Dear PTA/PTSA Leader:

We want you to know we appreciate all that you do on behalf of all of our children, families and communities in California. This annual financial mailing is intended to assist you in your work in overseeing a successful PTA. If you have any questions concerning the PTA financial packet, please contact your local council or district PTA treasurer.

Included in this packet:
- Important Dates
- PTA Insurance Premium Invoice/Notice
- Financial Filing Requirements for Tax-Exempt Groups Including PTAs
- Workers’ Compensation Annual Payroll Report (Instructions only)
- Additional resources and information:
  - PTA Finances and Email Phishing Scams
  - Electronic Membership System Flier
  - 2024 Convention Flier
  - PTA Store Flyer
- 2024 Insurance Guide

PTA Insurance: The 2024 policy year insurance premium is $282 for units and $195 for councils/districts. Insurance premiums will be submitted online through the AIM Insurance Portal. PTA presidents and treasurers should have received an email from AIM with a link to the portal. **Premiums must be received on or before December 20, 2023.** More in-depth information about our insurance coverage is contained in our enclosed insurance guide. Additional coverage (if needed) can be purchased through AIM insurance separately.

Every unit, council and district is also required to complete and submit a Workers’ Compensation Annual Payroll Report each year. PTAs at all levels submit these reports directly to AIM, California State PTA’s insurance broker. Please do NOT submit those items using old forms from prior years. Thank you for your attention to this important information and your dedication as a PTA leader!

Shereen Walter  
President  
California State PTA
## IMPORTANT DATES & PUBLICATION INFO

Visit: leaders.capta.org for updates and more information

<table>
<thead>
<tr>
<th>Dates</th>
<th>Action</th>
</tr>
</thead>
<tbody>
<tr>
<td>ANYTIME</td>
<td>Sign up for California State PTA’s Electronic Membership System (TOTEM)</td>
</tr>
<tr>
<td>October 2, 2023</td>
<td>AIM Insurance Portal Opens&lt;br&gt;Presidents will receive email with portal link from AIM</td>
</tr>
<tr>
<td>November 15, 2023</td>
<td><strong>Deadline</strong> to file Internal Revenue Service (IRS)&lt;br&gt;Form 990 Series (if your fiscal year ends June 30)*</td>
</tr>
<tr>
<td>November 15, 2023</td>
<td><strong>Deadline</strong> to file CA Franchise Tax Board (FTB) Form 199 Series (if your fiscal year ends June 30)*</td>
</tr>
<tr>
<td>November 15, 2023</td>
<td><strong>Deadline</strong> to file Attorney General’s Registry of Charitable Trusts (AG/RCT)&lt;br&gt;Form RRF-1 (if your fiscal year ends June 30)*</td>
</tr>
<tr>
<td>December 20, 2023</td>
<td>Insurance premiums due through AIM Insurance Portal&lt;br&gt;<em>Late fee incurred if insurance paid after this date</em></td>
</tr>
<tr>
<td>January 31, 2024</td>
<td>Workers’ Compensation Annual Payroll Report due.&lt;br&gt;The updated process includes PTAs at all levels submitting these items directly to AIM, California State PTA’s insurance broker. Please make sure you are using this year’s form to complete the process.&lt;br&gt;&lt;br&gt;<em>Filing window opens on December 15, 2023 (see instructions for details)</em></td>
</tr>
<tr>
<td>May 3-5, 2024</td>
<td>California State PTA Annual Convention in Ontario</td>
</tr>
</tbody>
</table>

THE CONTENTS OF THIS MAILING ARE AVAILABLE ONLINE AT THE LINKS LISTED BELOW.

1. **Insurance Guide in English and Spanish / Guía de seguros en inglés y español:**<br>https://leaders.capta.org/finance/insurance-coverage-and-service/

2. **Financial Mailing in English / Correo financiero en inglés:**<br>http://downloads.capta.org/fin/FinancialMailing2023.pdf


For printed copies, call the California State PTA office at (916) 440-1985 or email at info@capta.org for more information.

Para copias impresas, comuníquese con la oficina de la PTA de California al (916) 440-1985 o correo electrónico a info@capta.org para obtener más información.
PTA INSURANCE PREMIUM INVOICE

Insurance payments are made directly to AIM, California State PTA's insurance broker. After December 20, 2023, a late fee of $25 will be assessed by and a check must be sent to California State PTA through channels. Do not send late fees to AIM. There is no grace period.

For additional information, please contact your council or district PTA.

To: Units, Councils, and Districts

Re: Insurance Premium for the 2024 Policy Year.

Terms: The policy year covers January 5, 2024 through January 4, 2025. Insurance premium payments must be sent to AIM either electronically or by mailed unit check no later than December 20, 2023.

