



General Financial Workshop

Fourth District PTA Spring Workshop
June 2019

Presenter:

Ellen Gravitt, Fourth District PTA Treasurer 2017-2019
treasurer@fourthdistrictpta.org

Whatever you are,
be a **GOOD ONE.**

Abraham Lincoln

Structure of PTA

CHANNELS:

- UNIT PTA
 - Organization at a school site
- COUNCIL PTA
 - Collection of units in a school district or area
- 4TH DISTRICT PTA
 - All PTAs in Orange County
- CA STATE PTA
- NATIONAL PTA

Bylaws

- Each officer should be provided a copy at the beginning of their term
- Your bylaws contain:
 - Policies of PTA
 - Dues amount
 - Officers & election info
 - Duties of officers
 - Meeting days & quorums
 - Standing rules
 - Tax ID Numbers

TRANSITIONS



* I'm extremely happy that you'll be joining our team as we transition to new roles into the new geographies, but I have to ask you ... **Who are you ?**

Bookkeeping Essentials

- PTA units use cash basis accounting
 - Record income when deposited
 - Record expenses when check is written
- Use checkbook register and ledger
- Organize records from the viewpoint of the auditor
- PTAEZ, QuickBooks, Excel, manual or other are all okay
- If using computer generated financial records, make sure to print permanent copies
- Split Deposits and Checks
- Use correct budget categories for income and expenses



Banking Procedures

- All PTA money must be immediately deposited in an account authorized by the board
- No PTA funds are to be taken home
- No co-mingling school or other funds with PTA funds
- Withdrawals in person at a bank are not permitted, write a check
- Do not pay bills with cash; do not use an ATM card
- Obtain “View-Only” access to your accounts
- Keep bank account signature cards up to date with signers as designated in your bylaws
- Use Authorization to Transfer Funds Between Accounts form to transfer funds between your two PTA accounts (savings to checking, etc.)
- Use school address for bank statements
- An elected officer, other than the check-signers, should open and review the bank statement
- Do 5-minute Audit of bank statement
- Reconcile bank statements monthly
- Make certain you get photocopies of cancelled checks from the bank



RECENT CHANGES TO BANKING PROCEDURES

Payment via Electronic Funds Transfer/Bank Bill Pay Service

- Pay regular bills
- Pay RRF-1 annual fee

New Rules from US Treasury Department

- Personal Data
- “Collect, Validate and Screen”



* Do I LOOK like I pay my bills online ? *

THIRD PARTY PAYMENT PROCESSING VENDORS

PayPal

Separate bank account no longer required

Square

All fees incurred are income and must be recorded as such

Stripe

Use general ledger function to show transfers - list fees and net income separately

Venmo

Must set up account in PTA name, not individual

B of A Merchant Services

Consider fees when setting price

PTA FINANCES AND EMAIL PHISHING SCAMS

IF YOU RECEIVE AN EMAIL FROM A FELLOW PTA OFFICER ASKING TO WIRE FUNDS OR PURCHASE GIFT CARDS **DO NOT DO ANYTHING !!!**

Begin forwarded message:

From: "rin Jenks " <president@fourthdistrictpta.org>

Subject: Cost & Expenses!

Date: April 15, 2019 at 8:21:34 AM PDT

To: treasurer@fourthdistrictpta.org

Reply-To: "rin Jenks " <presidentoffice42@yahoo.com>

Hi Ellen,

Are you available? I need you to process a payment of \$5,800 to a vendor today.

Thanks

Erin Jenks

Hello Ellen

Can we process a transfer for \$7,850 today?

I will need you to take care of the transaction, kindly let me know in a return email so i will forward you the vendor details for payment. Thanks

Regards

Erin Jenks

Fiduciary Duties

- Care, loyalty & obedience over the business of the PTA
- The entire PTA Executive Board must make sure that all financial procedures are followed
- Protect the assets of the organization
- Ensure compliance with all laws
 - Federal, State, School District
- Ensure continuity of the organization
- Remain transparent
 - financial reports and minutes are simple, complete & clear

PTA FINANCIAL RESPONSIBILITY CHART

| <i>ACTION</i> | <i>EVENT/PROGRAM CHAIR</i> | <i>FINANCIAL SECRETARY</i> | <i>TREASURER</i> |
|--|--|---|---|
| <p>Collect Funds (Donations, Event Revenue)</p> | <p>Gets petty cash (if needed) from treasurer; treasurer writes check to event chair</p> <p>Collects & counts money with second board officer; signs verification</p> <p>Petty cash on separate verification</p> | <p>Picks up signed verification and funds from safe place</p> <p>Makes bank deposit</p> <p>Provides copy of verification and bank deposit slip to treasurer</p> | <p>Records deposit</p> <p>Verifies against bank statement (what if it is different?)</p> <p>Provides petty cash to event chair and records off-setting re-deposit entry</p> |
| <p>Disburse Funds (All expense payments and reimbursements)</p> | <p>Fills out a check request (with receipts if reimbursement) and gives to treasurer</p> | <p>No responsibility</p> | <p>Confirms expense is budgeted and budget funds released at association meeting</p> <p>Obtains ALL required approvals</p> <p>Record/keep paper copies</p> |
| <p>Budget</p> | <p>Estimates income and expenses for events and programs</p> | <p>No responsibility</p> | <p>Creates budget with committee</p> <p>Have association “adopt” budget</p> <p>Uses “budget to actual” report monthly to track income & expenses</p> |
| <p>Reporting (Monthly and annual)</p> | <p>Tracks event/program income and expenses and presents report at executive board and/or association meeting</p> | <p>Per unit bylaws, prepares and presents report at executive board and/or association meeting</p> | <p>Prepares and presents Treasurer’s Report and Budget to Actual Report at all executive board and association meetings; prepares Annual Financial Report</p> |

