

## Viable Solution to Obtaining a Letter of Determination from the Internal Revenue Service

Free State PTA and National PTA have received numerous requests for a copy of the IRS Letter of Determination, which would allow local and council PTAs to open bank accounts/update signatory information, raise charitable tax-deductible funds, apply for grants, receive benefits as a non-profit and engage in other activities related to their work to support the PTA mission.

Free State PTA, **the only entity in Maryland that can authorize local and council PTAs in Maryland**, is unable to apply for a group exemption due to a nationwide moratorium by the IRS\*, which has not allowed any new group exemptions since June 2020. Local and council PTAs are caught in a bind, because no one, not even the IRS, can predict when the moratorium will end.

**Action Recommended:** National PTA proposed a temporary solution to allow local and council PTAs to be covered by a group exemption of Delaware PTA, and the Free State PTA Board of Directors recently approved this option. Delaware PTA has generously agreed to allow any local or council PTA located in Maryland to join their group exemption until the IRS opens the group exemption process and Free State PTA is granted that exemption.

How does it work? It's very simple. The local or council PTA president should:

1. **Download and complete** the [required consent form](#). The required consent form will also be available on the Free State PTA website at [www.fspta.org](http://www.fspta.org).
2. **Sign the required consent form** to receive immediate group exemption status with Delaware PTA. *Note: Each PTA must have filed its annual reports with the IRS (the appropriate Form 990) and submitted proof of filing to the support team at [fspta@pta.org](mailto:fspta@pta.org) or the Free State PTA Treasurer at [treasurer.fspta@gmail.com](mailto:treasurer.fspta@gmail.com).*
3. **Email the completed and signed consent form** to [fspta@pta.org](mailto:fspta@pta.org) with the subject line: Delaware PTA Group Exemption Consent Form. *Note: Each form must have an actual handwritten or digital signature. Forms will be accepted in Word, PDF, JPG, TIFF formats. Photos of the completed form will be accepted as long as the entire form is legible in the photograph.*

National PTA will compile the completed forms and submit them directly to Delaware PTA. Once Delaware PTA accepts the form, the local/council PTA would then immediately receive their nonprofit status under the group exemption of the Delaware PTA.

A copy of the Delaware Letter of Determination will be emailed to the local/council PTA. Local and council PTAs that choose this option can expect to receive determination letters **within approximately 2-3 weeks or sooner**, depending on the speed of the consent letters submitted.

Any local or council PTA choosing to follow this procedure will not need to take any further steps nor make any changes to their regular operations. This process will not affect completion of the IRS Form 990, the required reporting to the state of Maryland, or any other actions the local or council PTA may take.

**Signing this form would not affect the status** that the local and council PTAs in Maryland currently have with Free State PTA. At the present time, only reporting to the IRS and the State of Maryland are required.

Any local or council PTA that previously applied for and received its own IRS tax exemption and was not part of the former Maryland PTA umbrella may choose to retain its individual exemption. No action would be necessary.