

Treasurer Training 101

"I Have the Checkbook;
What Do I Do Now?"

❖ fiduciary (fi-du-ci-ar-y)



*n. a person who holds something
in trust for another; a trustee*

- A one-sentence summary of fiduciary responsibility
might be

“It ain’t your money!”

What Fiduciary Responsibility Includes



Duty of Care—attending board meetings, keeping informed, and fulfilling responsibilities,

Duty of Obedience—following the organization's Bylaws and complying with state and federal law,

Duty of Loyalty—putting the interests of the organization first and promoting the organization's purpose rather than any private interest.



• 2021 Treasurer's Handbook

To access the MOST CURRENT INFORMATION, go to
[utahpta.org>Leadership>Treasurer>2021 Treasurer's Handbook](http://utahpta.org/Leadership/Treasurer/2021%20Treasurer's%20Handbook)

- The “Financial” section of the annual Utah PTA Presidents Handbook. Each President receives a copy of this handbook.
- Treasurer page of the Utah PTA website (www.utahpta.org/treasurer). The most current information on financial matters can be found here. It is updated as often as possible.
- National PTA's PTA Finance Quick-Reference Guide. Register at www.PTAKit.org for access to the Local PTA Leader Kit.

These are helpful for you to be aware of and where to find them.

Other resources are your **Council Treasurer** and **Region Treasurer**. Get to know them and have their phone numbers and emails handy!!

Duties of the Treasurer



- Have custody of and be responsible for all funds of the PTA unit.
- Develop, with the executive committee, an annual budget to be approved by the local PTA membership (or council voting body).
- Keep a full and accurate account of receipts and expenditures of all monies of the PTA unit.
- Count all monies with three (3) people present and deposit all monies in the bank the same day received.
- Make disbursements as authorized, in accordance with the approved budget.
- Co-sign all checks with the President, President-elect, or Secretary. (*No two officers who are related by blood or marriage or who reside in the same household may be signers on the checking account.*)
- Make a monthly remittance of state and national portions of membership dues to Utah PTA.
- Present a Treasurer's report at every meeting of the executive committee, board of directors, and general membership.
- Make a financial report at the annual meeting and submit a full written year-end financial statement to the incoming executive committee.
- Submit the books, after they have been closed for the year, for an AFR (Annual Financial Reconciliation) by an auditor or an AFR committee.



An Outgoing Treasurer's Checklist: Was the

...

Have these been completed before the books were turned over?

- Year End Statement prepared and ready to present to outgoing and incoming executives?
- AFR (Annual Financial Reconciliation) done by an Auditor or committee of 3 members?
- 990N filed before August 1 for the fiscal year July 1, 2020-June 30, 2021?
- Sales Tax Refund Request filled out correctly and submitted to Council or Region Treasurer? (Must be on paper)

An Incoming Treasurer's Checklist: Have I ...

These are your duties to get done first. The outgoing Treasurer should have done the Year End things already.

- ... received the training I need to fulfill my responsibilities as Treasurer?
- ... made note of the duties of the Treasurer and other financial requirements per the PTA bylaws?
- ... begun my responsibilities as chair of the budget committee?
- ... taken custody of the checkbook by July 1 and the prior year's financial records by August 1?
- ... had the signature card at the bank changed, effective July 1? ... set up a current year's financial file and/or binder?
- ... made sure that a ten-year file and a permanent file of financial records are retained and stored in a safe place, at the school if possible?

Financial Time Lines



- For those using MemberHub, follow MemberHub Financial Time Line
- For those not using it, follow Financial Time Line

Banking & Procedures



- The PTA should maintain **one** checking account with **one** checkbook for PTA funds. The checking account may be an interest-bearing account.
- The **Employer Identification Number** (EIN) issued by the IRS must be given to the bank and listed on the PTA checking account. An individual's social security number should **never** be used on a PTA checking account.
- Two (2) signatures are required on all PTA checks. There must be at least three (3) people authorized to sign on the checking account: the Treasurer, the President, and generally the Secretary or the President-elect.
- A PTA is permitted to have a savings account for its reserve funds. If the balance in the savings account becomes too large, it may become necessary to look closely at the purpose of the PTA's fundraising.
- Banking services should be reviewed every fiscal year.
- It is permissible for a PTA to bank with a traditional bank or a credit union.
- Services vary at each institution and factors involved in the decision where to bank should include the proximity to the school, the bank's hours, after hours deposit policy and banking fees.
- The decision to move from one institution to another should be a board decision and documented in the minutes of the board meeting.
- In recent years, banking services have changed. Bank accounts are being accessed by debit cards as well as via the Internet.
- PTAs should avoid the use of debit cards and limit Internet banking services to "read only" options only.