Financial Secretary Duties

Specified in bylaws, may include:

- Receives PTA money
- Gives receipt for PTA money received
- Deposits money into the PTA bank account
- Gives a copy of the deposit receipt and verification to the treasurer
- Records money received and deposits made
- Presents report at executive board and association meetings

TREASURER RESPONSIBILITIES

Weekly:

Obtain and Review Check Requests

- The expense must be budgeted and funds released
- The check request must be signed by the President and Secretary
- Check must be signed by **Two** authorized check signers (per by-laws)
- If the expense goes over budgeted amount, it may be paid if it is below the threshold designated in your unit by-laws; if the amount is above that threshold, you must obtain association approval (threshold usually \$500-\$1000)

Receive and retain copies of bank deposit slips and signed verification forms

Transfer funds between bank accounts as needed using the **Authorization to Transfer Funds Between Accounts** form OR a check (if between 2 checking accounts)

Obtain a completed **W-9 (Request for Taxpayer Identification Number)** from any person paid by the PTA. You may also need to supply one when requested. Here is the link to download the form: <https://www.irs.gov/forms-pubs/about-form-w-9>

Keep an accurate record of receipts and disbursements, which is a permanent record of the PTA. Keep paper copies of all verifications, check requests, transfers, and bank statements. Make notes for auditor as necessary.

TREASURER RESPONSIBILITIES

Monthly:

Work with the PTA president and, as needed, the school staff/principal to maintain updated financial information

Advise board members of the status of their individual budgets

Refer to your **Council Financial Calendar** and meet all deadlines

Remit Per-Capita membership dues using a unit remittance form

Reconcile the bank statement

Back-up financial files if using Quickbooks, Quicken, etc.

Attend monthly PTA meetings and

1. Prepare and present a **Treasurer's Report**; obtain approval of all checks/disbursements/transfers
2. Provide a current **Budget to Actual Report**
3. Move to release budgeted funds in order for expenses to be paid and obtain approval to pay bills between meetings (not to exceed budget)
4. Give your secretary a script to follow!

Note: A 501(c)(3) organization is required to have printed financials available upon request. DO NOT post your financial records online. OK to send out electronically ahead of the meeting to executive board, have paper copies at association meetings

TREASURER RESPONSIBILITIES

Annually:

Complete and forward and/or file all necessary forms required by the California State PTA, including

1. **Workers Compensation Annual Payroll Report** (due in January) - paper copy to council/district
2. State (**199**), Federal (**990**), and Attorney General Registry of Charitable Trusts Renewal (**RRF-1**) (due in November); Upload all of these forms to PTA EZ Document Management (your president has the log in); File electronically or mail **certified/return receipt** (proof of mailing)
3. Annual Financial Report; Upload to PTA EZ
4. Work with your unit auditor to help complete the mid-year and end of year audits - provide auditor paper copies and/or access to PTA EZ (if using)

Other Duties:

Chair the budget committee (treasurer-elect) and prepare a **Proposed Budget** for adoption at the last association meeting of the year and a **Budget** for adoption at the first association meeting of the year. Release funds for payment of ordinary and necessary expenses over the summer.

Obtain approval at last executive board/association meeting of new check signers and make sure names and offices reflected in the minutes.

Give copies of the **Adopted Budget and Accepted Annual Financial** to your unit president to turn in to council.

After July 1, make sure to update bank signature cards. Banks require that you provide copies of PTA meeting minutes from last executive board/association meeting showing approval of authorized check signers.

NEW PTA INSURANCE REQUIREMENT

The new PTA insurance guidelines now require that ***BANK RECONCILIATIONS*** must be signed monthly by a non check signer. Monthly reconciliations must be printed out, signed, and provided to auditor as part of audit files.

Annual Budget Guidelines

- The budget committee is organized/chaired by the incoming treasurer. Check by-laws for members.
- The **proposed budget** is adopted at the last association meeting of the year. This allows funds to be spent over the summer.
- Over the summer the proposed budget can be fine-tuned, and the **final budget** created. The final budget is adopted at the first association meeting of the year.
- The budget is a flexible document and can be amended at any association meeting by a two-thirds vote.
- Check your Standing Rules (contained in your by-laws) for any specific budget requirements.
- Make sure your president gives a copy of the final adopted budget to council. (Don't need to forward up changes that happen later in the year)
- Budgets **should** be balanced but ok if not. (Assumes carry-over funds)
- You can carry over money from one year to the next.
- General rule is **3 programs to 1 fundraiser** (count all passive fundraisers under one fundraising category)
- PTAs **cannot include** in their budgets money for personal gifts or to purchase gift cards for other purposes (but can reimburse a board member who purchases gift cards or write a check to a teacher/school for gift card purchases)
- All expenses must be included in the budget. If a new expense is suggested, the association **MUST** vote and approve that amendment to the budget before any money can be spent.
- PTAs can donate money to another non-profit if funds are budgeted.

SPECIFIC BUDGET CATEGORIES -

All Separate Line Items

- **List anticipated income/receipts:**

Carry-over funds from last year, membership dues (unit portion), fundraisers, donations, etc.

- **List anticipated receipts not belonging to unit:**

Council, District, State, National PTA dues

- **List anticipated expenses:**

Programs, assemblies, fundraising expenses, administrative costs (bank fees, officer expenses, insurance, training, etc.)

- **List anticipated expenses not belonging to unit:**

Council, District, State, National dues

HOSPITALITY EXPENSES

As a general rule, hospitality that is not part of a program should not exceed 5% of your total budget.

The separate “Hospitality” line item should cover refreshments served at your meetings. All other food and drink items purchased for a specific program or event should be included in the line item for that program or event and NOT in the general “Hospitality” line item.

