








Fiduciary


Adjective...involving trust, especially with regard to the relationship between a trustee and a beneficiary.



PTA Board's Fiduciary Duty

Ensure financial procedures and laws are followed

It is the responsibility of ALL board members



Responsibilities of the Board

- Protect Assets
- Ensure Compliance
- Serve Beneficiaries
- Ensure Continuity and Transparency



Financial Reports


Budget	Taxes
Annual Financial Report	990N/990EZ/990 to the IRS
Monthly Treasurer's Report	199N/199 to the Franchise Tax Board
Budget to Actual Update	RRF-1 & CT-TR-1 to the Attorney General
Audits - Mid Year and End of Year	Raffle application and report



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Budget

An estimate of income and expenditures for a set period of time, usually one year




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Budget

- Goals based
- Programs
- Fundraisers
- Membership
- Budget - spring
- Budget - fall
- Evaluation



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*Budget should be
program driven
not
revenue driven*

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Monitoring the Budget

- Entire Board's responsibility
- Revenues and Expenses
- Expenses within budget
- Working document



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Treasurer's Report

- Produced monthly for the Executive Board Meeting
- Produced at every General Association Meeting
- Must show time period being covered, beginning balance, ending balance and all activity.
- Must list who received money and what line item on the budget was charged
- Same applies to money that was received

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Audits

- Produced twice a year: Mid-year and End of Year
- Auditor must not be a check signer and cannot be related to check signers by blood, marriage or live in the same household
- Audit Review Committee
- Upload into MyPTEZ



Annual Financial Report

- IRS Requirement
- Shows income and expenses for the fiscal year
- Often referred to as "Budget vs. Actuals"
- Uploaded in MYPTZ



Taxes

- Filed 4 months and 15 days after the end of the fiscal year
- 3 separate entities
 - IRS
 - Franchise Tax Board (FTB)
 - Attorney General (AG)




Internal Revenue Service - IRS

Gross receipts normally:

- ≤ \$50,000 = 990N (ePostcard)
- \$50,001-\$200,000 = 990EZ
- > \$200,000 = 990



****Schedule A!!!**



Franchise Tax Board - FTB



Gross receipts normally:

- ≤ \$50,000 = 199N (ePostcard)
- > \$50,000 = 199

ATTORNEY GENERAL – RRF-1

- Gross receipts should match IRS & FTB filings
- Assets usually = the amount of money in your various accounts
- Copy of 990EZ/990 or CT-TR-1 mailed with RRF-1
- Internal audit is **not** an audit prepared
"In accordance with generally accepted accounting principles"
- Fees dependent upon Gross Receipts
- **NEW REQUIREMENT:**
- CT-TR-1 needs to be filed with every RRF-1 that shows ≤\$50,000 in income

Raffle Permit and Reporting

- Only if you are holding a raffle!
- Apply in the beginning of September
- Keep records of each raffle conducted
- File Raffle Report annually in October- MANDATORY
- <http://ag.ca.gov/charities/forms.php>



Financial Procedures

- Approvals
- Money handling
- Authorization/Reimbursement/Advances
- Letters of Determination (LOD)

Approvals

- We practice TRANSPARENCY
- Items to present at the 1st Association Meeting of the year:
 - Treasurer's report
 - List of payments made/checks written for ratification
 - Adoption of audit
 - Approval of programs and fundraisers
 - Approval of budget

Money Handling

- Guidelines pertain to cash as well as checks
- Never leave money unattended
- 2 people (minimum) always need to count funds
 - Count in a secure location
 - Fill out and SIGN the Cash Verification Form
 - 2 counters cannot be related by blood, marriage or live in the same household
 - Secure the money ASAP or deposit in the bank



Payment Authorizations, Reimbursements, Advances

- No reimbursements should be done without paperwork and receipts
- The approval process must be followed
- All Payment Authorization forms must be signed by the President and Secretary
- Cash Advances are allowed
 - Make sure guidelines and expectations are outlined before advance is given



Expenditure Process

- Budget approved
- Plans presented
- Plans authorized
- Expenditures made



Letters of Determination (LOD)

- Legal proof of non-profit status
- Companies may ask for a copy of this letter when considering a donation to your PTA
- Available from California State PTA (not the IRS)
- Is available during the summer for the new fiscal year
- Is issued in the name of the current president
- Unit or Council must be in good standing with all governmental agencies



Insurance Coverage

- Insurance Guide
 - Allowable activities
 - Proof of insurance
 - Claim forms
- Various types of coverage
 - Directors and Officers
 - General Liability (Accident)
 - Fidelity Bond (Theft)



Questions