

Are All Your Duck\$\$\$ in a Row?

Workshop 302

2010 California State PTA Convention

Are All Your Duck\$\$\$ in a Row?

How To Audit

2010 California State PTA Convention

Auditor Duties

- ▶ Review financial transactions through all records
- ▶ Ensure proper accounting for receipts
- ▶ Ensure expenditures have been authorized in the minutes
- ▶ Review conformity to PTA financial policies and procedures

Audit Checklist

- ▶ Financial records should be provided by the financial secretary and/or treasurer
- ▶ Committee reports will be provided by the chairmen
- ▶ Executive board and association minutes will be provided by the secretary, who should have copies of all reports provided at meetings
- ▶ Any records that are not provided should be noted in auditor's recommendations

Audit Procedure

- ▶ Audit each account separately
- ▶ Circle YES or NO as each item is completed
- ▶ All "NO" answers require a recommendation which should be noted as you work
- ▶ Check off items as reviewed in red ink
- ▶ Corrections can only be made by the person who created the original report

3183	09/02	Elena Chandler	Newsletter		55.96				1,044.17
3184	09/02	Teacher -- Room 1	Mini Grant	\$200/JH	100.00				844.17

Beginning Balance Records

Audit Report – From PRIOR Period

Date: July 7, 20xx Fiscal Year: July 1 through June 30
 Name of Unit: ABC School PTA IRS EIN Number: 94-4927581
 Council: XYZ Council PTA PTA District: Sixty-fifth
 Bank Name: My Bank & Trust Account #: 0123-4567890
 Bank Address: 394 Main Street City/Zip: Idylwild 98765

Dates covered by this audit: January 1 through June 30, 20xx
 Check numbers reviewed in this audit: 3145 through 3178

BALANCE ON HAND at time of last audit: December 31, 20xx, (date) \$ 2,303.56
 RECEIPTS since last audit \$ 12,028.24
TOTAL \$ 14,331.80
 DISBURSEMENTS since last audit \$ 12,795.60
BALANCE ON HAND June 30, 20xx, (date) \$ 1,536.20*

Check Register

Number	Date 20xx	Description of Transaction	Memo	Payments (1)	✓	Fee (1)	Deposit/Credit (1)	Balance
07/31		Balance forward						1,536.20

Treasurers Report
ABC School PTA
July 1 to August 31, 20xx

Balance forward July 1, 20xx \$ 1,536.20

Compare
balances
on
reports

Bank Reconciliation

My PTA Bank and Trust Account 0123-457890

ABC School PTA **Bank Statement** Period Ending September 30

Balance Forward: 1,666.70
 Deposits / Credits: 6,119.07
 Withdrawals / Debits: 742.15
 Ending Balance: 7,043.62

Date	Description	Withdrawals / Debits	Deposits / Credits
09/04	CK # 3178	150.00	
09/02	CK # 3179	48.92	
09/02	CK # 3180	8.23	
09/02	CK # 3181	175.00	
09/02	CK # 3185	150.00	
09/02	CK # 3186	200.00	
09/03	Deposit		4,977.36
09/29	Deposit		1,140.00
09/30	Checking Interest		1.71
09/30	Account Service Charge	10.00	

Reconciled by
treasurer only

Recommendation
required

Bank Statement Reconciliation

Current Bank Statement Balance \$7,043.62
 Outstanding Deposits/Credits 0.00

Outstanding Withdrawals/Debits (184.42)
 CK # 3182 (55.96)
 CK # 3184 (200.00)
 CK # 3187 (66.40)

Total Outstanding Debits (1,107.78)

Reconciled Bank Statement Balance \$5,935.84
 Check Register Balance \$5,935.84

Reconciled by John Marmola, Treasurer
 Date: September 30, 20xx

Treasurers Report
ABC School PTA
September 1 to 30, 20xx

BALANCE ON HAND, SEPTEMBER 30, 20xx \$ 5,935.84

Treasurers Signature: John Marmola Date: 9/30/xx

09/01	09/02	09/03	09/04	09/05	09/06	09/07	09/08	09/09	09/10	09/11	09/12	09/13	09/14	09/15	09/16	09/17	09/18	09/19	09/20	09/21	09/22	09/23	09/24	09/25	09/26	09/27	09/28	09/29	09/30

APPROVED BY: Marissa Camp, Auditor - October 6, 20xx

Compare
balances on
all reports

Bank Reconciliation (Checks)

ABC School PTA 003179
123 Any Street
Idyllwild, CA 90765 September 2, 20 00 XX

Pay To The Order of Rachel Nelson \$ 48.92
Forty-eight and 92/100 DOLLARS

Louise Weiss
Julie Hamada
TWO SIGNATURES REQUIRED

FOR: Candidates Forum School Board
91100013571 | E: 997612345 | O: 01234567890 | B

Check Register				
Number	Date 20xx	Description of Transaction	Memo	Payments (Y)
07/31		Balance forward		
07/31		Checking Service Charge		
07/31		Checking Interest		
08/31		Checking Service Charge		
08/31		Checking Interest		
3179	09/02	Rachel Nelson	Candidates Forum	48.92

All checks signed by two officers:
president and treasurer
or other elected officer
as authorized in bylaws

Verify all checks have been recorded

- Checkbook register
- Disbursement ledger
- Financial Secretary's Reports
- Treasurer's Reports

Sample Ledger - Disbursements						
Date 20xx	Paid To	Check No.	Total Disbursement	Check	Program	Fund Raising Expenses
07/31	Checking Service Charge		10.00			10.00
08/31	Checking Service Charge		10.00			10.00
09/02	R. Nelson, Candidates Forum	3179	48.92			48.92

Financial Secretary's Report		
ABC School PTA September 1 through 30, 20xx		
Authorizations for payment		
09/02/xx	R. Nelson, Candidates Forum	Ch # 3179 \$ 48.92

Treasurer's Report	
ABC School PTA September 1 to 30, 20xx	
EXPENSES	09/02 #3179 Rachel Nelson, Candidates Forum \$ 48.92

Bank Reconciliation (Deposits)

California State PTA CASH VERIFICATION FORM
(Memberships, Fundraising, Donations)
UNIT NAME: ABC School PTA

ACTIVITY: Winter Craft Fair DATE: 9/2/xx

COIN	AMOUNT	CHECKS	AMOUNT	DATE	AMOUNT
100	2.42	0	0.00	9/2/xx	2.42
50	7.00	0	0.00	9/2/xx	7.00
20	34.00	0	0.00	9/2/xx	34.00
10	69.00	0	0.00	9/2/xx	69.00
5	0.00	0	0.00	9/2/xx	0.00
TOTAL	\$112.42	0	0.00	9/2/xx	\$112.42

