I'm the New Treasurer – What Do I Need to Know?

- Every Board member has a fiduciary responsibility to protect the assets of the PTA
- Financial officers have the responsibility to ensure:
  - Financial transactions are reported properly
  - Transactions are transparent to board members and members of the association

First Things First

- Review job descriptions
- Visit the bank immediately upon taking office
  - Add new check signers
  - Verify old signers are removed
  - Verify no ATM cards are associated with account
- Revise the budget
WHAT'S NEXT?

- Make sure the year-end audit is completed and reviewed by at least one additional non-check signer
- Arrange for a non-check signer to:
  - Open, sign, and review bank statement monthly (see 5 Minute Audit)
  - Review and sign monthly bank reconciliations
- File Federal and State taxes and the RRF-1
- Review Toolkit and Bylaws

ANYTHING ELSE?

- Make contact with council/district treasurer to determine due dates
- Get your financial books in order
  - Computer or manual ledgers and register
  - Train officers/chairmen on use of Cash Verification form and how to count cash
  - Provide Payment Authorization/Request for Reimbursement form and instructions to officers/chairmen
FIRST ASSOCIATION MEETING
WHAT HAPPENS HERE?

- Auditor presents year-end audit for adoption
- Present Annual Financial Report
- Request approval of proposed programs and fundraisers
- Present proposed budget for adoption
  - Request release of funds for fall programs

FIRST ASSOCIATION MEETING
WHAT HAPPENS HERE?

- Present treasurer’s report(s)
  - Each bank account requires its own report
  - Report should start with end-date of previous report
  - Request ratification of checks written since last association meeting
**OTHER THINGS TO DO**
- Forward copies of year-end audit, approved budget, annual financial report and tax returns to council (or district if out-of-council)
- Forward membership remittances monthly
- Forward insurance premium and Workers Compensation form by due dates
- Prepare a treasurer report for every PTA meeting

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**CASH VERIFICATION FORM – WHAT IS IT?**
- Specifies event or activity and date
- Details all money collected
  - Includes number of memberships
  - Signed by the two (2) people who count money & the treasurer
  - Included in treasurer’s records for every deposit

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**CASH VERIFICATION FORM PRACTICE**
- On November 2, XYZ PTA collected 7 memberships and 2 donations for a total of $319.00
  - 3 checks for a total of $205.00
    - Check number 256 for $58.00 – 4 memberships & a $30.00 donation
    - Check number 1236 for $7.00 – 1 membership
    - Check 589 for $240.00 – 1 donation
  - $14.00 in cash – 2 memberships
    - 1 $10.00 bill
    - 4 $1.00 bills
## Payment Authorization Forms

- Completed for every check issued
- Must include:
  - Date
  - Check number
  - Payee
  - Category
  - Description
  - Amount

## More about Payment Authorization Forms

- Signed by the person submitting the request
- Approved by the event chairman or vice president in charge of the event
- President and recording secretary sign showing disbursement has received final approval from the executive board or association
PAYMENT AUTHORIZATION FORM PRACTICE

- On November 7, 2018, XYZ PTA wrote check 1209
  - Dan's Donuts for $39.50
  - Breakfast with Buddies
- On November 15, 2018, XYZ PTA wrote check 1210
  - GHI Council PTA for $1,550.00
    - Council, District, State, and National portion of membership dues for 310 members
TOTEM E-Membership System

- New option for encouraging membership
  - Not meant to replace traditional methods
  - Funds forwarded to unit, council, district & State directly
  - Electronic membership cards
  - Source of donations
  - Auto-renewal option available

UNIT REMITTANCE FORM

- Use when forwarding funds to council/district
- Details what the funds cover
- Serves as a receipt to show the funds were received by council/district
- Do NOT remit membership dues received through TOTEM
DEPOSITS ARE DONE, CHECKS ARE WRITTEN – WHAT’S NEXT?

- Receipts and disbursements must be recorded in a ledger
- Ledgers come in different forms
  - Handwritten or computer generated
  - PTA-EZ or some other software
- Ledgers are a permanent record of the unit and are kept forever

BANK STATEMENTS AND THE BANK RECONCILIATION

- Bank statements should be mailed to the school if possible
- An officer who is a non-signer, preferably the auditor, should open, review, and sign the statement first
- Statements are reconciled every month
- Tip for making reporting easier –
  - Change the bank statement reporting period to a month-end cycle

MONTHLY TREASURER’S REPORT

- Starts with balance as of the last reported period
- Shows total receipts since last report
  - Separate PTA funds not belonging to unit from funds belonging to unit
- Shows total disbursements since last report
  - Separate PTA funds not belonging to unit from funds belonging to unit
- Shows balance as of end of reporting period
- Once presented, the report is filed for audit
Insurance premiums are due in November or December each year
- Base Workers Comp insurance premium covers gross wages of all persons hired up to $1,000
- PTAs that pay wages over $1,000 must pay an additional premium of 5.0% of total gross wages less $1,000
- Completed Workers’ Compensation forms must be turned in whether or not wages are paid

All PTAs must file a Federal and a State tax return
- Due the 15th day of the fifth month after the end of the fiscal year (4½ months). For fiscal years ending June 30th, filings are due November 15th
- Consulting with an accountant or tax professional specializing in nonprofit 501(c)(3) is recommended
TAXES AND OTHER IMPORTANT FILINGS

- Copies should be uploaded to PTAEZ Document Management Module
- Copies should be forwarded to the council or district PTA
- Failure to file will result in the IRS and/or Franchise Tax Board revoking the PTA’s tax exempt status

RRF-1 FORM

- RRF-1 form (registration/renewal fee report) must be filed with the Attorney General’s Registry of Charitable Trusts annually within four months and 15 days after the end of fiscal year (by November 15th for fiscal years ending June 30th)
- Failure to file the RRF-1 will result in fines & suspension by the Attorney General

S1-100 FORM

- All incorporated units and councils must file the S1-100 form (Statement of Information) with the Secretary of State every other year 5 months after the month incorporated
  - Date incorporated – even year, file every other even year
  - Date incorporated – odd year, file every other odd year
MISMANAGEMENT OF FUNDS

- Contact your council and/or district president IMMEDIATELY if mismanagement is suspected!
- PTA funds are protected when correct financial procedures are followed
- Raises questions about integrity of individual(s) in charge of PTA funds
  - 78% of losses are traced to the president, treasurer or person in charge of a fundraiser
  - 22% of losses are traced to an outside person

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Questions Anyone?

FINANCIAL RESOURCES

- California State PTA Toolkit: toolkit.capta.org
- California State PTA website: www.capta.org
- Tax Filing Support Specialist: taxinfo@capta.org
- Bylaws
- Insurance Guide
- Attorney General: www.ag.ca.gov
- IRS: www.irs.gov
- California Franchise Tax Board: www.ftb.ca.gov
- Secretary of State: www.sos.ca.gov