<table>
<thead>
<tr>
<th>DESCRIPTION</th>
<th>COST</th>
</tr>
</thead>
</table>
| **Unit Premium**  
Refer to table below for coverage included. | $282 |
| **Council Premium**  
Refer to table below for coverage included. | $195 |
| **District Premium**  
Refer to table below for coverage included. | $195 |
| **Late Fee**  
After December 20, 2023, a late fee of $25 is assessed by California State PTA. There is no grace period. | $25 |

The premiums above include the following coverage:
- General Liability $1,000,000
- Umbrella Liability $3,000,000
- Directors & Officers $1,000,000
- Workers Compensation $1,000,000
- Fidelity Bond $25,000
- Extended Medical Payments $20,000

The premiums above do not include:
- The 5 percent surcharge that PTAs with gross payments to workers in excess of $1,000 during the policy year must pay for Workers’ Compensation.
- Child Care Programs under General Liability Insurance. If your PTA is sponsoring such a program, additional insurance will need to be purchased.

Please note that Association Insurance Management Inc (AIM), California State PTA’s insurance broker, will be reaching out to all units, councils, and districts to request additional information and acknowledgments related to coverage. This information will help AIM to create a profile for each unit, council, and district enabling leaders at each level to easily make requests such as adding Additional Insureds, acquiring additional elective coverage, and obtaining a Certificate of Insurance. You can also reach out to AIM directly by phone at (800) 876-4044 or by email at capta@aim-companies.com for coverage questions and to inquire about additional elective coverage.
WORKERS’ COMPENSATION

WORKERS’ COMPENSATION ANNUAL PAYROLL REPORT INSTRUCTIONS AND REPORTING REQUIREMENTS OF PTAS

WHO WILL NEED TO REPORT?

All unit, council, and district PTAs are required to submit a report, even if no one was paid.
- If your PTA did not make any direct payments for services to individuals between January 5, 2023 and January 4, 2024, your report will simply confirm that.
- If your PTA did make direct payments for services to individuals between January 5, 2023 and January 4, 2024, please gather the information below in order to report those payments.

PTAs at all levels submit these items directly to Association Insurance Management, Inc. (AIM), California State PTA’s insurance broker. Please do NOT submit those items using the form from prior years.

WHAT INFORMATION WILL NEED TO BE SUBMITTED?

1. Name of Paid Individual
   - The name reported should match the individual that the payment for services was made to.
   - Do not include companies or people that you pay through a 3rd party such as your school district.

2. Work Description
   - The description of work reported should be clear, concise, and accurate.

3. If the Payee Carries Their Own Workers’ Compensation Insurance (WCI)
   - Be sure to obtain a Certificate of Insurance (COI) from the payee documenting that they had active WCI during the dates on which the services provided were performed. Payments to those workers are NOT included in the amount subject to the 5% surcharge as long as they can show proof they carry their own WCI.
   - If a Certificate of Insurance is NOT provided by the payee, payments to the worker will need to be included in the amount subject to the 5% surcharge. The amount subject to the 5% surcharge is calculated by adding all payments your PTA made between January 5, 2023 and January 4, 2024 and subtracting $1000 from the grand total. The amount due is 5% of the remaining payments.

4. Dates Worked
   - The actual dates or date ranges that each payee worked between January 5, 2023 and January 4, 2024.

5. Amount Paid
   - The total paid directly to each individual between January 5, 2023 and January 4, 2024

for more information and help on Workers’ Comp visit: https://leaders.capta.org/finance/insurance-coverage-and-service/
Tax-exempt organizations, including PTAs, must file annual returns

Tax-exempt organizations operating in the State of California, including PTAs, are legally required to file annual returns with the following federal and state agencies:

1. United States Department of the Treasury - Internal Revenue Service (IRS)
2. State of California - Franchise Tax Board (FTB)

California State PTA is committed to providing information to help your PTA remain in compliance with its annual filing requirements. Please visit the California State PTA Tax Filing Support Center at https://leaders.capta.org/finance/tax-filing-support-center/ for step-by-step pointers on what your PTA needs to file and other useful materials.

If your PTA requires assistance completing any of the required filings beyond the information provided in the applicable forms, instructions, and publications, we recommend you contact a Certified Public Accountant (CPA) or tax professional, such as an Enrolled Agent (EA), specializing in nonprofit organizations exempt from federal and state income tax as public charities.

### 1. Internal Revenue Service - Form 990 Series

- There are three forms in the Internal Revenue Service (IRS) Form 990 series. Only ONE should be filed per year, generally based on your PTA's financial activity (refer to the chart, below).