CURRENCY: 116 \$ 1.00 116.00
48 \$ 5.00 240.00
45 \$ 45.00 202.50
45 \$ 22.50 1,125.00
5 \$ 100.00 500.00
0 \$ 100.00 300.00
TOTAL \$3,178.92

GRAND TOTAL: \$ 4,977.36

Verified By: Carol O'Dellman, Chair Date: 9/2/xx Amount: \$ 4,977.36
Verified By: Julie Hamada, Treasurer Date: 9/2/xx Amount: \$ 4,977.36
Reviewed By: Carol O'Dellman, Treasurer Date: 9/2/xx Amount: \$ 4,977.36

Verify all deposits have been recorded

- Checkbook register
- Disbursement ledger
- Financial Secretary's reports
- Treasurer's reports

Check Register						
Number	Date 20xx	Description of Transaction	Memo	Payments (Y)	✓	Balance (Y)
09/02	09/02	Winter Craft Fair				4,977.36

Sample Ledger - Receipts						
Date 20xx	Received From	Deposits	Total Receipts	Membership Dues	Fund Raising	Other
09/02	Winter Craft Fair	4,977.36	4,977.36			4,977.36

Financial Secretary's Report	
ABC School PTA September 1 through 30, 20xx	
Receipts	
09/02/xx	Winter Craft Fair \$ 4,977.36

Treasurer's Report	
ABC School PTA September 1 to 30, 20xx	
INCOME	09/02/xx Winter Craft Fair \$ 4,977.36

Bank Charges & Interest

My PTA Bank and Trust Account 0123-457890

ABC School PTA Bank Statement Period Ending July 31

Balance Forward:	2,120.17
Deposits / Credits:	0.25
Withdrawals / Debits:	427.47
Ending Balance	1,692.95

Date	Description	Withdrawals / Debits	Deposits / Credits
07/15	CK # 3174		305.80
07/28	CK # 3175		17.87
07/28	CK # 3176		93.80
07/31	Account Service Charge		10.00
07/31	Checking Interest	25	

Verify bank charges and interest have been recorded

- Checkbook register
- Receipts ledger
- Disbursement ledger
- Financial Secretary's reports
- Treasurer's reports

Check Register

Number	Date	Description of Transaction	Memo	Payments	✓	Fee	✓	Debit/Credit	Balance
0701		Balance forward						1,338.24	1,338.24
0702		Checking Service Charge		25				-25.00	1,313.24

Sample Ledger - Receipts

Date	Received From	Deposits	Total Receipts	Membership Dues	Fund Raising	Other
07/31	Checking Interest	25	25			

Sample Ledger - Disbursements

Date	Paid To	Check No.	Total Disbursement	Dues	Programs	Fund Raising Expenses	Misc.
07/31	Checking Service Charge		25.00				

Financial Secretary's Report
ABC School PTA
July 1 through August 31, 20xx

Movies received & deposited or given to treasurer to deposit with duplicate copies of deposit slips

Receipts	Amount
07/31xx Checking Interest	\$ 0.25

Authorizations for payment

07/31xx Checking Service Charge	\$ 10.00
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Treasurer's Report
ABC School PTA
July 1 to August 31, 20xx

INCOME		
07/31	Checking Interest	\$ 25
EXPENSES		
07/31	Checking service charge	\$ 10.00

Membership Income

Verify membership recorded and deposited equals total number of memberships
114 Members
\$ 1,140.00 total

\$ 10.00 total per member
\$ 6.40 retained by unit
\$ 3.60 forwarded to council

Financial Secretary's Report
ABC School PTA
September 1 through 30, 20xx

Receipts	Amount
09/29xx Membership, 114 @ \$10.00	1,140.00

Financial Secretary records total deposit
Treasurer records breakdown for portions to be kept by the unit or to be forwarded through channels to council, district, state, and national PTAs

Summary Information for ABC School PTA

ARTICLE IV - MEMBERSHIP AND DUES

Section 4:

Each member of the association shall pay	\$ 10.00 per member
a. Payable to National	\$ 1.75 per member
b. Payable to California State PTA	\$ 1.25 per member
c. Payable to Sixty-Ninth District	\$.50 per member
d. Payable to OSC Council	\$.60 per member
e. Forward to council	\$ 3.60 per member

Section 4: first remittance through council: November 15

Sample Ledger - Receipts

Date	Received From	Deposits	Total Receipts	Membership Dues	Fund Raising	Other
09/29	Membership, 114 @ \$10.00 each	1,140.00	1,140.00	729.00	410.40	

Treasurer's Report
ABC School PTA
September 1 to 30, 20xx

INCOME		
09/29xx Membership, 114 @ \$6.40ea		729.60
INCOME NOT BELONGING TO UNIT		
09/30 Membership, 114 @ \$3.60ea		\$ 410.40

Membership Expense

Verify membership recorded and forwarded through channels equals total number of memberships:
114 Members
@ \$3.60 each
\$410.40 total

Check Register									
Number	Date	Description of Transaction	Mon.	Payments	✓	Fee	Deposit/Credit	PT	Balance
3187	09/15	XYZ Council PTA	Ins. Embr. Council dues	410.40					4,802.53

Sample Ledger - Disbursements							
Date	Month	Paid To	Check No.	Total Disbursement	Date	Program	Fund Raising Expense
09/15	XYZ Council PTA, Insurance	3187	410.40				257.00
	Council dues						153.40
	114 members @ \$3.60			410.40			

Checkbook Register, Disbursements Ledger, Financial Secretary and Treasurer Reports should display the same amounts

Treasurers Report ABC School PTA September 1 to 30, 20xx				
EXPENSES NOT BELONGING TO UNIT				
09/30	#3187	XYZ Council PTA, membership 114 @ \$3.60ea	\$	410.40

Insurance Premium

- Policy covers January 5 through January 4
- Financial mailing and premium notice mailed to all presidents
- Payments to be sent through channels (unit to council to district to state)
- **If not received in the State office by December 20th a late fee of \$25.00 will be assessed by the California State PTA**

Check Register									
Number	Date	Description of Transaction	Mon.	Payments	✓	Fee	Deposit/Credit	PT	Balance
3187	09/15	XYZ Council PTA	Ins. Embr. Council dues	257.00					4,802.53

Sample Ledger - Disbursements							
Date	Month	Paid To	Check No.	Total Disbursement	Date	Program	Fund Raising Expense
09/15	XYZ Council PTA, Insurance	3187	257.00				257.00
	Council dues						153.40
	114 members @ \$3.60			410.40			

Checkbook Register, Disbursements Ledger, Financial Secretary and Treasurer Reports should display the same amounts

Treasurers Report ABC School PTA September 1 to 30, 20xx				
EXPENSES				
09/15	#3187	XYZ Council PTA, insurance & council fees	\$	257.00