DONATIONS RECEIVED FOR A SPECIFIC PURPOSE

Donations received for a specific fundraising purpose (ie a new computer lab) must be spent for that purpose OR returned to the individual donor

BUDGET (SAMPLE)

FISCAL YEAR _____

Name of Unit _____ IRS EI # _____
 Council _____ District PTA _____
 Bank Name _____ Account # _____
 Bank Address _____

BALANCE ON HAND from previous year \$ _____
ESTIMATED RECEIPTS

Interest income \$ _____
 Membership dues (unit portion only) \$ _____
 Fundraising (list individually) \$ _____
 _____ \$ _____
 _____ \$ _____
TOTAL \$ _____

RECEIPTS NOT BELONGING TO UNIT
 Council, district, State and National PTA membership per capita \$ _____
 Founders Day freewill offering \$ _____
TOTAL \$ _____
TOTAL RECEIPTS \$ _____

ESTIMATED DISBURSEMENTS

Operating expenses
 Membership envelopes \$ _____
 Insurance premium \$ _____
 Newsletter and publicity \$ _____
 Council/district PTA leadership workshops \$ _____
 Convention (State/National PTA) \$ _____
 Officers' and chairmen's reimbursement \$ _____
 Past president's pin \$ _____
 Honorary Service Award \$ _____

Program expenses
 Programs and assemblies \$ _____
 Reflections Program \$ _____
 Family Engagement \$ _____
 Emergency preparedness \$ _____
 Hospitality \$ _____

Fundraising
 Carnival \$ _____
 Book fair \$ _____
 Gift wrap \$ _____

Carry-over to next year \$ _____
Unallocated reserves \$ _____
TOTAL \$ _____

DISBURSEMENTS NOT BELONGING TO UNIT
 Council, district, State and National PTA membership per capita \$ _____
 Founders Day freewill offering \$ _____
TOTAL \$ _____
TOTAL DISBURSEMENTS \$ _____
BALANCE ON HAND \$ _____

Date

Treasurer's Signature

BALANCE ON HAND from previous year (7/1/2014) \$ **6,000.00**

ESTIMATED RECEIPTS

Book Fair \$ 3,750.00
 Donations \$ 300.00
 Jog-a-thon \$ 12,000.00
 Membership Dues (unit portion only) \$ 550.00
 Spirit Wear \$ 2,500.00
Total: \$ 19,100.00

RECEIPTS NOT BELONGING TO UNIT

Membership - council, district, State & National \$ 450.00
 Founders Day Freewill Offering \$ 50.00
Total: \$ 500.00

TOTAL RECEIPTS \$ **25,600.00**

ESTIMATED DISBURSEMENTS

Operating expenses

Bank Fees \$ 50.00
 Convention PTA \$ 2,500.00
 Council/District leadership workshops \$ 100.00
 Membership Envelopes \$ 45.00
 Insurance premium \$ 220.00

Program Expenses

Art Masters \$ 4,000.00
 Assemblies \$ 3,000.00
 Emergency Preparedness \$ 500.00
 Family Night \$ 200.00
 Field Trips \$ 6,000.00
 Red Ribbon \$ 150.00
 Reflections Art Program \$ 300.00
 Spirit Wear \$ 2,450.00

Fundraising Expenses

Book Fair \$ 2,200.00
 Jog-a-thon \$ 1,000.00

Carry-over to next year

\$ 6,000.00

Unallocated reserves \$ 2,385.00
Total: \$ **31,100.00**

DISBURSEMENTS NOT BELONGING TO UNIT

Membership - council, district, State & National \$ 450.00
 Founders Day Freewill Offering \$ 50.00
Total: \$ 500.00

TOTAL DISBURSEMENTS \$ **31,600.00**

BALANCE ON HAND (6/30/2015) \$ **-**

Treasurer's Signature

Date Adopted

MEMBERSHIP REMITTANCE

1. The amount your unit can charge for annual membership (which runs through the end of October) is determined in your by-laws. Your unit cannot change this amount without an official change in your by-laws.
2. You must forward up at least **15 members** to your council by the end of October to remain a unit in good standing. Use a remittance form.
3. In your budget, show membership as income and pass-through (income not belonging to your unit). The pass-through income category should match the pass-through expense category.
4. If you are using **Totem E-Membership** you should use a separate income budget line (“E-membership dues”) to track these payments which are deposited directly into your bank account. Totem deposits the unit share and automatically distributes the council, district, state, and national portions of the dues, you do not need to.

QUESTIONS?



"You're not allowed to use the sprinkler system to keep your audience awake."



Handling/Counting Money Received

- Two person rule
 - Not related by blood or marriage or living in the same household
 - One should be a PTA finance officer or chairperson and the other a PTA member
- Two people open mail that may contain cash or checks
- Two people work together handling/counting donations and membership dues
- Two people work together handling cash at PTA fundraisers
- Record all cash and every check on a Cash Verification Form
- Verification form must be signed by two PTA members/officers



Cash Verification Form

- Fill in activity or event
- Fill in # of members
- Each handler signs the form verifying that it is correct
- Each handler keeps a copy (or phone image) of the form
- After the cash/checks have been deposited in the bank, attach the bank deposit slip to the original Cash Verification Form and maintain the form for audit

Check Request System

Approval of the budget does not authorize anyone to spend money or expect reimbursement of funds spent on behalf of the association.
The executive board or association must vote to authorize committee/board members to spend association funds