<table>
<thead>
<tr>
<th>If Your PTA's GROSS RECEIPTS Are ...</th>
<th>File Form</th>
<th>Complexity</th>
</tr>
</thead>
<tbody>
<tr>
<td>Normally $50,000 or less (refer to Appendix B of the Form 990-EZ instructions for guidance regarding &quot;normally&quot;)</td>
<td>990-N</td>
<td>Low</td>
</tr>
<tr>
<td>Normally greater than $50,000, less than $200,000 during the year, AND total assets are less than $500,000 at the end of the year.</td>
<td>990-EZ</td>
<td>Medium</td>
</tr>
<tr>
<td>Equal to or greater than $200,000 OR total assets are equal to or greater than $500,000 at the end of the year.</td>
<td>990</td>
<td>High</td>
</tr>
</tbody>
</table>

- The IRS requires the applicable form in the 990 series to be filed by the 15th day of the 5th month after your PTA’s fiscal year ends. For example, if your PTAs fiscal year ends on June 30, the applicable form must be filed with the IRS by November 15. Please check your bylaws for your fiscal year end to determine your filing deadline.
- For 990 series forms and instructions, please visit the following page on the IRS website: www.irs.gov/charities-non-profits/form-990-series-which-forms-do-exempt-organizations-file-filing-phase-in
- If your PTA generates unrelated business income equal or greater than $1,000 during the year, it may be required to file IRS Form 990-T, Exempt Organization Business Income Tax Return, in addition, to form 990-N, 990-EZ, or 990. For more information, please visit the following page at the IRS website: www.irs.gov/charities-non-profits/unrelated-business-income-tax
2. Franchise Tax Board - Form 199 Series

- There are two forms in the Franchise Tax Board (FTB) Form 199 series. Only ONE should be filed, generally based on your PTA's financial activity (refer to the chart, below).

<table>
<thead>
<tr>
<th>If Your PTA's GROSS RECEIPTS Are ...</th>
<th>File Form</th>
<th>Complexity</th>
</tr>
</thead>
<tbody>
<tr>
<td>Normally $50,000 or less</td>
<td>199N</td>
<td>Low</td>
</tr>
<tr>
<td>Normally greater than $50,000</td>
<td>199</td>
<td>Medium</td>
</tr>
</tbody>
</table>

- The FTB requires the applicable form in the 199 series to be filed by the 15th day of the 5th month after your PTA’s fiscal year ends. For example, if your PTA’s fiscal year ends on June 30, the applicable form must be filed with the FTB by November 15. Please check your bylaws for your fiscal year-end to determine your filing deadline.

- For more information on filing requirements, Exempt Organization Forms and Publications, please visit the following page at the FTB’s website: www.ftb.ca.gov/file/business/types/charities-nonprofits/annual-and-filing-requirements.html

- If your PTA generates unrelated business income in excess of $1,000 during the year, it may be required to file FTB Form 109, California Exempt Organization Business Income Tax Return, in addition to for 199-N or 199. For more information, please visit the page listed above for FTB Exempt Forms and Publications.

3. Attorney General's Registry of Charitable Trusts - Form RRF-1

- The Attorney General’s Registry of Charitable Trusts (AG/RCT) requires all charitable organizations operating in the State of California, including PTA units, councils, and districts, to be registered with the Registry of Charitable Trusts and to file Form RRF-1 annually.

- The AG/RCT requires Form RRF-1 to be filed by the 15th day of the 5th month after your PTAs fiscal year ends. For example, if your PTAs fiscal year ends on June 30, Form RRF-1 must be filed with the AG/RCT by November 15. Please check your bylaws for your fiscal year end to determine your filing deadline.

- A copy of IRS form 990 or 990-EZ as filed with the IRS is required along with Form RRF-1 for registrants with gross receipts of more than $50,000.

- Beginning with the 2019–20 fiscal year, the Registry of Charitable Trusts requires registrants with gross receipts of $50,000 or less to file Form CT-TR-1 Treasurer’s Report together with Form RRF-1.

- All registrants must include the annual registration renewal fee as indicated on Form RRF-1.

- For more information, as well as the forms and instructions, please visit the following page at the Attorney General's website: oag.ca.gov/charities/renewals.

For more information and help on tax filing matters please visit: https://leaders.capta.org/finance/tax-filing-support-center/
Email is a vital tool for conducting PTA business, but like many tools it can be misused and cause harm. Bad actors are using email as a way to transmit malware, ransomware, and phishing attacks, all of which can harm the finances and reputations of individuals and organizations. In fact, PTAs in California and across the country have been targeted by these attacks.