Executive Board Minutes

Verify all expenditures have been approved and recorded in the executive board minutes

Compare minutes to list of payments authorized and checks issued recorded on the Financial Secretary and Treasurer Reports

An approved budget is not authorization to make payments

List those expenditures not approved on your recommendation report

ABC SCHOOL PTA - Executive Board Meeting
September 2, 20xx, 7:30 PM in the school library

Jule Hamada moved to issue checks for the following payment authorizations, motion adopted				
Rachel Nelson	Candidates Forum	\$48.92	Elena Chandler Newsletter	8.23
Robert Newman	Hospitality	8.23	Teacher Room 1 Newsletter	175.00
Sarah Franklin	Cultural Arts Fest	\$175.00	Teacher Room 5 Field Trip	150.00
Melba Supply Store	Winter Craft Fair	184.42	Teacher Room 8 Newsletter	100.00

Payments authorized recorded on Financial Secretary Report
Checks issued recorded on Treasurer Reports

Financial Secretary's Report
ABC School PTA
September 1 through 30, 20xx

Authorizations for payment			
09/02/xx	R. Nelson, Candidates Forum	Chk # 3179	\$ 48.92
09/02/xx	R. Newman, Hospitality	Chk # 3180	8.23
09/02/xx	S. Franklin, Cultural Arts Fest	Chk # 3181	175.00
09/02/xx	Office Supply Store, Winter Craft Fair	Chk # 3182	184.42
09/02/xx	E. Chandler, newsletter	Chk # 3183	55.96
09/02/xx	Teacher-Room 1, mini grant	Chk # 3184	200.00
09/02/xx	Teacher-Room 5 field trip	Chk # 3185	150.00
09/02/xx	Teacher-Room 8 mini grant	Chk # 3186	200.00

Treasurer's Report
ABC School PTA
September 1 to 30, 20xx

EXPENSES			
09/02	#3179	Rachel Nelson, Candidates Forum	\$ 48.92
09/02	#3180	Robert Newman, Hospitality	8.23
09/02	#3181	Sarah Franklin, Cultural Arts & Food Fair	175.00
09/02	#3182	Office Supply Store, Winter Craft Fair	184.42
09/02	#3183	Elena Chandler, Newsletter	55.96
09/02	#3184	Teacher Room 1, mini grant	200.00
09/02	#3185	Teacher Room 5, field trip	150.00
09/02	#3186	Teacher Room 8, mini grant	200.00
09/15	#3107	XYZ Council PTA, insurance & council fees	-237.00
09/30		Checking Service Charge	10.00
EXPENSES NOT BELONGING TO UNIT			
09/30	#3107	XYZ Council PTA, membership 114 @ \$3.60ea	\$ 410.40

Committee Reports

COMMITTEE REPORT

Please write a committee report for all PTA activities. Attach any detailed information as requested or needed. Report to be filed with president, secretary, treasurer, historian, auditor, committee chairman and others if requested.

Activity Details:
Name of activity: _____ Date held: _____ Time: _____ (date)
Location: _____ Approved by PTA membership on: _____ (date)
Presented in cooperation with (set group, agency or organization): _____

Goals:
Money to be used for: _____

Committee Details:
Chairman: _____ Secretary: _____
Members (including students): _____

Consultants:

Meetings:
Date(s) meetings were held: (1) _____ (2) _____ (3) _____ (4) _____ (5) _____

Financial Details:

Proposed budgeted income \$ _____	Actual income \$ _____
Proposed budgeted expense \$ _____	Actual expense \$ _____
	Net income \$ _____

Volunteer Details: Number of volunteers needed to conduct activity adequately: _____ Total volunteer hours: _____

Recommendation: Do again Do NOT do again Do again, but modify (explain in #11 below)

Report Details: Attach any detailed information as requested.

1. Was insurance company contacted prior to planning? Yes No Cost? _____
2. Was the insurance and Loss Prevention guide reviewed prior to event? Yes No
3. Was a written contract required? Yes No
4. Was the timing of the activity appropriate? Yes No Signed by president & 1 elected officer? Yes No
5. If not, suggest more appropriate dates: _____
6. Attach a detailed invoice to report? Yes No
7. Were there any special requirements? Yes No
7. How was activity publicized? _____
Attach any articles or flyers
8. Specify equipment needs: _____
9. Special contacts/contact information (Speakers, judges, service providers): _____
10. Attach a detailed financial report. Attach copies of an inventory reports and cash verification forms for auditor.
11. Additional comments: _____

NOTE:
The California State PTA strongly suggests that any fundraiser be audited immediately if a large amount of monies was raised.

Prepared by: _____ Date: _____
Report due 30 days after completion of activity.

To be presented:

- Within 30 days after the event has been held.
- At executive board meetings in detail.
- At association meetings in summary.
- Compare income and expense information to other financial reports on file.

Association Minutes

Verify all expenditures have been approved and recorded in the association minutes following recommendations of the executive board

Compare minutes to list of payments authorized and checks issued recorded on the Financial Secretary and Treasurer Reports

An approved budget is not authorization to make payments

List those expenditures not approved on your recommendation report

ABC SCHOOL PTA - Association Meeting
September 2, 20xx, 8:00 PM in the school library

Julie Hamada moved to issue checks for the following payment authorizations, motion adopted

Rachel Nelson	Candidates Forum	\$48.92	Elena Chandler	Newsletter	\$55.96
Robert Newman	Hospitality	\$8.23	Teacher-Room 1	Field Trip	\$150.00
Sarah Franklin	Cultural Arts Fest	\$175.00	Teacher-Room 2	Field Trip	\$150.00
Office Supply Store	Winter Craft Fair	\$184.42	Teacher-Room 3	Field Trip	\$200.00

Payments authorized recorded on Financial Secretary Report
Checks issued recorded on Treasurer Reports

Financial Secretary's Report
ABC School PTA
September 1 through 30, 20xx

Authorizations for payment

09/02/xx	R. Nelson, Candidates Forum	Chk # 3179	\$ 48.92
09/02/xx	R. Newman, hospitality	Chk # 3180	8.23
09/02/xx	S. Franklin, Cultural Arts Fest	Chk # 3181	175.00
09/02/xx	Office Supply Store, Winter Craft Fair	Chk # 3182	184.42
09/02/xx	E. Chandler, newsletter	Chk # 3183	55.96
09/02/xx	Teacher-Room 1, mini grant	Chk # 3184	200.00
09/02/xx	Teacher-Room 5 field trip	Chk # 3185	150.00
09/02/xx	Teacher-Room 8 mini grant	Chk # 3186	200.00

