

Frequently Asked Questions
Hampton Township School District
Affiliated Organizations

The purpose of these FAQs is to provide helpful but general guidance to current and potential Affiliated Organizations in the Hampton Township School District. It is not intended to provide tax, legal, or accounting advice, which should be obtained from a qualified professional. Please note that these guidelines may not always be current with changes in the law or state and federal filing requirements or procedures.

Q.1: What is an Affiliated Organization?

A.1: The term “Affiliated Organization” refers to any parent or community group that provides support to a District-related program. These Hampton Township School District programs include, but are not limited to, parent-teacher organizations, athletic and non-athletic extracurricular activities, interscholastic or co-curricular activities, and student clubs. Hampton Township community organizations or other organizations not recognized by the Board are not considered Affiliated Organizations. Please see [Board Policy #915 -- School-Community, Parent Associations, and Booster/Support Groups](#) for additional information.

Q.2: What do we need to do in order to become an HTSD Affiliated Organization?

A.2: The initial request to become an HTSD Affiliated Organization should be made to the Building Principal for school or academic related organizations, or the Athletic Director for athletic related organizations.

Q.3: If my Organization is approved by the administration, what are the next steps?

A.3: It is suggested that your organization proceed as follows:

1. Elect a President, Vice-President, Secretary and Treasurer for your organization.
2. Apply for an Employer Identification Number (EIN) with the IRS (instructions below).
3. Open a bank account in the name of the organization using the EIN assigned by the IRS.
4. Comply with the annual IRS filing requirements (see below).

5. Comply with the HTSD annual financial filing requirements (see below).

Q.4: How do we get an EIN?

A.4: An organization can apply for an EIN through the IRS at the website link below. There is no cost to obtaining an EIN directly from the IRS.

<https://www.irs.gov/businesses/small-businesses-self-employed/apply-for-an-employer-identification-number-ein-online>

At the present time, the sequence is select “View Additional Types, Including Tax-Exempt and Government Organizations” and then “Other Non-Profit/Tax Exempt Organizations.”

Q.5: Where should we open a bank account, and what type of account should we open?

A.5: You should open a checking account with the bank of your choice. **Most importantly**, the bank account should be titled in the organization’s name and include the organization’s EIN (**not** an individual’s social security number). The bank may require a resolution or other written statement of authority from the organization.

Q.6: What are the annual IRS filing requirements?

A.6: Your organization will likely be required to file an annual report with the IRS. Generally speaking and at the present time, there are (3) different reporting procedures:

1. If the organization’s annual gross receipts are less than \$50,000 the annual filing process is very simple. The organization is required to file the “990-N e-postcard” with the IRS:

<https://www.irs.gov/charities-non-profits/annual-electronic-filing-requirement-for-small-exempt-organizations-form-990-n-e-postcard>

2. If an organization’s annual gross receipts are greater than \$50,000 but less than \$200,000, it is required to file form “990-EZ” with the IRS. Current details and instructions are available in the link below:

<https://www.irs.gov/forms-pubs/about-form-990ez>

3. If an organization's annual gross receipts are greater than \$200,000 it is required to file form "990" with the IRS. Details and instructions are available in the link below. This is a lengthy form and the assistance of a tax professional is recommended:

<https://www.irs.gov/forms-pubs/about-form-990>

Q.7: Can we be an HTSD Affiliated Organization even if we don't have IRS 501(c)3 or other exempt status?

A.7: Yes, but contributions to your organization may not be deductible by the donors.

Q.8: How could we become a 501(c)3 or other tax exempt organization?

A.8: The process for becoming a 501(c)3 or similar organization is somewhat complex. The use of a legal or accounting professional is generally suggested for 501(c)3 formation. General information is available at the following link: .

<https://www.irs.gov/charities-non-profits/application-process>

If your organization is approved by the IRS as a 501(c)3 organization, you will receive a "Determination Letter" from the IRS acknowledging your tax-exempt status and ability to accept tax deductible donations.

Q.9: How can we receive a state sales tax exemption?

A.9: Your organization can apply for a Pennsylvania sales tax exemption through the PA Department of Revenue. The link to the application is below. There is no cost to apply for a sales tax exemption directly with the PA Department of Revenue. A state sales tax exemption will allow your organization to make tax-free purchases of qualifying items.

<http://www.revenue.pa.gov/FormsandPublications/FormsforBusinesses/Documents/Sales-Use%20Tax/rev-72.pdf>

Q.10: Which Affiliated Groups are required to file a financial report with the District?

A.10: Only Affiliated Groups that receive or disburse more than \$1,000 annually are required to file a financial report with the District.

Q.11: What needs to be included in the financial report that Affiliated Organizations file with the District?

A.11: At a minimum the organization's annual financial report should include the following:

1. Beginning Cash Balance
2. Categorized Revenues
3. Categorized Expenditures
4. Ending Cash Balance
5. A statement that the report has been distributed to all organization members.
6. Signature by appropriate organization officers

Reports should follow this basic format:

Hampton Township School District
(Name of Organization)
(Year) Financial Statement

Beginning Cash Balance (*Date*): \$2,500

Receipts:

Fundraising	1,025
Member Dues	500
Donations	250
Other receipts	<u>100</u>

Total Receipts: 1,875

Expenditures:

Fundraising items	(500)
Year End Banquet	(1,000)
Other Expenses	<u>(200)</u>

Total Expenditures: (1,700)

Ending Cash Balance (*Date*) \$2,675

This report was distributed to all members (*when, where and how-- e.g. at the 4/5/17 Booster Group meeting, or by email on 4/5/17 to the rostered members of the organization*).

Signatures by Responsible Officers: _____

Q.12: Why do we need to turn in financial reports to the District?

A.12: Although the Affiliated Organizations are separate from the District, they bear its name, and the District has an interest in assuring that all financial transactions are being carried out in a reasonable, prudent, and fully transparent manner. Requiring a simple filing with the District and disclosure to the membership is an efficient way to create and maintain a level of transparency with their memberships and donors.

Q.13: When do we need to turn in financial reports to the District?

A.13: Financial reports need to be turned in to the Office of the Superintendent at least annually, or upon a change of officers, and within 3 months of the end of the Affiliated Organization's fiscal year.

Q.14: What will the District do with our financial reports?

A.14: The District will archive the reports for record retention only. Please note that HTSD is not responsible for the accuracy or completeness of the information in the statements nor the monies collected, held, or disbursed by the organization.

Q.15: How can I obtain a Small Games of Chance License?

A.15: Small Games of Chance Licenses are issued by Allegheny County and vary in price from \$25 to \$125 depending on the prizes and timeframes. There are rules and limitations with respect to Small Games of Chance that are neither imposed nor enforced by the District, and it cannot give advice or render opinions to the organizations on the matter. The County Treasurer issues the licenses and offers the following website for additional information:

<http://www.alleghenycounty.us/treasurers-office/small-games-license.aspx>

Prior to applying for a Small Games of Chance License, an organization needs to be "recognized" by the HTSD School Board. Applications for this recognition are due to the Office of the Assistant Superintendent by April 30th for the following fiscal year (July 1 to June 30).

Q.16: Who can I contact if I have additional questions?

A.16: If you have additional questions, please contact your building principal, the Athletic Director, or Jeff Kline (Director of Administrative Services) at (412) 492-6307 or kline@ht-sd.org. Please note that the District can only give direction with respect to its procedures; advice on organizational

matters and various outside filing requirements should be sought from independent professionals.