What is phishing?
Phishing is a general term for a variety of email-based scams that seem to come from a trusted source but trick you into giving up private information or taking risky actions. They are difficult to defend against because they rely on human psychology rather than technology to victimize their targets. At the California State PTA office alone, 10% of blocked emails are phishing attempts. This figure does not include the number of phishing emails that are delivered to individual users’ email inboxes.

Spear Phishing, a specific subtype of these scams, targets members of a company or organization who possess sensitive or privileged information. In the case of California PTA, volunteer leaders are sent messages that purport to be from a member of the staff or a member of the Board of Directors or Managers. They request that the recipient click a link or button in the email, provide financial information, or even purchase gift cards. Most of these emails appear legitimate, and with the advent of AI, they are becoming more and more indistinguishable from genuine messages.

Stay alert and you can catch these “phish”
Due to the nature of the scam, technological solutions will not provide complete protection. The best defense against phishing emails are vigilant, informed users. To keep yourself and the PTA safe, arm yourself with critical thinking before you click on a link or respond to an email.

- **Recognize who is sending the email to you.** Do not trust the name on the signature. Instead, look at the email address itself. In Outlook, double-click the name of the sender to see the email address that the message was sent from, and verify it is the correct address; in Gmail, hover over the name of the sender.
- **Verify through other communication methods** that the message is legitimate. If a message is asking you to provide passwords or financial information, contact the sender via phone or text message to verify that they have sent the email to you.
- **Trust your intuition.** Phishing scams pose as people we know and often include an element of urgency to take advantage of our natural tendencies to want to help. If a request seems unusual or needlessly rushed, consider such things as a warning that the message may not be what it seems to be. Verify with the purported sender before responding.
- **Don’t respond to strangers.** Never click links or open attachments from email messages that you receive from unknown senders.
- **Practice good cyber-hygiene.** Keep your software updated and your firewalls and anti-virus software current. Use separate, strong passwords for all online accounts.

Following these practices and exercising general vigilance will help to safeguard your assets and privacy as well as the security of our organization as a whole.
Did you know... every PTA can send at least 2 voting members to convention, so along with training and networking opportunities, your unit has a voice in how California State PTA operates.

What will we have at convention?
- 50 Workshops - training for leaders, programs for members, educational updates
- Voting on Resolutions - 4 Resolutions were Adopted in 2023 & provide a foundation for our advocacy efforts.
- Exhibit Hall - Meet vendors to bring to your school, from fundraising to assemblies and more.
- Reflections Gallery - Enjoy the beautiful art that is created by student from across the state.
- Network and meet fellow leaders to collaborate and share ideas.

Planning for Convention
REGISTRATION FEES
For budgeting purposes, you can plan on $250 early bird price per delegate or $350 for regular registration. Registration will open in March.

HOTEL COSTS
The Doubletree by Hilton is our convention hotel. For planning purposes, the rooms base rate will be around $180 a night.

PER DIEM (for food) Your unit's per diem may be found in your unit bylaws. The state PTA's per diem is $16 for breakfast, $18 for lunch, and $33 for dinner.

What can you do now?
You can use the following template to help inform your Unit, Council, or District PTA to estimate what should be added to the budget for convention.

How do you go about getting this approved to attend Convention?
1. Bring this to your Executive Board and mention the benefits of attending California State PTA Convention.
2. Identify if any other members of the board would like to attend.
3. Make a motion to the Executive Board to recommend to the General Association that they add this budget line item.
4. Bring this to the next General Association Meeting for approval
5. Check the capta.org website in March so that you can sign up with the early bird registration and book your hotel room!

<table>
<thead>
<tr>
<th>Convention Expense</th>
<th>Cost Per Person (estimated to approve in your budget)</th>
<th># of Delegates</th>
<th>Total Cost</th>
</tr>
</thead>
<tbody>
<tr>
<td>Full-Time Delegate(s)</td>
<td>~ $250 Early Bird ~ $350 Regular Registration</td>
<td></td>
<td></td>
</tr>
<tr>
<td>One-Day Delegates</td>
<td>~ $150/$200</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Student Delegates</td>
<td>~ $150</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Mileage (.65 cents) / Airfare</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Hotel Cost</td>
<td>~ $180 + taxes</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Per Diem</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total Convention</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
California State PTA has partnered with TOTEM for our custom electronic membership system designed specifically for PTAs in California.

California State PTA’s online membership system makes joining and renewing PTA membership at the local level easier for parents, families and community members.

The electronic membership system is an additional way to collect memberships and all PTAs continue to collect and remit membership as you always have.

Every district and all but a few councils are active and ready for your unit to accept electronic memberships.

Units, councils and districts are not required to use the new system, but we encourage you to check it out.

NOT ON TOTEM? GET STARTED TODAY!

SCAN ME

SCAN ME

SCAN ME

SCAN ME