

Instructions for IRS Form 990-EZ

Overview

These instructions are intended to help clarify and supplement the Instructions for Form 990-EZ as published by the IRS. They are not intended to replace those instructions. **Both the form and the IRS instructions are available on the IRS website (IRS.gov), or call the IRS at (800) TAX-FORM (829-3676) to have them mailed to you.**

If you have questions or need additional assistance, please call your state PTA office or National PTA headquarters.

Items A–L

- A. **Fiscal year**—The fiscal year should be stated in the PTA bylaws and is the 12-month period used to set the activities and budget year of the PTA; for example, July 1, 20XX, through June 30, 20XX.
- B. **Check if applicable**—Check the appropriate box to indicate the type of return: initial return, final return, amended return, or change of address.
- C. **Name, address**—If the Form 990-EZ has a preaddressed mailing label, please attach that label in this box. If there is no preaddressed mailing label, insert the name and address of the PTA.
- D. **Employer identification number**—If there is a preaddressed mailing label, no entry is necessary in this space. If there is not a preaddressed mailing label, insert the PTA's employer identification number.
- E. **Telephone number**—If the PTA does not have an assigned phone number, use the PTA president's phone number.
- F. **Four-digit group exemption number**—If a local PTA has exemption under the state PTA group exemption, enter the four-digit group number here.
- G. **Accounting method**—Normally, local PTAs would check the box marked "Cash."
- H. **For organizations receiving \$5,000 or more, in money or in kind, from any one contributor during the year**—There are some special rules that apply. See instructions for Schedule B before answering.
- I. **Website**—Give the association's Web address or write "N/A" if one is not available.
- J. **Type of organization**—Check the first box if the PTA is a 501(c)(3); Check the second box and insert the number "4" if the PTA is exempt under Section 501(c)(4).

Please note: If the PTA is exempt under Section 501(c)(3), the PTA must file Schedule A with the Form 990-EZ.

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Beginning in 2008, all tax-exempt organizations, regardless of gross receipts, are required to file some form of information return.

K. Gross receipts less than \$50,000—If the PTA's annual gross receipts are normally less than \$50,000, check this box. The PTA is not required to complete the rest of this form. Instead file Form 990-N. (To help determine if the PTA's receipts are normally less than \$50,000, refer to the General Instructions B.)

L. Enter gross receipts—Add lines 5b, 6b, and 7b to line 9. If gross receipts are \$200,000 or more and/or total assets are \$500,000 or more, you must file Form 990 instead of Form 990-EZ.

Part I: Revenue, Expenses, and Changes in Net Assets or Fund Balances

Line 1 PTAs may have some income to be entered on this line. Carefully read the IRS instructions to help make that determination.

Line 2 Enter any income generated from program services. Program services are primarily fees for service activity.

Line 3 The membership dues collected by the PTA would be entered on this line. Please note: Do not include the portion of membership dues that is sent to a council, state or the National PTA.

Line 4 If the PTA earned interest on a savings account, certificate of deposit, or other investment, that interest income would be entered on this line.

Lines 5a, 5b, 5c Usually, local PTAs would not have entries on these lines.

Line 6 Check the box for gaming if any special-event amount is from gaming. Gaming includes, but is not limited to, bingo, raffles, casino nights, and coin-operated gambling devices.

Line 6a Income entered on this line would be from activities that were not included on line 1 and that did not involve the sale of merchandise. Income on this line is from special fundraising events and activities whose primary purpose is to raise funds.

Line 6b Any expenses incurred from the activities reported on line 6a would be entered on this line.

Line 6c Subtract line 6b from line 6a.

Line 7a Income entered on this line would be from activities involving the sale of merchandise or a product (e.g., T-shirts, pizza, books) and would be income that is not included on line 2 or line 6a minus returns and allowances.

