

IVY PREPARATORY ACADEMY

Financial Policy

Sales Tax

Purpose

This policy relates to Ivy Preparatory Finance Office handling of Sales Tax.

Policy

All schools are required to comply with the Georgia Sales and Use Tax Laws and Regulations. The regulation states:

Effective 7/1/96, section 48-8-3, paragraph 39 of the Official Code of Georgia exempts from sales tax all “sales by any public or private school containing any combination of grades kindergarten through 12 of tangible personal property, concessions, or of ticket for admission to a school athletic event or function, **“provided that the net proceeds from such sales are used solely for the benefit of such public or private school or its students.”**”

Payment of sales tax is not required on purchases of property that become and remain the property of the school or on purchases of supplies that are used in the classroom or school office. However, vendors must have a Certificate of Exemption (Form ST-5) on file in order to sell to the school tax-exempt. It is the responsibility of the employee to inform the vendor of the school’s tax exempt status by presenting the Sales Tax Certificate of Exemption for all retail purchases made either in person or online. **Permitting any outside agency (PTO, Booster Club, etc.) access to the school’s Tax Exempts Form and/or the district’s Federal Tax Identification Number is strictly prohibited.**

Payment of sales tax is required at the time of purchase on the following items:

1. Items purchased for faculty (gifts, t-shirts, etc.)
2. Food items purchased for the faculty meetings.
3. Items purchased and given to students (stickers, t-shirts, trophies, ribbons, etc.)
4. Sales made directly by vendors or student fundraisers (e.g. pictures).

If the vendor does not charge tax at the time of purchase, the school must file a Miscellaneous Sales and Use Tax Report.

The school system is exempt from state sales tax. Any purchases being made that include sales tax will not have the sales tax reimbursed. Sales tax exempt documentation can be obtained from the Finance Office.

Effective Date: 11/15/2018

Approved: 11/15/2018

Authority and/or Cross-Reference