

Arkansas PTA BEAPIG Promotion



PTA**s** **I**n **G**ood standing!

Arkansas
PTA[®]
everychild.one voice.[®]

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The Importance of Being a **PIG** – PTA In Good standing



Arkansas PTA is making special efforts to ensure that every PTA in Arkansas understands the importance of being a “**PTA in Good Standing**”. We have two specific goals.

- **Inform** PTA leaders why being a “**PTA in Good Standing**” is important.
- **Educate** PTA leaders on the six steps to achieve and keep a “**PTA in Good Standing**”.

We call it our BEAPIG Promotion because the term “BEAPIG” (be a pig) is an acronym for the six components of maintaining the good standing status of a local unit PTA.

Arkansas PTA wants every PTA to “BEAPIG” or be a “PTA in Good Standing”.

- B** **Bylaws**; PTA bylaws must be current and on file with the state PTA office. Bylaws are required to be renewed every three (3) years on December 1st.
- E** **Elected Officers Form**; PTAs must keep a list of current PTA officers on file with the state PTA office.
- A** **Audit Report**; PTAs must prepare an Audit Report and submit it for review with the state PTA office.
- P** **Paid Membership Dues**; PTAs must have submitted all state/national PTA dues with the state PTA office.

- I** Insurance; PTAs must purchase bond insurance with a policy date of November 1st. If a PTA uses AIM, AIM will provide a list of insured PTAs to the state PTA office.
- G** Government Agency Reporting; PTAs must file a Form 990-N (ePostcard) or Form 990-EZ with the IRS and submit a copy of each year's filing with the state PTA office.

Introduction

Deadlines & Important Dates - Quick Reference [BEAPIG reference \(\)](#)

The dates listed below are in chronological order:

- ☐ June 1stNew Officers List Due **(E)**
- ☐ August 15thInternal Audit Form Due **(A)**
- ☐ August 15thForm 990-N Due to IRS & AR PTA **(G)**
- ☐ September 30thEarly Bird Membership Dues Deadline **(P)**
- ☐ November 1stInitial Membership Dues Deadline **(P)**
- ☐ November 1stBond Insurance Policy Renewal Date **(I)**
- ☐ November 15thForm 990-EZ Due to IRS & AR PTA **(G)**
- ☐ December 1stBylaws Renewal Submission Date **(B)**
- ☐ March 1stFinal Membership Dues Deadline **(P)**

Preface

Arkansas PTA has written this BEAPIG book on a personal level. You'll see references to "Your PTA" and "we" (Arkansas PTA). We do this purposefully so that you can see that we are truly

your partner in this endeavor. We are responsible to ensure that your organization is compliant with National PTA rules and regulations, as well as the Internal Revenue Service (IRS).

Remember, we are from Arkansas PTA and we are here to help.

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B is for Bylaws

Bylaws are the “framework” for the work of any organization. They contain the basic rules related to an organization that are so important that they cannot be amended without previous notice (30 days) and a 2/3 majority vote at a general meeting of the membership. More importantly, bylaws cannot ever be suspended.

Bylaws are a specific requirement of the Internal Revenue Service (IRS) to attain and maintain the PTA’s special tax exempt status of a 501(c)(3) organization.

Bylaws are boring. It takes a special kind of person to be your PTA bylaws chair. When things are going well and there are no conflicts or disputes in your PTA, bylaws are a simple administrative task to review yearly and renew every three years. However, when trouble brews, the bylaws are the ultimate authority on how PTA business is to be conducted.

Arkansas PTA has tried to keep this important task as simple as possible for local unit PTAs.

First, we've created a "[Local Unit Bylaws Template](#)". This template is a basic set of local unit bylaws with current state and national PTA requirements. It has only the four common elected officer positions – President, Vice President, Secretary and Treasurer. In order to know the information required to fill out this Google Form, we have also created a "[Local Unit Bylaws Template worksheet](#)" which can be printed out. This worksheet contains all of the questions that need to be answered to complete your bylaws document.

