

PTA Financial Officers Workshop

L.I.S.T. – July 11, 2020

Who we are: Kelly Duenckel (Treasurer) & Chris Molaro (Financial Secretary)

What we do...

- We do the same jobs you do, but for Burbank Council PTA
- We also are here to
 - support you and guide you as you do your jobs at your units
 - send out reminders on a regular basis
 - help ensure your unit stays in compliance with PTA, State, Federal regulations
 - answer any questions you have about PTA finances (and there are no stupid questions, especially about PTAEZ!)
 - help you if you get letters from the IRS, FTB or OAG

Treasurers and Financial Secretaries are a team...

Financial Secretary

- responsible for counting, depositing, and reporting all monies RECEIVED by the Association
- keeps an accurate record of all receipts (and payment authorizations assigned this duty) for the treasurer's financial records
- may be a signer on payment authorizations
- Issues numbered receipts
- ensures that cash and checks are deposited immediately
- reports all funds deposited to the treasurer
- prepares and presents a monthly Financial Secretary's Report at Association and executive board meetings and at other times when requested by the Association
- prepares and presents an Annual Financial Secretary's Report at first Association meeting of the year
- has limited access in PTAEZ – cannot see categories

Treasurer:

- Is responsible for maintaining the permanent financial records of the Association
- chairs the budget committee
- Pays all PTA bills as authorized by the exec board or Association and keeps a ledger
- records deposits in PTAEZ
- runs a monthly Bank Reconciliation
- prepares and presents a monthly Treasurer's Report at Association and executive board meetings and at other times when requested by the Association; prepares the Warrant
- prepares and presents an Annual Financial Report at first Association meeting of the year
- ensures taxes and reports required by PTA bylaws, insurance or federal and state governments are completed and submitted by the due dates
- submits financial records for audit semi-annually, when a financial officer or check signer is replaced and when directed
- preserves financial records as indicated in the [PTA Retention Policy](#) in the *California State PTA Toolkit* to pass on to the next treasurer
- has greatest access in PTAEZ

Fiduciary Responsibility

- Every Board member has a fiduciary responsibility to protect the assets of the PTA.
- **ASSETS** include money, volunteers, reputation and continuity of the organization.
- As financial officers, you have the responsibility to ensure that financial transactions are reported properly and that transactions are transparent for the board members and the members of the Association.
- Many resources are available to make the job easier. The Finance Section and Forms Sections of the PTA Toolkit have valuable information and can be downloaded from the PTA website at www.capta.org.
- **When in doubt, contact your unit mentor and/or your counterpart at Council PTA! We are here to help you!**
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GOT BYLAWS?

- You are entitled to a copy of your unit's most current bylaws and standing rules.
- A copy of the bylaws, including standing rules, should always be part of your records. If your procedure book does not contain a copy, ask your parliamentarian.
- Read them through, especially sections related to your job and any financial information pertaining to your unit (EIN and other legal name of your unit, how much in unbudgeted expenses your executive board can approve between meetings, etc.).
- Standing rules contain guidelines for your PTA unit. There are CAPTA standing rules and unit-specific standing rules.

GOT QUORUM? GOT NOTICE?

- **Quorum:** minimum number of PTA members in good standing who must be present at a properly called meeting in order to conduct business in the name of the group.
- PTAs must have the required quorum at meetings in order to legally conduct business.
- The quorum for a meeting is established in the Bylaws
- Whenever members are required or permitted to take any action at a meeting, a written notice of the meeting shall be given, not less than 10 days or more than 90 days before the date of the meeting, to each member who is entitled to vote at such meeting

IT'S SUMMERTIME –WHAT HAPPENS NOW?

CLOSING OUT THE OLD FISCAL YEAR

Outgoing Treasurers should...

- prepare Annual Financial Report for June 1st to May 31st.
- prepare books and financial records for year-end audit and provide to current auditor, as stipulated in the bylaws (after close of fiscal year).
- prepare and file the Nonprofit Raffle Report Form (CT-NRP-2) if your unit held a raffle.
- provide training to their successor.
- give financial records and materials to the incoming financial officer (except those in audit).
- assist the incoming officers in changing bank signatures.
- prepare federal tax return (990N) or coordinate preparation of tax return (990EZ or 990), California tax form (199) and RRF-1 and, if needed, CT-TR-1. Given the new complexities, California State PTA recommends that professional tax preparers be used.

STARTING UP THE NEW FISCAL YEAR

Incoming Treasurers should....

- get financial records and materials from their predecessor.
- get training from their predecessor.
- change bank signatures.
- verify that all end of year reports have been prepared and uploaded to the Google Drive folder.
- verify that the year-end audit was completed by auditor and has been reviewed by an audit review committee.
- verify the Nonprofit Raffle Report Form (CT-NRP-2) has been filed.
- apply for Nonprofit Raffle Permit (CT-NRP-1).
- verify that federal and state tax returns have been filed or turned over to tax preparer. Verify that RRF-1 and, if needed, the CT-TR-1 have been prepared and are ready to be filed.

VISIT THE BANK NOW!

- Be sure to bring a copy of the May Association meeting minutes with you.
- Add new check signers as authorized in the bylaws and listed in Association minutes.
- Verify old signers are removed.
- Verify no ATM cards exist.
- **Different banks have different procedures for changing check signers. Call the bank ahead of time to make sure you are aware of any other requirements.**

HANDLE YOUR RAFFLE BUSINESS OVER THE SUMMER!

Once you have your books back from the auditor, it's time to file!

