

SCPTA Treasurer Training

Dollar\$ and \$ense

2015

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What you can plan to leave with from today....

- ▶ **Where to go for answers** - You will have questions and that is expected! There are TONS of helpful resources available to you.
- ▶ **Tips to get organized** for the coming year or to wrap up the current year as treasurer.
- ▶ **Strategies for effective money management.**
- ▶ **Do and Don'ts** to maintain your 5013c status

PTA Treasurers what is our purpose?

- The treasurer is:
 - The board member who handles the association's funds for the membership and the board of directors
 - Expected to attend all meetings and retains full voting privileges for all matters that come before the board
 - The person who keeps the books and reports on the financial status of the group - Custodian of the funds!

Your role as treasurer is VITAL to the success of your PTA unit's financial support of the school!

But... do not be intimidated
PTA is there to support you!



"This man has some sort of complaint about the pie his wife bought at the PTA bake sale, sir."



"At \$50 a sandwich board per week, multiplied by 800 students, it'll really help balance the school budget this year."

More than just moms hosting a bake sale... we are a non profit

The guidelines and forms created and offered through PTA are designed to protect your non-profit status and ensure you are able to support your school by raising funds effectively.

It's easy and rewarding... just make sure you...

- ▶ **Maintain TRANSPARENCY-** it is a must
- ▶ **Report regularly** - Budget reports and reconciliations monthly
- ▶ **Establish processes and enforce rules** (i.e. reimbursement request submissions, check payment deadlines, deposit procedures, money handling procedures)
- ▶ **Be a good steward of the funds**
- ▶ **Communicate often** (esp. to the president and the board)

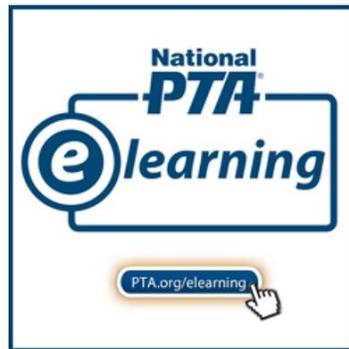
Tools to make your job easier..

- ✓ Use the available training and National PTA Treasurer resources - lots of forms and templates available (i.e. budgets, reimbursement forms, deposit forms, financial review forms etc) www.ptakit.org/finance
- ✓ Quickbooks or Quicken- or a simple Excel spreadsheet
- ✓ Budget - this is your guide
- ✓ Notebook and/or file box
- ✓ Copy of Previous fiscal year end review, Tax filing and contact information for past years President and Treasurer
- ✓ Techsoup.org - software, hardware, training etc.

E-Learning

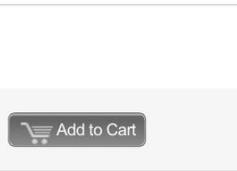
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E-Learning Detail



LOCAL UNIT TREASURER

Member Price: \$0



An introduction to the role and responsibilities of the local unit PTA treasurer.



Product Details:

LOCAL UNIT TREASURER



Finance

Resources Available

www.ptakit.org/finance

Additional Resources

- Finance Quick Reference Guide
- Sample Annual Report
- Sample Monthly Treasurer Report
- Before Leaving Office Checklist
- Sample Budget
- Cash Counting Sheet for Events
- Letter to Clarify Schools vs PTA
- Sample Financial Review Form
- Instructions IRS Form 990EZ
- Sample Receipt Forms
- Fraud Prevention Checklist
- Sample Credit Card Policy
- Financial Management Checklist
- Finance E-Banking Best Practices
- Records Retention Schedule

Select Language ▼

- ➔ Finance
- ➔ The PTA Treasurer
- ➔ The Budget
- ➔ Banking
- ➔ Electronic Commerce
- ➔ The PTA Audit
- ➔ Contracts, Incorporation and Insurance
- ➔ Federal Requirements
- ➔ Substantiation Requirements for Charitable Contributions
- ➔ Theft, Fraud, and Embezzlement Guidelines
- ➔ Additional Important Information
- ➔ Additional Resources



PRINT

Your Local PTA's Name Here
Budget for fiscal year: 20XX

Anticipated Revenue Based on 800 Members.

