

# New PTA Start-Up Costs

The costs included in starting a new PTA include registration and legal filing fees, as well as insurance premiums. Some of these costs will vary by group based on budgeted income, insurance needs, and whether they are an existing parent group with some legal filings already in place. **Total costs will range between \$615 - \$1,210.**

Articles of Incorporation (Washington Secretary of State)	
<b>\$40 - Initial registration</b> <b>\$10 - Initial amended form</b>	Your Articles of Incorporation establish your corporate status with the Washington Secretary of State. The annual renewal fee is \$20. Optional expedited service is available: \$20 (online) or \$50 (paper/in-person)
Charitable Organization Application (Washington Secretary of State Charities Division)	
<b>FREE - Optional registration (not required)</b> (<\$50,000 annually)  <b>OR</b>  <b>\$60 - Initial registration</b> (> \$50,000 annually)	If your PTA raises or expects to have income <b>under \$50,000 annually</b> , your PTA may choose to file the “free optional registration.” Once you have created an optional account with the secretary of state, they require that the account is maintained yearly through a free annual filing.  If your PTA raises or expects to have income <b>over \$50,000 annually</b> , you must file the required annual registration. The initial filing fee is \$60 and it is \$40 to renew annually.
Tax-Exempt Status (Internal Revenue Service)	
<b>\$275 - 1023EZ fee</b> (<\$50,000 next 3 years)  <b>OR</b>  <b>\$600 - 1023 fee</b> (> \$50,000)	If your PTA will have <b>projected annual gross income of less than \$50,000</b> you may be able to file the 1023EZ application. Complete the 1023EZ Eligibility Worksheet to determine if your PTA qualifies. It takes 2-4 weeks to process.  If your PTA will have <b>projected gross income of more that \$50,000</b> you will need to file the 1023 application. It takes up to 27 months to process. You will be required to file the 1023 application if you were previously a 501(c)4.  Your PTA has 27 months from the date of incorporation to file.
Insurance	
<b>General Liability</b> <b>\$110 - \$1 million</b> <b>\$170 - \$2 million</b>  <b>Directors &amp; Officers Liability</b> <b>\$65 - \$1 million</b>  <b>Fidelity Bond</b> <b>\$115 - \$10,000</b> <b>\$125 - \$25,000</b> <b>\$150 - \$50,000</b>  <b>Property</b> <b>\$115 - \$10,000</b> <b>\$200 - \$25,000</b> <b>\$375 - \$50,000</b>	The majority of PTAs in Washington use AIM Insurance, but your PTA may choose any insurance carrier. These premiums are based on AIM’s current rates (subject to change). The minimum insurance recommended is general liability (also required by school districts), and directors and officers liability, and fidelity bond.  <b>General Liability:</b> event insurance <b>Directors &amp; Officers Liability:</b> protect the way you manage your organization and the decisions made by board members <b>Fidelity Bond:</b> embezzlement, robbery, and theft <b>Property:</b> property, fundraising merchandise, auction items and raffle prizes  See the AIM flyer for more information and descriptions of various insurance options.