- **Nonprofit Raffle Report Form (CT-NRP-2)**
 - due before October 1st
- **Application for Registration for Nonprofit Raffle (CT-NRP-1)**
 - send a check for \$20 with the application
 - check payable to "Department of Justice"
 - form and fee are due before September 1st
- you must use the updated forms
- <https://oag.ca.gov/charities/raffles>
- **Don't put off your Raffle Report and Application. If you get them done in June and July, you'll be so glad when things get crazy in August.**
- **Council can help you with the forms if you have questions.**

COMPLIANCE WITH THE OAG

What is the OAG? What does it have to do with PTA?

OAG = The Office of the Attorney General of the State of California.

Part of the State of California Department of Justice, the OAG regulates charitable organizations, like PTA.

Each year, PTAs must renew their **Charitable Trust** with the OAG.

- Charitable Trust Registration and renewal have been required since 2012.
- **Each year**, PTAs who want to hold raffles must apply to the OAG for a **raffle permit**.
- **Each year**, PTAs that have held raffles must file a **raffle report** with the OAG.
- Raffle vs. Opportunity Drawing
 - 50/50 raffles are not allowed

All forms and instructions can be found on the OAG's Charities page: <https://oag.ca.gov/charities>

Raffle Forms helpful hints...

CT-NRP-2 (Raffle Report) - Due before October 1st

- Part A – Tax ID numbers are in your bylaws.
- The Raffle Registration number can be found on the Raffle Registration Confirmation letter from last year.
- Part B - The Raffle year ends every August 31st, so last year's raffle year will end 8/31/2020.
- Direct costs should not exceed 10% of gross raffle receipts.
- Don't forget to answer question 5!
- Part C – Answers to 1 – 8 *should* be "True".
- **Once filed, upload a copy of the report to your Google Drive Folder.**

CT-NRP-1 (Raffle Application) - Due before September 1st

- Tax ID numbers are in your bylaws.
- You must give proposed Raffle date(s).
- \$20 fee – check payable to "Department of Justice"
- **Once filed, upload a copy of the application to your Google Drive Folder.**
- Once your Raffle application has been processed and accepted, you will receive a Raffle Registration Confirmation letter. (CT-708).
- **Upload a copy of the Raffle Confirmation Letter to your Google Drive folder and keep original in your records.**

Should I file the RRF-1 over the summer?

We DO NOT want you to file your RRF-1 over the summer of 2020. Just this year.

- First District just got additional guidance from CAPTA about the CT-TR-1. BCPTA expects to go over it in detail at our August LIST.
- Supporting documents for the RRF-1, including tax returns and/or CT-TR-1 must be ready to submit all at once with the RRF-1.
- ***BCPTA recommends that units DO NOT renew online this year, because...***
- It appears each unit might need to provide separate PDF files for **public** portions vs. **confidential** portions of IRS form 990 and any other documentation.
- It also appears that if your unit is required to pay a fee, it must be paid online using a checking account (ACH) at the time of online submission.
- **All forms and instructions can be found on the OAG's Charities Annual Registration Renewal page: <https://oag.ca.gov/charities/renewals>**

What is the CT-TR-1? Do I need to file it?

- It is an **Annual Treasurer's Report** specifically made by the OAG. It is a part of a new OAG requirement.
- Effective February 1, 2020: Charitable organizations whose total revenue for the fiscal year is under \$50,000 must file this form along with Form RRF-1.
- If you file a 990N, you will need to file the CT-TR-1.
- If you file a 990EZ or 990, you can submit this with your RRF-1, *in lieu of* the CT-TR-1.
- This new form asks for total non-cash donations, which most units are not used to tracking, as well as things like fundraising expenses.
- **The CT-TR-1 and instructions can be found on the OAG's Charities page:**
- <https://oag.ca.gov/sites/all/files/agweb/pdfs/charities/charitable/ct-tr1-form.pdf>
- **MORE GUIDANCE TO FOLLOW AT AUGUST LIST!**

BUDGETS

Who makes the budget? What is a budget

Budget committee...

- Check your bylaws and standing rules for a list of who serves on the budget committee; otherwise, the committee is appointed by the president-elect.
- Treasurer-elect chairs the committee.
- 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.
- Budget should be PROGRAM driven, not revenue driven.

Budgets are “living” documents

- The Budget is an ESTIMATE of planned income and expenses for the year.
- Treasurers review Budget-to-Actual numbers regularly; issue report to the board. Revise, as necessary.
- Board approves changes; then presents changes to Association for its approval.
- Budget amendments require a vote of the Association.
- **Upload amended budgets to Google Drive Folder.**

Fundraising and protecting the PTA tax exemption

- PTAs are exempt from taxes under Section 501(c)(3) of the Internal Revenue Code. To retain the tax-exempt status, PTAs must pay attention that fundraising does not become the primary focus.
- All PTAs function under the exempt status of the California State PTA and the National PTA. An individual unit can impact the ENTIRE Association.
- Most PTA fundraisers are exempt from federal income taxes because a majority of the work is conducted by volunteers and donated merchandise is auctioned off or sold (e.g., at carnivals).

PTA’s mission does not include fundraising

PTA is not a fundraising organization

- PTAs raise revenue to fund programs and projects. Only raise enough funds for annual activities and projects as outlined in adopted budget.
- Use the funds you raise in the year you raise them.
- You should not have extensive carryover funds.
- Advocating for increased school funding is just as important as fundraising for your site’s programs. Finding ways to improve school funding will yield results more profound and lasting than any fundraising effort.

3-to-1 Rule

- There should be three non-fundraising activities/events for each fundraiser.
- Passive fundraisers – count as one.
- Association meetings can count individually.
- Organized budgets make it easy to see if you meet the 3-to-1 rule.

Summer Budget Tune Up

- This year especially, budgets will be “Under Construction” throughout the summer.
- Make sure to use your actual Balance on Hand.
- You may need to adjust budget amounts based on the Annual Financial Report and the proposed Calendar.