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- Line 7b** Any expenses incurred from the activities reported on line 7a would be entered on this line, including the cost to the PTA to purchase the product or merchandise that the PTA resold.
- Line 7c** Subtract line 7b from line 7a.
- Line 8** Any income not already reported would be entered on this line. A description of that income must be included.
- Line 9** Add together lines 1, 2, 3, 4, 5c, 6c, 7c, and 8 and enter the total on this line.
- Line 10** If the PTA distributed some of its funds in the form of grants, that amount would be entered on this line.
- Line 11** A PTA should not have an entry on this line.
- Line 12** A PTA would, generally, not have an entry on this line unless it was an employer.
- Line 13** If the PTA paid for accounting, legal, or other services or made payments to individuals who acted as independent contractors in providing services to the PTA, those expenses would be entered on this line. If payments were made to an independent contractor, the PTA may need to file a Form 1099-MISC. **Do not** include the portion of membership dues that is sent to a council or state PTA.
- Line 14** A local PTA most likely would not have an entry on this line.
- Line 15** Enter amounts for the types of expenses outlined, if those expenses can be determined. (If the PTA publishes a newsletter, those expenses would be entered here.) Do not include any expenses already included on lines 6b and 7b.
- Line 16** Any expense not already included in this report should be entered on this line. A description will have to be attached. (See example below.)
- Line 17** Add together lines 10, 11, 12, 13, 14, 15, and 16 and enter the total on this line.
- Line 18** Subtract line 17 from line 9. If line 17 is more than line 9, enter the difference between the two amounts in parentheses.
- Line 19** The entry on this line would be from last year's Form 990-EZ. It would be the same as the "carry forward" from last year to the beginning of the current year.
- Line 20** A PTA should not have an entry on this line.
- Line 21** Add together lines 18, 19, and 20 and enter the total on this line.

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Schedule for Part I, Line 16

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(Name of PTA)

(Employer Identification Number)

Program expenses	960	Insurance	200
Supplies	180	Lobbying expenses	220
Meeting and convention.....	581	Total other expenses.....	\$2,141

Part II: Balance Sheets

Line 22(A) The entry on this line should be the total of all the PTA's funds in its checking and savings accounts or other investments at the beginning of the current year—which is the same as at the end of last year. This amount should be the same as line 19 (if the accounting method specified in item G is cash).

Line 22(B) The entry on this line should be the total of all the PTA's funds in its checking and savings accounts or other investments at the end of the current year. This amount should be the same as line 21.

Line 23(A) and 23(B) Usually, a local PTA would not have an entry on this line.

Line 24(A) and 24(B) Usually, a local PTA would not have an entry on this line.

Line 25(A) Add together lines 22(A), 23(A), and 24(A) and enter the total on this line.

Line 25(B) Add together lines 22(B), 23(B), and 24(B) and enter the total on this line.

Line 26(A) and 26(B) Usually, a local PTA would not have an entry on this line. However, if there is a balance due to the state PTA for state and national dues, that amount would be entered here.

Line 27(A) Subtract the entry on line 26(A) from the entry on line 25(A).

Line 27(B) Subtract the entry on line 26(B) from the entry on line 25(B). Please note: The entry on line 27(B) must agree with the entry on line 21.

Part III: Statement of Program Service Accomplishments

This is a very important part of the 990-EZ. This should be a thoughtful collaboration of the executive leadership. Funders pay particular attention to this area. Review the IRS instructions very carefully. The following are examples of programs:

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Line 28 Parent Involvement. Add together all expenses related to this program service and enter them under "Expenses" on line 28a. Fully describe the types of services provided. Include any expenses in the form of grants in the space provided.

Lines 29, 30, and 31 Same instructions as for line 28.

Line 32 Add together the "Expenses" from lines 28a, 29a, 30a and 31a and enter that total on this line. Please note: The total does not have to equal the total amount of expenses listed on line 17.

Part IV: List of Officers, Directors, Trustees, and Key Employees

List **each and every** officer and board member of the local PTA. Attach a separate sheet of paper if necessary. In columns C, D, and E, a PTA would usually enter a zero.

Part V: Other Information

Line 33 PTAs would usually answer "No."

Line 34 PTAs would usually answer "No." Examples to answer yes would be changes in bylaws, etc.

Line 35a PTAs would usually answer "No." If the answer is "Yes," you are required to file Form 990-T to report unrelated business income.

