

Hello PTA Leaders!

Congratulations on being elected to serve the children of your unit through your leadership in PTA. Your job is not an easy one, and not one that you will get a lot of recognition for but, rest assured, you are appreciated! Through your acceptance of the position as a leader of your unit, you have taken the responsibility to manage your unit's funds so that the students can not only focus on learning but also be able to celebrate their successes through the programs that you put on.

This section of the summer packet is dedicated to Treasurers. That is not to say that the finances of your unit are only the Treasurer's responsibility. The finances are the responsibility of every member of your board and the property of your unit. In this section you will find information that is specific to the state of Kansas and some of the most requested information that I have seen during my tenure as State Treasurer.

The most valuable resource, in my opinion, are your state and council leaders. If you ever have a question and you can't find it in the material provided here, please reach out. We are all here to help you, which is one of the major benefits of being a PTA unit!

I've structured this section so that the wheel has not been reinvented. A lot of general information for Treasurers and other officers can be found on the National PTA website, the PTA Toolkit. The link to that website is below. This provides an absolute wealth of information and I hope that you will take advantage of this great resource.

www.ptakit.org

You will also be able to find some state specific documents on the Kansas PTA website: www.kansas-pta.org as well as the National PTA website: www.pta.org.

Below is a list of some of what you will find in this section of the summer packet:

- 1) Letter of Determination: This is the document that outlines that Kansas PTA and its Subordinate Associations (that's you!) are designated as 501c3 not-for-profit businesses. You may need this document when looking at grants or many other activities
- 2) Fiduciary Responsibilities Booklet: This is general information that the entire Board of Managers of your unit should be aware of.
- 3) Audit Forms: These are the suggested forms that your unit uses for its PTA Audit (also called financial review) These are guides but the information on the financial review page (pg 3) is what the Kansas PTA office would like to receive to show that you did your review and it satisfies one of the requirements to being a unit in good standing.
- 4) 990 information: This information talks about how to file the IRS reporting forms 990-epostcard, 990 EZ and the long form 990.
- 5) Record Retention Schedule: this page gives you a guideline on how long to keep records to be in compliance with the IRS.
- 6) Sales Tax information: this information lets you know when a PTA is required to pay sales tax and when it is not. **IMPORTANT:** Once your PTA pays sales tax 1 time, you must continue to file yearly...even if you file a zero return.

Do not hesitate to contact me, or any of the Kansas PTA officers with any questions you may have. Have a great year!

Vikki Mullins,

Kansas PTA Treasurer 2017-2019

ksptamom@aol.com or Kansasptatreasurer@gmail.com

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Kansas PTA

Fiduciary Responsibility is Everyone's Business

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*The Fiduciary Responsibilities of PTA
Boards*

**Kansas
PTA[®]**
everychild.onevoice.[®]

Kansas PTA Treasurer

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Fiduciary Responsibilities of Board Members

What does fiduciary mean?

- Fiduciary duty requires board members to stay:
- objective
- unselfish
- responsible
- honest
- trustworthy
- efficient
- Board members must always act for the good of the organization, rather than for the benefit of themselves. They need to exercise reasonable care in all decision making, without placing the organization under unnecessary risk.

Understanding the Board's Responsibility

- Oversee financial activities
- Assure the organization has adequate accounting systems and controls
- Fiduciary duties

The ultimate responsibility for managing the affairs of the organization is vested in the Board

Questions to ask:

- Is our financial plan consistent with the mission and purpose of PTA?
- Do we have adequate cash flow?

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authorized signers should be kept to a minimum, while ensuring that daily business is not unnecessarily hampered.

- The purpose of this internal control is to make sure that there are deliberate decisions made about who to pay, how much to pay, and when to pay bills. If you habitually have one or more checks that are pre-signed by one of the two required signatures, it defeats that purpose. (It also voids your bonding insurance).

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Cash Receipts

- You should have policies in place to ensure that money is counted by two people, promptly deposited, properly recorded, reconciled, and kept under adequate security.