- After BUSD finalizes its budget, the budget committee needs to meet with the principal.
- Plan for decreased income; no large group gatherings in the fall.
- Exec Board needs to vote on a final proposed budget at their meeting BEFORE the first Association meeting.
- **Putting your budget into an Excel spreadsheet makes it easier to reorganize and revise your proposed budget.**

Organizing your budget ... part of the summer tune-up

- Each line item belongs either to Administration, Fundraising, Programs, or Non-Unit.
- For categories that have both Income and Expense line items, designate as “Category-Income” or “Category-Expense” to help you differentiate.
- Go through the Categories List and deactivate any categories you are no longer using!
- **Print out a list of your Active Categories and give a copy to your Financial Secretary and Auditor. Go over them together. This ensures the same categories are used for entering receipts and entering deposits.**

Admin and Fundraisers and Programs, oh my!

Administration

- operating Expenses
- things that are required for your unit to function

Programs

- events or activities whose primary purpose supports the mission of PTA
- may have a nominal profit

Fundraisers

- events or activities whose primary purpose is to raise money
- earns more than nominal profit

Non-Unit

- pass through categories when income doesn't belong to your unit
- Non-Unit Income doesn't count toward gross revenue
- examples are:
- Membership Dues that get forwarded through channels
- Founders' Day Free-Will Offering

“Cash Box” is in the PTAEZ Chart of Accounts. It needs to be used when you are dealing with start up money. It is not part of your budget.

Things all budgets should have in common...

Administration

- Bank Interest – Income
- Bank NSF fees collected - Income
- Membership Dues (unit portion) - income
- TOTEM Membership Dues (unit portion)-Income
- Bank Service Fees – Expense
- Charitable Trust Renewal Fee – Expense
- Convention – Expense
- Council Assessment – Expense
- Insurance Premium – Expense
- Hospitality - Expense*
- Officer Expenses
- Officer Training – (FD and BCPTA) Expense
- Past President’s Pin Expense
- Presidents/Principals Luncheon Expense
- PTA EZ subscription – Expense
- Raffle Registration Fee – Expense
- Website - Expense

Programs

- BUSD Gifting should be labeled as such
 - Babysitting – Expense – BUSD gifting
 - Field Trip Buses – Expense – BUSD gifting
- Reflections Expense
- Honorary Service Awards

Fundraisers

- Passive fundraisers/Corporate Co-ventures all grouped together
- Donations
- TOTEM Donations require income AND expense

Non-Unit

- Membership dues (pass-through)
- Founders’ Day free will offering (pass-through)

[PTA Accounting Guidelines for TOTEM Transactions](#)

EXAMPLE OF A PROPOSED BUDGET WORKSHEET

ABC Elementary PTA PROPOSED BUDGET SAMPLE		Proposed Budget	EXPENSE (Disbursements) - cont'd.	
CASH BALANCE FORWARD		\$ 12,000.00	Administration	
INCOME (Receipts)			Hospitality (<i>total must be <5%</i>)	
Administration			<i>Association meeting hospitality - expense</i> \$ 250.00 <i>Staff Appreciation Week - expense</i> \$ 500.00 <i>Welcome Back Staff - expense</i> \$ 200.00	
Bank - Interest Income	\$ 1.00		Installation \$ 50.00	
Bank - NSF Fees collected	\$ 25.00		Insurance Premium - expense \$ 250.00	
Membership Dues (unit portion)- 200 memb.	\$ 300.00		Nurse Clothes and Supplies - expense \$ 125.00	
TOTEM Membership Dues (unit portion) - 50 memb.	\$ 75.00		Officers' Expenses \$ 300.00	
			Past President Pin and Engraving - expense \$ 75.00	
Fundraisers			Photocopying - expense \$ 500.00	
Book Fair - income	\$ 5,000.00		Postage - expense \$ 125.00	
Direct Ask Family Campaign - income	\$ 7,000.00		President's Expenses \$ 250.00	
Fall Fair - income	\$ 5,000.00		PTA State Convention - expense \$ 1,000.00	
Passive Fundraisers - income			PTAez Software - expense \$ 200.00	
<i>Amazon Smile income</i>	\$ 1,000.00		Raffle Permit - expense \$ 20.00	
<i>Box Tops income</i>	\$ 50.00		Square Fee \$ 250.00	
<i>Donatisons with memberships</i>	\$ 25.00		Video Conferencing Fee \$ 150.00	
<i>My School Is Cool income</i>	\$ 500.00		Website - expense \$ 100.00	
<i>Ralphs income</i>	\$ 1,000.00		Fundraisers	
<i>TOTEM – Donation Income (GROSS donation)</i>	\$ 100.00		Book Fair - expense \$ 3,000.00	
<i>Spirit Wear - income</i>	\$ 4,000.00		Direct Ask Family Campaign - expense \$ 50.00	
			Fall Fair - expense \$ 2,500.00	
Programs			Spirit Wear - expense \$ 2,500.00	
Back to School Picnic - income	\$ 400.00		TOTEM – Donation Collection Fee (5% of gross) \$ 5.00	
Talent Show - income	\$ 1,000.00		Programs	
			Art Days \$ 500.00	
Non-Unit Income			Babysitting - BUSD gifting \$ 1,500.00	
Membership Dues Income (Not Belonging to Unit)	\$ 1,100.00		Back to School Picnic - expense \$ 300.00	
Founders' Day Freewill Offering	\$ 25.00		Field Trip Buses - BUSD gifting \$ 5,000.00	
			Founders Day \$ 50.00	
TOTAL INCOME	\$ 26,601.00		Honorary Service Awards \$ 500.00	
			Library Enrichment \$ 250.00	
EXPENSE (Disbursements)			Multicultural Night \$ 250.00	
Administration			READ Across America \$ 250.00	
Bank Service Fees	\$ 25.00		Red Ribbon Week \$ 300.00	
Charitable Trust Renewal Fee (RRF-1)	\$ 25.00		Reflections Program \$ 500.00	
Council Assessment	\$ 400.00		Science Fair \$ 500.00	
Corresponding Secretary's Expenses	\$ 50.00		Talent Show - expense \$ 800.00	
First District Leadership Training and Conference	\$ 300.00		Time Travelers \$ 100.00	
			Walk To School Day \$ 100.00	
			Non Membership Dues Expenses (Not Belonging to Unit) \$ 1,100.00	
			Founders' Day Freewill Offering \$ 25.00	
			TOTAL EXPENSES \$ 25,225.00	
			<i>Annual net balance</i> \$ <i>1,376.00</i>	
			Balance on Hand \$ 13,376.00	

