IRS 990 Form.
• National PTA ID Number - Found on mailing label of National PTA’s mailings.
• New York State Sales Tax Exempt Number: EX- __ __ __ __ __ - Obtained at charter. Your PTA unit is exempt from paying sales tax on items purchased for PTA use.