

PTA Treasurers
Workshop

L.I.S.T. – May 1, 2021

Burbank Council
PTA[®]
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Who we are...

Kelly Duenckel Outgoing Treasurer Treasurer @BurbankCouncilPTA.org	Chris Molaro Incoming Treasurer/ Outgoing Financial Secretary Financialsecretary @BurbankCouncilPTA.org	Michelle Means Incoming Financial Secretary
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What we do...

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

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In this workshop we will cover:

- The importance of working with your FS
- Day to Day Treasurer activities
- Budgets
- The May Association Meeting
- June and July To-Do lists
- The August Association Meeting
- Releasing Funds/Authorization of Expenditures
- Taxes and Compliance Overview
- A few things all exec board members should know


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Treasurers and Financial Secretaries are a team...

<p>Financial Secretary:</p> <ul style="list-style-type: none"> • responsible for verifying/counting, depositing, and reporting all monies RECEIVED by the Association • keeps an accurate record of all receipts for the treasurer's financial records • enters receipts into MyPTEZ • issues receipts when necessary • ensures that cash and checks are deposited as soon as possible • 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 • limited access in MyPTEZ 	<p>Treasurer:</p> <ul style="list-style-type: none"> • 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; makes sure payments are authorized and funds are released • records deposits in MyPTEZ • runs a monthly Bank Reconciliation for all accounts • 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 • greatest access in MyPTEZ
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Treasurers and Financial Secretaries need to communicate...




- Treasurer gives copy of Category List to FS.
- Review Category List together.
- Agree on which categories are used and when.
- FS tells the treasurer when receipts are entered in MyPTEZ.
- FS tells the treasurer when deposit is made at the bank.
- Treasurer tells FS when they have updated MyPTEZ for the month (including electronic deposits) so that FS can run accurate monthly report.
- Discuss any discrepancies between receipts and deposits prior to presenting at meetings.

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How to be a PTA Unit
Treasurer – the DAY
TO DAY

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Alphabet Soup Glossary for Burbank Unit Treasurers



- AFR = Annual Financial Report
- BCPTA = Burbank Council PTA
- CAPTA = California State PTA
- CT = Charitable Trust
- CT-NRP-1 = Raffle Permit Application
- CT-NRP-2 = Raffle Report
- CT-TR-1 = Annual Treasurer Report from Attorney General's Office
- CV Form = Cash Verification Form
- EFT = Electronic Funds Transfer
- EIN/FEIN = (Federal) Employer ID Number
- FDPTA = First District PTA
- FS = Financial Secretary
- FTB = Franchise Tax Board (State of California)
- IRS = Internal Revenue Service
- LOD = Letter of Determination
- MyPTEZ = accounting program used by your unit
- RRF-1 = Charitable Trust Renewal form
- TDR = Transaction Detail Report
- TR = Treasurer Report

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What kind of records do I need to keep?

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

- Auditor's 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 and Attorney General Charitable tax number.
- Annual financial reports
- Monthly financial reports
- Remittance forms to and from Council PTA
- Workers' Compensation Annual Payroll Report
- Checkbook register, general ledger
- Copies of minutes from each meeting
- Bank reconciliations, bank statement and canceled checks for each month
- Monthly membership reports (from membership chairman)
- Authorizations for payment or check requests with receipts and/or invoices attached
- Bills to be paid/checks report in check number order
- Group fundraising and membership reports along with cash verification and deposit records.
- Conflict of Interest/Whistleblower Forms
- Receipts from FS

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Two binders help you contain it all



Treasurer's *Audit* Book

- Larger binder
- All documentation needed for audit refer to Audit Checklist


Treasurer's *Procedure* Book

- Smaller binder
- "Operations Manual"
- Officer Roster
- Unit Calendar
- Financial Calendar
- Info sheet with contact info on all financial institutions, including account numbers
- Info sheet with logins for all online accounts
- Info sheet with IRS EIN; California State Franchise Tax Board entity number and Attorney General Charitable tax number.
- **Current Bylaws & Standing Rules***
- **Insurance Policy***
- Correspondence
- Letter of Determination
- Blank Forms
- Training materials

Pro Tip *The bylaws and insurance policy can be moved to the audit materials for the audit but should "live" in the procedure book.