Hospitality Calculation	
<i>Association meeting hospitality - expense</i>	\$ 250.00
<i>Staff Appreciation Week - expense</i>	\$ 500.00
<i>Welcome Back Staff - expense</i>	\$ 200.00
total hospitality	\$ 950.00
5% limit	\$ 1,261.25

Budget to-dos at the start of the school year...

- The executive board reviews final draft of budget and approves at Exec Board meeting before first Association meeting.
- The executive board presents & recommends budget for adoption by members at first Association meeting.
- Majority vote by general membership to ADOPT the budget.
- Adoption of budget does NOT give board permission to spend money. **The Association must release funds for each category by a vote.**
- **Remember to upload your ADOPTED budget to Google Drive!**

After budget is adopted...

- Treasurer informs committee chairs of their budgeted amounts.
- The entire board is responsible for monitoring the budget.
- Ensure expenses stay within budget.
- If there are any significant differences, over or under, these should be explained and documented in the minutes.
- **Budget line items must be still released by vote of the Association – think ahead!**
- **Keep a copy of the budget handy at Association meetings – highlight budgets as they are released and note the date of release.**
- **REMEMBER - The budget is a working document and can only be revised by a vote of the Association.**

Releasing funds for expenses: the how...

- To release funds for any activity, a MOTION must be adopted at an Association meeting. For example:

“I move to release funds for the Fall Festival, not to exceed the budgeted amount of \$600.”

- The treasurer can make the motion to release funds. One motion can be used to release multiple budget categories. For example:

“I move to release funds for the following categories, not to exceed their budgeted amounts: Fall Festival, in the amount of \$600, Red Ribbon Week in the amount of \$150, and Reflections in the amount of \$250.”

- Alternately, individual chairs can make the motion to release funds for their event/activity.
- **Sometimes the full budgeted amount doesn't need to be released – e.g., you can release half the Spirit Wear category in August and then the rest in January. – but keep track of this!**

Releasing funds for expenses: the why...

- **Budget adoption is not authority for the expenditure of funds** except as stated in the bylaws.
- **DON'T RELEASE THE WHOLE BUDGET AT FIRST MEETING**
 - **You need to make sure you have enough money in the bank to cover released items**
- The executive board can authorize payment of bills in between Association meetings but the total cumulative amount allowed between meetings is limited as specified in the bylaws (Standing Rule #13).
- **Put plainly: ADOPTING THE BUDGET DOES NOT AUTHORIZE ANY CHAIRPERSON OR OFFICER TO SPEND FUNDS.** Chairs must present plans (with detailed budgets) to the executive board; exec board must vote to approve the expense, and motions must be made at Association meetings to release the funds for each activity. At a subsequent Association meeting, the Association will ratify the expense. **Ultimately the Association has the final say.**

- **Neither executive board nor Association approval is required to disburse funds not belonging to a unit. BUT all these checks must be ratified at the next Association meeting.**

Beware Unbudgeted Expenses!

- Budget adoption is not authority for the expenditure of funds **except as stated in the bylaws.**
- CAPTA state standing rule 13 says: *The executive board is authorized to pay bills for budgeted expenditures and other unbudgeted Association bills not to exceed a cumulative total of _____ dollars (\$_____) between meetings of the Association. Ratification for payment of these bills must occur at the next Association meeting and must be recorded in the Association minutes.*
- **The treasurer should not pay unbudgeted expenditures without executive board approval AND Association approval. You need both. This protects the members of the executive board.**
- **If the executive board approves an expense and it is paid, but the Association doesn't ratify it, the executive board is personally liable to repay the money.**
- **DON'T DO IT**

THE FIRST ASSOCIATION MEETING

What happens at the August Association Meeting?

Financial Secretary

- Presents the following:
 - May 2020 FS report
 - Annual FS report for 19-20
 - June FS report
 - July FS report
- All FS reports are filed for audit - NO MOTION NEEDED
- Have hard copies of reports on table or share screen

Treasure

- Presents May 2020 Treasurer's report
- Presents Annual Financial Report for 2019-2020; file for audit.
- Presents June Treasurer report
- Presents July Treasurer report
- Presents and makes MOTION to ratify May, June and July (summer) bills
- Presents Proposed 2020-2021 Budget; MOTION to adopt proposed budget
- MOTION to release funds for budgets needed to start the year
- Presents August bills; MOTION to pay bills (start of school year)
- Have hard copies of reports on table or share screen

Auditor

- Presents Year-end Audit Report for EACH account
- MOTION to adopt EACH audit report

TAXES AND COMPLIANCE

If your unit receives ANY letter from the Internal Revenue Service (IRS), Franchise Tax Board (FTB) or California State Attorney General's Office (OAG), report it to Council PTA IMMEDIATELY.

All letters must be dealt with swiftly to avoid further penalties or loss of non-profit status.