Second, if your bylaws are set to renew in the current school year, we want you to start preparing your new bylaws early in the school year and submit them to Arkansas PTA for review by December 1st. Once you've submitted your new bylaws, we will review them and work with you throughout the school year to get them approved at the state level. Once they are approved, we will stamp them approved with an expiration date of December 1st three years later. Regardless of when they are approved that school year, they will always have an expiration date of December 1st three years later.

Arkansas PTA has a "Local Unit Bylaws Template" that is a fillable form so you can write in the necessary information into the template, save the template and then they are electronically signed as a part of the submission process.

We also allow for the submission of amendments on a separate [amendment form](#) that can be used by local unit PTAs to complete bylaws that may have extra elected office positions or include additional procedures and rules above those required by Arkansas PTA and National PTA.

As you're reviewing your bylaws for the new school year, here's a timeline to follow:

- 1) Review your current bylaws expiration date. If they expired before December of 2019, they need to be renewed and submitted by December 1, 2019.
- 2) Find the "Local Unit Bylaws Template" on the Arkansas PTA website. Fill it out and submit. While you're on the Arkansas PTA website, print out the "Bylaws Handbook".
- 3) If you determine that you need to make a change from the previous set of bylaws, you must make the change now.
- 4) The Arkansas PTA Bylaws Committee will review your bylaws and contact you if more information is needed or if a change is required. Once approved, you will receive a digital copy of the approved bylaws in an email from the Arkansas PTA.
- 5) Give a notice of 30 days to your PTA membership that they will vote to approve the renewed bylaws (even if you've not made any changes from your current bylaws).

Please have copies of the renewed bylaws available for all members to review. If you've made a significant change, please make sure they are aware of the change.

- 6) At the next general PTA meeting (at least 30 days from the date that the "notice" was given), vote on the renewed bylaws. Hopefully, they will be approved. Once the membership approves the bylaws, they become the current set of bylaws.

E is for Elected Officers Form

The New Officers Report is a PTA form that is required to be submitted to the Arkansas PTA office by June 1st. This list of officers includes their contact information. This report is important to Arkansas PTA so that we can communicate to your PTA. It also is used to assure compliance with Arkansas non profit code that each 501(c)3 has at least 3 officers: president, secretary, and treasurer.

OK, we admit it. We use the "E" as the acronym for "Elected Officers Form" only because it fit in the BEAPIG acronym. Excuse us if we used a little literary license to make the promotion easier to remember. No really, please excuse us. The New Officers Report is the requirement and now you have to remember that it's what the E stands for.

We are not going to bombard every officer with emails and share the information with vendors or other companies. We simply want to be able to email or call people when important information is announced or when deadlines are approaching. We want to be here for you – but you've got to tell us that you're out there – so we can be here for you. That makes sense, doesn't it?

This report includes positions on your PTA board that are technically not elected. The membership, legislative and Reflections chair positions are typically appointed by the board. They may even be responsibility of some of the officers already listed.

Here's a summary of some important points about the report:

- Submit your form to Arkansas PTA by June 1st every year even if your PTA officers stayed exactly the same. This is the only way we can confirm that we have the most up-to-date information.

- Submit it to Arkansas PTA by June 1st every year even if you don't have all the PTA positions filled. You may still have to find a Secretary, or heaven forbid, a President. Even if positions are not completely filled, please send it to Arkansas PTA. As the missing positions are finally filled, submit the updated report.
- If your PTA has a change in any of the positions, submit an updated form.
- If you simply missed the June 1st deadline, send the report in when you realized that it was never sent to Arkansas PTA. Maybe you're a new President and didn't realize that the departing President didn't send it in, so now you'll need to do it yourself to make sure that you're back in compliance with Arkansas PTA.

A is for Audit Report

All PTAs in Arkansas are required to submit a report called the "Audit Report" by August 15th. This is a financial report that should be completed by the Treasurer and approved by an "Audit Committee". The details for completing and approving this report are listed in the "Treasurers Handbook". Please review the "Treasurers Handbook" for specific details.