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How do treasurers handle deposits made at the bank?




Pro Tip While you need originals/hard copies for the audit, we recognise that during the pandemic there are multiple ways that the FS may give you temporary documentation of the deposit.

- Financial Secretary should notify you as soon as deposit has been made.
- FS gives you documentation of deposit:
 - deposit receipt
 - **original CV**
 - deposit report/other documentation
- Once you have verified that the deposit has been posted, enter the deposit in MyPTEZ.

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How do treasurers handle direct deposits?



Each month certain direct deposits will be made to your unit's bank account for things like:

- Bank interest
- TOTEM dues/donations
- AmazonSmile
- Square

Do not enter these as receipts to be deposited!

For these electronic transactions, best practice is for the TREASURER to enter them as a BALANCE ADJUSTMENT.

Warning: Some treasurers may be entering these direct deposits as receipts. In this case these "receipts" will show up on the FS report.

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Writing checks for expenses...



Pro Tip

It is not necessary to wait until the next Association meeting to reimburse monies if the funds have been released by the Association

- A payment authorization, with bill, receipt, invoice, or expense statement attached, must be prepared for **each** check written.
- Treasurer reviews receipts and the completed form before presenting to board or the Association or writing the check.
- All expenses must be approved by the board and Association. No release of funds? Payment must be held until approved by Association.
- An authorization for payment must be signed by the president and secretary (recording or financial).
- Record each expense in the proper budget category.
- Enter check into MyPTEZ

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What about paying bills?



Pro Tip

Utilize the Memo Line on the check – especially for membership checks or combined checks to Council. You'll find it can be very helpful later.

- Pay bills promptly.
- BCPTA Financial Calendar has due dates for paying Council Assessments and Insurance premiums. Council will email a reminder invoice for these two expenses – you should attach it to the payment authorization.
- Dues for manual memberships should be forwarded monthly to Council.
- Use Remit Form anytime you are sending checks to Council.
- Refer to PTA Toolkit for information regarding making purchases online.

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More about bill paying...



Be sure to assign the correct category to each check as you are entering it into MyPTEZ – verify that checks are assigned as EXPENSES.

WRITING THE CHECK

- DO NOT WRITE CHECKS IF FUNDS HAVE NOT BEEN RELEASED
- 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.

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Payment Authorizations – a quick look...

[Combined Payment Authorization/
Request for Reimbursement](#)

"Third Party" Payment
Authorization 2021

[Request for Advance/
Payment Authorization](#)

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Filling out Payment Authorizations

Who fills out the top of the form?
 Manual dues forwarding – membership chair
 Paying invoices – treasurer
 Reimbursements – requester or chair

Who fills out bottom of the form?
Treasurer checks boxes indicating approval by membership and release of funds.

Treasurer fills out information on check #, category, amount

President and Recording Secretary sign the form to indicate association approval.

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Warrant Forms (and why you should use them)

A Warrant form is a preferred way to present bills for ratification to the Association. It also streamlines the audit process.

Unit: **Check # 2761 to Check # 2768** Authorization for Payment

The Unit Treasurer will please pay the following on order:

Date of Check	Payable To:	On Account Of:	Check #	Amount	Comments
9/3/19		Babysitting	2761	50.00	9/3 Meeting
9/3/19		Babysitting	2762	50.00	9/3 Meeting
9/3/19		President's Reimb.	2763	30.35	03 Budget
9/3/19		USF Waterdamage	2764	1,364.81	
9/15/19		Membership MBZC	2765	1,670.00	
9/23/19		Babysitting	2766	548.75	Inv 1063 - LIST
9/23/19		USF Workshops	2767	1,375.00	
9/23/19		Reflections	2768	850.00	Advance
		Total To Be Ratified:		2,997.91	
		To Be Paid This Date:			
		Babysitting	2769	50.00	
		Babysitting	2770	50.00	
		Total to be Paid:		100.00	
		Total of This Warrant:		3,097.91	


THIS IS TO VERIFY THAT THE ABOVE ITEMS WERE APPROVED:

Meeting Date 10/7/19

President _____ Date _____ Recording Sec Financial Secretary _____ Date _____

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Voiding checks



STALE-DATED CHECKS
If a check remains uncashed, contact the payee to determine whether they received the check. Once a check is stale-dated it should be voided. The executive board should vote on whether a reimbursement check should be re-issued.