Federal Requirements - Internal Revenue Service [IRS]

- Form 990/990EZ/990N tax returns are required annually.
- If filing 990/990EZ by mail, mail returns via certified mail/return receipt requested; or accountant e-files
- 990N postcard can be filed online.
- Returns are due five months and 15 days after fiscal year ends (May 31st year end is due October 15th).
- Form 8868 is required for an extension.
- 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 (Schedule A, O, and G are common).
- 2019 Tax Year = fiscal year beginning in 2019 and ending in 2020
- If your PTA's gross receipts are:
 - Normally equal to or less than \$50,000 → file form 990N
 - More than \$50,000 and less than \$200,000 and total assets are less than \$500,000 → file form 990EZ
 - Equal to or more than \$200,000 or more, and total assets are equal to or more than \$500,000. → file form 990

State of California Requirements - California State Franchise Tax Board [FTB]

- File 199 or 199N annually.
- Mail all tax returns via certified mail/return receipt requested; or accountant can e-file.
- 199N can be filed online.
 - Due October 15th (federal extensions automatically apply to state return)
- 2019 Tax Year = fiscal year beginning in 2019 and ending in 2020.
- If your PTA's gross receipts are:
 - Normally equal to or less than \$50,000 → file form 199N
 - Normally greater than \$50,000 → file form 199

After you file your taxes, remember to upload returns/confirmations your Google Drive folder. If you mailed your return, upload your certified mail receipt as well.

HOW TO BE A UNIT FINANCIAL SECRETARY – THE DAY TO DAY

When do I need to issue numbered receipts?

When a check is received as payment*, no pre- numbered, multipart copy of the receipt is needed. A check is considered appropriate documentation.

When receiving cash, a pre-numbered, multipart receipt book should be used to issue a receipt for:

- Return of an unused cash advance for an event
- Spirit wear sales
- Cash donation – also send a thank you letter

Receipts are not required for the following:

- Membership table, membership envelope or form (the membership card is a receipt)
- Catalog sales
- Carnival ticket sales (member receives a ticket)
- Raffle ticket sales (member receives a ticket)

*donations are another story

For Spirit wear sales – issue receipts for cash *AND* checks (receipts help with inventory control).

Keeping Money Secure

- CAPTA recommends that every school site have some way to secure money on site, such as a safe, a permanently installed lock box, etc.
- The Financial Secretary should hold the key and/or combination to the safe. A second key should be kept in the principal's office in a secure location.
- For safes with digital combinations, it is recommended that the combination sequence be split among officers. For instance, if the safe combination has six digits, the President and Executive VP/First VP know only the FIRST three digits, and the Financial Secretary knows only the SECOND three digits of the combination. This would require **two PTA members** to be present to open the safe at any time. .
- Combinations to safes need to be changed periodically (every time a president or financial secretary changes).
- The unit-specific standing rules should specify who has keys/combo to the safe.
- Arrange for another officer to meet you on a regular basis so that two people can count and verify.
- **AIM INSURANCE REQUIREMENT:**
- **Safes must be bolted to the floor or wall; otherwise losses will not be covered.**

Counting Money

- Two people (PTA members) count money.
 - one must be an officer or committee chair
 - cannot be related by blood or marriage nor reside in the same household
- Use a [Cash Verification Form](#)
- Each person should count and sign the cash verification form and keep a copy (take a picture)
 - Treasurer gets original form – for audit
 - Financial Secretary gets copy for FS records
 - Chair gets a copy (if they didn't count)
- As financial secretary you verify the count, then sign and date the form in the lower right-hand corner.
- If you and only one other person count, you will sign the form twice.

- **Keep track of check numbers/amounts/names, in case a check is returned (NSF). Photocopies of checks may be made, or this information noted in an Excel spreadsheet. If this is for an event/activity, usually the chair records this information.**

I counted the money, now what?

- Review checks for correct payee/date/amount
- Enter receipts in PTAEZ.
- You can run a Financial Secretary report for the deposit in PTAEZ – check total against your Cash Verification form total.
- Endorse checks.
- Bring it all to the bank.
- At the bank, request **TWO COPIES** of the deposit receipt – one you will keep, the other goes to the treasurer.
- **Before you leave the bank or credit union:**
 - *Double check that the total amount on the deposit receipt matches your total.*
 - *Make sure the digits on the receipt match the digits of your account number.*
- **Remember to let your treasurer know you made the deposit.**

Yay, I made the deposit – what NOW?

- You will present a report to the exec board and to the Association each month.
- The report will show all the receipts for the month and all the deposits for the month.
- Your report will sound something like this: **“For the month of August 2020, the total receipts were \$1,525.50. Total deposits were \$1,525.50. This report will be filed for audit.”**
- Note: If the receipts do not match the deposits, make sure to address this with treasurer before the meeting (could be a TOTEM deposit or interest payment).
- **At each meeting, read your report and say, “This report will be filed for audit.” No motion is needed.**

HOW TO BE A UNIT TREASURER – THE DAY TO DAY

What kind of records do I need to keep?

RECORDKEEPING

The treasurer’s records are the permanent financial records of the Association and should include:

- Auditors’ reports, checklists and recommendations for current and one prior year
- Budget (including any amended budgets)
- Bylaws and standing rules
- Certificate of Insurance
- Copy of Insurance and Loss Prevention Guide
- Copy of IRS Letter of Determination for Tax Exemption
- Correspondence
- District gifting letters
- Federal Employer Identification Number (EIN)
- Copies of tax filings
- Information sheet listing the name, address and phone number of all financial institutions used, along with any passwords and information pertaining to computerized records.
- Corporate number, if applicable; California State Franchise Tax Board entity number an Attorney General Charitable tax number.
- Annual financial reports
- Monthly financial reports

Organizing all that paperwork...