- **Step One: release funds from the budget for each upcoming activity**
 - Only the association is authorized to release funds
 - “I move to release funds for the carnival, not to exceed budgeted amount”
- **Step Two: the requestor prepares a Payment Authorization Form**
 - Attach invoice or receipts
 - President and secretary sign the form
 - Treasurer writes the check
- **Step Three: treasurer writes check**
 - Record purpose on the memo line
 - Record the check number and date on the payment authorization form
 - Keep Payment Authorization forms for audit
- **Step Four: treasurer presents checks to be approved/ratified to the executive board and association**

PAYMENT AUTHORIZATION/REQUEST FOR REIMBURSEMENT

ATTACH ALL RECEIPTS TO THIS EXPENSE STATEMENT

Name _____

PTA Position _____

Address _____

City/Zip _____

Telephone (____) _____ Email _____

Expenditure was for: _____

List Expenditures: _____ \$ _____

_____ \$ _____

_____ \$ _____

_____ \$ _____

TOTAL EXPENSE \$ _____

Total Amount Claimed From Above \$ _____

Minus Advance Received \$ _____

Reimbursement Claimed \$ _____

Not claimed – donate to PTA \$ _____

Refund to PTA (Enclose Check) \$ _____

Signature _____ Date _____

FOR PTA TREASURER USE:

Membership-approved activity Funds released by membership

Executive Board-approved expenditure

| Check Number | Category | Amount Advanced | Expenses | Amount Owed or Due |
|--------------|----------|-----------------|----------|--------------------|
| | | | | |

President's signature: _____ Date: _____

Date approved in minutes: _____ Secretary's signature: _____

03/2009

Writing a Check

- Make sure Payment Authorization Form is completed and receipts or invoices are attached
- Two signatures on every check
 - Signers may not be related or living in the same household
- Record the check in the checkbook register (electronic or paper)
- Never sign a blank check

FIDUCIARY AGREEMENT: Gifting Money to your School for a Program or Purchase of Specific Item

Must be included with every check written to the school/school district.

Signed by president and treasurer.

Original to follow the check, keep copy and attach to check request.

Membership Dues

- Send payment of membership dues through channels (unit to council, council to district) monthly for any new members.
 - Dues amount per member:
 - National PTA = \$2.25
 - CA State PTA = \$2.00
 - 4th District PTA = \$0.60
 - Council = \$_____ (see bylaws for council portion)

 - Total to Send = \$_____
- Use remittance form provided by council.
- Council, district, state and national dues are not income to units and are not included as income on the tax return or on your budget.

Treasurer's Report

- Signed copy must be presented at every meeting, showing all activity since last meeting
 - Reports cover different time periods, depending on type of meeting
 - Covers either the period from association meeting to association meeting OR the period from executive board meeting to executive board meeting
- Include the dates covered in the report - choose the dates that work best
- List each bank account separately
- Include beginning balance (ending balance from last report)
- List all deposits since last treasurer's report
 - including date, amount, and purpose.
- List all checks paid since last treasurer's report
 - including check number, amount, recipient, and purpose.
- A Budget-to-Actual report must be presented monthly
- The treasurer's report is "filed for audit" - no motion needed.

Treasurer's Report for First Association Meeting of the Year

You will need to present **TWO** separate treasurer's reports at the first association meeting of the year:

1. Covering June 1-30 of the previous fiscal year (get check approvals)
2. Covering July 1-present for the current fiscal year

Both reports must be filed for audit

TREASURER'S REPORT (SAMPLE)

PTA
November 14, 2006 – December 14, 2006

CHECKING ACCOUNT

BALANCE ON HAND 11/14/2006 \$ 4250.00

INCOME

| | | | |
|-------|--|----------------|----------------|
| 11/15 | DEP: Carnival | \$ 1450.00 | |
| 11/17 | DEP: Membership Dues, unit portion (150 @ \$5) | 750.00 | |
| 11/22 | DEP: Book Fair | 349.50 | |
| 12/05 | DEP: Gift Wrap | 5000.00 | |
| 12/10 | NSF check #1113 – Book Fair purchase | (16.50) | |
| | TOTAL | 7533.00 | 7533.00 |

FUNDS NOT BELONGING TO THE UNIT INCOME

| | | | |
|-------|---|---------------|---------------|
| 11/17 | DEP: Membership, 150 @ \$4.00 (council/district/State/National PTA) | \$600.00 | |
| 12/10 | DEP: Founders Day Freewill Offering | 213.00 | |
| | TOTAL | 813.00 | 813.00 |

TOTAL INCOME \$12596.00

EXPENSES

| | | | |
|-----------|---------------------------------------|----------------|----------------|
| Ck # 3150 | Cajon Council, insurance premium | \$ 195.00 | |
| Ck # 3151 | Mary Smith, Carnival expenses | 55.00 | |
| 12/10 | Bank fee, NSF Ck # 1113 | 10.00 | |
| Ck # 3153 | Patty Harper, hospitality | 7.49 | |
| Ck # 3154 | Book Fair Company | 120.00 | |
| Ck # 3155 | VOID | | |
| Ck # 3156 | Cajon Council, convention/2 delegates | 260.00 | |
| Ck # 3157 | Susan Bird, office supplies | 15.29 | |
| Ck # 3158 | VOID | 0.00 | |
| Ck # 3159 | Beverly Anderson, postage | 3.70 | |
| 12/13 | Transfer to Savings | 5000.00 | |
| | TOTAL | 5666.48 | 5666.48 |

FUNDS NOT BELONGING TO THE UNIT EXPENSES:

| | | | |
|-------|---|---------------|---------------|
| #3152 | Cajon Council, 150 members @ \$4.00 (council/district/State/National PTA) | \$600.00 | |
| #3160 | Cajon Council, Founders Day Freewill Offering | 213.00 | |
| | TOTAL | 813.00 | 813.00 |

