



PTA TREASURERS

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Today's Objectives

- Discuss duties of treasurer position
- Outline the budget workflow
- Understand the importance of documentation
- Financial review guidelines
- Tax Filings
 - Understand the three different types of IRS Form 990s
- Q&A

ACCOUNTABILITY

It is not only what we do,
but also what we do not do,
for which we are accountable.

[Moliere]



Duties of the Treasurer

- Study all references to dues and finance in the local, state and national bylaws and in the national and state PTA handbook.
- Receive all monies for all accounts.
- Deposit all monies promptly in the bank.
- Pay all bills and expenses by check.
- Keep an accurate and detailed account in the treasurer's book.
- Submit a written report at each regular meeting including balance on hand.



More duties...

- Keep the record of the national and state dues separate from other monies in the account.
- Forward state and national PTA dues collected to the state PTA treasurer monthly.
- Collaborate with the membership chair and secretary in keeping an accurate list of the unit's membership.
- Preserve all vouchers, receipts, bank statements and cancelled checks.
- Prepare all books, papers and bills and other documentation for your successor
- Keep all records for 7 years



Records (aka The Box)

- The Treasurer's records consist of:
 - Ledger
 - Copy of the Budget
 - Bank statements and cancelled checks
 - Receipts & Vouchers
 - Checkbook
 - Meeting Minutes
- Although the treasurer keeps the books, the financial records belong to the organization
- Turn everything over to the new treasurer when your term is complete



Other important papers to keep:

- A copy of the units bylaws
- Copies of Form 990 (IRS)
- Employer Identification Number
- State Tax information
- 10 years of Audits
- 7 years of unit financial activity
- 3 years of budgets

Ledger

- QuickBooks (or similar software)
 - Consistency
 - Standard Reports
 - (Online) multiple user access
- Excel
 - User-friendly
 - Needs 3rd party interpretation/analysis
- Old school
 - It still works
 - Tedious



Budget

- The fiscal year begins on 7/1
- To record in monetary terms what the realistic and approved goals of the PTA.
- To provide a tool to monitor the financial activities of the PTA throughout the year.
- Please remember, a 501(c)3 organization cannot obligate any future boards to a contract.

ACTUAL RECEIPTS	
Local Membership Dues	3,000.00
Bank Interest	100.00
Donations	-
Fundraising Projects:	
Book sale	600.00
Founders' Day	300.00
Community Sponsorship & Grants	1,000.00
Other Income	50.00
TOTAL ACTUAL RECEIPTS	\$ 5,050.00
ACTUAL EXPENDITURES	
Administration	
Supplies	50.00
Printing	700.00
Postage	300.00
Liability Insurance	150.00
Leadership Education	
District/Council Conferences	500.00
State PTA Convention/National PTA Convention	400.00
Committees	
Membership Programs	300.00
Volunteers	
Award(s)	50.00
Special Appreciation Awards	
Projects	
Carnival	200.00
Book Sale	245.00
Reflections	300.00
Parent Involvement	300.00
Student Enrichment Grants	150.00
Self-Esteem Programs	200.00
Reading Scholarships	100.00
TOTAL ACTUAL EXPENDITURES	\$ 4,035.00
TOTAL BUDGET	\$ 1,015.00

Budget

- Normally prepared by the executive board
 - Based on the PTA objectives
 - Based on goals of the unit
 - Based on historic financial information (i.e. the prior year's budget)
- Should be presented to and voted on by your board
 - Executive board
 - Committee chairs, etc.
- The budget is not official until the general PTA membership has had a chance to view and vote it.
 - Usually handed out at the first PTA meeting
 - Consider publishing in your newsletter
 - Consider posting on the school website



Voucher System

- Used for reimbursement
- Used for check request
- **Important part of paper trail**
- Any receipts or other documentation should be attached to the voucher.

Membership PTA Council
Check Requisition and Reimbursement Request

Please submit to the treasurer with support documentation (receipts, invoices or quotes)

Pay to: _____ Amount \$ _____
OR
This receipt is to be reconciled with the monthly statement from vendor: _____
OR
This receipt supports a gift card transaction from _____

Purpose of expenditure: _____ Date invoice due: _____

Please charge the following account for this request: _____ Remaining balance \$ _____

In this amount within the approved budget? _____ Remaining balance \$ _____

If the purchase was over \$500, and was paid directly by you, send a PTA Council check back to me used for this request.

CHECKS ONLY: ☐ Check if the order has not yet been placed

Mail directly to vendor, per attached invoice ☐ Include a copy of invoice with check ☐

Mail directly to vendor at this address: _____

Leave for me in the office or in my PTA box: _____

Mail to me at this address: _____

Requested by: _____ Contributor: _____ Date: _____

Treasurer use only:
Check # _____ Check amount \$ _____ Date paid: _____
Within budget: _____ Amount of sales tax to be reimbursed \$ _____

Receipts

- Receipt **all** transactions
 - Membership money
 - Fundraisers
 - Donations
 - Petty cash
- **Two people** should always count the money.
- **NEVER** deposit PTA funds in a personal account or a school account.
 - School funds are public monies and PTA funds are private monies.
- **NEVER** "pass" school money through a PTA account
 - This adds to your gross receipts and could have filing consequences with the IRS.