Treasurer's Report
ABC School PTA
September 1 to 30, 20xx

EXPENSES

09/02	#3179	Rachel Nelson, Candidates Forum	\$ 48.92
09/02	#3180	Robert Newman, hospitality	8.23
09/02	#3181	Sarah Franklin, Cultural Arts & Food Fair	175.00
09/02	#3182	Office Supply Store, Winter Craft Fair	184.42
09/02	#3183	Elena Chandler, Newsletter	55.96
09/02	#3184	Teacher Room 1, mini grant	200.00
09/02	#3185	Teacher Room 5, field trip	150.00
09/02	#3186	Teacher Room 8, mini grant	200.00
09/15	#3187	XYZ Council PTA, insurance & council fees	257.00
09/30		Checking Service Charge	10.00

EXPENSES NOT BELONGING TO UNIT

09/30	#3187	XYZ Council PTA, membership 114 @ \$3.60ea	\$ 410.40
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Authorizations for Payment

PTA
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PAYMENT AUTHORIZATION/REQUEST FOR REIMBURSEMENT
ATTACH ALL RECEIPTS TO THIS EXPENSE STATEMENT

Name: Rachel Nelson
PTA Position: Legislation Chairman
Address: 123 Main Street
City/State: Anytown, USA
Telephone: (123) 456-7890 E-mail: rnelson@usa.com

Expenditure was for: Candidates Forum, School Board

List Expenditures: _____ \$ 48.92
_____ \$ _____
_____ \$ _____
TOTAL EXPENSE \$ 48.92

Total Amount Claimed From Above \$ 48.92
Minus Advance Received \$ _____
Reimbursement Claimed \$ 48.92
Not claimed - donate to PTA \$ _____
Refund to PTA (Enclose Check) \$ _____

Signature: Rachel Nelson Date: 9/1/09

For PTA Treasurer Use:
 Disbursement approved activity Funds received by membership
 Treasurer based approved expenditure

President's signature: Duane Coffey Date: 9/1/09
Date approved in minutes: 9/1/09 Secretary's signature: Julie O'Neal

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Must be signed by two officers: secretary and president.

Must be written for amounts approved in the minutes.

Must have a receipt or invoice attached.

List those expenditures not approved on your recommendation report.

Income

Cash receipts used
Cash Verification Forms used for all deposits
Matches all other records
All monies counted by two people (who cannot be related by blood or marriage or reside in the same household)

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Financial Secretary Reports

Are filed monthly

Receipts listed agree with check register and receipts ledger

Authorizations for payment listed agree with check register and disbursements ledger

- 1 Presented at executive board and association meetings, recorded in and attached to minutes.
- 2 Placed on file for audit

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Treasurer Reports

Treasurer Report
ABC School PTA
July 1 to August 31, 20xx

Balance forward July 1, 20xx		\$ 1,536.20
INCOME		
07/31	Checking Interest	25
08/31	Checking Interest	25
TOTAL		50
PLUS TOTAL INCOME		50
SUBTOTAL		\$ 1,536.70
EXPENSES		
07/31	Checking service charge	10.00
08/31	Checking service charge	10.00
TOTAL		20.00
MINUS TOTAL EXPENSES		20.00
BALANCE ON HAND, AUGUST 31, 20xx		\$ 1,516.70

Treasurer's Signature: Julie Hamada Date: 9/1/xx

Are filed monthly

Receipts listed agree with check register and receipts ledger

Authorizations for payment listed agree with check register and disbursements ledger

- ① Presented at executive board and association meetings, recorded in and attached to minutes.
- ② Placed on file for audit

Check Register

Number	Date	Description of Transaction	Amount	Pay	Deposited	Credit	Balance
	07/01	Balance Forward					1,536.20
	07/31	Checking Interest	25				1,561.20
	07/31	Checking Service Charge	-10.00				1,526.20
	07/31	Checking Interest	25				1,551.20
	08/31	Checking Service Charge	-10.00				1,516.70

Sample Ledger - Disbursements

Date	20xx	Paid To	Check No.	Total Disbursement	Class	Program	Fund Raising Expenses	Misc.
07/31		Checking Service Charge		10.00			10.00	
08/31		Checking Service Charge		10.00			10.00	

Sample Ledger - Receipts

Date	20xx	Received From	Deposits	Total Receipts	Membership Dues	Fund Raising	Other
07/31		Checking Interest	25	25			
08/31		Checking Interest	25	50			

ABC SCHOOL PTA - Executive Board Meeting
September 2, 20xx, 7:30 PM in the school Library

- ① Julie Hamada presented the Treasurer's Report for July 1 through August 31, 20xx
 - o Balance on hand, 6/30/xx \$ 1,536.20
 - o Deposits and checking interest " 50
 - o Payments and bank service charge " 20.00
 - o Balance on hand, 8/31/xx \$ 1,516.70
- ② Report to be placed on file for audit.

ABC SCHOOL PTA - Association Meeting
September 2, 20xx, 8:00 PM in the school Library

- ① Julie Hamada presented the Treasurer's Report for July 1 through August 31, 20xx
 - o Balance on hand, 8/30/xx \$ 1,536.20
 - o Deposits and checking interest " 50
 - o Payments and bank service charge " 20.00
 - o Balance on hand, 8/31/xx \$ 1,516.70
- ② Report to be placed on file for audit.

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Reporting Forms and Tax Returns

Audit Report - From CURRENT Period

Date:	<u>October 2, 20xx</u>	Fiscal Year:	<u>July 1 through June 30</u>
Name of Unit	<u>ABC School PTA</u>	IRS EIN Number	<u>94-4927581</u>
Council	<u>XYZ Council PTA</u>	PTA District	<u>Sixty-fifth</u>
Bank Name	<u>My Bank & Trust</u>	Account #	<u>0123-4567890</u>
Bank Address	<u>394 Main Street</u>	City/Zip	<u>Idyllwild 98765</u>

Dates covered by this audit: July 1 through September 30, 20xx
Check numbers reviewed in this audit: 3179 through 3187

I have verified that all tax forms, PTA and government-required forms have been filed, if required.
N/A, verified with mid-year audit. N.Frank

Verify on the Audit Report that all required forms and tax returns have been completed.

