

**FINANCIAL BASICS –
PARTS 1 & 2
HOW TO BE A GREAT TREASURER**

Kathy Corzine – California State PTA Treasurer
2017 Regional Leadership Conference

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**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 for board members and members of the association

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FIRST THINGS FIRST

- Review the Financial 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 that was developed in the spring

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WHAT'S NEXT?

- Make sure the year-end audit is completed
- Arrange for a non-check signer (auditor) to review bank statement monthly (See 5 Minute Audit)
- File both Federal and State taxes no later than November 15th
- Review *Toolkit* and Bylaws

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ANYTHING MORE?

- 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

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FIRST ASSOCIATION MEETING WHAT HAPPENS HERE?

- Present year-end audit for adoption
- Request approval of proposed programs and fundraisers
- Present proposed budget for adoption
 - Request release of funds for fall programs
- Present treasurer's report
 - Request ratification of checks written since last association meeting

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OTHER THINGS TO DO

- Forward copies of year-end audit, approved budget, annual financial report and tax returns to 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
- Should be included in backup for each deposit

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Cash Verification Form Practice


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PAYMENT AUTHORIZATION FORMS

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


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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

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Payment Authorization Form Practice


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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


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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


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Ledger Practice

- Things to Remember
 - Complete entries as soon as possible
 - Check your work

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BANK STATEMENTS AND THE BANK RECONCILIATION

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

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Bank Reconciliation Practice

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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
- Present report at meeting and file for audit

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WORKERS COMPENSATION AND INSURANCE PREMIUMS

- Insurance premiums are due in 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 WC 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

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TAXES AND OTHER IMPORTANT FILINGS

- 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, i.e., November 15th (4½ months)
- Consulting with an accountant or tax professional specializing in nonprofit 501(c)(3) is recommended

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TAXES AND OTHER IMPORTANT FILINGS

- Copies must 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

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RRF-1 FORM

- RRF-1 form (registration/renewal fee report) must be filed with the Registry of Charitable Trust annually within four months and 15 days after the end of fiscal year
- Failure to file the RRF-1 will result in suspension by the Attorney General

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SI-100 FORM

- All **incorporated** units and councils must file the SI-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

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MISMANAGEMENT OF FUNDS


- 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?


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**FINANCIAL BASICS –
PART 3
BUDGETS MADE EASY**

Kathy Corzine – California State PTA
Treasurer


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GETTING STARTED


- o Goals and programs drive your budget
- o Board-elect meets to decide on tentative goals
- o Meet with principal
- o Ask teachers and staff
- o Involve the association members

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**WE'VE GOT THE INFO –
WHAT COMES NEXT?**


- Compare your tentative goals to the info received
- Determine your final goals for the year
- Decide what funds you need to meet the goals
- Determine what activities will provide the funds necessary



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THINGS TO REMEMBER

- 3 to 1 Rule
 - For every 1 fund raising activity there should be 3 non-fund raising activities
- Make sure to include operating expenses
 - Insurance premiums
 - Council/district workshop fees
 - Council/district association meeting fees
 - California State PTA Convention
 - National PTA Convention



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Questions Anyone?



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FINANCIAL RESOURCES

- California State PTA *Toolkit*
- California State PTA website: www.capta.org
- Bylaws
- Insurance & Loss Prevention 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

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