Every month:

A 3-ring binder is most helpful with sections for Treasurer's Reports, Warrants/Payment Authorizations, Financial Secretary Reports all kept in chronological order.

Keep your Warrant first followed by all Payment Authorizations for checks listed on the Warrant. Use a sheet protector to keep everything organized by month.

When BUSD gifting letters are returned, put them behind their Payment Authorization.

For the remits to Burbank Council PTA, make four copies: three to send up to Council and one to go with the Payment Authorization. When your remit copy is returned from Council, put it behind the copy.

- **If you organize your paperwork now, it will be easier for your auditor.**
- **Always think about the audit that's coming.**

More about bill paying....

WRITING THE CHECK

- Payable only as listed on the authorization for payment.
- The amount must match the authorized amount.
- NEVER pre-sign checks.
- NEVER write checks to "CASH," NEVER pay in cash!
- Make sure the written-out amount on the line matches the numerical amount in the box.
- Checks must be signed by two authorized signers.

CASH ADVANCES

- Persons authorized to purchase items for the PTA, for which the expense will be reimbursed, may request an advance in an amount not to exceed estimated expenses.
- The advance must first be approved by the executive board.
- Person must submit completed and signed "Request for Advance/Payment Authorization" form.
- Any unused monies should be returned using a separate Cash Verification form for that deposit.
- **Be sure to assign the correct category to each check as you are entering it into PTAEZ – verify that checks are assigned as expenses.**

Mind your expenses

- Expenses should be tracked to ensure they remain within budgeted limits:
 - Treasurer informs committee chairs of their budgeted amounts.
 - Committee chairs must first present plans that include a detailed budget to the executive board for approval. Expenses should stay within budget.
 - If expenses will exceed budgeted amount, it must first be approved by executive board and then brought before the Association for a vote.
 - Retroactive approval is not best practice.
- The treasurer must report to the executive board monthly on the budget to actual with the variance on all released funds.
- **Run a Budget to Actual Report in PTAEZ for each executive board meeting.**

Things you will do every month

- Check PTA mailbox for bills and correspondence.
- Pay bills – fill out Payment Authorization for each bill and obtain needed signatures.
- Send membership dues to Burbank Council PTA.
- Enter checks and deposits into PTAEZ (and receipts if you have no Financial Secretary).
- Do a Bank Reconciliation
 - Get bank statement. If your unit receives a paper bank statement, have an 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 and have your non-check signer review and sign the bank reconciliation report(s).
- Prepare monthly Treasurer’s Report and Warrant.
- **Forward dues for “manual” memberships through channels promptly and regularly. Do not hold onto this money.**

More things you will do every month

REPORT TO YOUR UNIT EXECUTIVE BOARD

- Prepare and present a treasurer’s report at every board meeting.
- Present bills to be paid. Keep board updated about income and expenses as they relate to the budgeted amounts for current programs and fundraisers.

REPORT TO THE ASSOCIATION

- Treasurers prepare and present a treasurer’s report at every Association meeting.
 - provide copies of reports for president, recording secretary, auditor, and Association members
 - place a few copies out for review
- Ratify any checks written since the last Association meeting via Warrant.
- Release funds needed between this and the next Association meeting. This is a MOTION and a VOTE.

FORWARD REPORTS TO BURBANK COUNCIL PTA

- Upload into your unit’s Google Drive Folder.
- Deadlines are on the Council Financial Calendar.
- **At each Association meeting, read your Treasurer’s Report and say, “This report will be filed for audit.” No motion is needed.**

What is “through channels”?

THROUGH CHANNELS = sending money or documents sequentially up through higher and higher levels of PTA

- Dues for manual memberships are always sent up through channels.
- As a unit treasurer you will send nearly everything to Burbank Council.

Exceptions: CAPTA Convention registration; shopping at the PTA Store

- You must send THREE (3) Council PTA Remittance Forms with ANY check payable to Burbank Council PTA. Make a fourth for yourself and when you get your copy back, just attach.
- **You can pay for multiple things with one check, but if you send multiple checks, you must send the Remittance Form in triplicate for EACH check.**
- There is no longer a Membership Remit Form. There IS a Unit Monthly Membership Report.
- *Questions or concerns should also go through channels.* Start with your president, then move on to your Council PTA mentor or counterpart if you still need help.

BCPTA's Unit Remit form and Google Drive Upload Checklist

BURBANK COUNCIL PTA REMITTANCE FORM

SEND 3 COPIES & CHECK TO:

Chris Molaro

Remitter: _____
 Treasurer: _____
 Address: _____
 Phone: _____
 Email: _____

CATEGORY	NOTES	AMOUNT
Membership Dues - DUE MONTHLY	Enter # of memberships this remittance: _____	\$ _____
	** INCLUDE ONE (1) MEMBERSHIP REMIT FORM FOR COUNCIL **	
Membership Envelopes		\$ _____
Council Assessment	** DUE TO COUNCIL PTA BY AUGUST 15th **	\$ _____
General Liability & Workers' Comp. Insurance	** DUE TO COUNCIL PTA BY OCTOBER 1st **	\$ _____
Additional Workers' Comp. Premium	** Due to Council PTA by November 7th, with Workers' Comp. Report **	\$ _____
Founders Day Gift		\$ _____
HSA Dinner	Enter number of HSA dinner guests: _____	\$ _____
HSA Recipient Fees	Enter number of HSA award recipients: _____	\$ _____
Burbank Council PTA Prez & Principal Luncheon	Enter number of guests: _____	\$ _____
Miscellaneous (Explain below.)		\$ _____
		\$ _____
		\$ _____
		\$ _____
	TOTAL REMITTANCE THIS CHECK:	\$ _____

INSTRUCTIONS

- Make checks payable to **BURBANK COUNCIL PTA**.
- For each check, make **FOUR (4)** copies of this remittance form. Send each and **THREE (3)** copies of the remit form to the Council PTA Financial Secretary. *Include a self-addressed stamped envelope.* Keep fourth copy in your records. A signed copy of this form will be returned to you as a receipt.
- **When we resume in-person meetings, you may send checks and remittance forms with your PTA president to the monthly Council PTA meeting.** Check with your president for the meeting dates.
- You may write **ONE** check for multiple payments. List all payment details on your remittance form.
- **BE MINDFUL OF PAYMENT DEADLINES.** Check your financial calendar regularly for deadlines for important payments such as membership dues, insurance, council assessment, and workers' compensation.

