IRS Requirements for PTAs that Gross Under $50,000 Per Year
What you need to know….

Effective for tax years ending on or after December 31, 2010

Who must file Form 990-N (e-Postcard)?

Under the Pension Protection Act of 2006, small tax-exempt organizations whose gross receipts are normally $50,000 or less must file Form 990-N, *Electronic Notice (e-Postcard) for Tax-Exempt Organizations not Required To File Form 990 or 990-EZ.* Before this law was enacted, these small organizations were not required to file annually with the IRS.

An organization's gross receipts are considered to be $50,000 or less if the organization:

- Has been in existence for 1 year or less and received, or donors have pledged to give, $75,000 or less during its first taxable year;
- Has been in existence between 1 and 3 years and averaged $60,000 or less in gross receipts during each of its first two tax years; and
- Is at least 3 years old and averaged $50,000 or less in gross receipts for the immediately preceding 3 tax years (including the year for which calculations are being made).

Gross receipts are the total amounts the organization received from all sources during its annual accounting period (without subtracting any costs or expenses) less the National and State portion of dues collected.

How do I file the e-Postcard?

The e-Postcard is filed electronically by answering fewer than ten questions in an online form. The URL for filing is http://epostcard.form990.org . The form must be completed and filed electronically. **There is no paper form.**

How much does it cost to file the e-Postcard?

Filing the e-Postcard is free. To access the filing systems go to the filing site at http://epostcard.form990.org. There is no paper form.

When is the e-Postcard due? How often do I need to file?

The e-Postcard is due every year by the 15th day of the fifth month after the close of your tax year (usually the same as your accounting period). For example, if your tax year ended on June 30th, the e-Postcard is due November 15th.

If you do not file your e-Postcard on time, the IRS will send you a reminder notice but you will not be assessed a penalty for late filing the e-Postcard. However, an organization that fails to file required e-Postcards (or information returns – Forms 990 or 990-EZ) for three consecutive years will automatically lose its tax-exempt status. The revocation of the organization's tax-exempt status will not take place until the filing due date of the third year.

Do I need an e-mail address to file the e-Postcard?

Yes, you will need an e-mail address. The system uses the e-mail address to activate your login ID and password and to notify you if your e-Postcard was accepted or rejected by the IRS. If rejected, the e-mail will contain instructions on who to contact to resolve the problem.

Can I file the e-Postcard before the close of my tax year?

No, you cannot file the e-Postcard until after the end of your tax year.

What information do I need to provide on the e-Postcard?

The e-Postcard is easy to complete. All you need is the following information:

- Organization's legal name –
  - An organization's legal name is the organization's name as it appears on your bylaws or on the certificate of incorporation.
- Organization's mailing address – The mailing address is the current mailing address used by the organization. Usually the school address.
- Organization's website address (if you have one).
- Organization's employer's identification number (EIN) –
  - If you do not know your EIN, you may be able to find it on the organization's bank statement, application for Federal tax-exempt status, or prior year return or by contacting the State PTA Office (office@ncpta.org)
- Name and address of a principal officer of your organization –
  - List the name of your current president.
- Organization's annual tax year – (July 1 – June 30, see Uniform Bylaws, Article 13)
- Confirmation that the organization's annual gross receipts are normally $50,000 or less ($25,000 for tax years ending on or before December 31, 2009)
- If applicable, a statement that the organization has terminated or is terminating (going out of business)

Will I get a confirmation that I filed the e-Postcard?

Yes, you will receive an email from the filing system indicating whether your e-Postcard was accepted or rejected by the IRS. If rejected, the email will tell you who to contact to help resolve the problem. In addition, once you submit the e-Postcard to the IRS you can view the "Check Filing Status" page where you can view and print an image of the e-Postcard for your records.

If my information changes or I make a mistake, can I amend the e-Postcard after submitting it to the IRS?

No, you cannot file an amended e-Postcard. You can make corrections or update your information when you file your next e-Postcard in a subsequent year.

What should my organization do if when it attempted to file the e-Postcard using its correct EIN it received an error message indicating that the EIN was incorrect?

If you are certain that your EIN was entered correctly, the IRS may not have your organization listed as a tax-exempt organization. If you receive an error message, contact the State PTA Office for assistance.

Can I file Form 990 or Form 990-EZ instead of the e-Postcard?

Yes, but please note that if you choose to file an annual information return (Form 990 or Form 990-EZ) instead of the e-Postcard, you must file a complete return. An incomplete or partially completed Form 990 or Form 990-EZ will not satisfy the annual filing requirement. Also, you may be assessed a late filing penalty if you file Form 990 or Form 990-EZ late.

What happens if I file the e-Postcard late?

The IRS will send you a reminder notice if you do not file your e-Postcard on time, but you will not be assessed a penalty for late filing an e-Postcard. However, it is critical that you file within the 3-year period.

What if our PTA grossed over $50,000 (previously $25,000)?

Local unit PTA/PTSAs that gross over $50,000 are required to file IRS Form 990EZ or IRS Form 990 (if gross receipts are over $200,000) as in the past. The 990-N e-postcard only affects local units that gross under $50,000.

If you have any questions concerning this regulation, please contact the State PTA Office at office@ncpta.org .