

October 16, 2018

President

Rashkis Elementary School PTA  
601 Meadowmont Lane  
Chapel Hill, NC 27517

**EIN: 11-3682404**

Dear President:

We are pleased to inform you that your PTA is included in the PTA North Carolina Congress of Parents and Teachers, Inc. group income tax exemption. North Carolina PTA's Group Exemption Number (GEN) is **8535**. Contributions to your organization may be treated as charitable contributions when donors calculate their federal income taxes. In addition, your organization is exempt from federal income taxes on its receipts.

The Internal Revenue Service states that organizations exempt from income taxes under Section 501(c)(3) of the Internal Revenue code need not complete Form 990 if annual gross receipts are not normally in excess of \$50,000. "Gross receipts" is defined as "the total income received from all sources during the annual accounting period, without subtracting any costs or expenses". An organization with gross receipts that are normally \$50,000 or less may file Form 990-N, (e-Postcard) instead of filing Form 990 or Form 990-EZ.

Gross receipts are considered to be \$50,000 or less if the organization is:

- (a) Up to a year old and has received \$75,000 or less during its first year either in donations or pledges;
- (b) Between 1 and 3 years old and averaged \$60,000 or less in gross receipts during each of its first 2 tax years; or
- (c) 3 years old or more and averaged \$50,000 or less in gross receipts for the immediately preceding 3 tax years (including the year for which the return would be filed).

If you are not required to file Form 990, but receive the IRS form, you must check the box showing "income less than \$50,000", sign and date the form, and return it to the IRS. If you are required to file Form 990, you must complete and attach Schedules A and B. Schedules A and B (Form 990) are integral parts of Form 990 for Section 501(c)(3) organizations required to file this form. Therefore, any organization that does not submit completed Schedules A and B with its Form 990 does not satisfy its filing requirements. **Form 990 or the 990-N e-postcard must be filed by the 15th day of the fifth month after the end of your annual accounting period.** If the return is filed late, a penalty of \$20 a day may be charged. The penalty is not to exceed the lesser of \$10,000 or 5 percent of the organization's gross receipts for the year. Also, a penalty may be charged if the return is filed incorrectly or incompletely.

Local units failing to pay membership dues annually are deleted from our roster and are not eligible for inclusion in the group income tax exemption. The Internal Revenue Service is notified when a PTA dissolves its affiliation with State and National PTA.

As with all official documentation, please file this letter with your PTA's permanent records in a safe location.

Sincerely,



Virginia Jicha  
President