ACTUAL RECEIPTS

Local Membership Dues	5,100.00
Bank Interest	100.00
Donations	-
Fundraising Projects:	
Carnival	1,500.00
Book sale	600.00
Founders' Day	300.00
Community Sponsorship & Grants	1,000.00
Other Income	50.00
TOTAL ACTUAL RECEIPTS	<u>\$ 8,650.00</u>

Enter the expected amount of monies you will receive for each category of income.

ACTUAL EXPENDITURES

Administration	200.00
Supplies	50.00
Past President's Pln	100.00
Printing	750.00
Mailing Permit/ Postage	300.00
Liability Insurance	150.00
Bonding Insurance	
Leadership Education	200.00
District/Council Conferences	500.00
State PTA Convention/National PTA Convention	400.00
Publications/Brochures/Our Children	
Committees	300.00
Membership	300.00
Programs	
Volunteers	50.00
Award(3)	50.00
Special Appreciation Awards	
Projects	300.00
Carnival	200.00
Book Sale	245.00
Reflections	300.00
Parent Involvement	300.00
Student Enrichment Grants	190.00
Self-Esteem Programs	200.00
Reading Scholarships	
TOTAL ACTUAL EXPENDITURES	<u>\$ 5,085.00</u>

Enter the expected amount of monies you will anticipate spending in each of these categories.

TOTAL BUDGET

\$ 3,565.00

This is the amount of your annual budget. Your expenses should not exceed your income.

The Budget

A budget is not only a guide but also a **working document**. A budget does not dictate what a local unit must do. It simply presents *what a unit intends to do*. Just because a program or fundraiser is listed on the budget does not mean that it is required to be done. However, if an item is not on the budget, it cannot be done.

Tech Tips for Treasurers

- ▶ **Techsoup.org** - Quickbooks, laptop, scanner, excel etc.
- ▶ **File sharing-** Google drive, Dropbox, Box, Office365 etc.
- ▶ **Online Banking** - Share statements, download statements to Quickbooks for reconciliations
- ▶ **E-commerce** - i.e. PayPal, CoreCommerce
 - ▶ www.paypal.com/education (virtual terminal, webstore,
 - ▶ Mobile Payment Solutions - i.e. Square, PayPal, Intuit etc. to use for online credit card payments at events).

Tax Exemption - What does it mean to be a 501c3 in PTA??

- The organization (the PTA) must operate solely to accomplish a charitable purpose or mission that meets the qualifications to be identified as a nonprofit organization. (i.e. supports the mission of PTA and the specific school).
- A 501c3 does not need to pay federal income tax on most or all of the money it receives to accomplish its stated mission.
- Contributions to the PTA may be deductible on donors' federal income taxes.
- PTAs must file the appropriate 990 yearly
- PTAs must ensure that no one individual benefits from PTA funds
- Cannot support or campaign for or against a candidate for public office

Speaking of Uncle Sam...

What is the difference between Form 990-N and 990-EZ?

The deciding factor between an organization using Form 990-N and 990-EZ lies in the **amount of gross receipts** that the tax-exempt organization collects in a year.

- Form 990-N ("e-Postcard") is an eight-question, electronic return that other nonprofits may file if their incomes were <\$50,000 for the 2011 tax year and thereafter.
- Form 990-EZ is a two-page return that other nonprofits may file if their incomes were <\$200,000 and assets <\$500,000.
- **Tax submission is required each year by November 15th for the previous fiscal year. The past President and Treasurer are responsible for making sure this is completed at the end of their term following the completion of the financial review.** Before taking office, the incoming President and Treasurer should ensure that this was done by their predecessor and that they have a copy for the PTA records. A copy should be forwarded to SCPTA and your local council.



Protect your PTA and Yourself..

- Volunteers handling funds for the local unit (i.e., president, treasurer, ways and means chair, etc.) must be **bonded**.
- Bonding insurance provides quality protection and must be included in your budget.
- Liability protects your PTA against claims from injury during events.
- Insurance not only protects your PTA, but also protects you as an individual.

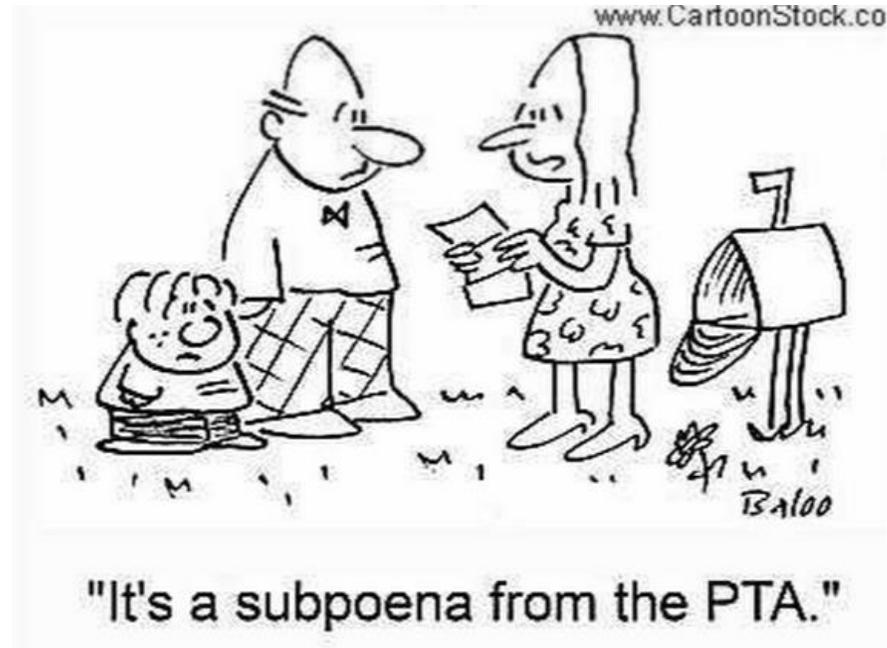
Many PTAs in SC use:

AIM Association Insurance (800) 876-4044

<https://www.aim-companies.com>

Develop Internal Controls for your Unit

- ▶ Bonding and Liability
- ▶ Paper trails
- ▶ Paper Retention
- ▶ Electronic Files and Retention/File Sharing
- ▶ Electronic Banking
- ▶ Debit Cards -NO
- ▶ Credit Cards
- ▶ Bank Statements
- ▶ Monthly reporting



Financial Reports

- ▶ **Monthly Budget Report-** Presented to the Exec board and available to the General PTA includes budget versus actual and bank balance/reconciliation. Recorded in the meeting minutes.
- ▶ **Annual Report** - Presented by the Treasurer at the close of the fiscal year to show the actual expenses and income per line item for the year. Approved by the board and placed in the meeting minutes and permanent files.
- ▶ **Financial Review or Financial Audit-**
 - ▶ Internal process performed by two or more members of the financial review committee or their designees. The reviewers cannot have been check signors during the current year, previous year or the following year.
 - ▶ Should occur every year at the end of the fiscal year (usually following the reconciliation of the June bank statement) or if a financial officer resigns.
 - ▶ The purpose is to certify the accuracy of the books and records and assure the membership that resources are being managed properly.
 - ▶ An **Audit** by a professional accountant may be required if the books appear to be mismanaged or require further investigation.
 - ▶ It is the responsibility of the current PTA President and Treasurer to ensure the books are audited prior to handing them over to the next year's leaders. A copy should be forwarded to SCPTA and your local council.



AUDIT

Your Initial Tasks as Treasurer Include:

- ✓ Making sure that the books have been audited before accepting them.
- ✓ Ensuring the proper and complete transition of files and records, including the permanent records from the retiring treasurer. Ask about missing records at once.
- ✓ Becoming familiar with the duties outlined and any references to finances and budget in the PTA bylaws.
- ✓ Working with the outgoing treasurer to secure the signatures of new officers authorized to sign checks, and filing the signature cards with the bank.
- ✓ Checking on bonding and liability procedures.

Before Leaving Office Checklist

- Make sure that all state and national portions of dues have been collected and forwarded to the state PTA office.
- Prepare all financial records for audit.
- Make sure that the PTA's books agree with the bank balance and outstanding checks, plus cash on hand.
- Prepare the annual report covering the term of office.
- Submit IRS Form 990, 990-EZ, 990-N, 990-T, or other IRS forms if required. Prepare other reports required by the government.
- Transfer of all records, reports, and files to the treasurer-elect. Obtaining and filing new
- Work with the treasurer-elect to obtain and file new signature cards with the bank.
- Arrange for bonding as required by the PTA.
- Forward the annual report to the appropriate PTA office.
- Transfer all PTA employee and independent contractor records and data to the treasurer-elect, including contracts, payments, schedules, insurance and government-required forms.

Keys to success as treasurer...

- ▶ Accuracy
- ▶ Integrity
- ▶ Good Communication
- ▶ Transparency



21 Questions.....

Test your PTA Treasurer Knowledge

21 QUESTIONS! Test your Treasurer IQ (circle or enter the correct answer)

1. PTA's are prohibited from taking in money from a school event or from another school organization if the money is not to be used for PTA budgetary needs. **True or False?**
2. Are Debit Cards and ATM withdrawals allowed? **Yes or No?**
3. Electronic payments may be made to pay bills as long as the president and treasurer are aware of the transactions. **True or False?**
4. PayPal and similar companies are an acceptable form of accepting funds. **True or False?**
5. What should be collected for any and every expenditure? _____ **RECEIPT** _____
6. All expenditures must be budgeted and voted on by your membership. **True or False?**
7. Bank statements should be delivered to your school and must be opened by someone other than a person who has signing privileges. **True or False?**
8. Is it ok to write a check to the school for unspecified expenses to clear out leftover funds in a line item? **Yes or No?**
9. Never give out or sign a blank check. **True or False?**
10. Petty cash checks should be made out to the Bank and never to Cash. **True or False?**
11. Two signatures required on all expenditures/checks. **True or False?**

21 QUESTIONS! Test your Treasurer IQ (circle or enter the correct answer) Cont'd

12. Check signers cannot be family members, especially in the same household? **True or False?**
13. How many people should be designated as check signors? **3**
14. Money should never be taken home it should go directly to the bank. **True or False?**
15. How much money is PTA allowed to have in a remaining balance in the bank account at the end of the fiscal year? \$ **Varies but should be included as carryover in the budget – generally enough to get through the summer**
16. What date are the taxes due to be filed for all PTAs each year? **by November 15**
17. The School Principal has the final authority on all PTA expenditures? **True or False?**
18. Under what circumstance should my unit file with the Secretary of State and the Public Charities Division?
If another fundraising organization solicits on behalf of your PTA
19. If a PTA earns less than \$5k they do not need insurance? **True or False?**
20. When fundraising, PTA recommends following the 3 to 1 rule – Please explain this rule. **For every 1 fundraiser the PTA should offer 3 non fundraising programs**
21. A PTA board cannot obligate a future board financially in a contract with a vendor or supplier
True or False?

Who's More Persistent: The PTA or Your Toddler?

Repeatedly asks for help

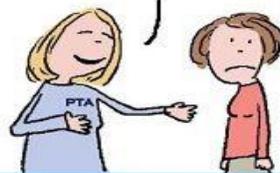


Knows exactly who to contact



Can tap into guilt

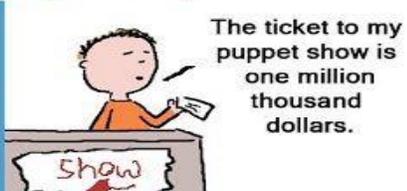
It's for the children's future.



BUT MOM! I THOUGHT YOU LOVED ME!



Is always raising money



Consumes your free time



WINNER