

Magnolia Elementary PTA & The Alliance for Education: Charitable Giving

The below information is to help donors that want to support the students, teachers, and community of Magnolia Elementary School understand giving directly to the PTA and to the Alliance for Education.

What is a 501(c)(3) organization: 26 U.S.C. § 170, provides a deduction, for federal income tax purposes, for donors who make charitable contributions to most types of 501(c)(3) organizations.

The issue: Magnolia Elementary PTA is not yet a 501(c)(3) organization. We have submitted our 501(c)(3) application to the IRS but this will take a few months until approval. We have pledged donors that require their charitable giving be made to a 501(c)(3) organization.

The Magnolia PTA (The PTA)

- A membership group lead by a board of volunteers.
- Member of the Washington State PTA (WSPTA). Chartered in spring of 2019.
- Is incorporated as a WA State nonprofit corporation and registered as a charitable organization.
 - This allows organizations to collect charitable gifts, but not to issue tax deductible donation receipts
- The PTA is seeking federal recognition as a 501(c)(3) organization
 - 501(c)(3) status will allow The PTA to issue tax deductible donation receipts, company matching from qualifying donors, donations through Amazon Smile, and other benefits.
 - 501(c)(3) status is retroactive to our charter date.
 - Charitable gifts given after charter date (which is all of them), and before non-profit status was achieved, can be issued tax deductible donation receipts retroactively.
- Magnolia PTA is currently accepting gifts via Pay Pal, cash & checks to our PTA checking account.

The Alliance for Education (The Alliance) – 501(c)(3) organization

- “We’re on a mission to ensure every child in Seattle Public Schools is prepared for success in college, career and life. The Alliance for Education exists for the singular purpose of promoting excellence in public education in Seattle.” <http://www.alliance4ed.org/who-we-are/our-beliefs/>
- One of their 5 keys programs, the one we’d be using is: **School Fiscal Services:** The Alliance offers robust fiscal sponsorship services that enable individual schools and education–related organizations to expand their base of charitable support. We provide gift-management and accounting services, allowing school staff and volunteers more time for school programs and fundraising. We serve approximately 120 groups, including booster clubs, alumni groups, parent groups and others. These groups raise funds for needed classroom supplies, tutoring, enrichment programs, and other schoolhouse expenses not covered by existing school budgets. For more information: <http://www.alliance4ed.org/connect-with-us/school-fiscal-services-placeholder/school-fiscal-services/>

The PTA approved opening an account with the Alliance for Education. This allows donors to make a tax deductible gift (eligible for company matching) to the Alliance now, and gives Magnolia Elementary PTA & Magnolia Elementary School immediate access to those funds.

Additional Details

- The Board believes a gift through the Alliance is a good choice for donors interested in making a gift of stock, have access to employer matching funds, or need a tax receipt at the time of donation.
- All gifts to this account are charitable gifts made to the Alliance for Education, and designated for use to Magnolia Elementary, at the direction of the account's advisors (designees by the PTA).
- Donors giving online have the option to cover this administrative fee so that the sponsored group receives 100% of the gift." - <http://www.alliance4ed.org/connect-with-us/school-fiscal-services-placeholder/school-fiscal-services-faqs/>
- "If the Magnolia PTA does not get 501c3 status, the money would be held by the Alliance in a school account which the advisors that you choose for the account can access via disbursement requests. The money does not have to be held in perpetuity; your advisors could request that the money in the account be sent to Magnolia Elementary via their self-help account." -email from Alliance staff Jim Molloy 6-24-19
- The one caveat while the PTA awaits 501c3 status: "Our policy is to send out disbursements to 501c3 organizations that we have approved. We would not forward funds to the PTA until you have approved 501c3 status. We would be happy to pay reimbursements and vendor invoices from the school account during this time. Once your PTA is approved for 501c3 status, your account advisors can disburse funds to the PTA as much as they like." -email from Jim Molloy in consultation with Alliance CFO Amy Ward 6-14-19.
 - In communication with Principal Katie Cryan Leary, who has worked with an Alliance account when she was at Hamilton School, she agrees we will use the Alliance funds in collaboration and communication between herself and the PTA.
- Again, when donating to the Alliance, your gift is going to the Alliance, with designation to Magnolia Elementary PTA - 25001. It is NOT a gift to the PTA. Until our 501c3 status is confirmed these funds will be used in direct collaboration with the principal and the PTA to pay for vendors or materials that directly support the school. The PTA could be at IRS compliance risk if all donors to the Alliance do not understand this.

To make a gift to the Alliance for Education (Magnolia Elementary PTA account):


<https://www.alliance4ed.org/connect-with-us/donate/school-account/>

- One-time or monthly options
- More ways to give: stock, etc.
- Make sure to select: Magnolia Elementary PTA - 25001

I WOULD LIKE TO...

Make a one-time gift of \$

Make a monthly gift of \$

Starting  Please note, all recurring gifts will be charged on the 15th of each month.

Make a pledge of \$ over the course of months

Starting on  Please charge my credit card \$144.44 per month.

Please note, all recurring gifts will be charged on the 15th of each month.

To Group * 