

Be a Great Treasurer

2011 California State PTA Convention

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California State PTA Resources

- ▶ California State PTA *Toolkit*
- ▶ Bylaws for Local PTA/PTSA Units/Councils
- ▶ *PTA in California*
- ▶ *The Communicator*

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California State PTA Resources

- ▶ Service Mailings
- ▶ Leadership, Financial, Parent Involvement, Education, and Membership Pocket Pals
- ▶ Insurance and Loss Prevention Guide
- ▶ PEP (Parents Empowering Parents) Guide
- ▶ www.capta.org

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National PTA Resources

- ▶ Quick Reference Guides
 - > PTA Presidents
 - > PTA Money Matters—be careful
 - > PTA Membership
 - > PTA Programs
- ▶ *Our Children*
- ▶ www.pta.org



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Human Resources

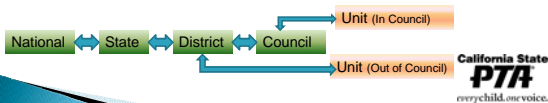
- ▶ Councils and Districts
 - Training, Assistance, Representation
- ▶ California State PTA
 - Convention, Legislation Alerts, Legislation Conference
 - Representation
- ▶ National PTA
 - Power of Association, Convention
 - Representation



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PTA Channels

- ▶ Unit – Also referred to as the association
- ▶ Council – A group of local units
- ▶ District – A geographic division of the California State PTA; usually one or more counties
- ▶ California State PTA
- ▶ National PTA



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Fiduciary Responsibilities

- ▶ PTAs must be fiscally responsible to the members and need to ensure that all financial procedures are followed.
- ▶ This is the responsibility of **ALL** members of the executive board.



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Responsibilities of The Board

- ▶ Protect the assets of the organization
- ▶ Ensure compliance with all laws
- ▶ Ensure the assets are used to serve the interests and needs of the beneficiaries
- ▶ Ensure continuity of the organization
- ▶ Ensure the organization remains transparent
- ▶ Ensure you are carrying out the purpose you have been given



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PTA Planning

The PTA program, budget, membership plan and fundraising plan must be approved by the association at the first meeting of the year and before any plans are implemented.



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Immediately Upon Election

- ▶ Board members meet
- ▶ Board members survey the school's needs
- ▶ Board sets goals
- ▶ 3-to-1 Rule (Programs-to-Fundraisers)
- ▶ Treasurer chairs budget committee
- ▶ All officers attend training
- ▶ Become familiar with the reports
- ▶ Review *Toolkit* and bylaws; they are the governing documents



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In the Spring . . .

- ▶ Present the proposed budget to the board-elect
- ▶ Present the proposed budget to the association at the last meeting of the year
- ▶ Release funds needed over the summer*



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Working with Outgoing Treasurer

- ▶ Learn how to use the accounting system
- ▶ Convert to PTAEZ
- ▶ Understand the reports you will be generating
- ▶ Know how and when to contact a tax professional, council and/or district treasurer
- ▶ Obtain a copy of the Finance Section of the *Toolkit*



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Changing of the Guard

- ▶ Obtain audited records
- ▶ Obtain treasurer's supplies
- ▶ Obtain computer program and backup of data
- ▶ Make sure there is a plan to complete the tax return by the due date
- ▶ Learn details of any paid employees and get records for January through June



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PTAEZ

- ▶ Designed by PTA for PTA!
- ▶ Greatly assists in required reporting and preparation for tax filings
- ▶ Secure and web-based
- ▶ \$99/yr for postcard filers
- ▶ \$399/yr for 990 EZ filers
- ▶ \$799 for full 990 filers
- ▶ www.PTAEZ.org



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Organizing Your Records

- ▶ Treasurer's report, check ratification list, and minutes from each meeting
- ▶ Bank reconciliation, bank statement and canceled checks for each month
- ▶ Group fundraising and membership reports along with cash verification and deposit records
- ▶ Attach receipts to authorization for payment or check request
- ▶ Authorizations for payment in check number order



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Bank Accounts

- ▶ Review bylaws for approved signers
- ▶ Make sure minutes of election reflect who the check signers are
- ▶ All signers should go to the bank together with the secretary
- ▶ Remove all past signers
- ▶ Change signers on all accounts



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The PTA Ledger

- ▶ “Green Book” is a cash receipts/cash disbursements ledger
- ▶ May use 13 column paper, a computer spreadsheet, or regular paper, or software.
- ▶ Must categorize all income and expenses separately.



New Tax Requirements: California

- ▶ Beginning with the 2010 tax year, the **California State Franchise Tax Board (FTB)** is requiring all tax-exempt organizations to file the electronic *Form 199N or Form 199*.

2010 Tax Year <i>(Fiscal year beginning in 2010 and ending in 2011)</i>	Form to file
If your PTA's gross receipts are:	
Normally equal to or less than \$25,000	199N
Normally greater than \$25,000	199



New FTB: Entity Number

- ▶ The FTB has recently issued *state entity numbers* (7 digits)
- ▶ Mailed to the school, not necessarily the PTA
- ▶ NOT the same as the Employer Identification Number (EIN) from the Federal IRS (2-7 digits)
- ▶ Check with district PTA officers
- ▶ Not received? Call the FTB at 1-800-852-5711; Business Entities Information; Option 4 for a representative
- ▶ http://www.ftb.ca.gov/professional/taxnews/2010/July/Article_8.shtml



New from the Attorney General

- ▶ Unincorporated unit PTAs must register and receive a **Charitable Trust (CT)** number (one-time application)
- ▶ A CT number is required to conduct a raffle or gaming activity
- ▶ <http://ag.ca.gov/charities/forms.php>



More From the Attorney General

- ▶ All units/councils/districts must file the *RRF-1* annually
- ▶ Incorporated units: CT number and RRF-1 are still required
- ▶ For specific filing assistance, consult a tax professional specializing in 501(c)(3) organizations.



Form RRF-1

- ▶ Gross receipts should match tax return
- ▶ Copy of federal return must be sent with the RRF-1
- ▶ Internal audit is not the same as an audit prepared "In accordance with generally accepted accounting principles"
- ▶ Fees dependent upon Gross Receipts



Federal Tax Requirements

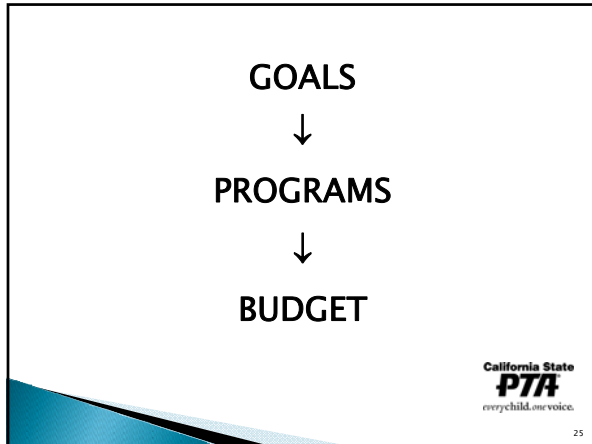
- ▶ **Form 990** tax returns are required annually
- ▶ **Form 8868** is required for an extension
- ▶ Due 5 months and 15 days after fiscal year ends (June 30 is due November 15)
- ▶ **Schedule B** is required if PTA receives a donation of \$5,000 or more from a single donor
- ▶ **Form 990EZ** and **Form 990** have additional schedules



Federal IRS Form 990

2010 Tax Year (Fiscal year beginning in 2010 and ending in 2011)	Form to file
If your PTA's gross receipts are:	
Normally equal to or less than \$50,000	990N
Equal to or more than \$50,000 and less than \$200,000 and total assets are less than \$500,000	990EZ
Equal to or more than \$200,000 or more, and total assets are equal to or more than \$500,000	990





Budget should be
program-driven
not
revenue-driven

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Budget Committee

- ▶ Appointed by the president-elect
- ▶ Chaired by the treasurer-elect
- ▶ Designs a financial plan to meet the needs of the association based on goals and objectives
- ▶ Combines the best of the past with the new ideas of the future
- ▶ Creates proposed budget

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The Budget

- ▶ Beginning Funds per the audit
- ▶ Income
- ▶ Funds Not Belonging to the Unit Income
- ▶ Expenses
- ▶ Carry-over for next year's board
- ▶ Unallocated
- ▶ Funds Not Belonging to the Unit Expense

Monitoring the Budget

- ▶ The entire board is responsible to monitor the budget
- ▶ Inform committee chairmen of their budgeted amounts
- ▶ Ensure expenses stay within budget
- ▶ The budget is a working document and can be revised by the association

Revising the Budget

- ▶ Review Budget-to-Actual numbers regularly; at least quarterly, issue report to the board.
- ▶ Revise as necessary. Example: fundraising produced a great deal more or less than expected.
- ▶ Executive board approves, then forwards to association for its approval.

