

2017–2018

Official Back-to-School Kit

Fundraising Quick Reference Guide



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Welcome!

Congrats and thank you for taking on this important role for your PTA! Fundraising is often necessary for PTAs to achieve their mission to **make every child's potential a reality**.

This guide provides tips and resources to help PTA leaders with fundraising, including how to select strategies that align with National PTA's mission, properly account for funds raised, and avoid potential legal pitfalls.

Key Points to Remember:

- **All PTA fundraising should support National PTA's mission**, in both how the funds are raised and how they are spent.
- **PTA activities must be noncommercial.** Engaging in product sales or other activities unrelated to PTA's mission (even if the funds are used for mission-related purposes) could jeopardize your PTA's tax-exempt status.
- **Adults should raise PTA funds.** PTAs are strongly encouraged to avoid activities that require children to sell to strangers.
- **Transparency is key.** The ways in which funds are raised and spent should be communicated clearly to members and the school community as a whole.

Throughout this website, be on the lookout for opportunities to Dig Deeper by checking out additional tools and resources, or some of the many E-Learning courses available at www.pta.org/elearning

Find Out More:

- [Mission-Driven Fundraising](#)
- [Strategies](#)
- [Tracking & Reporting Revenue](#)
- [Legal Implications](#)

Mission-Driven Fundraising

The first question to consider when planning PTA fundraising is, “Why are we raising these funds?”

Every PTA activity, including fundraising, should be focused on our mission: *to make every child’s potential a reality by engaging and empowering families and communities to advocate for all children.*

This means:

- All funds generated by a PTA, including the local portion of dues, should be budgeted for purposes that advance PTA work, such as enhancing student success or improving the school.
- Fundraising activities themselves should be conducted in alignment with the PTA mission.

PTAs should begin each year with specific, mission-driven goals in mind and should identify strategies for reaching those goals before determining the dollar amount needed from fundraising events. They should raise only the funds necessary to meet the needs of the year’s activities and projects, as outlined in the PTA’s budget. In keeping with our mission, **National PTA encourages local PTAs to utilize fundraisers in which only adults-not children-are active fund raisers.**

Transparency is key: The ways in which funds are raised and spent should be communicated clearly to members and the school community as a whole regularly and in multiple ways.

Strategies

There are as many creative ways to raise funds for PTAs as there are units across the country!

Some common strategies include:

- [Donations](#)
- [Events](#)
- [Grants](#)
- [Product sales](#)

Dig Deeper:

- [Questions to Consider When Developing Fundraising Strategies](#)
- [PTA Fundraising Marketplace](#)

Use the following questions as guides when selecting fundraising partners, programs, and materials:

- Does this fundraiser align with the PTA mission and purpose?
- Does it conform to the noncommercial, nonsectarian and nonpartisan policies set forth in the PTA bylaws? Does it reflect any fundraising guidelines set by the state PTA?
- Are there [local, state, or federal laws](#) that apply? Is care taken to see that no law is violated?
- Does the program rely on the participation of adults, avoiding asking children to sell to others?
- Is it a type of activity that can serve as a positive example for children and youth? (For example, does it encourage healthy lifestyles, including physical activity and nutritional food choices?)
- Did the fundraising committee provide a reasonable budget of all associated expenditures (e.g., materials and advertising for the event), as required by the PTA's bylaws and standing rules?
- Will the fundraiser provide meaningful revenue to help meet the PTA's goals, even after considering the associated costs?
- If using a fundraising vendor or company, what is its reputation? Is there a conflict of interest (e.g., the company is owned by a PTA leader) that should be declared?
- If there are related classroom materials, are they credible and accurate? Has the company produced the materials in partnership with a recognized authority on the topic? Are the materials complete and not deceiving or misleading by omission?
- Is the language and organization of material culturally sensitive and age-appropriate? Do the text and illustrations uphold PTA's nondiscrimination policies?

Donations

Donations can be sought from individuals or corporations. They may be either cash or in-kind (donations of products or services).

INDIVIDUAL DONATIONS

PTAs receive individual donations in the form of memberships or direct donation drives.

See the [Membership](#) section of this toolkit for more information about growing your PTA's membership. Be sure to include an option on your membership form for families to donate an additional amount of their choosing to support families who can't afford membership and other PTA programs.

Direct donation drives can be a time-efficient and cost-effective way to raise the additional funds your PTA needs. Offering a single, direct fundraiser may work well in communities that are experiencing "giving fatigue" from too many events. Tips:

- **Highlight your fundraising goal** and suggested amount or a range of donation options per donor.
- **Be specific** about what the funds will be used for (e.g., PTA parent engagement programs, library books, playground equipment, drug prevention activities, school dances, etc.).
- **Provide an incentive** by listing donors on the PTA website according to their giving levels (e.g., platinum, gold, silver, bronze).
- **Make it easy** by offering an online giving option.
- **Double your impact** by asking families to explore whether their employers will match donations.