LOST CHECKS
Stop payment on the check and void the check in MyPTEZ. If a payee informs you that they lost a check, Exec Board can discuss whether the person who lost the check should reimburse the unit for the stop payment fee.

VOID the check in two places:

- Write "VOID" across the check.
- In MyPTEZ, search for the check. Click the "Void" button on the bottom. Enter reason for void and date to void the check. CHOOSE THE VOID DATE CAREFULLY.

If you absolutely must void the check in a different fiscal year, you need to put a detailed note in your books and may need to use a balance adjustment to correct a category total.


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Other forms you will use...

NAME OF FORM	PURPOSE/NOTES:
Authorization to Transfer Funds Between Accounts	Moving funds from savings to checking Moving funds from ecommerce to checking Requires two check signers
Authorization for Electronic Transfer for Attorney General (RRF-1) Only	Paying CT Renewal fee online (if filing online) Requires two check signers
Authorization for Payment via EFT/Bank Bill Pay Services	Paying Vendors online Requires two check signers
BUSD Gifting Form	Giving funds to BUSD for specific programs Office staff helps complete; principal and president sign
Cash Verification Form BCPTA Start Up Cash Verification/Tracking Form	Chair completes; money counters sign FS verifies and signs
Donation Receipt	Acknowledging cash and non-cash donations

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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.

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

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What do we mean by “copies”?



Making copies:

- Photocopy
- Use scanner
- Use scanning app on phone
- Take a picture


Sending copies:

- Mail/drop off hard copies
- Shared on cloud-based drive
- Emailed*

Remember that ultimately there must be HARD copies for the audit. These hard copies become part of your unit's permanent financial records.

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Mind your expenses!




Pro Tip Run a Budget to Actual Report in MYPTEZ for each executive board meeting.

- 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.

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Things you will do every month



Forward dues for “manual” memberships through channels promptly and regularly. Do not hold onto this money.

- 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 MyPTEZ (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.

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More things you will do every month



At each Association meeting, read your Treasurer's Report and say, "This report will be filed for audit." No motion is needed.

Pro Tip

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 folder on Council Google Drive.
- Deadlines are on the Council Financial Calendar.

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What is "through channels"?



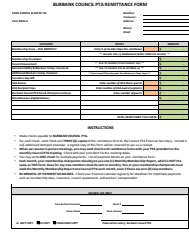
YOUR PTA/PTSA UNIT

- Dues for manual memberships are forwarded up through channels.
- Insurance Premiums are sent up through channels
- Bylaws are sent up through channels
- 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.

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

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Use Unit Remit Form to send payments to Council




BCPTA's Unit Remittance Form

- Anytime you send a check to Burbank Council PTA, you must fill out a **Unit Remit form** to go with the check.
- Complete the form; the Excel version of the form will calculate totals for you.
- Send **THREE (3)** copies of the Unit Remit Form with ANY check payable to Burbank Council PTA. Keep a fourth copy for your records.
- Council Financial Secretary will send a signed copy back to you to serve as your receipt.
- You can pay for multiple things with one check, but if you send multiple checks, you must send the Unit Remit Form in triplicate for EACH check.

We will be emailing an Excel version of the form to Unit Treasurers at the beginning of August.

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Use BCPTA Google Drive to send documents to Council



- Over the summer we will send you an email granting you access to your unit's 2021-2022 folder on Council's Google Drive.
- BCPTA has created a checkoff list to help you keep track of what you need to send in or upload.
- When in-person meetings resume, checks/Remit Forms can be sent in with your president, but documents should always be uploaded to the BCPTA Google Drive.

Burbank Council Unit Treasurer
Upload Checkoff List 2021


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QUESTIONS?

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It's Springtime!
What happens now?



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Springtime is time for training...

