

# I'M THE NEW TREASURER ~ WHAT DO I NEED TO KNOW?

- <u>Every</u> 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

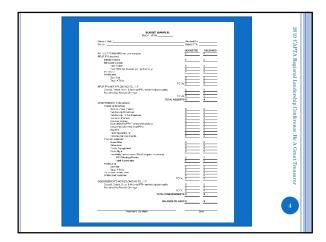
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### FIRST THINGS FIRST

- 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, <u>sign</u>, and review bank statement monthly (See 5 Minute Audit)
  - Review and <u>sign</u> monthly bank reconciliations
- o File Federal and State taxes and the RRF-1
- o Review Toolkit and Bylaws

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### **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

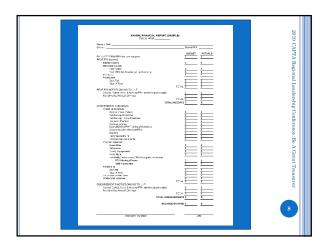


# FIRST ASSOCIATION MEETING WHAT HAPPENS HERE?

- 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

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# 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 <u>every</u> PTA meeting

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#### CASH VERIFICATION FORM – WHAT IS IT?

- Specifies event or activity and date
- o 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

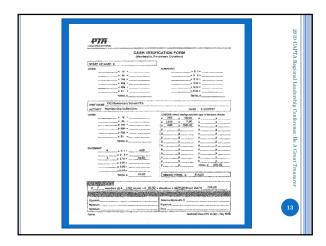
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#### CASH VERIFICATION FORM PRACTICE

- o On November 2, XYZ PTA collected 7 memberships and 2 donations for a total of \$319.00
  - 3 checks for a total of \$305.00
    - o Check number 256 for \$58.00 4 memberships & a \$30.00 donation
    - Check number 1326 for \$7.00 1 membership
    - o Check number 1326 for \$7.00 1 membership
    - ${\color{red} \bullet}$  Check 589 for \$240.00 1 donation
  - \$14.00 in cash 2 memberships
    - 1 \$10.00 bill
    - o 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
    - o 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

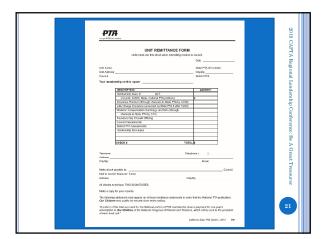
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#### UNIT REMITTANCE FORM

- 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
- 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

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## 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

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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
- Once presented, the report is filed for audit





## WORKERS COMPENSATION AND INSURANCE PREMIUMS

- 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
- o 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

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#### TAXES AND OTHER IMPORTANT FILINGS

- All PTAs must file a Federal <u>and</u> a State tax return
- Due the 15<sup>th</sup> day of the fifth month after the end of the fiscal year (4½ months). For fiscal years ending June 30<sup>th</sup>, 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

- o 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

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#### 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 15<sup>th</sup> for fiscal years ending June 30<sup>th</sup>)
- Failure to file the RRF-1 will result in fines & suspension by the Attorney General

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#### S1~100 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



#### 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?

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#### FINANCIAL RESOURCES

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