COUNCIL USE ONLY	
Form & Check Received: _____	Check # : _____
Check Dated: _____	Check Amount: _____
<input type="checkbox"/> UNIT COPY <input type="checkbox"/> FS COPY <input type="checkbox"/> TREASURER COPY	
Financial Secretary, Burbank Council PTA	

revised June 2020

EVEN MORE THINGS TO KNOW

CONTRACTS

Contracts must be presented to and approved by the membership **BEFORE** being signed by two elected officers. One signer must be the president. Sign: **ABC PTA, by President Jane Doe**; do NOT sign just your name. This procedure includes all fundraising contracts, assemblies, vendors, etc. Independent contractors must provide proof of current insurance before signing a contract with them. Proof of insurance is kept in your files.

Signing a contract obligates the PTA to comply with the terms and conditions of the contract and to pay the stated sum. The fact that the activity is not a financial success or that the PTA has insufficient funds to meet its obligation has no effect on the responsibility assumed.

Do not sign a contract with provisions that make PTA responsible for injury or damages (e.g., hold harmless, release, waiver).

CREDIT CARDS

Unit PTAs may not use credit cards or check/ATM (automatic teller machine) cards to pay for purchases. All purchases must be paid by checks signed by two authorized officers. Individuals members who choose to use their personal credit card to pay for PTA purchases should use extreme caution, as they may be held personally liable for any purchase not appropriately authorized.

DONATIONS: CASH and NON-CASH

CHECKOFF LIST FOR BURBANK UNIT TREASURERS AND PRESIDENTS

Revised July 2020

Use this list to help you keep track of things that must be uploaded and sent in to Council Meetings with your Unit President.

2020-2021	UPLOAD TO GOOGLE DRIVE	SEND TO COUNCIL MEETING
JUNE/JULY	PROPOSED calendar	
	PROPOSED budget	
	May Treasurer's Report	
	Annual Financial Report	
	Project Carryover Form (if applicable)	
	Year-end Audit report (after committee review)	
	Unit Financial Information Form	
AUGUST	June Treasurer's Report	Council Assessment (\$400)
	July Treasurer's Report	Forwarded dues (for manual memberships)
	CT-NRP-02 (Raffle Report)	
	CT-NRP-01 (Raffle Application)	
	OAG confirmation letter for Raffle Permit	
	ADOPTED calendar (indicate in file name)	
	ADOPTED budget (indicate in file name)	
SEPTEMBER	August Treasurer's Report	Forwarded dues (for manual memberships)
	ADOPTED year-end audit	
	Unit Monthly Membership Report for August	
OCTOBER	State tax return	Liability Insurance Premium
	Federal tax return	Forwarded dues (for manual memberships)
	Charitable trust renewal RRF-1	
	proof of filing taxes and CT renewal (if mailed)	
	CT-TR-1 (if applicable)	
	September Treasurer's Report	
	Unit Monthly Membership Report for Sept.	
NOVEMBER	Worker's Comp. Annual Payroll Report	Worker's Compensation Annual Fees (if applicable)
	October Treasurer's Report	Forwarded dues (for manual memberships)
	Unit Monthly membership report for Oct.	
DECEMBER	November Treasurer's Report	Forwarded dues (for manual memberships)
	Unit Monthly Membership Report for Nov.	
JANUARY	December Treasurer's Report	Forwarded dues (for manual memberships)
	Unit Monthly Membership Report for Dec.	
FEBRUARY	January Treasurer's Report	Forwarded dues (for manual memberships)
	ADOPTED mid-year audit	Founders Day Free Will Offering (if applicable)
	Unit Monthly Membership Report for Jan.	
MARCH	February Treasurer's Report	Forwarded dues (for manual memberships)
	Unit Monthly Membership Report for Feb.	Monthly membership report
		HSA Banquet forms
		HSA Banquet fees
APRIL	March Treasurer's Report	Annual Historian's Report
	Unit Monthly Membership Report for March	Forwarded dues (for manual memberships)
MAY	April Treasurer's Report	Forwarded dues (for manual memberships)
	Unit Monthly Membership Report for April	

State and federal law requires that tax-exempt charitable organizations provide donors with receipts or other forms of documentation of contributions for a cash donation. Failure to comply may result in denial of deductions for donors and the imposition of penalties on the organization.

Tax laws require the donor to obtain a receipt for every cash donation regardless of the amount. A donor must have a canceled check, bank record or receipt that shows the name of the PTA to which the contribution was made, the date and the amount of the contribution; therefore PTAs must give a receipt for every cash donation.

In some cases, PTAs must also provide written acknowledgement of non-cash donations (e.g. in-kind or quid pro quo donations).

In all cases, be sure to thank donors for their generous support.

As part of the new CT-TR-1 and RRF-1 renewal, UNITS MUST KEEP TRACK OF NON-CASH DONATIONS.

Examples include items donated for raffle baskets, and cases of water donated for events.

We are working on creating an Excel form to help you track non-cash donations.