TOTAL EXPENSES \$ 6479.48

BALANCE ON HAND 12/14/2006 \$ 6116.52

SAVINGS ACCOUNT

BALANCE ON HAND 11/14/2006 \$ 8649.55

| | | | |
|-------|-----------------------------|-------------|--|
| 12/10 | DEP: Interest | 4.32 | |
| 12/13 | DEP: Transfer from Checking | 5000.00 | |
| | Withdrawals | 0.00 | |

BALANCE ON HAND 12/14/2006 \$ 13653.87

Signature _____ Date _____

Treasurer Motions

- “I am presenting the Treasurer’s Report from _____ to _____
Beginning balance is \$_____, Receipts are in the amount of \$_____,
Disbursements are in the amount of \$_____, Ending balance is \$_____”
(president asks if there are any questions, then states that the treasurer report will be filed for audit)
- “I move to approve/ratify check #_____ through check #_____ in the total amount of \$_____”
(2nd, president will restate/repeat motion, any discussion, then vote)
- “I move to approve disbursements/transfers in the amount of \$_____”
(2nd, president will restate/repeat motion, any discussion, then vote)
- “I move to release funds for _____ not to exceed the budgeted amount”
(2nd, president will restate/repeat motion, any discussion, then vote)

Audits



- Mid-year: covering 7/1 through 12/31
 - Usually done in January
- Year-end: covering 1/1 through 6/30
 - Usually done in July
- Also required when there is a change of a financial officer or check signer
- Separate audit must be done for each account
- Full audit including audit report, checklist and recommendations are presented to the executive board
 - Copy of full audit is forwarded through channels
- The one page audit report is presented to the association for adoption



TREASURER'S CHECKLIST FOR AUDIT

1. The audit from the previous period
2. Check requests for audit period
3. Deposit slips and verifications for audit period
4. Bank statements with signed reconciliation reports
5. Monthly treasurer's reports
6. Check register
7. Number of memberships forwarded up

Treasurer may not write checks while books are out to audit EXCEPT for expenses not belonging to the unit (pass-through)

| AUDIT CHECKLIST | | Unit Name _____ | Date _____ |
|---|--------------------------|--------------------------|------------|
| DESCRIPTION | YES | NO | |
| <input type="checkbox"/> Bylaws & Standing Rules <input type="checkbox"/> Budget(s) <input type="checkbox"/> Last Audit Report <input type="checkbox"/> Ledger <input type="checkbox"/> Checkbook register | | | |
| <input type="checkbox"/> Cancelled checks (including voids) <input type="checkbox"/> Authorizations for Payment <input type="checkbox"/> Cash Verification Forms | | | |
| <input type="checkbox"/> Bank statements, bank books and deposit slips <input type="checkbox"/> Receipts/bills <input type="checkbox"/> Cash receipts <input type="checkbox"/> Executive board minutes | | | |
| <input type="checkbox"/> Association minutes <input type="checkbox"/> Committee reports <input type="checkbox"/> Monthly Treasurer Report <input type="checkbox"/> Monthly Financial Secretary Reports | | | |
| <input type="checkbox"/> Annual Financial Report <input type="checkbox"/> Workers' Compensation Annual Payroll Report form <input type="checkbox"/> IRS Forms 990/990E/990N | | | |
| <input type="checkbox"/> State Form 199 <input type="checkbox"/> State Form RRF-1 | | | |
| If required: <input type="checkbox"/> IRS Form 941 <input type="checkbox"/> IRS Form 1099 <input type="checkbox"/> State Form DE-6 <input type="checkbox"/> State Form DE-542 | | | |
| Financial records provided: (Originals) | <input type="checkbox"/> | <input type="checkbox"/> | |
| Beginning Balance - Records | | | |
| 1. Check to see if amount shown on first bank statement (adjusted for outstanding checks and deposits) corresponds to the starting balance recorded in checkbook register, ledger, treasurer's report and ending balance of last audit | <input type="checkbox"/> | <input type="checkbox"/> | |
| Bank Reconciliation | | | |
| 1. All bank statements reconciled since last audit by treasurer and reviewed monthly by non-check signer | <input type="checkbox"/> | <input type="checkbox"/> | |
| 2. Ending balances (checkbook register, ledger and treasurer report) agree with last bank statement (adjusted for outstanding checks and deposits not posted to bank statement) | <input type="checkbox"/> | <input type="checkbox"/> | |
| 3. Deposits and Checks Written: (signed by two authorized check signers per the bylaws) | | | |
| a) Recorded in checkbook register | <input type="checkbox"/> | <input type="checkbox"/> | |
| b) Recorded in ledger in proper columns | <input type="checkbox"/> | <input type="checkbox"/> | |
| c) Agree with treasurer reports | <input type="checkbox"/> | <input type="checkbox"/> | |
| 4. Bank charges and interest recorded in checkbook register, ledger and treasurer reports | <input type="checkbox"/> | <input type="checkbox"/> | |
| Membership | | | |
| 1. Amount recorded and deposited equals total number of memberships # (members) @ \$ _____ (membership dues listed in bylaws) | <input type="checkbox"/> | <input type="checkbox"/> | |
| 2. Amount forwarded to council/district PTA equals total number of memberships # (members) @ \$ _____ (amount listed in bylaws) | <input type="checkbox"/> | <input type="checkbox"/> | |
| Insurance - premium(s) forwarded to council/district PTA by due date | <input type="checkbox"/> | <input type="checkbox"/> | |
| Minutes | | | |
| 1. All expenditures approved and recorded in executive board minutes (List those expenditures not approved on recommendation report) | <input type="checkbox"/> | <input type="checkbox"/> | |
| 2. All expenditures approved/ratified in association minutes (List those expenditures not approved on recommendation report) | <input type="checkbox"/> | <input type="checkbox"/> | |
| 3. Committee minutes record plans, proposed expenditures, and total of monies earned | <input type="checkbox"/> | <input type="checkbox"/> | |
| Authorizations for Payment (signed by secretary and president) | | | |
| 1. All authorizations written for approved amounts (List missing authorizations on recommendation report) | <input type="checkbox"/> | <input type="checkbox"/> | |
| 2. All authorizations have receipt/bill attached (List missing receipts/bills on recommendation report) | <input type="checkbox"/> | <input type="checkbox"/> | |
| 3. Authorizations match checks written | <input type="checkbox"/> | <input type="checkbox"/> | |
| Income | | | |
| 1. Deposits properly supported | <input type="checkbox"/> | <input type="checkbox"/> | |
| 2. Cash Verification Forms used with two people counting money | <input type="checkbox"/> | <input type="checkbox"/> | |
| 3. Income received matches deposits recorded in checkbook register, ledger and treasurer reports | <input type="checkbox"/> | <input type="checkbox"/> | |
| 4. Designated income spent as specified | <input type="checkbox"/> | <input type="checkbox"/> | |
| Financial Secretary Reports | | | |
| 1. Filed monthly | <input type="checkbox"/> | <input type="checkbox"/> | |
| 2. Receipts/Deposits agree with ledger & register | <input type="checkbox"/> | <input type="checkbox"/> | |
| Treasurer Reports | | | |
| 1. Filed monthly | <input type="checkbox"/> | <input type="checkbox"/> | |
| 2. Agree with ledger and checkbook register | <input type="checkbox"/> | <input type="checkbox"/> | |
| 3. Annual Financial Report | <input type="checkbox"/> | <input type="checkbox"/> | |
| Committee Reports | | | |
| 1. Committee reports for all fundraisers submitted or report in minutes. | <input type="checkbox"/> | <input type="checkbox"/> | |
| Reporting Forms and Tax Returns | | | |
| 1. Verify on Audit Report that all forms have been filed annually (if required) | <input type="checkbox"/> | <input type="checkbox"/> | |
| Audit Reports | | | |
| 1. Audit done semiannually | <input type="checkbox"/> | <input type="checkbox"/> | |
| 2. Prepare and present written report with recommendations to executive board | <input type="checkbox"/> | <input type="checkbox"/> | |
| 3. Present audit report to association for adoption | <input type="checkbox"/> | <input type="checkbox"/> | |
| 4. Forward report to the next level PTA (See Bylaws, Duties of Officers, Auditor) | <input type="checkbox"/> | <input type="checkbox"/> | |
| Audit Recommendations | | | |
| All "No" answers should be included in the report as recommendations to change financial procedures. At the completion of the audit, meet with president and financial officers to discuss recommendations and any corrections as needed. When errors have been corrected by a financial officer and accounts are accurate, draw a double line in red ink where the audit concludes on all records. Sign & date the audited materials. | <input type="checkbox"/> | <input type="checkbox"/> | |
| Mismanagement - Is mismanagement suspected? (Contact district PTA president immediately for assistance.) | <input type="checkbox"/> | <input type="checkbox"/> | |

