

To All Committee Chairs :

Rev. Aug. 6, 2007

Re: New Tax Law for Cash Donations under \$250

A new tax law called the Pension Protection Act of 2006 has made it necessary for us to make a slight change to the way we acknowledge cash donations under \$250.

The new tax law states that individuals donating to an organization, such as HP PTA, must have a bank record (such as a cancelled check) or a written communication from the charity acknowledging the donation to the donor.

In order to help donors comply with this law, each committee chair receiving donations is responsible for stating “Your cancelled check is your receipt” on each form or fundraising letter.

Checkout procedures that include purchases as well as donations should be stamped “HP PTA Receipt” on the purchaser’s itemized bill or receipt, along with the date and the amount paid.

These extra statements are necessary as HP PTA will not be issuing a separate receipt for donors donating less than \$250.

The procedure for PTA acknowledgement of donations greater than \$250 has not changed.

Please let me know if you have any questions regarding the implementation of this new procedure.

Sincerely,
Monica Duck