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Audit Reports

Audit Report – From PRIOR Period

Date: July 7, 20xx Fiscal Year: July 1 through June 30
 Name of Unit: ABC School PTA IRS EIN Number: 94-4927881
 Council: XYZ School PTA PTA District: 9999999
 Bank Name: My Bank & Trust Account #: 0123-4567890
 Bank Address: 324 Main Street City/Zip: 99999 99788

Dates covered by this audit: January 1 through June 30, 20xx
 Check numbers reviewed in this audit: 3145 through 3178

BALANCE ON HAND at time of last audit <u>December 31, 20xx</u> (date)	\$	2,303.55
RECEIPTS since last audit	\$	12,028.24
TOTAL	\$	14,331.80
DISBURSEMENTS since last audit	\$	12,758.60
BALANCE ON HAND <u>June 30, 20xx</u> (date)	\$	1,538.20

BANK RECONCILIATION
 LAST BANK STATEMENT balance June 30, 20xx (date) \$ 2,100.17
 DEPOSITS not yet credited (add to balance) \$ _____
 \$ _____

CHECKS OUTSTANDING (List check number and amount)

# 3174	\$ 305.00	# 3176	\$ 93.50	# 3178	\$ 100.00
# 3176	\$ 17.67	# 3177	\$ 16.50		

TOTAL outstanding checks (subtract from balance) \$ 583.27
 BALANCE in checking account June 30, 20xx (date) \$ 1,538.20

***These lines must balance**
 I have verified that all tax forms, PTA and government-required forms have been filed, if required.
 (If A, verified with mid-year audit. If B, frank)

The following is all that needs to be read when the auditor's report is given:
 I have examined the financial records of the treasurer of ABC School, PTA#9999
 correct
 substantially correct with the following recommendations:
 more adequate accounting procedures need to be followed so that a more thorough audit report can be given
 incorrect

Auditor's Report (attached as form)
 Recommended that a second party, such as the auditor, should review monthly bank statements, in addition to the treasurer.
 Signed: Whitnie Frank, Auditor, 7/7/xx

Audit completed: July 7, 20xx Auditors Signature: Whitnie Frank
 Audit accepted: September 2, 20xx

(Copies: unit president, secretary, and treasurer; council treasurer or auditor and district treasurer or auditor as directed by the district PTA. Attach copy of tax form(s) to next level PTA, if required to file.)

Submit separate report of explanation and recommendations to executive board.
 A separate audit form must be completed for each bank account.

Summary Information for ABC School PTA

ARTICLE VI – DUTIES OF OFFICERS	
Section 8: The auditor shall	
b. prepare mid year audit & end of year audit	January and July
c. present written report to executive board	January and August
d. present written report for adoption by the association	February and September
e. forward 2 copies of adopted semiannual audits to	XYZ Council

Dates for semi-annual audits determined by unit bylaws Article VI – Duties of Officers, Section 8

A separate audit form must be completed for each bank account

Attach copy of tax form (s) if required to file and send with copy of report to next level of PTA.

Distribute copies to:

- unit president, secretary, and treasurer
- council treasurer or auditor, if in council, and/or district treasurer or auditor as directed by the district PTA

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Audit Reports

Audit Report – From CURRENT Period

Date: October 2, 20xx Fiscal Year: July 1 through June 30
 Name of Unit: ABC School PTA IRS EIN Number: 94-4927881
 Council: XYZ School PTA PTA District: 9999999
 Bank Name: My Bank & Trust Account #: 0123-4567890
 Bank Address: 324 Main Street City/Zip: 99999 99788

Dates covered by this audit: July 1 through September 30, 20xx
 Check numbers reviewed in this audit: 3178 through 3180

BALANCE ON HAND at time of last audit <u>June 30, 20xx</u> (date)	\$	1,706.98
RECEIPTS since last audit	\$	5,115.79
TOTAL	\$	7,022.77
DISBURSEMENTS since last audit	\$	5,484.57
BALANCE ON HAND <u>September 30, 20xx</u> (date)	\$	1,538.20

BANK RECONCILIATION
 LAST BANK STATEMENT balance June 30, 20xx (date) \$ 2,100.17
 DEPOSITS not yet credited (add to balance) \$ _____
 \$ _____

CHECKS OUTSTANDING (List check number and amount)

# 3181	\$ 16.50	# 3182	\$ 100.00	# 3183	\$ 100.00
# 3184	\$ 16.50	# 3185	\$ 100.00		

TOTAL outstanding checks (subtract from balance) \$ 1,000.00
 BALANCE in checking account June 30, 20xx (date) \$ 1,538.20

***These lines must balance**
 I have verified that all tax forms, PTA and government-required forms have been filed, if required.
 (If A, verified with mid-year audit. If B, frank)

The following is all that needs to be read when the auditor's report is given:
 I have examined the financial records of the treasurer of ABC School, PTA#9999
 correct
 substantially correct with the following recommendations:
 more adequate accounting procedures need to be followed so that a more thorough audit report can be given
 incorrect

Auditor's Report (attached as form)
 Recommended that a second party, such as the auditor, should review monthly bank statements, in addition to the treasurer.
 Signed: Whitnie Frank, Auditor, 10/2/xx

Audit completed: October 2, 20xx Auditors Signature: Whitnie Frank
 Audit accepted: _____

(Copies: unit president, secretary, and treasurer; council treasurer or auditor and district treasurer or auditor as directed by the district PTA. Attach copy of tax form(s) to next level PTA, if required to file.)

Submit separate report of explanation and recommendations to executive board.
 A separate audit form must be completed for each bank account.

RECEIPTS AND DISBURSEMENT LEDGER RECONCILIATION

- Enter PTA's information at top of form
- Enter dates and checks for this period
- Refer to prior period audit for beginning balance
 - Refer to audited ledgers for total receipts and disbursements
 - Calculate balance on hand

BANK RECONCILIATION

- Enter prior period ending bank statement balance
- Using final bank statement reconciliation for this period to list
 - Outstanding deposits and total
 - Outstanding checks and total
 - Calculate reconciled balance in checking account

ENDING BALANCES FOR LEDGERS AND BANK STATEMENT MUST BE THE SAME!

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Audit Reports

Audit Report - From PRIOR Period

Date: July 7, 20xx Fiscal Year: July 1 through June 30, 20xx
 Name of Unit: ABC School PTA IRC EIN Number: 94-2970541
 Council: 1002 Council Office PTA District: 10000
 Bank Name: My Bank & Trust Account #: 1234567890
 Bank Address: 123 Main Street City: Sacramento, CA 95816

Check numbers reviewed in this audit: January 1 through June 30, 20xx, 5143 through 5178

BALANCE ON HAND at time of last audit, December 31, 20xx, (date)	\$	2,302.56
RECEIPTS since last audit	\$	52,028.24
TOTAL	\$	54,330.80
DEBIT MEMORANDA (check last audit)	\$	49,756.60
BALANCE ON HAND, June 30, 20xx, (date)	\$	1,550.20*

BANK RECONCILIATION
 Last BANK STATEMENT balance June 30, 20xx (date) \$ 2,120.17
 DEPOSITS not yet credited (add to balance) \$ —.00
 CHECKS OUTSTANDING (1) (at check number and amount):
 # 5174 \$ 205.00 # 5178 \$ 63.00 # 5179 \$ 150.00
 # 5175 \$ 117.00 # 5177 \$ 110.00

TOTAL outstanding checks (deduct from balance) \$ 563.07
 BALANCE in checking account, June 30, 20xx (date) \$ 1,550.20*

*These items need balance

I have verified that all tax forms, PTA and government required forms have been filed, if required. N/A, verified with mid-year audit. X, Frank

The following is all that needs to be read when the auditor's report is given:
 I have examined the financial records of the treasurer of ABC School, PTA#12345 and find them:

correct Auditor's Report attached to this report
 substantially correct with the following recommendations: more adequate accounting procedures need to be followed so that a more thorough audit report can be given
 incorrect

Auditor's Signature: Natalie Frank, Auditor, 7/7/xx
 Date: September 7, 20xx

(Copies sent president, secretary, and treasurer; council treasurer or auditor and district treasurer or auditor as directed by the district PTA. Attach copy of tax forms to next level PTA, if required to file.)