AUDIT REPORT

Date _____ Fiscal Year _____
 Name of Unit _____ IRS EI Number _____
 Council _____ District PTA _____
 Bank Name _____ Account # _____
 Bank Address _____ City/Zip _____

Dates covered by this audit _____
Check numbers reviewed in this audit _____

BALANCE ON HAND at time of last audit _____ (date) \$ _____
RECEIPTS since last audit \$ _____
TOTAL \$ _____
DISBURSEMENTS since last audit \$ _____
BALANCE ON HAND _____ (date) \$ _____*

BANK RECONCILIATION
 Last **BANK STATEMENT** balance _____ (date) \$ _____
DEPOSITS not yet credited (**add to balance**) \$ _____
 \$ _____ \$ _____ \$ _____
CHECKS OUTSTANDING (List check number and amount)
 # _____ \$ _____ # _____ \$ _____ # _____ \$ _____
 # _____ \$ _____ # _____ \$ _____ # _____ \$ _____
TOTAL outstanding checks (**subtract from balance**) \$ _____
BALANCE in checking account _____ (date) \$ _____*
 *These lines must balance

I have verified that all tax forms, PTA- and government-required forms have been filed, if required.

The following is all that needs to be read when the auditor's report is given:

I have examined the financial records of the treasurer of _____
 PTA/PTSA and find them

correct Audit completed _____
 substantially correct with the following Executive Board Adopted _____
 recommendations
 partially correct more adequate accounting Association Adopted _____
 procedures need to be followed so that a more thorough audit report can be given
 incorrect Auditor's Signature _____
 Auditor's Printed Name _____

(Copies: unit president, secretary, and treasurer; council treasurer or auditor and district PTA treasurer or auditor as directed by the district PTA. Attach copy of tax form(s) to next level PTA, if required to file.)

Submit separate report of explanation and recommendations to executive board.
 A separate audit form must be completed for each bank account.