- May 1st Burbank Council PTA (BCPTA) LIST Virtual Workshops
- May 3-15 California State PTA (CAPTA) Convention Virtual Workshops
- June 12th First District PTA (FDPTA) Leadership Conference Virtual Workshops
- Virtual financial team office hours (held throughout the year)
- MyPTEZ webinars held each week (Tuesdays and Wednesdays). Click [here](#) to register.

Springtime is time to plan your BUDGET...

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Budgets |

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Budget Committee makes the budget

1. GOALS

↓

2. PROGRAMS

↓

3. BUDGET

- check your standing rules for a list of who serves on the budget committee; otherwise, refer to the Toolkit
- committee is appointed by the president-elect
- Treasurer-elect chairs the committee
- may/should include principal
- 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

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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.



Whenever the Association votes to amend your budget, remember to update MyPTEZ with the new budget amount.

Upload amended budgets to the Council Google Drive.

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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).

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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.

3-to-1 Rule


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



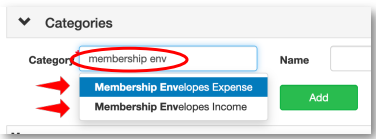
Advocating for increased school funding is just as important as fundraising for your site's programs. Finding ways to improve school funding through advocacy will yield results more profound and lasting than any fundraising effort.

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Organizing your budget ...



- In MyPTEZ each category 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.



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Admin and Fundraisers and Programs, oh my!

<p>Administration</p> <ul style="list-style-type: none"> • operating expenses • things that are required for your unit to function <p>Programs</p> <ul style="list-style-type: none"> • events or activities whose primary purpose supports the mission of PTA • may have a nominal profit 	<p>Fundraisers</p> <ul style="list-style-type: none"> • events or activities whose primary purpose is to raise money • earns more than nominal profit <p>Non-Unit</p> <ul style="list-style-type: none"> • pass through categories when income doesn't belong to your unit • Non-Unit Income doesn't count toward gross revenue • examples are: <ul style="list-style-type: none"> • Membership Dues that get forwarded through channels • Founders' Day Free-Will Offering
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Pro Tip "Cash in Hand" is in the MyPTEZ Chart of Accounts. It needs to be used when you are dealing with start up money, but it is NOT part of your budget.

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Things all budgets should have in common...

<p>Administration</p> <ul style="list-style-type: none"> • 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 (RRF-1) - 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 • MyPTEZ subscription - Expense • Raffle Registration Fee - Expense • Video Teleconferencing - Expense • Website - Expense 	<p>Programs</p> <ul style="list-style-type: none"> • BUSD Gifting should be labeled as such <ul style="list-style-type: none"> • Assemblies - Expense - BUSD gifting • Babysitting - Expense - BUSD gifting • Field Trips - Expense -BUSD gifting • Reflections Expense <p>Fundraisers</p> <ul style="list-style-type: none"> • Passive fundraisers/Corporate Co-ventures all grouped together • Donations • TOTEM Donations require income AND expense <p>Non-Unit</p> <ul style="list-style-type: none"> • Membership dues (pass-through) • Founders' Day free will offering (pass-through)
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Hospitality

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.



Examples of Hospitality:

- Refreshments at Association Meetings
- Staff Appreciation Week
- Welcome Back Staff events
- monthly/periodic staff luncheons
- Valentine's Day
- Volunteer Tea

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).

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The 5% limit for Hospitality & Volunteer Recognition



Pro Tip

On your budget worksheet, you should sum all your various "5%" line items and compare to 5% of your Budgeted Expenses.

- In order to maintain nonprofit status with the IRS, expenses not related to the primary mission of the organization cannot represent a significant amount.
- **5% of the annual EXPENSE budget is the limit to be used as a guideline for all hospitality expenses, including staff or volunteer appreciation.**
- It is important to budget appropriately when considering all PTA expenditures, and all expenditures must be approved by the membership.