Submit separate report of explanation and recommendations to executive board. A separate audit form must be completed for each bank account.

1. Written report with recommendations to be presented to the executive board
2. Written report with recommendations to be presented to the association
3. Indicate date Audit Report was adopted by the association on the original Audit Report and file with financial records

1 ABC SCHOOL PTA - Executive Board Meeting
September 2, 20xx, 7:30 PM in the school Library

Natalie Frank presented the audit for period ending June 30, 20xx and stated "I have examined the financial records of the ABC School PTA and find them correct with the recommendation that a second party, such as the auditor, should review monthly bank statements, in addition to the Treasurer." Melissa Camp moved to adopt the audit as presented; motion adopted.

2 ABC SCHOOL PTA - Association Meeting
September 2, 20xx, 5:00 PM in the school Library

Natalie Frank presented the audit for period ending June 30, 20xx and stated "I have examined the financial records of the ABC School PTA and find them correct." Audit report to be placed on file.

Audit Recommendations

DESCRIPTION	YES	NO
AUDIT CHECKLIST Unit Name _____ Date _____		
<input type="checkbox"/> Bylaws & Standing Rules <input type="checkbox"/> Budget(s) <input type="checkbox"/> Last Audit Report <input type="checkbox"/> Ledger <input type="checkbox"/> Checkbook register		
<input type="checkbox"/> Cancelled checks (including voids) <input type="checkbox"/> Authorizations for Payment <input type="checkbox"/> Cash Verification Forms		
<input type="checkbox"/> Bank statements, bank books and deposit slips <input type="checkbox"/> Receipts/bills <input type="checkbox"/> Cash receipts <input type="checkbox"/> Executive board minutes		
<input type="checkbox"/> Association minutes <input type="checkbox"/> Committee reports <input type="checkbox"/> Monthly Treasurer Report <input type="checkbox"/> Monthly Financial Secretary Reports		
<input type="checkbox"/> Annual Financial Report <input type="checkbox"/> Workers' Compensation Annual Payroll Report form <input type="checkbox"/> IRS Forms 990/990EZ/990N		
If required: <input type="checkbox"/> IRS Form 941 <input type="checkbox"/> IRS Form 1099 <input type="checkbox"/> State Form DE-6 <input type="checkbox"/> State Form DE-542		
Required of incorporated units, council and district PTAs only: <input type="checkbox"/> State Form 199 <input type="checkbox"/> State Form RRF-1		
Financial records provided: (Originals)	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Beginning Balance Records		
1. Check to see if amount shown on first bank statement (adjusted for outstanding checks and deposits) corresponds to the starting balance recorded in checkbook register, ledger, treasurer's report and ending balance of last audit	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Bank Reconciliation		
1. All bank statements reconciled since last audit by treasurer and reviewed monthly by non-check signer	<input type="checkbox"/>	<input checked="" type="checkbox"/>
2. Ending balances (checkbook register, ledger and treasurer report) agree with last bank statement (adjusted for outstanding checks and deposits not posted to bank statement)	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
3. Deposits and Checks Written: (signed by two authorized check signers, per the bylaws)		
a) Recorded in checkbook register	<input checked="" type="checkbox"/>	<input type="checkbox"/>
b) Recorded in ledger in proper columns	<input checked="" type="checkbox"/>	<input type="checkbox"/>
c) Agree with treasurer reports	<input checked="" type="checkbox"/>	<input type="checkbox"/>
4. Bank charges and interest recorded in checkbook register, ledger and treasurer reports	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Membership		

When errors have been corrected by a financial officer and accounts are accurate, draw a double line in red ink where the audit concludes in all records. Sign and date the audited materials

All NO answers should be included in the report as recommendations to change financial procedures

09/30	Checking Service Charge		✓	10.00	5,934.13
09/30	Checking Interest		✓	1.71	5,935.84
AUDITED BY: Melissa Camp, Auditor -- October 5, 20xx					

Presenting Audit Report

- ▶ Findings and recommendations
 - Discuss with treasurer privately
 - Present to executive board
- ▶ Audit Report
 - Present to executive board and association
 - Attach recommendations and file with minutes

Five Minute Audit

- ▶ Perform monthly to save time later
- ▶ Review and compare
 - Monthly Treasurer's Report
 - Minutes
 - Bank statement
 - Copies of cancelled checks
 - Deposits
 - No online payments or debit card/ATM withdrawals
- ▶ Discuss with treasurer

Mismanagement

- ▶ Lack of receipts
- ▶ Lack of financial reports
- ▶ No bank statements or cancelled checks
- ▶ Officer misses meetings
- ▶ Officer does not return phone calls
- ▶ Officer does not respond to email
- ▶ No money to pay bills – PTA checks returned for lack of funds

President should contact district PTA immediately if mismanagement is suspected.

Resources

California State PTA *Toolkit*

- Section 5. Finance
- Section 9. Forms
- Section 10. Officers and Chairmen Job Descriptions

California State PTA Website www.capta.org

- For specific questions see “Contact Us” on the home page
- See also Finance: Frequently Asked Questions

National PTA Website www.pta.org

Thank You for Coming!

AUDIT CHECKLIST	Unit Name _____	Date _____
DESCRIPTION	YES	NO
<input type="checkbox"/> Bylaws & Standing Rules <input type="checkbox"/> Budget(s) <input type="checkbox"/> Last Audit Report <input type="checkbox"/> Ledger <input type="checkbox"/> Checkbook register <input type="checkbox"/> Cancelled checks (including voids) <input type="checkbox"/> Authorizations for Payment <input type="checkbox"/> Cash Verification Forms <input type="checkbox"/> Bank statements, bank books and deposit slips <input type="checkbox"/> Receipts/bills <input type="checkbox"/> Cash receipts <input type="checkbox"/> Executive board minutes <input type="checkbox"/> Association minutes <input type="checkbox"/> Committee reports <input type="checkbox"/> Monthly Treasurer Report <input type="checkbox"/> Monthly Financial Secretary Reports <input type="checkbox"/> Annual Financial Report <input type="checkbox"/> Workers' Compensation Annual Payroll Report form <input type="checkbox"/> IRS Forms 990/990EZ/990N If required: <input type="checkbox"/> IRS Form 941 <input type="checkbox"/> IRS Form 1099 <input type="checkbox"/> State Form DE-6 <input type="checkbox"/> State Form DE-542 Required of incorporated units, council and district PTAs only: <input type="checkbox"/> State Form 199 <input type="checkbox"/> State Form RRF-1	<input type="checkbox"/>	<input type="checkbox"/>
Financial records provided: (Originals)	<input type="checkbox"/>	<input type="checkbox"/>
Beginning Balance Records		
1. Check to see if amount shown on first bank statement (adjusted for outstanding checks and deposits) corresponds to the starting balance recorded in checkbook register, ledger, treasurer's report and ending balance of last audit	<input type="checkbox"/>	<input type="checkbox"/>
Bank Reconciliation		
1. All bank statements reconciled since last audit by treasurer and reviewed monthly by non-check signer	<input type="checkbox"/>	<input type="checkbox"/>
2. Ending balances (checkbook register, ledger and treasurer report) agree with last bank statement (adjusted for outstanding checks and deposits not posted to bank statement)	<input type="checkbox"/>	<input type="checkbox"/>
3. Deposits and Checks Written: (signed by two authorized check signers, per the bylaws) a) Recorded in checkbook register b) Recorded in ledger in proper columns c) Agree with treasurer reports	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>
4. Bank charges and interest recorded in checkbook register, ledger and treasurer reports	<input type="checkbox"/>	<input type="checkbox"/>
Membership		
1. Amount recorded and deposited equals total number of memberships # _____ (members) @ \$ _____ (membership dues listed in bylaws)	<input type="checkbox"/>	<input type="checkbox"/>
2. Amount forwarded to council/district PTA equals total number of memberships # _____ (members) @ \$ _____ (amount listed in bylaws)	<input type="checkbox"/>	<input type="checkbox"/>
Insurance – premium(s) forwarded to council/district PTA by due date	<input type="checkbox"/>	<input type="checkbox"/>
Minutes		
1. All expenditures approved and recorded in executive board minutes (List those expenditures not approved on recommendation report)	<input type="checkbox"/>	<input type="checkbox"/>
2. All expenditures approved/ratified in association minutes (List those expenditures not approved on recommendation report)	<input type="checkbox"/>	<input type="checkbox"/>
3. Committee minutes record plans, proposed expenditures, and total of monies earned	<input type="checkbox"/>	<input type="checkbox"/>
Authorizations for Payment (signed by secretary and president)	<input type="checkbox"/>	<input type="checkbox"/>
1. All authorizations written for approved amounts (List missing authorizations on recommendation report)	<input type="checkbox"/>	<input type="checkbox"/>
2. All authorizations have receipt/bill attached (List missing receipts/bills on recommendation report)	<input type="checkbox"/>	<input type="checkbox"/>
3. Authorizations match checks written	<input type="checkbox"/>	<input type="checkbox"/>
Income		
1. Deposits properly supported	<input type="checkbox"/>	<input type="checkbox"/>
2. Cash Verification Forms used with two people counting money	<input type="checkbox"/>	<input type="checkbox"/>
3. Income received matches deposits recorded in checkbook register, ledger and treasurer reports	<input type="checkbox"/>	<input type="checkbox"/>
4. Designated income spent as specified	<input type="checkbox"/>	<input type="checkbox"/>
Financial Secretary Reports		
1. Filed monthly	<input type="checkbox"/>	<input type="checkbox"/>
2. Receipts/Deposits agree with ledger and register	<input type="checkbox"/>	<input type="checkbox"/>
Treasurer Reports		
1. Filed monthly	<input type="checkbox"/>	<input type="checkbox"/>
2. Agree with ledger and checkbook register	<input type="checkbox"/>	<input type="checkbox"/>
3. Annual Financial Report	<input type="checkbox"/>	<input type="checkbox"/>
Committee Reports		
1. Committee reports for all fundraisers submitted or report in minutes.	<input type="checkbox"/>	<input type="checkbox"/>
Reporting Forms and Tax Returns		
1. Verify on Audit Report that all forms have been filed annually (if required)	<input type="checkbox"/>	<input type="checkbox"/>
Audit Reports		
1. Audit done semiannually	<input type="checkbox"/>	<input type="checkbox"/>
2. Prepare and present written report with recommendations to executive board	<input type="checkbox"/>	<input type="checkbox"/>
3. Present audit report to association for adoption	<input type="checkbox"/>	<input type="checkbox"/>
4. Forward report to the next level PTA (See Bylaws, Duties of Officers, Auditor)	<input type="checkbox"/>	<input type="checkbox"/>
Audit Recommendations		
All "No" answers should be included in the report as recommendations to change financial procedures. At the completion of the audit, meet with president and financial officers to discuss recommendations and any corrections as needed. When errors have been corrected by a financial officer and accounts are accurate, draw a double line in red ink where the audit concludes on all records. Sign and date the audited materials.	<input type="checkbox"/>	<input type="checkbox"/>
Mismanagement – Is mismanagement suspected? Contact district PTA president immediately for assistance.	<input type="checkbox"/>	<input type="checkbox"/>

AUDIT REPORT

Date _____ Fiscal Year _____
 Name of Unit _____ IRS EI Number _____
 Council _____ District PTA _____
 Bank Name _____ Account # _____
 Bank Address _____ City/Zip _____

Dates covered by this audit _____

Check numbers reviewed in this audit _____

BALANCE ON HAND at time of last audit _____ (date) \$ _____
RECEIPTS since last audit \$ _____
TOTAL \$ _____
DISBURSEMENTS since last audit \$ _____
BALANCE ON HAND _____ (date) \$ _____*

BANK RECONCILIATION

Last **BANK STATEMENT** balance _____ (date) \$ _____
DEPOSITS not yet credited (**add to balance**) \$ _____
 \$ _____ \$ _____ \$ _____

CHECKS OUTSTANDING (List check number and amount)

#	\$	#	\$	#	\$
#	\$	#	\$	#	\$

TOTAL outstanding checks (**subtract from balance**) \$ _____
BALANCE in checking account _____ (date) \$ _____*

*These lines must balance

I have verified that all tax forms, PTA- and government-required forms have been filed, if required.