Annual Financial Report

- The Annual Financial Report covering the income and expenses for the entire fiscal year is to be completed by the outgoing treasurer
- Helps with completing Tax Filings



ANNUAL FINANCIAL REPORT (SAMPLE)
FISCAL YEAR _____

Name of Unit _____ IRS EI # _____
Council _____ District PTA _____

BALANCE ON HAND from previous year \$ _____

RECEIPTS

| | |
|---|-----------------|
| Savings account interest | \$ _____ |
| Checking account interest | \$ _____ |
| Membership dues (see portion only) | \$ _____ |
| Fundraising (net total gross income individually) | \$ _____ |
| xxx | \$ _____ |
| xxx | \$ _____ |
| Donations | \$ _____ |
| TOTAL | \$ _____ |

RECEIPTS NOT BELONGING TO UNIT

| | |
|--|-----------------|
| Council, district, state, and National PTA membership per capita | \$ _____ |
| Founders Day freewill offering | \$ _____ |
| TOTAL | \$ _____ |
| TOTAL RECEIPTS | \$ _____ |

DISBURSEMENTS (List Budget Categories)

Operating expenses

| | |
|--|----------|
| Membership envelopes | \$ _____ |
| Insurance premium | \$ _____ |
| Newsletter and publicity | \$ _____ |
| Council/district leadership workshops | \$ _____ |
| Convention (State/National PTA) | \$ _____ |
| Officers' and chairmen's reimbursement | \$ _____ |
| Past president's pin | \$ _____ |
| Honorary Service Award | \$ _____ |

Program expenses

| | |
|-------------------------|----------|
| Programs and assemblies | \$ _____ |
| Reflections Program | \$ _____ |
| Family Engagement | \$ _____ |
| Emergency preparedness | \$ _____ |
| Hospitality | \$ _____ |

Fundraising

| | |
|--------------|-----------------|
| Carnival | \$ _____ |
| Book fair | \$ _____ |
| Gift wrap | \$ _____ |
| TOTAL | \$ _____ |

DISBURSEMENTS NOT BELONGING TO UNIT

| | |
|--|-----------------|
| Council, district, state, and National PTA membership per capita | \$ _____ |
| Founders Day freewill offering | \$ _____ |
| TOTAL | \$ _____ |
| TOTAL DISBURSEMENTS | \$ _____ |

BALANCE ON HAND

Signature _____ Date _____

Tax Filings

PTA is a tax-exempt nonprofit and should not have to pay taxes, but must file annual tax returns

- IRS
 - 990N if Gross receipts are less than \$50,000
 - 990 or 990EZ if Gross receipts are more than \$50,000
- Franchise Tax Board
 - 199N if Gross receipts are less than \$50,000
 - 199 if Gross receipts are more than \$50,000
- Attorney General's Office of Charitable Trust Registration RRF-1
- Raffle Report (if raffle was held with raffle permit)
 - Due Oct. 1
- The PTA Board is legally responsible for filing these. The treasurer oversees the filing.
- Filings are due November 15
 - For fiscal year ending 6/30
- TAX FILING SUPPORT CENTER at www.capta.org
 - click PTA Leaders, click Services, click Tax Filing Support Center

TAX FILINGS continued

Name of Organization:

It may be listed as ***PTA California Congress of Parents Teachers & Students Inc***

This is the umbrella name for all PTA units in the state

DBA:

Means “Doing Business As”

This is your Legal Unit name as listed on the cover of your by-laws

TAX FILING LINKS

State Franchise Tax Board:

https://www.ftb.ca.gov/online/199N_ePostcard/index.asp

Attorney General Registry of Charitable Trusts:

<https://oag.ca.gov/charities/renewals>

Internal Revenue Service:

<https://www.irs.gov/charities-non-profits/annual-electronic-filing-requirement-for-small-exempt-organizations-form-990-n-e-postcard>

Raffle Report:

<https://oag.ca.gov/charities/raffles>



PTA Insurance

- Pay insurance on time to avoid a \$25 late fee
- You will be notified by council when to pay and amount to pay
- Be familiar with the Insurance Loss Prevention Guide – if you have questions, contact:

capta@aim-companies.com

(800) 876-4044 or (214) 360-0801

Insurance guide online:

<https://capta.org/pta-leaders/services/insurance/>

Includes approved vendors and vendor insurance requirements AND waiver forms

- Insurance covers allowable PTA activities and volunteers
- Protects if there is injury or accident
- Protects against theft if all financial procedures are followed
- Protects officers against lawsuits



Financial Forms

Forms section of the toolkit at www.toolkit.capta.org

- Conflict-Whistleblower
 - each officer and chairperson completes a form. Treasurer keeps with financial documents
- Fiduciary Agreement
 - use when gifting money to school
- Request for Advance
- Authorization to Transfer Funds
- Authorization For Payment Via EFT/Bank Bill Pay Services
- Unit Remittance
 - use when remitting payments to council
- Workers' Compensation Annual Payroll Report
 - each unit and council must complete and forward through channels (even if no employees)

PTA Resources

- PTA Toolkit
 - www.toolkit.capta.org
- Council PTA Officers
- Fourth District PTA
 - www.fourthdistrictpta.org
 - 714-241-0497
- CA State PTA
 - www.capta.org

Financial Calendar of Activities

UPON ELECTION/MARCH/APRIL

- President-elect appoints the budget committee to develop the budget based on proposed PTA programs for the upcoming year.
- Treasurer-elect chairs budget committee.

MAY/JUNE

- Present proposed budget for adoption to the current executive board and at the last association meeting of the year.
- Association must approve and release any funds required prior to the next association meeting in the fall. This allows the board-elect the ability to cover routine summer expenses as outlined in the bylaws.

AUGUST/SEPTEMBER

- Re-present budget to association for adoption at its first meeting. Release any funds required prior to the next association meeting.
- Send approved audit and accepted year-end financial report and current year budget to council or district.
- Send the first remittance of per capita dues **through PTA channels**. Send dues as received and at least **monthly** thereafter.
- **through channels:** *The route of formal communications through the PTA. Typically from unit to council, council to district PTA, district PTA to California State PTA.*

OCTOBER

- Prepare tax forms and file as required. Upload copies to PTAEZ Document Management. Turn in hard copies to council.
- Send checks for insurance premiums **through channels**.
- Send checks directly to the council or, if out of council, to the district, by the appropriate council or district deadline. The premium must be forwarded through PTA channels to be received in the CA State PTA office by December 20, or a late fee of \$25 will be assessed.