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EXAMPLE OF A PROPOSED BUDGET



Let's look at a spreadsheet version of a hypothetical elementary school PTA budget

Category	Item	Amount	Total
Administrative	Office Supplies	100.00	100.00
	Printing	200.00	300.00
	Travel	500.00	800.00
	Professional Fees	1000.00	1800.00
	Insurance	2000.00	3800.00
	Legal	1000.00	4800.00
	Accounting	500.00	5300.00
	IT	200.00	5500.00
	Postage	100.00	5600.00
	Telephone	100.00	5700.00
Fundraising	Event	1000.00	1000.00
	Concessions	2000.00	3000.00
	Merchandise	1500.00	4500.00
	Donations	3000.00	7500.00
	Grants	1000.00	8500.00
	Membership	2000.00	10500.00
	Volunteer	1000.00	11500.00
	Staff	500.00	12000.00
	Travel	200.00	12200.00
	Other	100.00	12300.00
Miscellaneous	Travel	1000.00	1000.00
	Conferences	2000.00	3000.00
	Books	500.00	3500.00
	Supplies	1000.00	4500.00
	Travel	1000.00	5500.00
	Conferences	2000.00	7500.00
	Books	500.00	8000.00
	Supplies	1000.00	9000.00
	Travel	1000.00	10000.00
	Conferences	2000.00	12000.00
Total	Administrative	5700.00	5700.00
	Fundraising	12300.00	18000.00
	Miscellaneous	12000.00	30000.00
	Total	30000.00	30000.00

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What happens at the May Association Meeting?



Financial Secretary

- Presents the FS report covering period since last Association meeting
- Files report for audit - NO MOTION NEEDED

Have hard copies of full report available or share screen.

President or VP Programs

- Presents Proposed Calendar for 2021-2022; MOTION to approve

Treasurer

- Presents Treasurer's reports covering period since last Association meeting; files for audit
- MOTION to ratify bills since last Association meeting
- **Presents Proposed Budget for 2021-2022; MOTION to approve**
- **MOTION to release funds to pay summer bills**
- **Reads change of check signers** into the minutes:

e.g., "The check signers for the 2021-2022 school year will be Selena Butler, President; Phoebe Hearst, Treasurer; and Alice Birney, 1st VP. Gwendolyn James will be removed as a check signer. These changes are effective as of June 1, 2021."

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What happens in June and July?

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FISCAL YEAR:
out with the old and
in with the new

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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 the unit was registered for a raffle.
- provide training to their successor.
- give financial records and materials to the incoming officer (except those in audit).
- assist the incoming officers in changing bank signatures.
- Once audit is approved, 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.


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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 prepared 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.

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Reconcile your May books and run annual reports



- Update MyPTEZ through May and reconcile all accounts
- Run reconciliation reports for all accounts
- Run May Treasurer Report
- Run Annual Financial Report for the fiscal year - review and check for red flags
 - Non-Unit income matches Non-Unit expense?
 - Membership dues income ties in with total number of memberships?
 - Any negative amounts? (might indicate that something is miscategorized)
 - Receipts for Deposit should be \$0

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Prepare materials for year-end audit



Pro Tip
Talk to your auditor about how you've organized your records. "Giving them a tour" when you hand over your books can help them find what they need more easily.

- Financial Sec. Reports
- Cash Verification forms
- Deposit Slips
- Treasurer Reports
- Bank Statements
- Reconciliation reports
- TOTEM reports
- Square/PayPal/Stripe statements
- Payment Authorizations
- Transfer Authorizations
- Warrants
- Exec Board meeting minutes
- Association meeting minutes
- Amazon Smile statements
- Dividend statements
- Committee Reports
- Most recent budget report
- List of released budgets (with dates released and amount released)
- Checks report/Ledger for audit period
- Treasurer Report for audit period
- Financial Sec. Report for audit period

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About those categories...



- Summer is a good time to go through the Categories List and deactivate any categories you are no longer using.
- Verify that Categories are grouped in correct place (Administration, Fundraising, Programs, or Non-Unit)
- **PRINT OUT A LIST OF YOUR ACTIVE CATEGORIES and give a copy to the Financial Secretary and the Auditor.**
- **GO OVER THE ACTIVE CATEGORIES LIST TOGETHER WITH YOUR FINANCIAL SECRETARY. This ensures the same categories are used for entering receipts and deposits.**

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Visit the bank over the Summer



Pro Tip

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.

