

990 and Your Budget

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Resources:

www.irs.gov Forms & instructions

www.StayExempt.org EO Web-based Mini-Courses

- Preparing to File the New Form 990
- The Redesigned Form 990 – Part I (General instructions for completing the form)
- The Redesigned Form 990 – Part II (Walk through of the accomplishments, compliance, and compensation sections:
- The Redesigned Form 990 – Part III (Walk through of governance, management, disclosure, summary sections and Schedule A)

Epostcard.form990.org Filing location for the 990N

IRS Form 990-N (e-Postcard), 990 and 990EZ Return of Organization Exempt from Income Tax

Who must file Form 990-N (e-Postcard)? “Small tax-exempt organizations whose annual gross receipts are normally \$25,000 or less may be required to electronically submit Form 990-N, also known as the e-Postcard, unless they choose to file a complete Form 990 or Form 990EZ. The Pension Protection Act of 2006 added this filing requirement to ensure that the IRS and potential donors have current information about your organization. The first e-Postcards were due in 2008 for tax years ending on or after December 31, 2007.”

The **e-Postcard** is due every year **by the 15th day of the 5th month after the close of your tax year**. For example, if your tax year ended June 30, 2009 (as majority of PTAs or PTSAs fiscal years), your filing of the e-Postcard is due by November 15, 2009.

How do we File Form 990-N (e-Postcard)? Go to www.irs.gov, click “Charities & Non-Profits” tab, scroll down and click on “Annual Electronic Filing Requirement for Small Exempt Organization – Form 990-N (e-Postcard)”, hit click “here” to file the e-Postcard. When you click on “here”, you will leave the IRS site and file the e-Postcard with the IRS through their trusted partner, Urban Institute. The form must be completed and filed electronically. There is no paper form. You may also go directly to the site at: <http://epostcard.form990.org>.

What Information Do I Need to File the e-Postcard? You will need to have the following available:

- Employer Identification Number (EIN)
- Tax year for which you are filing
- Legal name of unit and mailing address (don't guess, contact state office if you are not sure of your legal unit name; mailing address should be that of your school)
- Any other names the organization uses
- Name and address of a principal officer (give president's name but use school address)
- Website address if the organization has one
- Confirmation that the organization's annual gross receipts are normally \$25,000 or less
- If applicable, a statement that the organization has terminated or is terminating being a PTA or PTSA

Who Must File Form 990-EZ or 990? Any local unit PTA that has gross receipts of \$25,000 or more must file an IRS Form 990. If the PTA's gross receipts are \$25,000 or more, but less than \$100,000, it may file a Form 990EZ. If a PTA unit with less than \$25,000 gross income receives a Form 990 in the mail, the treasurer **MUST** return the form to the IRS with contact information completely filled out plus a statement that says “we did not gross \$25,000 or more this fiscal year” on front of Form. **DO NOT IGNORE THIS IRS COMMUNICATION.** Unit then **MUST** file the 990-N (e-Postcard) as highlighted above.

PTAs with gross receipts of more than \$25,000 will be required to file Form 990 or Form 990EZ, and Schedule A. Be sure to enter the Virginia PTA/PTSA Group Exemption Number (GEN) 3229 on the form.

What are gross receipts? Gross receipts are the total amount received from all sources (with the exception of state, national and the per member council portion of dues) during its annual accounting period without subtracting any costs of expenses. An organization's gross receipts are considered to be \$25,000 or less, if the organization is:

- Up to a year old and has received or donors have pledged to give, \$37,500 or less during its first tax year
- Between one and three years old and averaged \$30,000 or less in gross receipts during each of the its first two tax years; or
- Three years old or more and averaged \$25,000 or less in gross receipts for the immediately preceding three tax years (including the year for which the return would be filed)

When is the return due? The due date for the Form 990-N (e-Postcard), Form 990 or Form 990EZ, and Schedule A is the fifteenth day of the fifth month following the end of the PTAs fiscal year. For example, if the fiscal year ends June 30, then the return is due November 15.

How do we get the forms? Fillable forms and instructions are available on the IRS website at www.irs.gov. Form 990-N (e-Postcard) IS ONLY AVAILABLE ELECTRONICALLY.

Where do we send the return? Mail the completed forms to the Internal Revenue Service Center as directed in the instruction packet. (It is recommended that the package be sent "Return Receipt Requested" for proof of IRS receiving your form.) Again, Form 990-N can only be filed electronically.

What are the penalties for late filing or not filing? If the association has a gross income of more than \$25,000 and fails to file a Form 990, the law imposes a penalty of \$10 per day for each day the return is late, not to exceed \$5,000. REMEMBER, PTA is tax exempt, but not exempt from filing under the above conditions. **There is no statute of limitations for returns that have not been filed.**

IMPORTANT: With the changes in filing of the informational Forms 990 and 990EZ as well as instituting the new Form 990-N, filing thresholds will be changing from previous years beginning with the 2007 tax year. To see how the thresholds may impact your unit, please go to www.irs.gov, click on the Charities & Non-Profits tab, click on "2008 Form 990 & 990EZ Available", and click on "Filing Threshold Table/Chart."

The above information on Forms 990-N, 990, and 990EZ generally applies to all 501(c)(3) non-profit organizations, NOT JUST PTAs or PTSAs. This is new federal regulation and we MUST comply.

FILING 990-N (e-POSTCARD)

Go to epostcard.form990.org

PTA/PTSA Treasurer (or President) will need following in order to file:

- 1) Unit EIN# **If you are not sure, contact IRS**
- 2) Tax year being filed ('08-'09, etc.)
- 3) Legal name of association and address
Insert "Virginia Congress of Parents and Teachers"
Use SCHOOL ADDRESS
- 4) Any other names association may have used (PTA/ PTSA)
Where you use your PTA/PTSA name
- 5) Name and address of principal officer (PTA/PTSA president but use school address)
Use "President" here, not a name
Use SCHOOL ADDRESS
- 6) Website address if PTA/PTSA has one
- 7) Confirmation that gross receipts are normally \$25,000 or less (Gross receipts for past tax years – past 3 years)
- 8) If applicable, statement that association has or is terminating their non-profit status

