

E-finance
The financial newsletter of National PTA

Issue Number 3
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Welcome to *E-finance*, the financial newsletter of National PTA, which will be sent semiannually via e-mail to state treasurers, state presidents, and state offices.

This newsletter will cover some old topics, as well as some new ones. Let us know what you would like to see covered in this newsletter by sending an e-mail to accounting@pta.org.

IRS Launches On-Line Workshop for Exempt Organizations

The Internal Revenue Service (IRS) has launched a new Web-based version of its popular Exempt Organizations Workshop. The free online workshop covers tax compliance issues confronted by small and mid-sized tax-exempt organizations.

The workshop, Stay Exempt: Tax Basics for 501(c)(3)s, consists of five interactive modules on tax compliance topics for exempt organizations:

- Tax-Exempt Status. How can you keep your 501(c)(3) exempt?
- Unrelated Business Income. Does your organization generate taxable income?
- Employment Issues. How should you treat your workers for tax purposes?
- Form 990. Would you like to file an error-free return?
- Required Disclosures. To whom do you have to show your records?

Users can access this new training program at www.stayexempt.org. The modules can be completed in any order and repeated any number of times. The online training website does not require registration and its visitors will remain anonymous.

2007 IRS Nationwide Tax Forums

Are you or your tax professional interested in a three day seminar where you can get the latest word about tax issues from the IRS leadership as well as experts in the fields of tax law, compliance, and ethics? Attendees can earn up to 18 continuing professional education credits. The forums also feature a two-day expo with representatives from the IRS and businesses offering their products, services, and expertise.

Exempt organizations will present seminars and a longer workshop program. When the topics are finalized the IRS will post the information. Visit www.irs.gov/taxpros/article/0,,id=97192,00.html to learn more. Dates and locations for 2007 are:

- Atlanta, GA (Hilton Atlanta), July 17–19
- Chicago, IL (Hilton Chicago), July 31–August 2
- Las Vegas, NV (Rio All Suites), August 21–23

- New York, NY (Hilton New York), August 28–30
- Anaheim, CA (Hilton Anaheim), September 11–13
- Orlando, FL (Disney's Coronado Springs), September 18–20

This information may be more applicable to your accountant or auditor. Forward this information to them as an FYI.

PTA National Convention Workshops 2007

Registration for the 2007 Annual PTA National Convention in St. Louis, Missouri, June 28–July 1, is underway. There will be a variety of financial workshops offering valuable information to the officers and other current and up-coming leaders within both state and local PTAs.

Leadership Session, Thursday, June 28	Money Does Matter
Workshop Session 1, Friday, June 29	Keeping Your PTA Financially Strong for Tomorrow
Workshop Session 2, Saturday, June 30	Whose Money Is It Anyway?
Workshop Session 3, Sunday, July 1	Making the Most of Your PTA Budget

These and other valuable workshops are presented as part of your registration fee for the convention. Take advantage of this opportunity to strengthen your PTA.

Money Matters Is on the Way

The *2007–2008 PTA Money Matters Quick-Reference Guide* will be distributed in the *PTA Back-to-School Kit* in July 2007. The *PTA Back-to-School Kit* will also include PTA Quick-Reference Guides on the topics of programs and membership (the *PTA President's Quick-Reference Guide* will be distributed in April). PTA is able to provide the *Back-to-School Kit* through the generosity of corporate sponsors. You will be hearing more from us concerning the necessity of updating names and addresses on OMDR in order to receive the PTA Back-to-School Kits.

7 Tips to Revive Your Fundraising Appeal

When it comes to a solicitation letter, every single word on the page counts. If your reader isn't moved by what you say, or if your appeals have lost their appeal, go back to the basics.

Writing effective letters of any kind boils down to knowing why you are writing the letter, understanding your readers' needs, and then clearly putting into words what you want to say. For appeal letters in particular, you must also develop a clear call-to-action that will make your reader want to do whatever it is you want them to do.

7 characteristics of a good fundraising appeal:

1. Clear. Present the information logically so readers will only have to read it once to understand what you are saying.
2. Concise. Cut, and then cut some more. The shorter the letter, the more likely prospects will read it.
3. Conversational. Read the letter aloud. Are there any sentences you would reword if you were speaking to the reader?
4. Convincing. Build a case. Use creativity to appeal to the reader's emotions, and make them feel that yours is the most important mission.

5. Correct. If what you say is not completely accurate, your entire letter loses credibility.
6. Consistent. Follow a style guide. The more meticulous you are about consistency, the better.
7. Complete. Include everything the reader needs to understand the topic, without giving too much information. Ask yourself, "Is there anything missing?"

The above is adapted from an article that appeared in the January 4, 2007, edition of the NPT Instant Fundraising e-newsletter. For more nonprofit management advice, visit www.nptimes.com.

Know the Rules for PTA Sponsorships

A sponsorship occurs when a business or an organization pays cash or makes an in-kind donation in return for the visibility and potential advantage associated with their support. These sponsorship arrangements can be fruitful for PTAs as long as the rules are followed.

PTAs may accept money, property, or services from a sponsor to help cover the costs of programs, publications, and general events. When a PTA enters this type of arrangement, the sponsor may not receive a substantial benefit in return. A PTA may express its appreciation for the sponsor's support, but it may not promote the sponsor's products and services. A PTA, for example, may place a link to a sponsor's website on the PTA's website as long as it simply recognizes the sponsorship and is not accompanied by an inducement to buy at the sponsor's website.

Proceeds from these "qualified sponsorships," as they are known by the IRS, are treated like donations. PTAs on the accrual basis of accounting must book proceeds as revenue upon the commitment from the sponsor. PTAs that are on the cash basis of accounting will book the cash when it is received.

In many cases, sponsors choose to support a particular event held by a PTA. The following is a list of dos and don'ts when a sponsor provides support for a PTA event.

What *can* be done to acknowledge a sponsor:

- Verbal recognition from the podium.
- Signage, such as banners.
- Acknowledgment in any print or web coverage of the sponsored event.
- Announcement of sponsorship in newsletters or other membership publications.
- Attendees can receive small items with sponsor logo.
- Sponsor may be allowed to distribute (for free or for a nominal charge) or display products at the sponsored event.

What *can't* be done to acknowledge a sponsor:

- Messages containing qualitative or comparative language about the sponsor or its products and services.
- Price information about sponsor's offerings.
- Inducements to use, sell, or purchase sponsor's products or services.

- Sponsor can not make support contingent on attendance at event, broadcast ratings, or any degree of public exposure
- Advertising on sponsors' behalf.

The Importance of Being Accountable and Transparent

“Accountable” and “transparent” are two words that are important in accounting and financial operations. An attitude of open and full disclosure is important for nonprofit organizations. The more transparent your PTA, the better. The more information you provide—such as frequent treasurer’s reports, annual reports, and newsletters—the more you live up to your accountability requirement. Who are you accountable to? You are accountable to your members, your sponsors and other funders, the public, your community, and government regulatory agencies. And you are accountable to the good reputation that PTA has earned over its long history.