

Treasurer Responsibilities

Taxes

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Pinellas County PTA

Treasurer

The Treasurer

- Dependability - show up at all meetings and be prepared
- Consistency - don't make exceptions
- Adopt sound financial practices and stick to them
- Organization - at least to a minimum degree
- Accuracy and honesty
- Willingness to ask questions - when necessary
- Good communication - make sure the board and membership are kept informed about PTA finances

Six basic rules of the Treasurer

ALWAYS follow them:

- Pay every bill, no matter how small, by a dual-signed check
- Never - ever - give anyone a pre-signed blank check or one made payable to “cash”
- Count money received with the person presenting it
- Issue receipts for all money received
- Deposit money promptly in the bank
- Present accurate treasurer’s reports at all meetings

General Controls

- Paper trail for every financial transaction
- Maintain original copies
- Control and limit access
- Establish rules and routines
- Reconcile bank statement regularly; keep books and files up to date
- Don't be afraid or intimidated to ask questions or make inquiries!

Board Responsibilities

- General oversight of financial operations:
 - Annual audit/financial review
 - Budget is adopted by general membership
 - Anticipating or requesting financial reports at every meeting
 - Bank statements are being reviewed
 - Up-to-date Insurance coverage
 - Reporting annually to IRS

Basic Internal Controls

Authority and approval for disbursement of funds (in budget, budget approved by membership)

- Proper documentation and accounting procedures (forms, receipts, reports)
- Dual accountability or verification of funds collected and funds disbursed (cash count worksheets, co-signed checks, bank statements verified)
 - Co-signers should not be related by marriage or any other relationship
 - Never sign a blank check or one for cash - the date, payee and amount should be filled in already

Limiting Access

Both to hard copy and electronic data:

- Checks and financial records in Treasurers possession
- Consider who has access to cash box or register when? How often is it balanced? Where is it kept?
- Never put PTA funds in school safe (against school board policy)
- Are deposits made regularly?

Equipment & Inventory

It's money, treat it as such and keep it secure!

- PTA Equipment
 - Have a record, validate or verify items annually
 - Check-out sheet if needed
 - Be aware of potential liability concerns
- Inventory items data help identify
 - which items to stock,
 - how much to stock to keep on hand
 - when to buy
 - how much to buy and
 - efforts made to minimize pilferage and damage

Banking

- Only the board can approve a change in banks (and it must be recorded in the minutes)
- Security tamper resistant bags
- Check images, cancelled checks or making copies
- Ordering checks
 - pre-numbered
 - avoid ordering excess
 - two separate signature lines preferred
 - attached stubs (desk set) or carbonless
 - maximum dollar limit
 - confirm none missing

Online Banking Access

- It is not for all units, caution with any online banking access!
- Your board should first discuss, review what access is needed, the security measures the bank offers, evaluate the need versus risk.
- If applicable have written procedures (read only access, changing passwords, set up alerts triggers, etc)
- Still need hard copy bank statement to non-signer

Credit/Debit Cards

- If your board approves: Your unit must have strong internal controls!
- **And ANY person who is given a debit/credit card MUST sign a PTA agreement.**
- **Whom & for what card can be used, still require documentation & request form.**
- Get a debit/credit card that will allow limits by each user (maximum two cards).
- Set up with bank, to have text alerts sent to president, treasurer and non-signer on account for all debit/credit card transactions.

Gift or Pre-Paid Cards for Purchases

- If your board approves: Your unit must have strong internal controls!
- Do not purchase with intent to keep extra on hand!
- Document Policies & Procedures for purchase, distribution and their use!
- **ANY person who is given a gift card to make PTA purchases MUST sign a PTA agreement!**
- Tricky need to track original purchase- and subsequent purchases!

Electronic Banking Agreement (Credit/ Debit Cards)

Date: _____

NAME OF PTA ELECTRONIC BANKING AGREEMENT

We _____ (name of PTA) hereby authorize _____ (name of person receiving debit/credit/gift card) to use the card for pre-approved budgeted items for _____ PTA business. By accepting the card, _____ (individual's name), agrees to the following:

1. Using the card for pre-approved budgeted items ONLY;
2. Not receiving CASH or store credit from any transaction;
3. Saving all receipts;
4. Not giving the card to non-PTA board members;
5. Not using the card for non-PTA related items;
6. Not purchasing alcoholic beverages;
7. After using the card, completing a Credit Card Expense Report (see attached) and giving it IMMEDIATELY to the president (or treasurer), with appropriate receipt attached;
8. Any charges for which a Credit Card expense report has not been submitted within ten (10) days will be considered the personal responsibility of the card holder and will be repaid to the PTA.
9. All Credit Card Expense report for volunteers will be reviewed and approved by the President and/or Treasurer;
10. All Credit Card Expense reports for the President will be reviewed and approved by the Treasurer and vice versa;
11. All completed credit card expense reports will be reviewed monthly by a NON-signer on the checking account.
12. If fraudulent activity is suspected, it will be investigated, referred to the proper authorities and criminally prosecuted as deemed appropriate.

The president or treasurer, as well as one non-account signer, must review all debit/credit transactions and sign *Credit/Debit Card Expense Form*.

I agree to all items set out above and hereby accept the credit/debit card for _____ PTA. I understand the card MUST be returned immediately upon my resignation, termination, at the end of my term of office from this PTA board, upon completion of the program/event for which I have been given authority to use the card or upon written request of the _____ PTA.

Signature - Authorized User

Date

Print Name

Credit Card # _____

Expiration Date _____

Date Card Given: _____

Date Card Returned: _____

PTA
DEBIT/CREDIT/GIFT CARD EXPENSE FORM

Date _____

ATTACH ALL RECEIPTS TO THIS FORM. COMPLETE ALL INFORMATION.

