FINANCIAL GOVERNANCE,

CONTROLS & TRANSPARENCY

IN SOUTH CAROLINA PTAS

Financial controls and accountability framework



The South Carolina Parent Teacher Association (SCPTA) and its local units operate under standard, mandatory financial rules to prevent financial theft and mismanagement. Local PTAs are bound by standardized SCPTA Local Unit Bylaws, enforcing mandatory segregation of duties, multi-tier approvals, annual audits, and state compliance monitoring.

While independent parent groups vary in structure, **PTAs, specifically, are part of a nationwide organization and operate with multi-layered accountability** to ensure member dues and community donations directly support the PTAs mission of making every child's potential a reality by engaging and empowering families and communities to advocate for all children.

1. DAILY OPERATIONS & FINANCIAL SAFEGUARDS

Dual Signatures & Disbursement Controls:

Every check and electronic transfer requires authorization from two unrelated board members (typically President & Treasurer). Pre-signed blank checks, cash withdrawals, and checks payable to "Cash" are strictly forbidden. Funds are only disbursed with an approved voucher and original itemized receipts.

Cash Handling Protocols:

Event cash is counted on-site immediately by at least two unrelated individuals who both sign a Cash Verification Form. Funds must be deposited into the PTA bank account or stored in a PTA-controlled safe. Storing funds in personal homes or accounts is prohibited.

Budgeting Authorization:

The general membership must vote to approve the annual budget. PTA boards cannot spend money outside of approved line items without a formal budget amendment voted on by the full membership.

2. ONGOING OVERSIGHT & INDEPENDENT REVIEWS

Bank Statement Review:

A designated PTA member who does not have check-signing authority inspects monthly bank statements for anomalies and cross-checks them against reconciliations.

Financial Reconciliation:

Accounts are reconciled monthly between bank statements and financial records to identify any anomalies.

Monthly Financial Reports:

Detailed income, expense, and budget-variance reports are presented at every board and general membership meeting.

3. MANDATORY ANNUAL FINANCIAL REVIEW

At the close of each fiscal year, a comprehensive review of the PTA's financial records is conducted by a CPA or an independent committee of three members who are not authorized signers or related to those signers. They verify 100% of receipts, bank statements, vouchers, registers, and tax filings, reporting directly to the membership.

4. INSURANCE

In addition to liability insurance, each local unit is required to carry fidelity bond coverage which protects the PTA members from officer theft. Bond Coverage replaces any missing funds in case someone steals the local unit's funds.

5. STATE COMPLIANCE PROTOCOLS

Required Submissions:

To maintain legal 501(c)(3) tax-exempt status and insurance coverage, local PTAs must maintain "Good Standing" by submitting key documents to the SCPTA compliance portal. These documents are reviewed and verified by the SCPTA Treasurer for every unit.

1. Annual Budget Approved by the PTA membership
2. Annual Financial Review
3. IRS Form 990 Filing Verification
4. Proof of Liability and Bonding Insurance

Mandatory Incident Protocol:

In the event of suspected financial misappropriation, the local board is required to immediately notify their SCPTA District or State President, freeze the account(s) for an audit, and coordinate with state leadership regarding reports to law enforcement and bonding insurance providers.