Basic Treasurer Workshop

Congratulations You’re the New Treasurer!
Basic Treasurer Workshop

- Duties
- Getting Started
- Calendar
- Audit
- Taxes – the 990
- Insurance
- Definition of Terms
- Resources
Duties

- Maintain accurate, detailed financial records
- Help prepare the PTA Budget
- Receive and disburse funds
- Present a Treasurer’s report at PTA meetings
- Prepare a IRS tax return – 990-EZ, or 990-N
- Prepare the books for the annual audit
- Update procedures as necessary
Money Handling Guidelines

• Bonding Insurance Warrants:
  – No signing of blank checks
  – Two, unrelated signers on all checks
  – Bank statement reconciled monthly
• Never deposit PTA funds in a personal OR school account
• Keep PTA funds separate from school or other group’s funds
• Issue receipts
• Assure complete and accurate recordkeeping
• Conduct annual audit

*It’s all about INTERNAL CONTROLS!*
Money Handling Guidelines

Principles of Good Financial Management for PTAs

• No other organization may pass its money through PTA accounts. Only funds owned and controlled by the PTA membership should be in the PTA account.
• The association membership must approve all fundraising projects.
• All officers and chairmen have insurance coverage provided by the Directors and Officers portion of the PTA unit insurance.
• Money should be counted by at least two persons and a carbon receipt signed by both (one copy for the officer or chair and one kept with the treasurer’s files).
• Cash should never be kept at home or at school, even in a vault.
• All PTA moneys and checks received should be deposited promptly in the PTA account.
Money Handling Guidelines

• All bills **must be paid by check – never by cash.**
• Money should never be “turned over” to the school and/or the principal to spend at their discretion.
• New York State and National PTA portions of dues are never recorded as unit income or revenue; therefore, those dues are not included in the calculation of gross income on IRS Form 990(EZ).
• New York State and National PTA portions of dues must be remitted to the New York State PTA on a regular basis. Failure to send in the membership dues for any members can be considered fraud.
• New York State and National PTA portions of dues must be collected from each individual who joins a PTA unit.
• Honorary New York State PTA Life Members are not exempt from paying dues.
Money Handling Guidelines: issuing receipts

Donors must obtain a receipt from charitable organizations for contributions made in one day that exceed $250.

Canceled checks are no longer sufficient. This provision is now a mandated section of all unit/council bylaws.

PTAs must, therefore, be prepared to issue receipts. There is no required format for the receipt. At a minimum, the receipt must have the PTA’s name on it and reflect the donor’s name, date, cash amount received or a description of the property received (the charitable organization is not required to value property received). If a donor receives value for the donation, only the portion in excess of the value is deemed a donation, and only that amount should be reflected on the receipt. For example, if a spaghetti supper ticket sells for $20 and the value of the meal is determined to be $5, the purchaser is entitled to a $15 charitable contribution deduction. The $5 is not the cost to the PTA but is the value of a prepared and served meal, which the donor is considered to be purchasing.
The real working capital of a PTA lies in its members, not in its treasury. Although funds are necessary in order for a PTA to develop and implement its programs, the primary emphasis must be focused on the promotion of the Purposes of PTA, not upon fundraising. The association is obligated to use its funds for the purpose for which they are raised, to finance PTA work.

PTAs **do not raise funds for other** organizations.

Attendance at PTA leadership training, events and conferences are legitimate PTA expenses.

The treasurer is the authorized custodian elected by the members to administer the funds of the PTA on behalf of the membership and executive board. The funds, as well as the books and all record keeping materials, are the property of the PTA.
• The Audit
  o Make sure the audit is complete before you take over the books
  o It’s simply a review, a verification of account balances & bills paid
  o Assurance that proper financial procedures have been followed
  o Part of the end-of-year process for PTAs
  o Committee – 3 non-check signers
The Books

- Audit Report
- Bank Statements/Checkbook
- Bylaws/Unit Procedures
- Budget
- Insurance Certificates
- Copy of previous year’s 990 filing
- Copy of previous year’s vouchers/bills
Treasurer’s Calendar

- Audit – June
- Review Resources/Procedures
- Budget Development – June
- New Treasurer takes over – July 1
- New Signature Cards – July
  – Bring the bylaws and minutes of election meeting showing new officers
- File taxes: 990-N or 990-EZ by 11/15
Treasurer’s Reports – Monthly
Reconcile accounts – Monthly
  – Non-check signers check bank statements
  – Note in meeting minutes
Process vouchers, make deposits, pay bills – ongoing
Monitor expenditures, recommend budget changes
Pay insurance bill - May
Budget Development – May/June
Audit - June
Budget

