

The background features abstract, overlapping geometric shapes in various shades of green, ranging from light lime to dark forest green. The shapes are primarily triangles and polygons, creating a dynamic, layered effect. The central area is white, providing a clean space for the text.

Summer Leadership Series
Treasurer 2020



Treasurer

- ▶ NOUN- A person who is responsible for taking care of the money of a club or business.

*You've Been
Elected as Treasurer! Now What?*

You have been elected as the authorized custodian of the funds and are responsible for the financial management of your Unit PTA.

You are responsible for the receipt and disbursement of all monies in accordance with the Unit bylaws and standing rules along with the member approved budget.

You must work closely with the President and have a thorough understanding of the financial matters of the PTA.

What Do You Need From the Previous Treasurer?

- * checkbook
- * ledger
- * tax records
- * supplies
- * all other treasurer materials

Treasurer Books need to be **AUDITED** before you receive them.

Why Do an Audit?

To certify the accuracy of the books and records

To assure the membership that the association's resources/funds are being managed in a business-like manner within the regulations established for their use.

Once the Audit is completed then the books will be handed over to you.

Audit can be completed anytime after the close of the fiscal year (June 30) and before the books are turned over to incoming treasurer. Should be completed prior to July 30.

The completed audit also needs to be sent to Kansas PTA in order
for your unit to remain in good standing.

What are the Treasurer Duties?

Make sure new signature cards are on file with the bank as soon as the new officers take their positions. Signatures include both treasurer and president, along with a third person to be used in emergency situations. Banks should require minutes of the election meeting recording the names of new officers.

Signers should be non-related individuals to avoid any appearance of impropriety.

Serve on Budget Committee and develops the budget for upcoming PTA year.

Make sure to have proper Insurance for treasurer and officers.

Submit financial statements and gives treasurer's report at all meetings.

File all necessary paperwork with the government to maintain
your not-for-profit status.

Continued...

Ensures all checks have **TWO** signatures.

NEVER issue a blank check.

NEVER issue a check made out to Cash.

Keep accurate and detailed account of all monies received and paid out. Use “Check Request” or “Disbursement Form” and “Cash Verification” forms.

Samples of forms will be after the PowerPoint

Always get all expenses approved by the Committee Chair and President before issuing payment.

Always obtain an original receipt for every purchase or other payment made by the PTA.

Continued...

Count money with the person presenting it and issue a receipt.

Always deposit all money in a bank as soon as possible. Use a night deposit.

Reconcile Bank Statements monthly and do a monthly audit with an individual who is not a signer on the account.

Review the books and bank statement with the president on a monthly basis.

Continued...

File all IRS Forms as necessary:

- Form 990N (when gross receipts are less than \$50,000) or
- Form 990 EZ and Schedule A (when over \$50,000).
- Form 990 and all applicable Schedules (when over \$250,000).
- Copy of IRS forms (or electronic confirmation of acceptance) needs to be sent to Kansas PTA office upon completion. If your unit requires an extension, please submit a copy of your extension paperwork to Kansas PTA and a copy of your 990 when it is filed.

Continued...

File all applicable Sales Tax with the State of Kansas:

- Sales tax is required for all intangible sales (ie. Tickets or entry fees). Sales tax is not required on tangible items.
- Once your unit pays sales tax one time, you are required to file it quarterly for the life of the unit. Even if you are filing \$0 sales.
- BINGO/RAFFLES: Sales tax is required to be filed on sales of bingo cards or raffle tickets.

Remit State & National Membership Dues to Kansas PTA Office **every** month.

Be a good custodian of the PTA's funds. Remember, this is not your money....this money belongs to the kids serviced by your unit.

What Goes in the Treasurer's File?

Copy of PTA's bylaws and standing rules.

Copy of Meeting Minutes that have to do with financial transactions

Copy of the budget adopted by the Unit PTA's membership.

Receipt Book

Checkbook

Account Book or Ledger

Copy of Sales Tax Exemption Letter from the Kansas Dept of Revenue

Continued...

Federal EIN Number and Copies of all filed IRS Forms

File of annual audit reports (Permanent)

File of cash receipts, bank deposits, check invoices, & statements (7 years)

File of financial statements (year-end) and budgets (10 years)

General Correspondence

What About a Budget?

Four main Steps in the Budget Process:

1. Determine the programs and projects to be carried out for the coming year.
2. Make realistic estimates of how much each will cost and how they will be funded.
3. Seek approval from the board and the membership.
4. Establish a system for keeping track of how well the projected budget is matching up with the actual finances.

See sample budget after PowerPoint

Protecting your PTA

*PTA's are encouraged to raise only those funds that are necessary to meet the needs of the current year's budget.

*Use the 3-to-1 rule: for every fundraising activity, there should be at least 3 non-fundraising projects (this will protect your 501c3 status).

*PTA Bylaws state , “The organization shall work with the schools to provide quality education for all children...” PTA's not-for-profit status requires that the organization's stated purpose be followed.

*To comply with this, PTA recommends budget expenditures for programs that benefit all children, not special groups of children.