Internal Accounting Controls Checklist

1. Are all disbursements made by pre-numbered checks?
2. Is there a written prohibition against drawing checks payable to Cash?
3. Is there a written prohibition against signing checks in advance?
4. Is a cash disbursement voucher prepared for each invoice or request for reimbursement that details the date of the check, check number, payee, amount of the check, description of expense account to be charged, authorization signature, and accompanying receipts?
5. Are all expenditures approved in advance by authorized persons?
6. Are signed checks mailed promptly?



7. Does the check signer review the voucher for the proper approved authorization and supporting documentation of expenses?
8. Are invoices marked Paid with the date and amount of the check?
9. Are requests for reimbursement and other invoices checked for mathematical accuracy and reasonableness before approval?
10. Is check-signing authority vested in persons at appropriately high levels in the organization?
11. Is the number of authorized signatures limited to the minimum practical number?
12. Do checks require two signatures?
13. Are bank statements received and reconciled by a person independent of the authorization and check signing function?
14. Are unpaid invoices maintained in an unpaid invoice file?
15. Are volunteers required to submit expense reports for all expenses in a timely manner?
16. Are all cash receipts counted by at least two people and the amount verified?
17. Are deposits made promptly?



Bonding/Insurance

Bonding

- *Although bonding may not be specified in the bylaws of the association, it is in the best interest of the PTA for the treasurer and all other individuals authorized to handle funds and securities of the organization to be covered by a fidelity bond in the amount determined by the executive committee. The expense of such insurance should be borne by the PTA.*
 - A fidelity bonding policy covers losses sustained by a PTA through any fraudulent or dishonest act or acts committed by any of the employees or non-compensated elected officers and their successors or any non-compensated person who is authorized by an officer to handle PTA monies acting alone or in conspiracy with others.
 - If your PTA is bonded by the insurance policy you **must:**
 1. Have two unrelated signatures on checks
 2. Never sign a blank check
 3. Have someone, other than a signer on the account, reconcile the bank statement with the checkbook each month
 4. Conduct a yearly financial review
 -

Liability Insurance

General

- Commercial general liability insurance provides coverage for your legal liability arising from bodily injury, personal injury (false arrest, libel, slander, and other defined injuries), advertising injury, and property damage to others arising out of your activities and operations. Such insurance coverage may be purchased on either a continuous, year-round, comprehensive coverage basis, or on a one-time basis for special events.





What to do if Funds are Missing

*Most important is compassion for the child.
The first rule is that no harm is done to the child.*

- Do an audit to make sure you can verify that funds are unaccounted for.
- Do nothing that will harm the organization.
- Decide the smallest number of people that need to know the details of the problem and alert only those people.
- If there really is fraud ask to meet with the suspected person in a private area of a public place.
- Present the evidence and ask for the money back. If they return the funds, it is your choice whether or not to go to the police.
- If they refuse to return the funds contact the insurance company. They will require you to contact the police.
- If the suspected individual refuses to meet you should contact the insurance company and the police.



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Whom to Call for Help

There are numerous resources for the PTA Treasurer

Resources

- The PTA Toolkit published by National PTA www.ptakit.org
- State PTA Treasurer: **Vikki Mullins**
913-523-6609
kansasptatreasurer@gmail.com
- For Sales Tax Questions: **Kansas Department of Revenue**
1-877-526-7738
www.ksrevenue.org
- For Questions about the 990: **IRS**
1-800-829-1040
www.irs.gov

990 Filing Instructions

In order to maintain your 501c3 status as a not-for-profit association, the IRS requires that you file a reporting form to them every year. This reporting form is due to the IRS by the 15th day of the 5th month following the end of your fiscal year, so for our units....November 15th. The form that is required is a 990. There are several different 990 forms. Listed below are the 990 forms that could possibly be used by your unit.

990-N (e-postcard): This is an online reporting option for PTA units that have total deposits for the year totaling less than or equal to \$50,000. This is total deposits (everything that went through your bank account) not total profit.