NOVEMBER/DECEMBER

- Balance membership totals with council and district membership reports in preparation for audit.
- Prepare books and financial records for the mid-year audit.

Financial Calendar of Activities, cont.

JANUARY

- Submit books and financial records for mid-year audit, as specified in the bylaws.
- Ensure that Workers' Compensation form and additional premium, if required, have been forwarded through channels by the appropriate due dates.

FEBRUARY

- Send Founders Day freewill offering through channels to district PTA, when collected. The event may be held during a month other than February.
- Register for convention.

MARCH

- Elections held. All PTAs must have a President, Secretary and Treasurer to remain in good standing.

APRIL

- Issue convention checks for authorized expenditures for elected delegates.
- Begin transitioning with newly elected financial officers.

MAY/JUNE

- Attend workshops for financial officers.
- Submit books and financial records to outgoing auditor for end-of-term audit, as stipulated in the bylaws (after close of fiscal year).
- Give financial records and materials to the incoming financial officer (except those in audit).
- Obtain new bank account signature cards to assist incoming officers. The treasurer-elect should contact the bank to determine the requirements for changing authorized signers.
- Prepare Annual Financial Report that reflects the fiscal year. The fiscal year is listed in the bylaws and for units in Fourth District is July 1 to June 30.
- Ensure all per capita dues have been forwarded through channels so membership numbers balance for audit.

Sample Bank Letter for Change of Signatories

June 25, 2019

To Whom it May Concern,

Effective July 1, 2019, please change signatures on Account number(s) _____
for the _____ Sunshine _____ PT(S)A as follows:

Remove: Jane Smith as Treasurer

Change: Ann Jones from President to Treasurer

Add: Thomas Anderson as President and Susan Reed as Executive Vice President

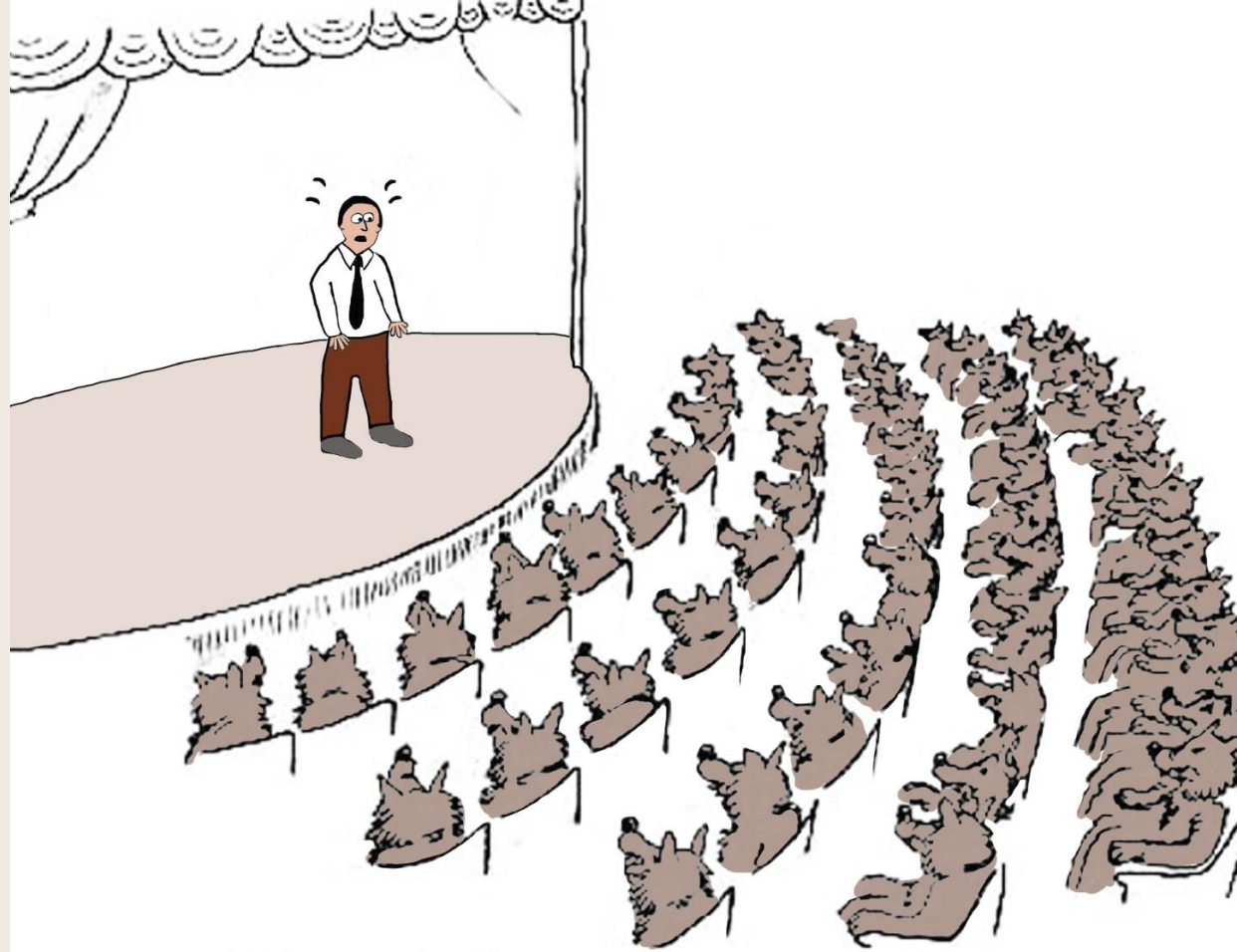
Thank you,

Jane Smith

Treasurer, Sunshine PTA

QUESTIONS?

Thank you for attending!



“I’m a little nervous. You see, I didn’t expect to be thrown to the wolves.”