

### **Can PTAs pay for workshop fees, speaking engagements, salaries or fees to associations for school district employees?**

PTA may elect to pay for workshop fees or reimburse for continuing education through a faculty scholarship process. Similarly to student scholarships, criteria must be established and published either in the PTA's standing rules or in a policy voted on by the membership. A committee would be appointed to select the recipients. The scholarship would allow them to take a class or attend a workshop that furthers their education. Travel expenses (mileage, airfare, hotel fees and meals) should not be included.

Professional speakers can be compensated for their services. If the professional speaker is paid more than six hundred dollars (600.00) then a Form 1099-MISC should be provided to them by January 31 of the following year. School district employees are not allowed to be compensated for speaking engagements by the PTA but a token donation to another 501 (c) (3) is permissible. For example, if the school district employee is a member of another 501 (c) (3), a donation to their organization would be acceptable as long as it has a common purpose with PTA. If the school district employee is not a part of another like-minded non-profit, a donation to the school library for a purchase of a book would be a great use of the funds. This same policy would apply to PTA volunteers.

A letter to the individual who spoke along with where the money went is a great way to let them know how much you appreciate their time and efforts.

This money could come out of your "Programs and Parent Education" budgetary line item.

PTAs may fund employee positions, under certain restrictions. The school district would have to be willing to accept the donation, and it is imperative the PTA understand they are funding a **position**, not a person. The PTA cannot and should not participate in the selection of the employee or any other part of the employment process. The PTA also cannot guarantee funding for future school years, as these decisions are made annually by the membership of the PTA.

- PTAs do not donate towards teacher payroll;
- PTAs do not donate towards paying taxes;
- PTAs do not donate towards association fees for other organizations; and
- PTAs do not donate toward paying rental expenses of the school building.

If a school district is experiencing financial troubles, PTAs should not be giving money to them for the maintenance and operations (M & O) portion of the budget. In addition, in Article IV: Basic Policies of the PTA's local bylaws, it states "*that the legal responsibility to make decisions has been delegated by the people to the boards of education, state education authorities and local education authorities.*" Taxes, rent and payroll are legal obligations of the school district; therefore PTAs do not involve themselves financially in these areas.

### **Can PTAs pay for furniture or consumables for the school?**

The primary allocation of our funds should be in areas that reflect the PTA's mission, allow the PTA to carry out its work and benefit the students. Allocating money out of the budget for coffee service, or for new tables and chairs in the conference room isn't applicable to any of the above categories.

## Why Funds Are Needed

PTA funds should be used for PTA purposes. Money should be raised ethically, recorded accurately and spent wisely. The following are some functions for which funds should be budgeted:

- **Leadership Training:** Legitimate expenditures for payments of delegates' expenses to Summer Leadership Seminar, PTA conventions (state and national), Area PTA workshops, and Texas PTA Leader Orientation. Other areas include payment of delegates' expenses to meetings on education, health, safety, and similar meetings/conferences.
- **Bonding/Insurance:** It is in the best interest of the PTA to have the treasurer and all other persons authorized to handle funds of the association covered by a fidelity bond in an amount based upon the PTA's annual income as determined by the executive board. Other overages such as liability or property insurance as deemed necessary would also come out of this category.
- **PTA Administration:** Expenditures for the secretary and treasurer's record books, duplicating materials, office supplies, postage, telephone calls, and other necessary expenses of the president, officers, and chairmen.
- **Legislation, Programs, and Parent Education:** Expenses may include speakers, film/video rental, materials for a PTA library, and special programs for the children and membership.
- **Expenditures of All Committee Chairmen:** Funds are needed for the preparation of newsletters and other material explaining PTA activities. *Our Children* is a National PTA publication and can be obtained through the National PTA. Funds should be set aside for chairman's guides and additional copies of the *Texas PTA Handbook*, if hardcopies are needed.
- **Awards and Texas PTA:** Funds should be included for Texas PTA and National PTA life memberships to PTA leaders and other civic leaders for outstanding service to children and youth. Other special honors include: Extended Service Awards, past presidents' pins and others that further the Purposes of PTA, donations to the Texas PTA for the Texas PTA Endowment Fund, Ella Caruthers Porter Endowment Fund, Building and Maintenance Fund, Friends of PTA, Emergency Needs Relief Fund, etc.
- **Other Activities:** Funds may be spent for other activities consistent with PTA Purposes and the needs of the PTA.

## Can PTAs have capital projects that benefit the school?

Unlike many other non-profits, PTAs do not have capital projects. Because we operate on a cash-based accounting method, we only look at the current year's activity when it comes to our income and expenditures.

If a PTA determines that they wish to contribute to a long term project (say donating towards the cost of a school marquee for example), they would (a) present this to the PTA membership for approval *each year* and (b) write a check to the school for their contribution along with completing the appropriate paperwork that specifies where this contribution will be applied and the timeframe in which the school can keep the donation. This vote takes place *after* all fundraisers have been held; not before. PTAs do not escrow money for long term projects. The only two escrow accounts that PTAs have are the State/National Dues escrow and the Sales Tax escrow. These are escrow accounts because these funds are not the PTA's money; the PTA is just temporarily holding them until payment is remitted to the appropriate organization.