Money & Checks

- No school employee should have signature authority on PTA checks unless they are a duly elected PTA officer.
- The PTA should never 'give' money to the school (or any person or organization) without a specific use for the money. The IRS (and your members) hold you accountable for the use of that money. If you give someone money, they are expected to provide you with a receipt that states **how that money was used**.



Payments

- Pay all obligations by check.
- **Never pay in cash.**
- Checks create a paper trail of all expenses that can validate a transaction.
- Never sign a blank check.
- Funds not spent in one budget year should be held and included in the new budget. No PTA Board has the authority to write checks to the school or the principal or for unbudgeted items to "clean out" the account.
- **There should not be a PTA debit card!**
 - Why?? See bullet #1



Checks

- Two signatures on all checks
 - Treasurer and President
- 3 names should be authorized to sign checks in case 1 person is unavailable.
- Individuals with a close personal relationship (husband & wife) should not both be authorized to sign checks.
- Never sign a blank check...I'm serious!
- Never sign a check to yourself



Membership Income

- The \$4 state and national portions of the dues do not belong to the unit and are never recorded as part of local PTA income. In accordance with the bylaws, this money must be sent into the State PTA Office monthly.
- To solicit memberships and then fail to forward State and National dues is a fraudulent act.
MemberHub to the rescue!
- Membership payments received after the cut off date are added to the next year.



Contracts



- Only the president is authorized to negotiate and sign a contract.
- Contracts signed by anyone other than the president may not be legally binding to the PTA. The signer may be personally responsible.
- If the unit is not incorporated, the contract signer (including the president) can become financially responsible if something goes wrong with a fund raising project.

Financial Review

- Financial Review committee is appointed by the board
- Does not include someone who handles any of the financial records
- Protects both the organization and the treasurer
- Reports findings to the board
- Preparation for a Financial Review
 - Obtain a copy of the last Financial Review report
 - Current year's approved budget
 - Copy of all meeting minutes
 - Checkbook and canceled checks
 - Bank statements and deposit receipts
 - Treasurer's book or ledger; printout if kept electronically
 - Itemized statements and receipts of bills paid
 - Vouchers
 - Current bylaws
 - Any additional information requested by the Financial Review Committee



Monthly Financial Reviews



- No set reporting format that must be used (not reported to NCPTA)
- Not only required by bylaws, but also by many insurance companies
 - Failure to perform these reviews (if required by insurance) can be grounds for denial of an insurance claim by your insurer.
- Quick procedure (may be done in just a few minutes)
- You really need an audit committee in order to do this – CPAs rarely perform these sorts of monthly procedures.

Financial Review When Financial Officer Leaves Office

- Provides protection for both the outgoing officer and the incoming replacement officer
- Recommend using the annual review checklist and reporting format
- Good idea to update in the NCPTA database the date of the review.
- Note that the NCPTA database stores only one annual review date – so this WILL REPLACE your most recent annual review confirmation date with a different time period.



Taxes

- If your unit grosses <\$50,000 → **Form 990-N, (e-Postcard)** (*applies to most units*)
 - **8 questions**
 - Organization's name
 - Any other names your organization uses
 - Organization's mailing address
 - Organization's website address (if applicable)
 - Organization's EIN
 - Name and address of a principal officer of your organization
 - Organization's annual tax period
 - A statement that your organization's annual gross receipts are still normally \$50,000 or less
- Completed online
- **15 minutes to save your unit months of lost time, money, and 501(c)3 status!**
- If your unit grosses <\$200,000 → **Form 990-EZ** (2 pages)
- If your unit grosses >\$200,000 → **Form 990** (long form)
 - Must also file Form 990 if the IRS sends the form even if you grossed less than \$50,000.
- Due date: 11/15 (4.5 months after close of fiscal year which per bylaws is 6/30)



Taxes



- Sales Tax Refund (NC E-585)
 - Your PTA is a "consumer" when it purchases supplies or equipment that it will use or give to the school.
 - This includes items and equipment for which PTA writes the check directly to the supplier: office supplies, award certificates and trophies, computer hardware and software, and playground equipment.
 - **The sales tax paid on these purchases may be refunded twice a year from the NC Department of Revenue: 4/15 and 10/15**
- Certificate of Exemption (NC E-595E)
 - Your PTA is a "merchant" when it purchases merchandise to sell in order to raise funds.
 - PTAs must have a Merchants License on file with the NC Department of Revenue and present their vendor with a completed Certificate of Exemption in order not to be charged sales tax on resalable merchandise.
 - PTAs cannot claim a refund for sales tax paid on resalable merchandise.

Before taking office!

- Be sure that the books have been reviewed **before accepting them.**
- Become familiar with duties outlined in your bylaws.
- Secure the signatures of new officers authorized to sign checks and file with your bank.
- Secure Bonding and Liability Insurance.



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