There are two basic purposes for this report and its submission to Arkansas PTA.

First, it allows us to ensure that your PTA is taking its fiduciary responsibility seriously. The report has two specific pieces of financial information. 1) It lists the beginning and ending cash balance of the PTA. 2) It lists the last bank reconciliation of the year to verify that the ending cash balance is "in the bank".

Second, it is a requirement of Associated Insurance Management (AIM) and most other insurance carriers. To validate a claim, AIM verifies that this report is on file with the Arkansas PTA office. In other words, if you've properly purchased fidelity bond insurance and have a loss of cash, AIM can deny the claim because you've not fulfilled this basic fiduciary responsibility. Therefore, send it in to protect your PTA's money.

To get started, download the [Audit Report Worksheet](#) from www.arkansaspta.org. The worksheet is completed by an "audit committee" or an independent auditor. The treasurer whose records are being audited may be asked to assist the committee or auditor, but they are not a member of the committee. Please realize that if you work with a CPA, they can't really sign a form (as a CPA) that states that they "...have examined the books..." They may have to utilize

their own form or alternative language in their “audit report”. That’s OK. Arkansas PTA will accept the report; it just may cost you extra to use them as an “auditor”.

The report also requests that the “auditor” or “audit committee” verify that the required IRS Form 990 is properly filed.

To submit the audit, complete the Audit Report Form from www.arkansaspta.org. Arkansas PTA needs the report by August 15. However, if we don’t get it by the deadline, we will contact you to submit it as soon as possible.

We can’t emphasize how important this requirement is to your PTA. It impacts other requirements (insurance and the IRS). It cannot be overlooked or overemphasized.

P is for Paid Membership Dues

Let’s talk money.

The dues paid for one membership in a local unit PTA is the cost of being part of an organization that can have a meaningful impact on every student. Remember: Every Child, One Voice. Your membership fee is the price to be a part of that voice and to make that voice strong. We have a greater impact to our legislators when we speak as 20,000 members in Arkansas. We have greater resources to protect us from the IRS and predictor vendors and outright theft, when we are a member in the PTA.

We lose a lot of PTA organizations to form separate unaffiliated parent groups because they can’t see the value of sending their membership fees to Arkansas PTA and to National PTA. The value is in the resources available to protect funds, students and parents. The value is in the ability to meet with legislators in Little Rock and in Washington DC with a unified voice and a common purpose and see real change made – albeit, the change may be painfully slow.

Membership dues are collected by local unit PTAs. One membership fee is made up of three components:

- 1) Due paid to National PTA, currently set at \$2.25. This pays for training materials for state and local PTA leaders. It pays for the national Reflections program. It pays for a presence in Washington DC and a legacy of protecting the rights of students.

- 2) Dues paid to Arkansas PTA, currently set at \$1.00. This pays for leadership training in the summer and at our state convention in the spring. It pays for telephone and in-person support when you have questions or conflicts. It pays for the state Reflections program. It pays for the administrative costs to keep all PTAs in Arkansas compliant with IRS rules.
- 3) Dues remain with the local PTA unit and that amount is set by the local PTA unit. Just because the funds remain with your PTA doesn't mean that membership dues are meant to be a fundraising event for your PTA. It can be, but the primary purpose of the local unit PTA membership fee is to pay for the administrative costs of being a tax exempt organization. Insurance, training and IRS reporting can have costs.

The portions of the membership for National PTA and Arkansas PTA are remitted to Arkansas PTA through the [Membership Dues Remittance Form](#) and by mailing a check to Arkansas PTA. We also will accept a credit card payment through the portal on our website for a small fee. We then remit the National PTA portion to National PTA every month. Under this procedure, you only have to write one check to Arkansas PTA instead of two checks – one to Arkansas PTA and one to National PTA. Isn't that convenient?