990-EZ: This is the short form 990 for PTA units that have total deposits for the year totaling more than \$50,000 but less than \$200,000.

990: This is the long form 990 for PTA units that have total deposits for the year totaling more than \$200,000.

Most of our units here in Kansas file the 990-N but a few do need to file the 990-EZ. Filing your 990-N is incredibly easy. Here are step by step instructions:

1. Go to www.irs.gov
2. Search for "990 N" and follow the instructions to register as a new user (only have to do this once)
3. Once you have received a login ID, follow instructions to complete your 990-N
 - a. You will be prompted to log in
 - b. You will need the following information to file your 990-N
 - i. Association's EIN
 - ii. Contact information for questions
 - iii. Verification that your Association has deposited less than \$50,000
4. After you have created your 990-N, click on "Submit your form 990-N"
5. When you receive the verification of acceptance, forward it on to the Kansas PTA office at kansaspta@gmail.com

If your unit has deposits of over \$50,000, you will need to file a 990-EZ. Instructions for this can be found in the Money Matters book from National PTA as well as on the IRS website. The 990-EZ is a lot more time consuming than the 990-N and can not be completed online. You will need to print the current year's 990-EZ form off the IRS website or fill it in on the site and print it off. In order to complete the 990-EZ, you will need all the treasury information from July 1 through June 30 of the year you are filing for, all officer/director information, and descriptions of activities. It is Kansas PTA's suggestion that the out-going Treasurer and the incoming Treasurer complete this form together as soon as possible after the fiscal year end. If your unit must file a form 990-EZ and you require assistance, please contact the Kansas PTA Treasurer for help. After the 990-EZ is completed, you will mail it to:

Internal Revenue Service Center
Ogden, UT 84201-0027

You will also need to make a copy for your records and a copy to send to the Kansas PTA office via email or postal mail.

RECORDS RETENTION SCHEDULE

It is very important that certain records be retained. It helps to develop a records retention policy. Listed on this page are items that should be reviewed on a periodic basis and kept in a safe place.

RECORDS TO BE RETAINED	RETENTION PERIOD
Accounts payable records.....	7 years
Annual audit reports	Permanently
Articles of Incorporation	Permanently
Bank reconciliations	1 year
Bylaws, including all amendments.....	Permanently
Cash receipt records	7 years
Checks (canceled, but see exception)	7 years
Checks [canceled, for important payments, i.e., taxes, special contracts, etc. (checks should be filed with the papers pertaining to the transaction)].....	Permanently
Contracts & leases (expired)	7 years
Contracts & leases still in effect	Permanently
Corporation reports filed with the secretary of state	Permanently
Correspondence with customers or vendors	1 year
Correspondence (general).....	3 years
Correspondence (legal).....	Permanently
Duplicate deposit slips.....	1 year
Employee records (post-termination), if applicable	3 years
Employment applications, if applicable	3 years
Equipment owned by the PTA	Permanently
Financial statements (year-end) & budgets	10 years
Grant award letters of agreement	10 years
Insurance records, accident reports, claims, policies, certificates	Permanently
Inventories (products & materials)	7 years
Invoice.....	7 years
Journals	Permanently
Minute books of directors & committees	Permanently
PTA charter	Permanently
Petty cash vouchers	3 years
Purchase orders	7 years
Record retention policy	Permanently
Sales records.....	7 years
Tax-exempt status documents	Permanently
Application for tax exemption (federal and state)	
Letter of determination (recognition) of tax-exempt status (federal and state)	
Group tax exemption documents, if applicable	
Letter assigning IRS Employee Identification Number (EIN)	
Form 990/990EZ and Schedule A, as filed with IRS	
State tax information returns, as filed	
Form 990T, if applicable, for unrelated business income	
Correspondence with IRS	
Other information returns filed with the government	
Charitable Solicitation Registration, if applicable	
Trademark registrations.....	Permanently
Vouchers for payments to vendors, officers, etc. (includes allowances & reimbursements to officers, members, etc., for travel & other expenses)	7 years

State Sales Tax

Parent-Teacher Associations — A PTA is exempt from paying sales tax when buying goods and services. It is also exempt from collecting sales tax on its sales of tangible personal property, but must collect tax when selling taxable services or admissions.