- May require an appointment
- 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.

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Handle your raffle business over the summer!



Pro Tip

Don't put off your Raffle Report and Application.

If you get them done in June or July, you'll be so glad when things get crazy in August.

Council can help you with the forms if you have questions.

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>

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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.**

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Before the summer ends...




- Audit is completed and reviewed by committee.
 - Budget committee prepares final draft of budget using most current information.
- At the exec board meeting (late July/beginning of August):**
- Auditor presents year-end audit; exec board votes to recommend for adoption by Association
 - Treasurer presents budget; exec board votes to recommend for adoption by Association at August meeting.

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QUESTIONS?

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The First Association Meeting

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What happens at the August Association Meeting?



VP/Chair of Programs

- Presents **PROPOSED CALENDAR** for current year
- MOTION to adopt

VP/Chair of Fundraising


- Presents **PROPOSED FUNDRAISERS** for current year
- MOTION to adopt

Financial Secretary

- Presents the following:
 - May FS report
 - Annual FS report for prior year
 - 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

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What else happens at the August Association Meeting?



IDEALLY the Auditor finished the audit and the review committee finished the review in time for the reviewed audit to be approved by the Exec Board ahead of the August meeting.

If this is the case:

Auditor

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


Treasurer

- Presents May Treasurer's report; file for audit.
- Presents Annual Financial Report for prior year; file for audit.
- Presents June Treasurer report; file for audit.
- Presents July Treasurer report; file for audit.
- Presents and makes MOTION to ratify May, June and July (summer) bills
- Presents Proposed Budget for current year; 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

Remember to upload ADOPTED Calendar, ADOPTED budget, Annual Financial Report and ADOPTED Year End Audit to the Council Google Drive.

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After budget is adopted...



- Budgets are ESTIMATES
- Line items must be still released by vote of the Association – think ahead!
- The entire board is responsible for monitoring the budget.
- Treasurer informs committee chairs of their budgets.
- If there are any significant differences, over or under, these should be explained and documented in the minutes.

Pro Tip Keep a copy of the budget handy at Association meetings – highlight budgets as they are released and note the date and amount released.

REMEMBER - The budget is a working document and can only be revised by a vote of the Association.

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Taxes and Compliance | Overview

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IMPORTANT

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.

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Federal Requirements

Internal Revenue Service [IRS]




- Form 990/990EZ/990N tax returns are **required annually**.
- 990N can be filed online free of charge
- due October 15th** (based on our May 31st fiscal year end)
- 2020 Tax Year = fiscal year beginning in 2020 and ending in 2021
- 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

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State of California Requirements

California State Franchise Tax Board [FTB]



- File 199 or 199N **annually**.
- 199N can be filed online free of charge
- Due October 15th** (federal extensions automatically apply to state return)
- 2020 Tax Year = fiscal year beginning in 2020 and ending in 2021.
- 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 and confirmation/proof of filing to your Google Drive folder.

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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 are registered for raffles must file a **raffle report** with the OAG.
- Raffle vs. Opportunity Drawing
 - 50/50 raffles are not allowed

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

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DO NOT FILE taxes or CT Renewal over the summer



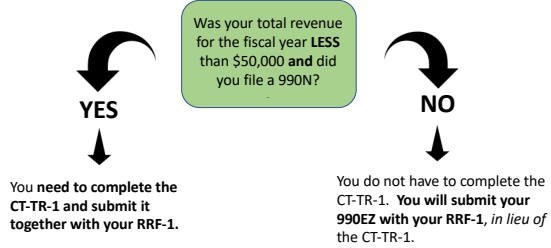
We **DO NOT** want you to file your taxes or your Charitable Trust Renewal over the summer.

This is a shift from previous years.

The information needed to complete these filings is based on your Annual financials, which get audited over the summer. **The audit should be completed, reviewed and adopted by the exec board* BEFORE you file taxes or your CT Renewal.** This will ensure they are correct and help you avoid having to amend your filings.

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Do I need to file a CT-TR-1? It depends on revenue & which federal form you filed.