- Form a budget committee of 3 to 5 members
- Review prior year’s actual vs. budgeted receipts and disbursements
- Determine how much money your unit will need to cover anticipated expenses for the next year (programs, supplies, etc.)
- Determine how you are going to pay for those expenses (fundraisers)
- Draft a preliminary budget worksheet, based on the budget committee’s projections
• The preliminary draft should be presented to the PTA Board for consideration, and to the PTA membership for approval

• The budget must be presented at a general PTA meeting for approval. A majority vote of the members present is required for adoption – Quorum needed

• The adoption of the budget authorizes the PTA to spend other people’s money for expenses covered in the budget
• Membership Dues Income
  – Show only the amount the unit keeps under income
  – No expense entry
• Example – 10 members pay $5 each
  – Show $10 on income
  – Note at the bottom on the monthly Treasurer’s Report that $40 was sent to NYS PTA for state/national dues portions
Amending the Budget

- Amendments can only be made by a vote of the membership.
- Amendments require a majority vote of the members present at a general meeting or at a special meeting called for that purpose.
Treasurer’s Report

• Present at every meeting – get it to the President if you cannot attend
• Calendar month, not meeting to meeting
• Have all records available
• Reconciliation
• Samples in the Resource Guide
## Treasurer’s Report Format

October 2012 | Budget | Actual MTD | Actual YTD
---|---|---|---
Balance Brought Forward | | | |
Income | | | |
Expenses | | | |
Total Income less Expenses | | | |
Checking Account Balance | | | |
Insurance

• Certificates of Insurance
• Directors and Officers, Crime, Liability
• Red/Yellow/Green Light Activities
• Reporting Incidents – Region Director
• Questions
  – Region Director
  – Rose&Kiernan: 800.242.4433
• **ALL** Units/Councils/Regions must file
• Fiscal year July 1\textsuperscript{st} to June 30\textsuperscript{th}
  – File between 7/1 and 11/15
  – 2011 return is for 7/1/11 to 6/30/12
• e-postcard filing – if **gross** receipts are less than $50,000
• 990-EZ or 990 - if **gross** receipts are between $50,000 and $200,000
• If 990-EZ is filed, you **must** also file Schedule A
• Can request a filing extension on Form 2758
• All documents are downloadable in pdf format from www.irs.gov
IRS Tax Filing cont.

- Employer Identification Number (EIN), also known as a Taxpayer Identification Number (TIN)
- Tax year
- Legal name (match bylaws) and mailing address (usually the school)
- Any other names the organization uses
- Name and address of principal officer
- Web site address if the organization has one
- Confirmation that the organization’s annual gross receipts are normally $50,000 or less
Definition of Terms

- 501(c)(3) Organization
  - Letter of Determination on file
- FEIN – xx-xxxxxxxx
- NYS Tax Exempt Number: EX-xxxxxxx
  - ST-119.2 and ST-119.1
- NYS PTA unit code: xx-xxx
- National PTA unit code: xxxxxxxxx
- Fiscal Year – July 1\textsuperscript{st} – June 30\textsuperscript{th}
Grants

• Applying for Grants
• Giving Grants – Gifts to the School District
  – Application/Evaluation Criteria
  – School District must accept the grant funds or item – BOE resolution
  – No future responsibility for the PTA
  – Full accounting of the funds spent
Record Retention: key documents

**Permanently:**
- Annual audit reports
- Canceled checks paid to taxes, contracts, important items
- Contracts and leases still in effect
- Insurance records, accident reports, claims, policies, certificates
- Tax exempt status documents: letters of determination, FEIN numbers, correspondence with IRS
- Tax returns; Form 990T, if applicable, for UBI

Please see Resource Guide, section 5 for a complete record retention list

**Ten Years:**
- Financial statements and budgets
- Grant award forms, correspondence

**Seven Years:**
- Accounts payable records
- Canceled checks for regular business
- Cash receipt records
- Invoices, purchase orders and sales receipts
- Sales records
- Vouchers

**Three Years:**
- Bank records
- Petty Cash vouchers

**One Year:**
- Bank reconciliations
- Correspondence with vendors
- Duplicate deposit slips
Treasurer Resources

- NYS PTA Web site – nyspta.org
- NYS PTA Resource Guide – Section 5
- National PTA – Money Matters
- Your Region Treasurer/Director
- Fast Facts, *NY Parent Teacher*
- NYS PTA Treasurer, Neil Johanning
  treasurer@nyspta.org