To pay your sales tax: go to www.ksrevenue.org and hover over “Business tax” then click on “File withholdings and sales tax online”

BINGO/RAFFLE: Earnings from sales of Bingo Cards or Raffle Tickets are taxable.

Internal Revenue Service

Date: November 8, 2005

PTA KANSAS CONGRESS OF PARENTS AND
TEACHERS
PTA KS
715 SW 10TH
TOPEKA KS 66612-1617

**Department of the Treasury
P. O. Box 2508
Cincinnati, OH 45201**

Person to Contact:

Sophia Brown
ID# 31-03530

Toll Free Telephone Number:
877-829-5500

Federal Identification Number:
48-0559379

Group Exemption Number:
0836

Dear Sir or Madam:

This is in response to your request of September 25, 2005, regarding your tax-exempt status.

In May 1945 we issued a determination letter that recognized you as exempt from federal income tax. Our records indicate that you are currently exempt under section 501(c)(3) of the Internal Revenue Code.

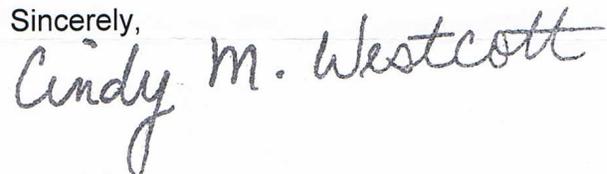
Our records indicate that you are also classified as a public charity under section 509(a)(2) of the Internal Revenue Code.

Based on the information supplied, we recognized the subordinates named on the list you submitted as exempt from federal income tax under section 501(c)(3) of the Code.

Our records indicate that contributions to you are deductible under section 170 of the Code, and that you are qualified to receive tax deductible bequests, devises, transfers or gifts under section 2055, 2106 or 2522 of the Internal Revenue Code.

If you have any questions, please call us at the telephone number shown in the heading of this letter.

Sincerely,



Cindy Westcott
Manager, EO Determinations

PTA Audit Cover Letter



To: Auditor/Audit Committee

Thank you for agreeing to perform an audit/financial review of the books of the

The purpose of this audit/financial review is to certify the accuracy of the books and records of the financial officers and to assure the membership that the Association's resources/funds are being managed in a businesslike manner within the regulations established for their use. To facilitate this process, I have supplied **ALL** of the following items and will supply any other information as requested:

- _____ Budget (and any amendments that were approved by the membership during the year)
- _____ Check Register
- _____ Expense/Reimbursement forms with receipts
- _____ Deposit records
- _____ Bank statements
- _____ Checkbook(s)
- _____ All Treasurer's Reports
- _____ Copy of filed 990 or 990-N
- _____ Copy of Standing Rules
- _____ Copy of By-Laws
- _____ Proof of Insurance
- _____ Membership List

The auditor/audit committee report must be in writing. If the audit committee finds there are not adequate records or inappropriate accounting procedures used, this information should be noted on an attached recommendations page.

Current Treasurer: _____ Phone: _____

Email: _____

Current Treasurer's Signature _____ Date: _____

Please contact the new Treasurer or President when the audit is complete. Thank you again for rendering your services.

Incoming Treasurer: _____ Phone: _____ Email: _____

Incoming President: _____ Phone: _____ Email: _____



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AUDIT WORKSHEET

Start the audit by noting the balance on hand at the date of the last audit. Verify that the amount listed on the audit report is the amount listed in the register and on the bank statements. You will need all information as outlined in the "PTA Audit Cover Letter".