YES

You need to complete the CT-TR-1 and submit it together with your RRF-1.

NO

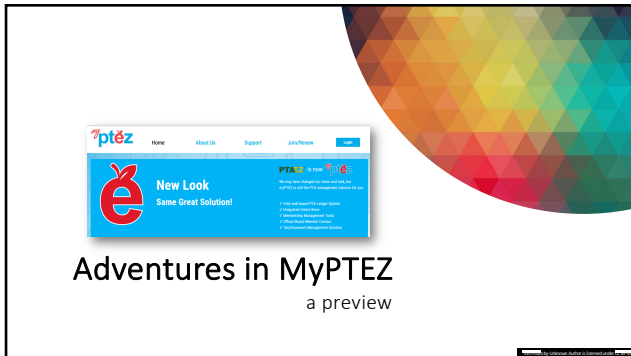
You do not have to complete the CT-TR-1. You will submit your 990EZ with your RRF-1, in lieu of the CT-TR-1.

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QUESTIONS?

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Pro Tips for working in MyPTEZ

Pro Tip The program default for names is "**Last name, First name**". When entering a name, enter the last name first. Otherwise, you may duplicate a person in the system.

Pro Tip Choose a consistent format for naming PDFs of your reports

- Emerson 2020.06 FS report
- Luther 2020.10.15 FS deposit
- JBHS 2020.08 TR

Pro Tip Keep your Active Category list handy when you are working in MyPTEZ (you must get this from the Treasurer)

Pro Tip MyPTEZ has a [support page](#) with link to register for weekly webinars. They also have posted [video tutorials](#).

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How to update your password*

The image shows a sequence of three screenshots from the MyPTEZ application. The first screenshot shows the main navigation menu with a red arrow pointing to the 'Change Login' link. The second screenshot shows the 'Update Login' form with fields for 'Current Username', 'Current Password', 'New Username', and 'New Password'. A red arrow points to the 'Change Login' link in the menu above. The third screenshot shows the 'Update Login' form with a red arrow pointing to the 'Save' button at the bottom right.

1. Go to <https://www.mvptez.com>.
2. Log in with the username and initial password given to you by your Treasurer or President.
3. Go to Home/Change Login
4. Update information
** While you CAN update your username, we recommend keeping the assigned username and only updating the password.*
5. Click "Save"


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Even more things to know...

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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.

Pro Tip 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.

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got QUORUM?[®]

- **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.

got NOTICE?[®]

- 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.

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QUESTIONS?

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CAPTA Forms/BCPTA attachments

<p>LINKS to CAPTA forms:</p> <ul style="list-style-type: none"> 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) 	<ul style="list-style-type: none"> Hold Harmless Agreement Ledger (Sample) Payment Authorization/Request for Reimbursement (Fillable) Request for Advance/Payment Authorization (Fillable) Treasurer's Report (Sample) Glossary of Terms <p>BCPTA ATTACHMENTS:</p> <ul style="list-style-type: none"> BCPTA Unit Remittance Form Payment Authorization – Third Party 2021 Start Up Cash Verification/Tracking Form Warrant Form (sample) Warrant Form (customizable) Financial Script and Motions for the First Association Meeting
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Dear Unit Treasurers,

need help?

we can help

Love, BCPTA

TOOLS
Treasurer's checklist for YE audit prep
Treasurer upload checkoff list

GUIDES
HOW TO Enter Receipts in MyPTEZ
HOW TO HANDLE MANUAL MEMBERSHIP in MyPTEZ
HOW TO HANDLE TOTEM in MyPTEZ
HOW TO HANDLE SQUARE in MyPTEZ
HOW TO HANDLE START UP CASH
HOW TO ENTER NONCASH DONATIONS IN MyPTEZ
HOW TO HANDLE PAYPAL in MyPTEZ
Breaking Down the CF-TR-1
Taxes and Compliance for Unit PTA Treasurers

PRESENTATIONS (coming this summer)
Adventures in MyPTEZ
Filing Your Taxes and AG Forms Step-by-Step

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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.

MyPTEZ website: <https://www.myptez.com>

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There is much more to come later this summer...



Be on the lookout!

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