Membership dues are primarily collected at the beginning of the school year. Your PTA may have a competition between the classrooms to collect the most memberships. Membership goals such as one member for every student and 100% participation with teachers and school staff are very common. Arkansas PTA has created many competitive membership awards at the state level. We also monitor a few non-competitive membership awards to make it easy for every PTA in Arkansas to achieve some type of membership award.

Although, most membership dues are collected within the first couple of months, memberships can be collected throughout the year. The continuous collection of membership dues is the driving force of the multiple submission dates of membership dues. Here's a summary of the three common membership dues submission dates.

- **September 1st** – This is the submission date that gets your PTA an award. Specifically, the "Early Bird" award is given to any PTA that submits at least 25 members. Many PTAs in Arkansas collect all of their membership dues by this date.
- **November 1st** – This is the first required date that your PTA must submit membership dues. If we don't receive membership dues, your PTA is out of compliance and may be contacted.
- **March 1st** – This is the final date to submit PTA membership dues to have it count towards many of the state level PTA membership awards.

Please remember that if you collect PTA memberships after March 1st, you should still submit them to Arkansas PTA. The individual paid membership for the year, they should be counted as a member – even if you’ve turned the membership in late in the school year.

We haven’t specifically mentioned it, but we’ve used the term “submit” or some form of the word “submit” quite a lot. When we use the term “submit”, we are pointing out that the PTA membership dues only count when they are **PAID TO ARKANSAS PTA**. That’s why the “P” is emphasized in BEAPIG.

Some local unit PTAs lack the integrity to actually remit the membership dues from all the members that they collected. These PTAs have the nerve to collect dues from 100 members and hand out 100 membership cards, but only remit dues from 75 members to the state and national PTA level. Of course, this only goes on in other states that lack the moral fortitude to do what is right – like Oklahoma or any Southeast Conference state. That doesn’t go on in Arkansas. At least that’s what we tell everyone at National PTA conventions and meetings.

If you’ve ever run across a circumstance that supports that we may have lied about that assertion, let us know so we can correct the situation. In the meantime, please review the “Membership Handbook” for a list of membership awards and due dates. We’ve added a couple of membership awards.

Once again, our goal is to remit dues for 23,000 members in 2019-2020. This is a matter of state pride. Your success will be celebrated in grand style and held over the head of every other state in the union.

I is for Insurance

Fidelity bond insurance is required to be paid by every PTA in Arkansas. It’s in your bylaws. It was an issue that was supported by the PTA membership a few years back. In 2013, the PTA membership voted to align all insurance with a November 1st policy date.

Fidelity bond insurance is a type of insurance that protects the PTA against theft or loss of money. There are different levels of bond insurance. As the insurance coverage amount increase, so does the premium. The minimum coverage required in the bylaws is \$10,000.

Many PTAs in Arkansas purchase their insurance through an insurance company called AIM. They specialize in PTA insurance and they attend our state convention as a vendor and as a

sponsor. To keep it simple, we will reference AIM in the remainder of this section. However, please remember that PTAs can obtain insurance from any company they desire.

AIM typically charges \$85.00 for the minimum coverage of \$10,000. They have a price list for other levels of coverage and they will sell you other types of insurances (such as officers' liability insurance). Feel free to contact them at www.aim-companies.com. If you've used them in the past, they will send a renewal notice a couple of months before the renewal date.

As mentioned above, all PTAs in Arkansas will be moving to a policy date of November 1st of each year. We've worked with AIM. They will be providing "short period" insurance policies to convert your policy date to November 1st. Be on the lookout of renewal policies with some discussion about this conversion. Arkansas PTA honestly believes that this move will not cost any PTA more money in insurance in the long run. However, you may have to pay for a "short period" policy and a November 1st policy in the same school year. Please review your renewal date and prepare your PTA budgets accordingly.

Paying the insurance is one thing. Following the rules of the policy to ensure that any claim will be paid is another item altogether. Read your policy rules. They will include the two important requirements:

- Submitting your "Audit Report" to Arkansas PTA (the "A" in BEAPIG).
- Getting a PTA member that isn't on the bank signature card to review monthly bank statements.