*Because the money raised by PTA has come from membership dues of parents representing all students, parents expect these funds to benefit all children, including their own.

Bottom Line of Budgeting

*“PTA funds should be used (and budgeted) only to enhance public education and not supplant the government’s... responsibility to pay for the necessary building, equipment, supplies, programs and salaries...”

*PTA’s should not provide funding for anything that is the responsibility of the community or education system. For instance: salary for school employees.

*It is legal for one charitable organization to donate an insubstantial amount to another organization who promotes the stated “Purposes of PTA”.

*A school’s private foundation that supplements equipment, supplies, programs and salaries do not promote these objectives.

*A PTA should not raise or hold funds for any other organization.

PTA Budget

- *A budget is a list “of estimated income and expenses. It is a simple statement showing a plan for obtaining funds and spending those funds”.
- *Your budget should follow your fiscal year July 1 through June 30.
- *You will need a copy of previous years reporting to see what was budgeted and what was actually used.

Regarding Reserves

- *PTA reserves are the amount of money in the bank on July 1.
- *This money is rightfully used to carry on programs during the summer and fall until dues are collected and fundraising begins...as directed by the unit's standing rules.
- *This money can also be used to finance approved amendments to the budget.
- *As a guide, this carry-over reserve should not exceed $\frac{1}{2}$ of your PTA's budget for an average year.
- *The goal of PTA is to raise awareness, not funds.
- *There is no IRS or PTA regulation that limits the amount of carry-over funds..

BUT...

*If your PTA continues to carry over large sums of money, you should reduce the number of fundraisers to bring revenues in line with program requirements.

*Otherwise....the IRS could single out your PTA for an audit or worse...you could lose your not-for-profit status



Make it official

Sample of Proposed Budget after PowerPoint

- *Create the budget with a committee
- *Include all expected incomes and expenses
- *Make it balance and be sure to budget for carry-over for the next year.
- *Present the budget to the Executive Committee for discussion
- *Present final version of proposed budget to the membership for approval and adoption at a general meeting.
- *Ensure that a quorum is present (check your standing rules)
- *Majority vote of members present required for adoption.
- *The budget is a fluid document and can be amended at any PTA meeting with 30 day's notice.

Everyday Activities...Disbursement

*Each PTA check should be recorded on a PTA Disbursement Form (or Reimbursement Form) with an invoice and/or receipt from the merchant showing the amount being paid by that check. The invoice or receipt should be attached to the disbursement form.

See sample of Disbursement Voucher after PowerPoint

Everyday Activities...Deposits.

*At the very least, two people should count any money received by the PTA.

*It is best when two or more of the individuals responsible for collecting the money count it, and then the treasurer re-counts it.

*Those collecting money should fill out and sign a verification form showing the total amount of cash and total amount of checks. That form should be given to the Treasurer with the cash and checks.

*Money collected should be given to the Treasurer the day that it is collected, especially if cash is involved.

*Committee Chairs should be told to never hold on to patrons' checks for more than 2 weeks.

*Treasurer should deposit the money as soon as possible, preferably day it is received....use night deposit if necessary.

*Treasurer should use a deposit form and attach the deposit slip from the bank to the form.

Reconciliation Report

Should be signed off by the President and one additional PTA member who is not a signer on the account. ****Required by insurance****

See sample of Reconciliation Report at the end of PowerPoint

Why a Treasurer's Report?

Allows the Membership an opportunity to see how the money is recorded

GIVEN AT ALL MEETINGS

Transparency is important to all PTA Units

What to include in the report...

- Period of time covered in the report
- Balance on hand at the beginning of the year, month, or last meeting
- List of income/receipts
- List of expenses/disbursements
- Ending Balance
- Preparer's Name and Date

Money Matters in an Electronic Environment

See additional publication for recommendations from National PTA.

www.ptakit.org

- Click on Finance
 - Browse all categories for fantastic information regarding timetables and recommendations.
 - Info regarding credit debit cards can be found at...
 - Templates, Tools and Videos
 - Sample CC Policy
 - Finance e-banking best practices

What Do You Do When Your Term is Ended?

Prepare the books for final audit

Give the checkbook, financial statements, bank statements and other pertinent information to the Audit Committee.

Be available to the audit committee by phone to answer any questions

After the audit turn the books over to the new treasurer

Send your completed audit records to Kansas PTA. Kansas PTA must have your yearly audit on file for your unit to be in good standing.

What If You Need Additional Help?

Kansas PTA Bulletin is published six times a year. Each issue contains information pertaining to the financial management of the PTA Unit. Your Unit President receives a electronic copy emailed to them. You can also find it on our website - www.kansas-pta.org

Kansas PTA Treasurer and other Kansas PTA Board members as resources. We are here to assist you and to help you understand your responsibilities.

www.ptakit.org

What Other Contact Information is There?

National PTA - www.pta.org

IRS - www.irs.gov

Kansas Dept of Revenue - www.ksrevenue.org

Kansas Secretary of State - www.kssos.org

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