INFORMATION

Name and Position of PTA Member Authorized to use card:

Address: _____
 _____ (if needed)

Payment Description

Retailer/Reason for Charge	Charge To:	Amount
		\$
<i>Exact Amount of Debit/Charge</i>		\$

Signed: _____ Date: _____
 Authorized User

Approved by:

President / Treasurer

NON ACCOUNT SIGNER

Date

Date

Expense
Form
Credit/
Debit
Cards

Gift Cards as Rewards

- Reimbursements for gift cards purchased for a prize, reward or recognition must have
 - the Check Request Form
 - receipt from original purchase
 - signature of recipient and or supporting documentation such as newsletter naming the recipient

Accepting Credit or Debit Cards for Payment

If your board approves:

- Research & understand the risk and potential liability verses benefits (compliance with Payment Card Industry Data Security Standards)
- Keep enough documentation, for example, signatures of cardholders, for each transaction to ensure that disputed charges do not become a problem.
- Store any physical documents containing credit card data in a locked drawer, locked file cabinet, or locked office which the PTA solely controls (shred when no longer needed)
- Do not transmit cardholder's credit card data by email, mail or fax
- Do not store credit card data, PIN or CVV2/CVC2/CID numbers for customers, paper nor electronically in an unsecured area
- Ensure that the person taking the credit card information and/or processing the transaction is properly trained in best practices
- When a refund is necessary, the refund must be credited only to the same account from which the purchase/donation was made

Financial Audit or Review

- Either could be conducted internal or external
- Audit = following transactions thoroughly through records from receipts, documents, minutes and budget
- Review = does not follow all transactions, just sampling
- Both look at bank statements, budgets, minutes, verifies check & deposit records, etc.

Conducting Audit or Review

- Both start with copy of previous years report
- Must have all original bank statements (question copies) June 30- July 1st
- Are statements initialed by non check signer
- Tally all deposits to get income/receipts Tally
- all withdraws/checks to get expense Confirm
- check number range and if all cleared and any outstanding numbers & amounts

Items to Permanently Retain

- **PTA Charter and original Bylaws**
- **All Meeting Minutes**
- **All IRS related records (correspondence filings, cancelled checks)**
- **Each Annual Financial Audit or Review**

Only if applies:

Any Legal Correspondence

Articles of Incorporation (SunBiz)

Retaining Records

10 Years

- Financial Bank Statements**
- Budget (year end)**
- Grant Award Letters of agreement**

7 Years

- Financial records (receipts, invoices, cancelled checks, inventories, etc.)**
- Insurance Records**
- Contracts or Leases (unless still in effect)**

Retaining Records

3 Years

- General Correspondence**
- Bylaws**
- Standing Rules**
- State Tax Exemption Certificate**
- Equipment Owned List**

Incorporation

- **PTA units are NOT required to be incorporated (in Florida)**
- **Some uninformed financial institutions indicate that you must to open a checking account, this is not true for PTA units!**
- **For information on incorporation or how to dissolve your incorporation with the state (Sunbiz), contact the Florida PTA office**

Solicitation of Funds Contribution Act

www.800helpfla.com/socbus.html#forms

Requires anyone who solicits donations to register and renew annually

- Below \$25,000 – no fee but complete the Exempt Charitable Organizations/ Sponsors Application**
- \$25,000 & over has annual fee \$10-\$400, must register, provide financial statements & copies of 990's each year**

Federal Income Tax

Activities that are substantially related to the purpose for which a PTA was given exempt status are exempt from federal taxes.

Risk losing their federal tax-exempt status if such activities become the primary focus and make the tax-exempt mission secondary.

Federal Law Requirements

To solicit PTA memberships and then fail to forward the state/national dues is a fraudulent act (recognized as a parent group association). Also subject to

- pay income taxes on all gross revenue**
- notification requirements to all donors, potential donors, members and anyone that participates in your activities that you are not tax exempt (nor are their contributions) and**
- can not use the PTA name or any items obtained under that name (EIN, etc.)**

Reporting Gross Revenue

All PTA units are required to file a 990 with IRS annually, EVERY YEAR

- \$0.00 to \$50,000 file 990-N (e-postcard)
- \$200,000 or less file 990-EZ or 990
- Over \$200,000 file 990
- **990-T Unrelated Business Income (if \$1,000 or more)**
- **Accounting period July 1st – June 30th must file between July 1st and Nov 15th**

Units Failing to Report to IRS

- **Subject to fines and back income taxes on gross revenue**
- **Failing to report for three consecutive years have additional fines and exemption status revoked**
- **Inactive units still need to report annually**

Which Treasurer Files?

- **990-N (e-postcard), the new Treasurer can complete the return after the Financial Review (as gross revenue was confirmed)**
- **990-EZ or 990, the outgoing Treasurer should complete the return prior to Financial Review (so the committee or audit can review the return and schedules)**

PTAs Can NOT

- Endorse candidates or a political party for public office.
- Invite only one candidate or political party in an election to speak to the PTA.
- Ask candidates to sign pledges on any issue (tacit endorsement).
- Tell PTA members to only vote for a candidate who supports "X" position.
- Distribute any campaign materials on behalf of a candidate.
- Wear campaign buttons or t-shirts during a PTA meeting.

Unrelated Business Income (UBI)

If these three conditions are meet:

- The activity constitutes a trade or business.
- The trade or business is regularly carried on.
- The trade or business is not substantially related to the exercise or the performance of the organization's exempt purpose.

And gross receipts equal \$1,000 or more
file 990-T pay taxes on income.

Trade or business = Any activity carried on for the production of income from selling goods or performing services.

Exception activity is conducted substantially by volunteers or the sales of donated merchandise