See also: [Tax Receipts for Donations](#)

Dig Deeper:

- [Strategies for Direct Donation Drives](#)
- [Sample Solicitation Letter](#)
- [Special Events Action Plan](#)
- [Sample Proposal Outline for Writing a Special Events Sponsorship Proposal](#)

CORPORATE SPONSORSHIPS

Corporate sponsorship means that a for-profit company provides cash, products, or expertise to a PTA, usually in return for public acknowledgment. Sponsorships can be linked to specific events, programs, activities or publications.

A special provision in the tax code makes 501(c)(3) organizations exempt from paying federal income taxes on income from corporate sponsorships, as long as the benefits that are given back to the corporate sponsor fall within IRS guidelines. There is no limit to the amount of corporate sponsorship income that can be received by a 501(c)(3) organization.

Note: Sponsorship money or in-kind donations cannot be solicited nor accepted from companies that manufacture products or take public positions inconsistent with National PTA's positions and resolutions (e.g., alcohol, tobacco, or firearm companies).

Sponsorship is different from endorsement, in which a PTA endorses the products or services of a for-profit entity. **Endorsement activities are not appropriate for PTA participation**, based on PTA's noncommercial policy.

In return for sponsorship, your PTA may thank the sponsor for its contribution in writing or on posters, banners, or other appropriate media. The written acknowledgement must be limited to an expression of thanks. The acknowledgement should not make a judgment regarding the sponsor or its product, and it cannot appear as though PTA is asking people to buy a sponsor's products or services; otherwise, the sponsorship payment may be subject to federal income tax.

Events

A well-planned fundraising event serves multiple purposes. In addition to raising money needed to support PTA programs and goals, it can also further PTA's mission by engaging families and enhancing children's health and education.

Step 1: Decide on Your Event

Some examples of fun, engaging PTA fundraising events:

- **Get moving.** Consider a fundraiser that also encourages physical activity, such as one offered by the [Safe Routes to School National Partnership](#). Sponsor a bike-a-thon, walk-a-thon, or 5K walk/run. Host a school-wide dance. Plan a parent-teacher basketball game and sell tickets.
- **Eat it up.** Invite chefs from local restaurants to host healthy cooking classes for families for a small fee. Create and sell a healthy cookbook created from recipes submitted by your PTA members and local food service providers. Sell healthy treats at a PTA booth at other school events.
- **Make it a date.** Give the parents and caregivers in your school community a well-earned break, hosting an adults-only event such as a gala or golf tournament.

Dig Deeper:

- [Planning Top-Notch Events](#)
- [Template Event Sponsorship or Donation Letter](#)

- **Consider the ways the event will help you raise money.** A mix of fundraising tactics can help you raise money at an event, including:
 - o Sponsorships
 - o Silent auctions with in-kind gifts or services
 - o Ticket sales
 - o Food sales
 - o Special activities (i.e., pony rides, crazy hair booth, face painting)
 - o Vendor tables (i.e., craft, jewelry or clothing entrepreneurs)
 - o Membership table
 - o Advertising opportunities in event program
 - o Get creative!

Step 2: Seek Sponsorships

A well-written, carefully thought out sponsorship proposal can mean the difference between securing the funding you need to support your goals or ending up in the red.

This [Sample Proposal Outline](#) may help you secure the funds and/or product donations needed to meet or exceed your PTA fundraising goals. See [Corporate Sponsorships](#) for more information.

Step 3: Plan for Safety

Facility. In choosing where to host your event, consider the following:

- Are there special requirements or restrictions for using the facility?
- Are fire laws and safety precautions strictly observed?
- Is the facility (including entrances, meeting rooms, and restrooms) accessible to people with disabilities?
- Do you need any additional [insurance](#)?

Day of the event. Make sure that your event is well-staffed, and that every volunteer knows who to go to with a problem. If the person in charge will carry a cell phone, give every volunteer the number. Volunteers should wear something distinctive, so that members of the public know who to alert when a problem arises.

Step 4: Make Sure You Are Covered

Contact your insurance broker or company and ask them to review your policy with you, to ensure your event is covered. If there are gaps, event-specific insurance is available at a reasonable cost.

Grants

Grants can fund a wide variety of school needs, including playground equipment, athletic equipment or uniforms, band instruments, technology upgrades, special science and math programs, nature trails or gardens, and more. Unlike donations and events, grants are typically linked to a very specific project.

To receive most grants, you will have to identify a need, develop a plan, and (if successful in obtaining a grant) be prepared to report back on how you used the money and what you achieved.

Tips for pursuing grant funding:

- **Create a committee.** Include a representative from your school or district who can help you find local school data or secure letters of support. Engage a parent with experience and interest in writing proposals.
- **Match your need to a funder's interests.** Be sure to send your application only to a funder who has indicated an interest in the type of project you're proposing. Lists of previously funded projects can be great sources of this information.
- **Follow instructions!** Most grant makers are very specific about how they want to receive proposals. Be sure to follow all guidelines about format, deadlines, number of copies to submit, etc.
- **If you get the grant,** thank your funder. If possible, invite a representative of the funding organization to an assembly, school event, or a photo opportunity with the finished project.
- **If you don't get a grant,** ask why. Use any feedback you receive to strengthen future proposals.

Sources for PTA grants:

- **National and state PTAs** sometimes offer grants and student scholarships. See [PTA.org/awards](https://www.pta.org/awards) and your state PTA website.
- **Your local chamber of commerce** is a good place to begin to identify businesses in your area (or local offices for larger corporations) that may offer grants. Often local retail and grocery chains have grant programs dedicated to youth, family, or school projects.
- **Private foundations** are independent nonprofits that offer grants, usually in keeping with set priority areas. Foundation grants can be competitive; you may have better luck with smaller, local foundations. The Foundation Center offers a wealth of information about finding and applying for foundation grants.

Product Sales

Many PTAs use product sales as part of their fundraising strategy. Consider doing the following:

- Host a book fair, auction, or raffle.
- Sell spirit wear with the school colors and mascot, distributing order forms in September and at key points throughout the year.
- Sell fruit, gift wrap, or other gift items (rather than candy or baked goods) before the holidays.

Dive Deeper:

- [PTA Fundraising Marketplace](#)
- [Online Fundraising Auctions](#)

- Sell bottled water and healthy treats at PTA and school events.
- Participate in e-commerce programs, in which PTA receives a portion of each sale of a product or service over the Internet.
- Participate in affinity programs, such as a sponsored credit card. Each time a holder of a PTA credit card makes a purchase using the card, the sponsoring PTA receives a percentage of the purchase. PTAs may also receive a sign-up fee for each card issued.

Be sure to structure any sales or agreements to avoid unrelated business income. The money received by PTAs should be accounted for as contributions on their financial statements.

Tracking & Reporting Revenue

At a fundraising event, or whenever funds are received, the Treasurer and the Fundraising Chair should count the money together. Both should sign a receipt verifying the amount.

See [Collecting, Counting, & Depositing Funds](#) in the Finance section for more information.

Legal Implications

Before undertaking any fundraising, a PTA should check with federal, state, local, and school authorities to determine whether the planned activity is prohibited or requires special permits.

Consult all of the following:

- **Federal laws** prohibit PTAs and other tax-exempt organizations from engaging in substantial business activities that are unrelated to their educational and charitable purposes. It is important to avoid these activities to protect your PTA's tax-exempt status.
- **State laws on fundraising** vary widely. Before beginning a fundraising activity, check with your state PTA to learn about any statutes that may apply.
- **Many cities and counties** also have laws requiring registration and disclosure of fundraising activities.
- **School districts** often have procedures to follow for fundraising on school property involving staff and students.

Note regarding games of chance: Fundraisers involving games of chance or gambling (e.g., raffles, bingo, casino night) require special consideration. They may be subject to taxation and, in extreme circumstances, could cause your PTA to lose its tax-exempt status. Check with state and local authorities before proceeding.

Tax Receipts for Donations

The IRS has established requirements for tax-exempt organizations receiving donations.

If PTA members and contributors have questions about whether a donation they make to your PTA is tax-deductible, refer them to the IRS or a qualified tax advisor.

For a cash donation of more than \$250: PTA must provide an acknowledgement that includes:

- The PTA's name;
- The amount of money donated;
- The date of the contribution; and
- A statement that no goods or services were received in return for the contribution.

Donors may request an acknowledgment for smaller donations, particularly if they are made in cash (rather than by check). The same acknowledgment is required if a volunteer wants to claim a deduction for PTA-related expenses paid out of pocket.

If goods or services are provided in exchange for a donation of more than \$75: PTA must provide a receipt to the donor that states the amount of the payment, a description of the goods/services provided, and a good-faith estimate of their value.

Example: If a PTA holds a fundraising event that provides a meal or some tangible item in return for the purchase of a ticket, then the portion of the ticket that is tax deductible is the ticket price less the fair market value of the meal or item received.

If a contributor donates something other than money (e.g., in-kind goods): It is the donor's obligation to obtain Form 8283 and have the PTA sign it to acknowledge the donation. As a service to donors, your PTA may want to remind them to use this form.

For volunteer hours: PTAs may be asked to keep track of volunteer duties and the number of hours provided, and to forward this record to the state PTA office. This is a measure of in-kind services and can be used in securing local, state, or national grants for PTA projects.

See the [IRS website](#) for more information.



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