- | | |
|---|----------|
| 1. Do a sample test of transactions. | Initials |
| a. Is there a voucher and bill/receipt for each check written? | |
| b. Are there 2 signatures on each check? | _____ |
| 2. Look at Bank statements (12 months) | |
| a. Have they been reconciled? | |
| b. Have they been checked by another PTA Member (non signer)? | _____ |
| 3. Trace all cash verification forms to bank deposits | |
| a. Is there a deposit slip for each deposit? | |
| b. Are the monies put in the correct budget category? | _____ |
| 4. Account for all returned and voided checks | |
| a. Recorded properly? | |
| b. Were they followed up on? | _____ |
| 5. Verify balances in all bank accounts | _____ |
| 6. Determine if IRS form 990 was filed | _____ |
| 7. Compare total deposits according to the bank to deposits recorded | |
| a. Do they match? | _____ |
| 8. Compare total debits according to the bank to debits recorded | |
| a. Do they match? | _____ |
| 9. Compare the total expenditures to the budget and minutes | |
| a. Were all expenditures recorded? | |
| b. Were expenditures used as allocated in the budget? | _____ |
| 10. Check that monthly deposits for dues were collected and forwarded | |
| To Kansas PTA. The Kansas PTA/National PTA portion of dues | |
| Collected should be recorded separately from the associations. | _____ |

We do hereby verify that the above procedures have been performed. Remarks and exceptions are noted below (attach a separate sheet of paper if needed):

Auditors' Signatures:

Auditor

Date

Auditor

Date

PTA Audit/Financial Review Form

Date: _____

PTA Unit: _____ Financial Review period: _____

Council: _____ Region: _____ FSR: _____

1. Balance on Hand (From date of last audit) \$ _____

2. Deposits (From last financial reconciliation to date of current financial reconciliation) + \$ _____

3. Total Cash (add 1 and 2 together) \$ _____

4. Disbursements (From last financial reconciliation to date of current financial reconciliation) - \$ _____

5. Balance on Hand (at time of audit) = \$ _____

6. Bank Statement Balance as of _____ (date) \$ _____

7. Outstanding Checks (List check number & amount)

8. Total Outstanding Checks - \$ _____

9. Balance in checking account (subtract line 8 from line 6) = \$ _____

We have examined the records of _____ and find them to be:

(Choose one of the following)

Correct Incomplete Substantially correct with the following adjustments:

Incorrect

The following irregularities were found: _____

Financial Reconciliation Committee signatures:

Auditor Signature

Auditor Signature

Phone

Phone

Email

Email

Non-Signer Review of _____ Bank Statement

Bank Statement Date: _____

Accounting Period: _____

Date statement reviewed: _____

Please review the bank statment and financial records for the following:

- Checks made out to "cash"
- Checks written for non-approved expenses
- Missing check numbers
- ATM/Debit/Electronic Transfers (not incuding deposits)
- Transactions on statement verified against financial report(s)
- Treasurer's Report final balance matches bank balance

We have examined the bank statement and corresponding financial records for _____ and found them to be:

Accurate Inaccurate Incomplete

The following irregularities were found: _____

Submitted by:

Printed Name of Reviewer

Signature of Reviewer

Date

Printed Name of Reviewer

Signature of Reviewer

Date

Unit: _____

Event Cash Counting Reconciliation Sheet

Event: _____

Date: _____

Starting Bank: _____

Starting Cash Verification: _____

Date: _____ / _____ / _____

Bills	Qty	Total
\$100		
\$50		
\$20		
\$10		
\$5		
\$2		
\$1		

Coins	Qty	Total
\$1		
50¢		
25¢		
10¢		
5¢		
1¢		

Checks	Qty	Total
--		

Total all currency: _____

Total credit cards: _____

Starting cash: - _____

Do not include in total deposit. For record keeping purposes only. This deposit will be processed separately.