GIFT CARDS

Gift cards are the same as cash and are therefore difficult to properly inventory and account for.

Some vendors attempt to provide gift cards as payment to the PTA for the proceeds of a fundraiser. If a vendor suggests such payment, explain that PTA financial procedures do not allow for payment by gift card.

A check is preferable for accounting purposes, and so that the funds can be used to meet the established goals and purposes of the PTA. Typically, gift cards must be redeemed for merchandise at a particular store, which may or may not be the PTA's intended use of the fundraising proceeds. If an agreement cannot be reached with the vendor in advance of the fundraiser, it is best to do business with a different vendor who will honor the PTA's request for payment by check.

In California, **PTAs may NOT purchase and give gift cards/certificates** to individuals or groups, including staff and students.

HOSPITALITY

In order to maintain nonprofit status, **hospitality expenses cannot** represent a significant amount.

"Not a significant amount" is defined by the IRS as an amount that does not **exceed 5 percent (5%) of the nonprofit organization's annual EXPENSE budget.**

The PTA may provide hospitality for Association, executive board, and committee meetings; staff appreciation; volunteer appreciation; and other events requiring refreshments, food, paper goods, certificates, or decorations.

our Unit may choose to:

- Purchase nonalcoholic drinks and/or snacks.
- Solicit donations from businesses or members, or
- Store supplies to make coffee and/or punch, etc.

Examples of Hospitality:

- Staff Appreciation Week,
- Welcome Back Staff events:
- monthly/periodic staff luncheons;
- Valentine's Day

NOTE: The cost of meals or beverages provided for volunteers during the course of their work (e.g. while processing fundraiser orders or counting money after an evening program) are not considered to be hospitality. Such expenses must be budgeted and approved by the Association in advance. The

expenditures are designated as a cost of doing the program or fundraiser on which the volunteers are working (e.g., wrapping paper or fall festival).

HOW TO GIFT MONEY/EQUIPMENT TO BUSD

First, the executive board must vote to approve the gift and its purpose (restriction). Next, the Association does the same. This approval must come in the form of a motion and vote at a meeting of the membership and must be recorded in the Association minutes of the meeting.

BUSD has a "[Gift Request](#)" form. Typically, the office staff prepares the form, including the account string that is designated for the site's PTA. Verify that the funds/equipment have been restricted on the form on the "USE" line. The PTA president signs off on the form. The form and check are submitted to the principal.

All Gift Request forms require approval from the school principal and then approval from the school board.

At the first Association meeting following the acceptance of the gift by the school board, the designated officer (corresponding secretary, treasurer) read the contents of the board's gift acknowledgement letter, and these details should be recorded in the PTA Association minutes. The treasurer keeps the original letter for the audit; the recording secretary keeps a copy.

START UP CASH/CASH BOX

If a fundraiser or program requires beginning cash on hand:

- Chair fills out **Request for Advance/Payment Authorization**.
- Exec board approves/funds are released by Association
- Treasurer and secretary sign the **Request for Advance/Payment Authorization**.
- Treasurer issues a check payable to the chair for the amount needed in the cash box.
- Use the separate "Cash Box - Expense" category in PTAEZ's Chart of Accounts
- This cash is kept in a locked cash box/safe and used for the specified fundraiser/program only.
- A separate cash verification and deposit should be used to redeposit the beginning cash for that program or fundraiser. Use the separate "Cash Box - Income" category in PTAEZ's Chart of Accounts
- Shows in Financial Report but not Treasurer's Report.

PTA FINANCE DURING THE PANDEMIC

Paying bills and collecting revenue during a pandemic

- **Small, person-to-person payment apps which do not have bank level security and are not intended for business use (e.g., Venmo, Zelle) should not be used by PTAs for any reason.**
- A separate checking account is recommended but not required at this time.
- **Still must fill out normal Payment Authorization as usual**
- [Authorization for Payment Via EFT/Bank Bill Pay](#)
- [Authorization to Transfer Funds Between Accounts](#)
- Two check signers needed for these forms.
- Separate accounts require separate audits.
- Cyber Liability coverage is recommended.

- **The California State PTA Toolkit was amended on May 16, 2020 to allow for payments to be made using large, online payment collection systems designed for business use, including PayPal, Square, etc.**

Forwarding dues during a pandemic...

Forms/ATTACHMENTS

LINKS to CAPTA forms:

[Annual Financial Report \(Sample\)](#)
[Audit Checklist](#)
[Audit Report \(Fillable\)](#)
[Authorization to Purchase on the Internet](#)
[Authorization to Transfer Funds Between Accounts](#)
[Authorization for Electronic Transfer for Attorney General \(RRF-1\) only](#)
[Authorization for Payment Via EFT/Bank Bill Pay Services](#)
[Budget \(Sample\)](#)
[Cash Verification](#)
[Check and Checkbook Register \(Sample\)](#)
[Committee Report](#)
[Donation Receipt](#)
[Financial Secretary's Report \(Sample\)](#)
[Hold Harmless Agreement](#)
[Ledger \(Sample\)](#)
[Payment Authorization/Request for Reimbursement \(Fillable\)](#)
[Request for Advance/Payment Authorization \(Fillable\)](#)
[Treasurer's Report \(Sample\)](#)
[Worker's Compensation Annual Payroll Report Form \(Fillable\)](#)
[Glossary of Terms](#)

ATTACHMENTS:

BCPTA Unit Remittance Form
Cash Verification form for CASH BOX
Payment Authorization – Third Party
Warrant Form (customizable)
Financial Script and Motions for the First Association Meeting

Resources

Burbank Council PTA Website: www.burbankcouncilpta.org
 California State PTA Website: www.capta.org
 PTA Toolkit -- Review the Finance section and all financial forms.

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