



PTA TREASURERS
SEPTEMBER 2019

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Treasurer, North Carolina PTA

Today's Objectives

- Discuss duties of treasurer position
- Outline the budget workflow
- Understand the importance of documentation
- Financial review guidelines
- Tax Filings
 - Understand the three different types of IRS Form 990s
- Q&A



ACCOUNTABILITY
It is not only what we do,
but also what we do not do,
for which we are accountable.
(Mollere)

Duties of the Treasurer

- Study all references to dues and finance in the local, state and national bylaws and in the national and state PTA handbook.
- Receive all monies for all accounts.
- Deposit all monies promptly in the bank.
- Pay all bills and expenses by check.
- Keep an accurate and detailed account in the treasurer's book.
- Submit a written report at each regular meeting including balance on hand.



More duties...

- Keep the record of the national and state dues separate from other monies in the account.
- Forward state and national PTA dues collected to the state PTA treasurer monthly.
- Collaborate with the membership chair and secretary in keeping an accurate list of the unit's membership.
- Preserve all vouchers, receipts, bank statements and cancelled checks.
- Prepare all books, papers and bills and other documentation for your successor
- Keep all records for 7 years



Financial Records

- The Treasurer's records consist of:
 - Ledger/Reports
 - Copy of the Budget (all approved versions)
 - Bank statements and cancelled checks
 - Receipts & Vouchers
 - Checkbook
 - Meeting Minutes
- Although the treasurer possesses the books, the records belong to the unit



Other important papers to keep:
A copy of the units bylaws
Copies of Form 990 (IRS)
Employer Identification Number
State Tax information
10 years of Audits
7 years of unit financial activity
3 years of budgets

Ledger

- QuickBooks (or similar software)
 - Consistency
 - Standard Reports
 - (Online) multiple user access



- Excel
 - User-friendly
 - Needs 3rd party interpretation/analysis

- Old school
 - It still works
 - Tedious

Budget

- The fiscal year begins on 7/1
- To record in monetary terms what the realistic and approved goals are of the PTA.
- To provide a tool to monitor the financial activities of the PTA throughout the year.
- **Please remember, a 501(c)3 organization cannot obligate any future boards to a contract.**

ACTUAL RECEIPTS	
Local Membership Dues	1,000.00
Bank Interest	100.00
Donations	-
Fundraising Projects	-
Book Sale	800.00
Founders' Day	300.00
Community Sponsorship & Grants	1,000.00
Other Income	50.00
TOTAL ACTUAL RECEIPTS	\$ 3,500.00
ACTUAL EXPENDITURES	
Administration	-
Supplies	50.00
Printing	200.00
Postage	300.00
Liability Insurance	150.00
Leadership Education	-
District/Council Conferences	500.00
State PTA Convention/National PTA Convention	400.00
Committees	-
Membership	300.00
Programs	-
Volunteers	-
Awards(?)	90.00
Special Appreciation Awards	-
Projects	-
Carnival	200.00
Book Sale	240.00
Reflections	200.00
Parent Involvement	300.00
Student Enrichment Grants	100.00
Self-Career Programs	200.00
Reading Scholarships	100.00
TOTAL ACTUAL EXPENDITURES	\$ 4,000.00
TOTAL BUDGET	\$ 1,000.00

Budget

- Normally prepared by the officers (*this is a draft*)
 - Based on the PTA objectives
 - Based on goals of the unit
 - Based on historic financial information (i.e. the prior year's budget)
- Should be presented to and voted on by your board (*still draft*)
 - Executive board
 - Committee chairs, etc.
- The budget is not official until the general PTA membership has had a chance to view, inquire, and then **vote to approve it**.
 - Usually handed out at the first PTA meeting
 - Consider publishing in your newsletter
 - Consider posting on the school/PTA website



Payments



- Pay all obligations by check.
- **Two signatures on all checks**
 - Treasurer and President
 - 3 names can be authorized to sign in case 1 person is unavailable.
 - Individuals with a close personal relationship (husband & wife) should not both be authorized to sign checks.
- Never sign a check to yourself
- Never sign a blank check.
- **There should not be a PTA debit card!**
 - Why?? Lose 2 signature requirement
 - Workaround/Best Practice: Paper trail with approvals
- Funds not spent in one budget year should be held and included in the new budget. No PTA Board has the authority to write checks to the school or the principal or for unbudgeted items to "clean out" the account.
- Never sign a blank check...I'm serious!