Total deposit: _____

End of day verification: _____

Date: _____ / _____ / _____

Deposit Verification

Date: _____ Amount of Deposit: _____

Budge Line Item: _____

Notes: _____

Attached deposit slip here

Date: _____ Amount of Deposit: _____

Budge Line Item: _____

Notes: _____

Attached deposit slip here



Kansas Congress of Parents and Teachers Dues Remittance Form

**This form should be mailed each month with new membership submissions to:
Kansas PTA, 715 SW Tenth St., Topeka, KS 66612**

Date: _____ School/Program Enrollment (as of Sept. 20): _____
Unit Name: _____
Unit President Name: _____ Phone #: _____
Full Address: _____
President's Email: _____

Membership Report Summary

1. Total number of members reported _____ X \$4.00 ea. = \$ _____
Includes \$2.25 National PTA Dues and \$1.75 Kansas PTA Dues

Number of student members _____ **Number of male members** _____
This information is necessary to qualify for some special membership awards

2. Membership list submission to Kansas PTA
Each unit must send the unit's membership roster/list that includes members' names, addresses and email addresses by email to kansaspta@gmail.com. If email is not a feasible option to submit the list, please include a printed membership list with this mailed form. For your convenience, an Excel file template to use for your membership database can be found under Helpful Forms & Tools on the www.kansas-pta.org home page, and is included in the Summer Packet.

Please indicate how you will submit your membership roster: **Email list** **Mail list**

3. Kansas PTA Scholarship Fund contribution (optional) \$ _____
This money funds annual scholarships provided for students pursuing a teaching career and for current teachers continuing their education.

4. Tax deductible donation for Kansas PTA (optional) \$ _____

5. Founder's Day Fund contribution (optional) \$ _____
Half is sent to National PTA and half is kept in Kansas PTA

TOTAL AMOUNT ENCLOSED \$ _____ <i>Make check payable to Kansas PTA</i>

Early Membership deadline is October 1st. Final remittance date for awards is March 1st.

Unit Treasurer's Name: _____ Signature: _____

Treasurer's Phone: _____ Email Address: _____

Office use only Date received: _____ Amount received: _____ Check number(s): _____

General Membership Awards

Final remittance date for awards is March 1st.

Mark the awards your unit has attained:

_____ **Early Bird Award** – Initial membership dues submitted by October 1st.

_____ **Meadowlark Award** – Early Birds who submit an additional 25 members by January 15th.

_____ **Golden Apple Award** – Units with 100% membership of full-time certified staff.

_____ **One Voice for Every Child Award** – Membership total is equal to or greater than the number of students enrolled in the school.

_____ **Challenge Award** – Units with 5% membership increase over the previous year's membership total.

_____ **Making a Difference Award** – Units with at least a 15% member increase over the previous year's membership total.

_____ **Kansas Honor Roll** – Units with membership equal to or greater than 60% of their enrollment.

_____ **Community Outreach Award** – Units with at least 10 non-traditional members.

Thriving Unit Awards:

_____ **Masters in PTA Award** – Units that have submitted their Incoming Officer Form to the Kansas PTA office, filed their 990 with the IRS and sent a copy to the Kansas PTA office, and which have been represented at a Regional PTA training (if available) and a State PTA training.

_____ **PhD in PTA Award** – Units that have achieved the Masters in PTA Award and have also been represented at a National PTA training.

To see a complete listing of all the Membership Awards, including the Special Membership Awards as determined by the State Membership Committee, please visit the website at www.kansas-pta.org.

APPROVAL FOR PURCHASE REQUEST/REIMBURSEMENT FORM

Submission Date: _____

Budget Line Item:

Total Amount of Purchase: _____

Short description of items purchased:

Check payable to:

Check Number: _____

Attach receipt here or full page receipt to back of page.
Please use staples and not tape as to not deteriorate the
receipt/ink.

**Petty Cash
Change Order**

Unit: _____
Date: _____ Check #: _____
Event: _____
Obtained by: _____
Verified by: _____

Coins

_____ Quarters = _____
_____ Dimes = _____
_____ Nickels = _____
_____ Pennies = _____

Bills

_____ \$20's = _____
_____ \$10's = _____
_____ \$5's = _____
_____ \$1's = _____

Total Coins _____

Total bills _____

Total Change Order:
