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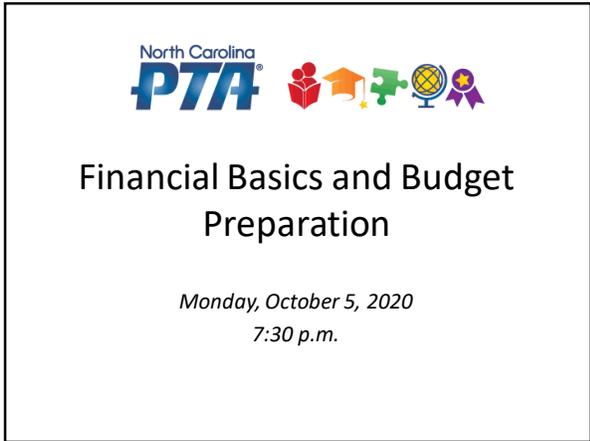
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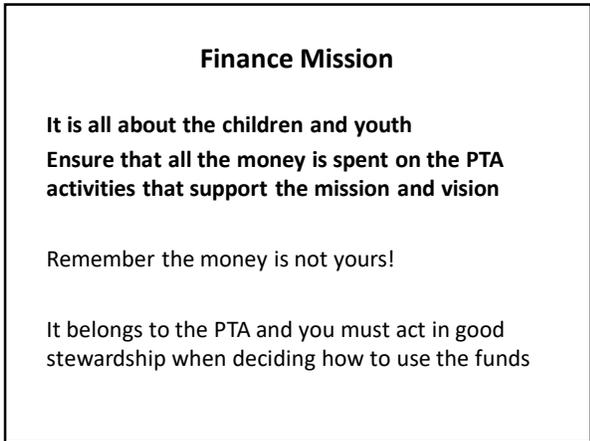
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### Before Taking Office



- ✓ Be sure that the books have been audited before accepting them. Confirm online by August 31 of each year that your PTA's Financial Review has been conducted and the results shared with your Board to remain a PTA in "Good Standing".
- ✓ Become familiar with duties outlined in the bylaws.
- ✓ Secure the signatures of new officers authorized to sign checks and file with your bank.
- ✓ Secure Bonding and Liability Insurance.

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### Treasurer Toolbox

- Ledger
- A copy of the Budget
- Bank statements and cancelled checks
- Receipts & Vouchers
- Checkbook
- Meeting Minutes
- Other important papers:
  - A copy of bylaws
  - Copies of Form 990 (IRS)
  - Employer Identification Number
  - State Tax Information
  - 10 years of Audits
  - 7 years of unit financial activity
  - 3 years of budgets




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### Summary of Roles and Responsibilities

*Understand the roles and responsibilities of every member of your team – your PTA Board*




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### What Financial Responsibilities do Board Members Have?

- Both Articles 7 and 11 of the Uniform Bylaws cover responsibilities of Board
- Uniform Bylaws are available at <https://ncpta.org/index.php/leaders/leadership-tools-for-officers/>

*Clearly all Board Members have fiduciary responsibilities and are charged with understanding the finances of the PTA unit.*

*See Standing Rules for information about any additional requirements in your PTA unit.*

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### Uniform Bylaws will guide you on Roles and Responsibilities

- The Uniform Bylaws are the governing document for your PTA.
- All PTA units in the state use the same bylaws
- You should have a copy readily available from your current PTA president.

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### Article 7 – Board of Directors

#### Section 7.1 Duties

*The affairs of this local PTA shall be managed by the board of directors in the intervals between general membership meetings. **The board shall be responsible to assure that all activities and expenditures of this local PTA shall be consistent with the budget approved by the general membership.***

The duties are described in further detail in this Section 7.1 of the bylaws. Please refer there.

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### Article 11 – Finance and Budget

- Sections 11.1 through 11.3 discuss three types of financial reviews:
  - Monthly
  - When a financial officer leaves
  - Annually
- Section 11.4 - Annual Budget
- Section 11.5 – Checks
- Section 11.6 – Expenditures and fund availability
- Section 11.7 - Depositories
- Section 11.8 – Contracts and other financial agreements

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### Section 6.10 - Treasurer

The Treasurer shall:

- Collect, deposit and maintain all funds of this local PTA in approved depositories (including, but not limited to, all monies collected as local dues, raised in PTA activities, received as contributions, or otherwise acquired);
- Disburse funds in accordance with the annual budget adopted by this local PTA, and maintain records identifying the purpose and payee of all disbursements;
- Maintain a current record of income, expenditures, assets and liabilities of this local PTA, and make all financial records available for inspection and review by the audit committee;
- Present a financial report of income and expenses at each meeting of the general membership and the board of directors, which report shall compare current income and expenditures to the approved budget;
- Remit dues to NCPA in accordance with Article 5 of these bylaws and the current NCPA good standing requirements;
- Prepare a year-end financial report by June 30 showing the total income and expenditures for the fiscal year, comparing those figures with the budget approved at the beginning of the fiscal year, and the assets and liabilities of the local PTA, and submit that report to the incoming president, treasurer and audit committee;
- File all required tax forms and reports in a timely manner, including but not limited to tax returns for the previous fiscal year, and submit copies of all such filings to the secretary of this local PTA;
- At the end of his/her term, transfer all financial records to the audit committee by July 1; and provide assistance to the audit committee upon request.

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### Money and Checks

**Bylaws - Section 11.5 Checks.** All bills of this local PTA shall be paid by check. Checks must be signed by two of no more than four officers authorized by the board of directors to sign checks, except that none of these officers so authorized shall be related, and at least one of these authorized officers shall be the Treasurer. The signing of blank checks is prohibited.

No school employee should have signature authority on PTA checks unless they are a duly elected PTA officer.

The PTA can't 'give' money to the school or any person or organization without a specific use for the money. The IRS and your members hold the PTA accountable for the use of that money.

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### Receipts



- Receipt all transactions.
  - Membership money
  - Fundraisers
  - Donations
  - Petty cash
- Two people should always count the money.
- Never deposit PTA funds in a personal account or a school account.
  - School funds are public monies and PTA funds are private monies.
- Never “pass” school money through a PTA account.
  - This adds to your gross receipts and could have filing consequences with the IRS.

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### 990 IRS Tax Filings

**Status**

**Form to File**

- Gross receipts normally ≤ \$50,000      990-N
- Gross receipts < \$200,000, & Total assets < \$500,000      990-EZ
- Gross receipts ≥ \$200,000, or Total assets ≥ \$500,000      990 (long form)

990s must be filed with the IRS by November 15<sup>th</sup> of each year.

Confirm filing date in NCPTA database after submitting the 990 to the IRS

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**YOUR BUDGET:**  
**Tool for Organizing & Evaluating**

*The budget is a legally binding agreement entered into by your membership to guide your work.*




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**Budget:**  
**Gameplan for Success**



- Develop a budget
  - Involve both last year’s and this year’s committee chairs in determining funding requirements
  - Start with planning the programs first, then plan the income to meet those programs.
  - Ensure budget includes only PTA income and only PTA expenditures, not school income or school expenditures.

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**Budget:**  
**Gameplan for Success**



- Develop a budget (continued):

Important fundraising considerations in budget development:

- Consider the Three to One Guideline
- Budget is one helpful tool to ensure to help the Board avoid Fundraising Fatigue

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**Budget:**  
**Gameplan for Success**



**Consider the Three to One Guideline**

- Remember that fundraising is just a means to an end – that end being the ability of your unit to perform its programs, projects, and advocacy work for the year.
- This exercise will help you document that you are mission-focused rather than fundraising-focused.
- As a general guideline, consider the total number of programs and projects you will have (including FREE ones) and divide by 3. This should tell you the maximum number of fundraising ventures you should be considering for the year.
- Recommendation: Document a discussion of this in your Board minutes, including your list of total programs and projects, along with your list of fundraisers.
- **Your Board must use judgment** as to what is considered a program or a fundraiser in this analysis.

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**Budget:**  
**Game plan for Success**



- Adopt the budget
  - Approval by entire general membership in a general PTA meeting.
  - Board of Directors can make a recommendation, but – must be full general PTA membership.

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**Budget:**  
**Game plan for Success**



- Amend the budget
  - Amend by vote of the entire general membership as provided in the bylaws of your unit
  - Changes may be recommended by the Board, but – must be full general PTA membership approved

Check out the archived webinar on this topic at [www.ncpta.org/index.php/events/webinars/past-webinars/](http://www.ncpta.org/index.php/events/webinars/past-webinars/)

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**Insurance for your PTA Unit**

- General Liability
- Bond
- Property
- Officer's Liability



Many units use AIM Insurance (discounts for PTA units). AIM requires the following:

Each month, a PTA member who is NOT authorized to sign checks must review the bank statement, otherwise, bond insurance may be forfeited.

Review covered events for liability purposes

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### Best Practices in Cash Management



- Cash Collections
- Cash Disbursements

Check out the archived webinar on this topic at [www.ncpta.org/index.php/events/webinars/past-webinars/](http://www.ncpta.org/index.php/events/webinars/past-webinars/)

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### Best Practices in Cash Management

- **Handling Money Collections: How to get your money safely to the bank**

- PTA funds may NEVER be deposited into anyone's personal account
- School funds may NEVER be deposited PTA account and vice-versa




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### Best Practices in Cash Management

- **Handling Money Collections: How to get your money safely to the bank (continued)**

- Money should always be counted by at least two unrelated people
- All deposits submitted to the Treasurer should be accompanied by a Funds Received Form
- A copy of the Funds Received Form should be kept by the committee chair and the Treasurer




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### Best Practices in Cash Management

• **Handling Money Collections: How to get your money safely to the bank (continued)**

– Handling Bounced Checks

- At the time checks are collected, post/list fees for returned checks
- Consider redeposit directly to issuing bank on payday
- Phone call to check writer
- Letter to check writer
- Collection Agency
- Consider a "No Checks" list
- Inform/Involve Principal only if requested to do so by him/her




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### Best Practices in Cash Management

**Handling Money Disbursements: How to ensure safety of funds**

- All requests for funds should be in writing, using a check request form. Check request forms must have back-up documentation proving validity of expenditure
- Treasurers should not disburse funds which have not been budgeted and can be held personally liable if they do.
- Your Standing Rules may outline general rule about "going over" the budget.
- Always have two signatures on any check – by two unrelated parties
- Never sign a blank check
- **PLEASE destroy/close accounts for any PTA credit cards or debit cards.**




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### PTA Dues



- Local units must pay membership dues to NCPTA (\$1.75) and National PTA (\$2.25) for a total of \$4.00 per member.
- State and National dues are payable via check to NCPTA. NCPTA will remit National's portion of the dues to National.
- State and National dues are to be paid by the 15<sup>th</sup> of each month. No separate invoice will be sent, but a copy of the Dues Remittance Form can be found on the NCPTA website.
- Single memberships versus Family memberships – remember that you must remit \$4.00 per person to State and National PTA. If a Family membership covers two adults, then you must remit \$8.00 per family membership to State and National PTA.

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### Financial Review Procedures



- Must be completed at end of fiscal year *or any time there is a change in check signers*
- Options: Professional (paid CPA or donated services) or Committee of at least three members (cannot include any authorized check signer or the school principal)
- Bylaws require the Financial Review/Audit Committee to be a standing committee throughout the school year
- **What happens after the review is completed?**
  - The Audit Committee reports its findings to the Board of Directors.
  - A copy of the report is included in the minutes.
  - Confirmation of the completed review is submitted in MemberHub to NCPTA

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### Monthly Financial Review



- Bank statement should be opened by someone on the Financial Review Committee and reviewed/initialed prior to being passed to the treasurer for the reconciliation work
- Monthly bank reconciliation should be done on a timely basis. Financial Review Committee should review this periodically.
- Monthly reports should be prepared showing the approved budget for the year and the actual results Year-to-Date so that committee chairs will have an idea as to where they stand against their budgets.
- Even if the Treasurer is unable to attend a Board Meeting or a General Membership Meeting, a financial report needs to be made.

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### Missing Money



- Must take action or can be considered co-conspirators
- Get Help! The sooner the better!
- Review the information provided in the National PTA Back to School Kit at <http://www.ptakit.org>

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### The Role of Fundraising in Your Unit

- Keep in mind that as a 501(c)3 organization, you must have a non-profit purpose.
- We fundraise to have enough funding to support the programs and services that we provide. Not vice versa. We don't provide services because we raised the funds to provide them. (Don't get the cart before the horse.)
- The PTA doesn't exist to raise funds, and if that becomes the central focus, your PTA unit needs an intervention.
- Fundraising Fatigue can set in really quickly.
- Limit the number of "Asks" - Where else could you secure funds besides parents?

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### Consideration of Other Sources of Revenue for your PTA Unit

- Grants
- Sponsorships
- Other Sources of Funding



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### Resources

- [www.ncpta.org](http://www.ncpta.org)
- [www.ptakit.org](http://www.ptakit.org)
- [office@ncpta.org](mailto:office@ncpta.org)

Past Webinars are Available Online for your review 24 hours a day/7 days a week!

[www.ncpta.org/index.php/events/webinars/past-webinars/](http://www.ncpta.org/index.php/events/webinars/past-webinars/)

Questions?

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