Membership Income

- The \$4 state and national portions of the dues do not belong to the unit and are never recorded as part of local PTA income. In accordance with the bylaws, this money is held in escrow.
- To solicit memberships and then fail to forward State and National dues is a fraudulent act. *MemberHub to the rescue!*
- Membership payments received after the cut off date are added to the next year.



Contracts

- Only the president is authorized to negotiate and sign a contract.
- Contracts signed by anyone other than the president may not be legally binding to the PTA. The signer may be personally responsible.
- If the unit is not incorporated, the contract signer (including the president) can become financially responsible if something goes wrong with a fund raising project.



Financial Review



- Financial Review/Audit Committee is appointed by the board
 - Cannot include anyone who handles any financial records
- No set reporting format that must be used (not reported to NCPTA)
 - Sample form in Leader's Kit
- Not only required by bylaws, but also by many insurance companies
 - Failure to perform these reviews (if required by insurance) can be grounds for denial of an insurance claim by your insurer.
- Quick procedure (may be done in just a few minutes)
- Complete monthly, but also in the event a signing officer vacates their position
 - For protection...not suspicion

Taxes

- If your unit grosses <\$50,000 → **Form 990-N, (e-Postcard)** (*applies to most units*)
 - **8 questions**
 - Organization's name, and any other names your organization uses
 - Organization's mailing address
 - Organization's website address (if applicable)
 - Organization's EIN
 - Name and address of a principal officer of your organization (typically the President)
 - Organization's annual tax period 7/1-6/30
 - Confirmation that your organization's annual gross receipts are still normally \$50,000 or less
 - Completed online for F-R-E-E: IRS.gov → search: e-postcard
 - **15 minutes to save your unit months of lost time, money, and 501(c)3 status!**
- If your unit grosses <\$200,000 → **Form 990-EZ** (2 pages)
- If your unit grosses >\$200,000 → **Form 990** (long form)
 - *Must also file Form 990 if the IRS sends the form even if you grossed less than \$50,000.*
- **Due date: 11/15**
(4.5 months after close of fiscal year which per bylaws is 6/30)



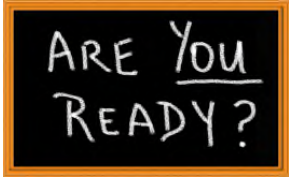
Sales Taxes



- **Sales Tax Refund (NCE-585)**
 - Your PTA is a "consumer" when it purchases supplies or equipment that it will use or give to the school.
 - This includes items and equipment for which PTA writes the check directly to the supplier: office supplies, award certificates and trophies, computer hardware and software, and playground equipment.
 - **The sales tax paid on these purchases may be refunded twice a year from the NC Department of Revenue: 4/15 and 10/15**
- **Certificate of Exemption (NCE-595E)**
 - Your PTA is a "merchant" when it purchases merchandise to sell in order to raise funds.
 - PTAs must have a Merchants License on file with the NC Department of Revenue and present their vendor with a completed Certificate of Exemption in order **not** to be charged sales tax on resalable merchandise.
 - PTAs **cannot claim a refund** for sales tax paid on resalable merchandise.

Before taking office!

- Be sure that the books have been reviewed **before accepting them**.
- Become familiar with duties outlined in your bylaws.
- Secure the signatures of new officers authorized to sign checks and file with your bank. ←CRITICAL STEP
- Secure Bonding and Liability Insurance.



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