The following is all that needs to be read when the auditor's report is given:

I have examined the financial records of the treasurer of _____ PTA/PTSA and find them

- correct
- substantially correct with the following recommendations
- partially correct more adequate accounting procedures need to be followed so that a more thorough audit report can be given
- incorrect

Audit completed _____ Auditor's Signature _____

Audit adopted _____

(Copies: unit president, secretary, and treasurer; council treasurer or auditor and district PTA treasurer or auditor as directed by the district PTA. Attach copy of tax form(s) to next level PTA, if required to file.)

Submit separate report of explanation and recommendations to executive board.
 A separate audit form must be completed for each bank account.

The five-minute audit for PTAs

A treasurer's report includes a lot of meaningful information, but how does the PTA know it's accurate? The unit needs to assign a non-check signer to review the bank statement each month. The most logical choices are the auditor or a member of the audit committee.

Armed with the treasurer's financial report, minutes and the bank statement the following can be checked:

Treasurer's Report Nov. 1-Nov. 30:		Bank Statement	
Beginning Balance – Nov. 1	\$3,500	Bank Stmt Beginning Balance	\$3,550
Income		Deposits	
Giftwrap 11/1	\$2,400 ✓	11/05	\$2,400 ✓
Memberships 11/14	\$ 300 ✓	11/15	\$ 300 ✓
	<u>\$2,700 ✓</u>		<u>\$2,700 ✓</u>
Expense		Checks	
CK 100 ABC Co	\$1,299 ✓	99	\$ 50 ✓ <i>last treas.rpt</i>
CK 102 Alpha PTA Council	\$ 160	100	\$ 1,299 ✓
CK 103 Mary Smith	\$ 250 \$300 ←	103	\$ 300 ←
	\$2,709 \$1759		<u>\$1,649</u>
Ending Cash Balance	\$3,493 \$4441	Ending Bank Balance	\$ 4,601
			<i>CK 102 -160</i>
			\$ 4441

Call president and treasurer. Looks like Nov. treas. report -check #103- needs to be corrected. Could be bank error?

Note: If the bank statement does not include copies of checks, the unit has to obtain copies. Most banks have online access. PTAs can have online access to their bank accounts, but they must decline any access to online payment of bills.

Step 1: Look at the checks. Verify

- Two signatures on every check
- Payee, amount and date match the treasurer's report
- Purpose of payment is included in the check's note section

Step 2: Look at the deposits. Verify

- Date and amount match the treasurer's report
- Deposits have been timely

Step 3: Assure no online payments or withdrawals have been made using a debit/ATM card.

Step 4: Reconcile the bank statement to the treasurer's report.

Make adjustments for checks that have not cleared and deposits not shown.

Step 5: Contact the treasurer to determine the source of the error(s). Corrections, if required, are included in the next treasurer's report. Report findings to unit president, treasurer and auditor (if reviewer isn't the auditor).

Note: the five-minute audit will NOT reveal that the treasurer allocated \$100 collected for Membership Dues to Gift-Wrap Income instead, but it will point out that a \$1,000 deposit showing on the treasurer's report didn't actually make it to the bank or that a check cashed by the bank didn't show up on the treasurer's report. If this happens, ask more questions and investigate further!

PTA resources include *Toolkit*, Finance section: 5.3 Banking, 5.3.3 Bank Statements, 5.3.6a Check Writing; Forms section: Check Sample.

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Financial Red Flags

- No treasurer's reports at executive board or association meetings.
- Reports are given orally with written information to be provided "later."
- Treasurer's reports list only general categories without sufficient detail.
- Treasurer misses meetings and reports are not provided in their absence.
- Bank statements sent to treasurer's or president's house rather than the school.
- Only one person counting money; no cash verification sheets.
- Only one person signing checks; only one person on bank signature card.
- Signing blank checks.
- Receipts not attached to Payment Authorization Form(s).
- Inability of treasurer or chairman to say how much money the fundraiser made.
- Unapproved budgets or yearly calendars.
- Audits not performed as scheduled.
- Bank statements not reviewed by a non-check signer.
- Inquiry calls by concerned parents, teachers, or principal.
- Board unfamiliar with unit bylaws, payment authorization procedure.
- Failure to provide a year-end audit on request.

Financial Situations to Avoid

- School staff member as treasurer or president.
- Principal who wants projects funded without going through the approval process required by PTA.
- Fundraising project that will benefit a board member financially is strictly forbidden.
- Encumbering future boards by paying for salaries for on-going staff positions.
- President writes the checks because the treasurer has no experience, is unavailable, etc.
- Consistently paying per capita/insurance late or not at all.
- Lack of/incomplete minutes, particularly in matters involving use of funds; no motions releasing funds or approving expenses.
- Banks that do not return processed checks (or copies of such.)

CURRENT REPORTING REQUIREMENTS FOR PTA

The Workers' Compensation insurance carrier for the California State PTA is Oak River Insurance Company. Oak River requires that every unit, council and district PTA complete the *Workers' Compensation Annual Payroll Report* regardless if wages are paid or not. Base rate will cover gross wages of all persons hired up to \$1,000.00; including payments made to independent contractors for services. Any wages in excess of the base will result in an additions premium of 5% of the wages. Forms and any additional premium are to be sent through channels and must reach the California State PTA by January 31, 2011.

Payments made to employees and Independent Contractors between January 5, 2010 and January 4, 2011 are to be reported.

- **If the PTA has no payments to employees or independent contractors** complete and sign this form. Write "None" in the employee information section of the form.
- **If PTA has hired employees and/or has hired independent contractors**, complete the form, and provide attachments listed below. Some examples of payments to independent contractors include babysitters at PTA events, payments made directly to individuals for assemblies, parent education events or for student enrichment. Payments made to the school district for persons listed above are **NOT** listed on the Workers Compensation form.

IF PTA hires employees:

- **EDD Form DE-6 for each quarter in 2010:**
- **IRS Form 941 each quarter in 2010:**

If PTA hires independent contractors:

- **EDD Form DE-542 for each quarter in 2010**
- **IRS Form 1099-MISC for any independent contractor paid over \$600 in 2010**
- **Certificate of Insurance from his/her Workers' Compensation insurance carrier for contractions claiming personal insurance**

The California State PTA *Toolkit* (5.6.6.) explains the withholding requirements regarding FICA, state and federal income tax and State Disability Insurance. For further clarification of determining whether a person is an employee or an independent contractor, see the California State PTA *Toolkit* (5.6.1) and PTA as an Employer (*Toolkit*, 5.6).

The California State PTA recommends that a professional knowledgeable about hiring employees and reporting requirements be consulted to ensure that all government regulations are met. This is a legitimate PTA expense.

State documents may be downloaded on the Employment Development Department website, www.edd.ca.gov/taxrep/de6.pdf

The printed version of federal forms may be obtained by calling 1-800-TAX-FORM (1-800-829-3676). Be sure to order using the IRS form or publication number.