Dealing with Income

- ▶ Cash vs. Check
- ▶ Cash Box
- ▶ Turn-in Fundraisers
- ▶ Donations
 - In-kind
 - Quid pro quo
- ▶ Membership dues
- ▶ Petty Cash – never!



Money Handling Procedures

- ▶ Two persons count money at all times
- ▶ Cash Verification Form
- ▶ Deposit money immediately
- ▶ Maintain a paper trail
- ▶ Categorize when recording deposits



Cash Verification Form

- ▶ Must be used for the receipt of all monies
- ▶ Must be signed by all persons counting the funds
- ▶ If someone else takes custody from those counting, the cash verification form must be countersigned by the person taking custody of the money
- ▶ Everyone signing gets a copy of the cash verification form



Dealing With Expenses

- ▶ Provide reimbursement forms to members
- ▶ Provide instructions
- ▶ Receipts must be attached
- ▶ Treasurer reviews receipts and the completed form before presenting to executive board or the association or writing the check
- ▶ Categorize when recording

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Dealing With Expenses

- ▶ All expenses must be approved by the executive board and/or association.
- ▶ Authorization for payment must be completed.
- ▶ Authorized funds can be paid upon receipt of the signed authorization for payment.
- ▶ No authorization of funds? Payment must be held until approved by executive board.

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Checks for Authorized Expenses

The executive board authorizes up to \$500 of a \$3000 carnival budget to be spent in advance.

- Carrie presents receipts for \$100; issue the check – \$400 still authorized.
- Carrie presents receipts for \$298; issue the check – \$102 still authorized.
- Fred presents receipts for \$1254; issue the check for \$102. The remaining \$1152 must wait for the next board or association meeting.

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Writing the Check

- ▶ Payable only as listed on the authorization for payment
- ▶ The amount must match the authorized amount
- ▶ NEVER pre-sign checks
- ▶ NEVER pay in cash!



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Paying Membership and Insurance

- ▶ Membership per capita is paid as received
- ▶ Paid through channels
- ▶ Use proper remittance form
- ▶ Insurance must be paid by due date
- ▶ Council, district, state, and National PTA dues are Funds NOT Belonging to the Unit and do not need membership approval to be forwarded



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Dealing with NSF Checks

- ▶ Non Sufficient Funds - returned checks
- ▶ Deal with NSF checks immediately
- ▶ Collect the total of the NSF check and any bank fees
- ▶ Enter the amount of the NSF check as a negative amount in the income account.
- ▶ When collected - enter as a positive amount to the same income account



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Reconciling the Bank Statement

- ▶ Have officer other than check signer review bank statement, sign and date it, then forward to treasurer
- ▶ Need deposit slips, receipts and check register
- ▶ Reconcile as soon as possible



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Reporting to the Board

- ▶ Prepare and present a treasurer's report at every executive board meeting
- ▶ Present bills to be paid
- ▶ Keep board updated about income and expenses as they relate to the budget



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Reporting to the Association

- ▶ Prepare and present a treasurer's report at every association meeting
- ▶ Ratify any checks written since the last association meeting
- ▶ Approve new fundraisers
- ▶ Approve new upcoming activities
- ▶ Release funds from the budget until the next association meeting



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First Association Meeting

- ▶ Present financial reports
 - Accept Annual Financial Report for the prior year
 - Adopt year-end audit
- ▶ Authorize fundraisers and programs
- ▶ Adopt budget for the current year
- ▶ Present Treasurer's Report
- ▶ Ratify any checks written since last association meeting
- ▶ Authorize specific expenditures
- ▶ Release funds for fall programs



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