Arkansas PTA has a close relationship with AIM and they will provide a list of PTAs in Arkansas that have coverage of fidelity bond insurance with them. We will use these reports to verify that your PTA is in compliance with this requirement.

G is for Governmental Agency Reporting

OK. If you thought using an "E" for the "New Officers Report" was excessive literary license, this next one may get that license revoked. The "G" stands for "Governmental Agency Reporting". This is a fancy way of saying "filing proper tax forms with the IRS". Technically, the IRS is a governmental agency that reports are submitted. Give us a break; it's not easy making this stuff memorable.

Moving on...

PTAs are tax exempt organizations. They have their own taxpayer identification number (also called an "employee identification number" or EIN). Therefore, the IRS requires that the PTA,

which is recognized as a separate organization from all of PTAs (and even separate from Arkansas PTA), file a tax return each year.

The type of return that your PTA is required to file is based upon the gross collections of your PTA in the fiscal year. All PTAs in Arkansas have a fiscal year of July 1st to June 30th.

- ❖ If your PTA collected less than \$50,000 in a single fiscal year, then only the Form 990-N (ePostcard) is required. This is a simple report that requires no financial information. It must be filed electronically, however. If you have an email address and internet access, you can do it.
- ❖ If your PTA collected more than \$50,000, but less than \$200,000 in a single fiscal year, then a Form 990-EZ is required. This form does require reporting of financial information. We recommend that you seek professional advice to complete it.
- ❖ If your PTA collected more than \$200,000 in a single fiscal year, then a full Form 990 is required. More importantly, you should contact us at Arkansas PTA. Holy cow! If you collected over \$200,000, we need to give you an award or copy whatever you are doing, because holy cow, that's over \$200,000. Needless to say, we don't know of any PTAs in Arkansas meeting this requirement. Even Arkansas PTA doesn't meet this requirement.

It is very important to note that the filing of these reports must be done by November 15th. If you file the Form 990-EZ, you can request an extension. However, if you file the Form 990-N (ePostcard), there is no extension. If you miss the deadline, well, you've missed it. If you don't file for three years in a row, the IRS will revoke your tax exempt status. They'll do it; we've seen them do it. It's not pretty and it costs a lot of money to get reinstated.

The bottom line is don't mess with this deadline. File by November 15th or suffer real consequences.

You can do this. This is an area where Arkansas PTA is providing you real service.

We have linked the IRS page with instructions on filing the 990-N to our website. Please note that you can't actually begin to file the report until July 1st. Don't wait until November 15th. Do it now.

Arkansas PTA is requiring that you send an electronic copy of the Form 990-EZ that you've filed with the IRS, but not the 990-N. Electronically filed forms are available for review on the IRS website, so in future years when all forms are electronically filed, copies of returns will not need to be sent in.

BEAPIG – Imagine the Possibilities

This is a new promotion for Arkansas PTA. We've had a slow start getting the message across. We're going to keep pushing it with mascots and pictures and anything else we can to make it a permanent part of Arkansas PTA.

It's important to be a PTA in good standing. Being a PTA in good standing is the accomplishment of doing the administrative tasks that are required to maintain the non-profit tax exempt status with the IRS.

PTA is really about student success – not administrative accomplishments. However, we have to take care of the business part of the organization so that we can succeed inside the schools.

We hope PTA leaders will understand the importance of being a PTA in good standing. The six steps are important (many of them required by the IRS) on their own. However, sometimes, we need a little extra incentive. Something tangible that reflects our success. Arkansas PTA asks you to tell us – what would that be?

Please help us figure out how to reward the success of a PTA maintaining the "Good Standing" status. We could print certificates that set on a wall (or more likely in a file cabinet). We could create something tangible to hand out each year. Help us determine the best way to promote the "Power of the PIG".

If you've got some ideas on how to better this promotion, please email or call our President, Melinda Kinnison at pres.arpta@gmail.com or 501-837-5772. Also, feel free to contact Melinda if you've got questions about anything in this promotion.