Line 36 PTAs should answer "No" unless the PTA is dissolving.

Line 37a Enter a zero.

Line 37b PTAs should answer "No." A 501(c)(3) organization will lose its tax-exempt status if it engages in political activity.

Line 38a PTAs should answer "No." They should not be engaged in this activity.

Line 39a and 39b No response is required.

Line 40a Enter the amount of excise tax paid for each section: 4911 (excess lobbying expenditures), 4912 (disqualifying lobbying expenditures), 4955 (political expenditures). The amount in each should be zero for local PTAs.

Line 40b Refer to "Excess Benefit Transactions," on page 34 of this guide, for a definition of excess benefit transaction. Local PTAs should enter "No."

Lines 40c, 40d, and 40e Should be zero for local PTAs.

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- Line 41** Insert state name if required.
- Line 42a** List the name, phone number, and address of the current treasurer.
- Line 42b** PTAs would usually answer "No."
- Line 42c** PTAs would usually answer "No."
- Line 43** No response is required.
- Line 44** PTAs would usually answer "No." to all.
- Line 45a, 45b** PTAs would usually answer "No."
- Line 46** PTAs would usually answer "No."
- Line 47** PTAs would answer "No."
- Line 48** PTAs would answer "No."
- Line 49** PTAs would usually answer "No."
- Line 50** This line is only applicable to PTAs with highly paid staff (greater than \$100,000 per calendar year)
- Line 51** This would not be applicable for most PTAs.
- Line 52** Answer "Yes" and attached Schedule A.

Sign and date the return.

It should be signed by the president.

PTAs exempt under Section 501(c)(3) must also complete and file Schedule A. PTAs exempt under Section 501(c)(3) may be required to complete and file Schedule B.

The completed Form 990-EZ must be mailed to the IRS service center by the 15th day of the fifth month following the end of the PTA's fiscal year.

RETAIN A COPY OF THE COMPLETED Form 990-EZ FOR THE PTA's PERMANENT RECORDS.

You should also forward a copy to your state office.

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Schedule A (Form 990 or 990EZ):

Schedule A provides the IRS with information that is generally not available on Form 990 itself. The schedule is focused on determining whether the organization's actions during the past year were consistent with its tax-exempt status. If they were not, the entity's tax exemption may be at risk. Given the importance of this issue, the completion of Schedule A should not be taken lightly by those organizations required to file it.

Schedule A must be filed regardless of whether an entity prepares its annual report on Form 990 or 990-EZ. However, organizations exempt from filing an annual report are not required to complete Schedule A.

Schedule B (Form 990 or 990-EZ): Is Schedule B Necessary?

To determine whether your PTA is required to file Schedule B, first complete your PTA's Form 990-EZ or 990. If the total of line 1 on 990-EZ or line 1d on 990 and the membership dues on line 3 is greater than 33 1/3 percent of total revenue (see line 9 on 990-EZ and line 12 on 990), then your PTA will be required to file Schedule B.

Example: Line 1—Contributions, gifts, grants, and similar amounts received: \$1,000— plus line 3—Membership dues and assessments: \$1,200—is 54.2 percent of line 9—Total revenue: \$4,062. Since 54.2 percent is greater than 33-1/3 percent, this PTA cannot mark the box in item H. Instead, this PTA will need to file Schedule B.

Next, determine whether any one contributor has given the greater of \$5,000 or 2 percent of line 1 on 990-EZ or 1d on 990. For instance, if line 1 is \$50,000, 2 percent is \$1,000. This PTA would fill out Schedule B for any contributor who gave \$5,000 (the greater amount) or more for the entire year. If no one contributor gave the greater amount, then Schedule B would be attached to the Form 990-EZ or 990, with "N/A" noted in Part I of the schedule. No other information would be needed.

Please note: Schedule B is not a substitute for the list of contributors required for Part IV-A (Support Schedule) of Schedule A. Also, Schedule B is not open to public inspection and should not be furnished when a request for a copy of the Form 990 is fulfilled.

Please refer to the IRS instruction booklet for Schedule B for line-by-line instructions on how to complete Schedule B.