Banking & Procedures continued

- Venmo Policy
- PayPal, Square
- MemberHub

- Venmo does now have a Business Profile, but it needs to be linked to a personal account. That is a problem for any PTA account. Venmo is working on having a Business account that can be stand alone.

So for now, please DO NOT use Venmo to accept Memberships or payment for any merchandise for your PTA

- PayPal, Square are ok to use for payments for either.
- And you can use your MemberHub Store to sell either.

Internal Controls

Do You Have These Basic Controls in Place?



- The Treasurer maintains custody of the checkbook at all times. ☐
- Supporting documentation is required for every disbursement made.
- Checks are issued in number sequence order. ☐
- All checks have two signatures—the Treasurer, *except in an emergency*, and one additional signer, preferably the President.
- There are no blank checks with a signature(s)!
- Under NO circumstances should a check ever be written to cash.
- Detailed supporting documentation is maintained for every deposit made. ☐
- Three people are present for all counting of cash (membership drive, book fair, fundraiser, etc.)
- All money received is deposited the same day, using the bank's night depository for events concluded after banking hours.
- Bank statements (and other bank correspondence) are mailed to the school address in care of the PTA.
- Bank statements are reconciled to check registers in a timely manner. ☐
- There are no ATM, debit cards, or credit cards connected with PTA accounts. *** ☐
- The Treasurer prepares and presents a Treasurer's report at each general membership meeting and at executive committee and board meetings as deemed appropriate.



Budgeting

The budget is the PTA's road map for the year. The budgeting process should be taken seriously.

However, it does not need to be complicated.

- The Treasurer is the chair of the budget committee.
- The President is a member of the budget committee, as are other elected officers or general members as either elected or appointed by the President.
- The budget committee will develop the budget and then propose it to the entire executive committee for their approval, after which it will be presented to the general membership for their approval.
- To create a budget proposal, the following information should be considered:
 - **Prior year financial records**
 - **Needs assessment results**
 - **Input from each commissioner and/or program chair**
- The budget should be **general and flexible** enough to meet the changing needs of the PTA. Establishing categories for both revenue and expenses is recommended.
- Sample budgets are on page of the 2021 Treasurers Handbook

Dues



- Local dues vary according to local PTA bylaws.
- Council dues vary according to council bylaws.
- Utah PTA and National dues are established by vote of the delegates at Utah PTA Business and Resolutions Meeting at the Leadership Convention and National PTA Convention.
- Dues cover costs of printing, mailing, leadership training, developing programs, and maintaining Utah PTA and National PTA offices.
- Membership dues are not fundraisers. Dues sustain the function and purposes of PTA. Accurate Records

- ***The Membership Chair keeps an up-to-date roster of PTA members***
- ***The Treasurer keeps record of total amount for membership received and dues paid.***

When Dues are Due

- Membership dues must be submitted to Utah PTA or MemberHub by the **25th of every month** and..
- **By September 25** to be eligible for the Back-to-School Award.
- **By December 1** to qualify for Reflections, other Utah PTA programs, and to receive sales tax refunds.
- **By February 1** of the current year to be a PTA in good standing on Utah PTA records and to be eligible for other Membership Awards.

Reports



- The Treasurer is responsible for making regular financial reports to the PTA officers and to the membership of the PTA.
- The PTA officers have a fiduciary responsibility to know the current financial status compared to the budget approved by the membership.
- The PTA membership needs to know how their money is being handled compared to the budget they approved.
- The PTA officers and members need to know if there are sufficient funds available to meet the goals set.
- At each meeting of the Board of Directors and at each general membership meeting,
 - Balance from the last report
 - Income since the last report, e.g., dues, fundraising event, book fair
 - Expenses since the last report
 - Current account balance
- This report should be made available for any interested officer or member to see where the PTA money is coming from and how it is being spent
- A budget analysis can be a very useful form of the Treasurer's report. This report shows a comparison of what was budgeted, the actual expenses and income, and the difference between the two.

Financial Forms



- **Check Request Form*
- **Funds Received Form*
- Cash Box Instructions
- **Beginning Cash Box Balance*
- **Money Counting Sheet*
- **Bank Reconciliation Form*
- **Monthly Treasurers Report*
- **In-Kind Donation Form*
- **Sample Local Donation Request Letter*
- **Sample Local Thank You Letter*
- Financial Timeline - for Non-MemberHub Users
- Financial Timeline - for MemberHub Users

- State & National Dues Remittance Form
- Council Dues Remittance Form
- Sales Tax Refund Request Instructions
- Sales Tax Refund request - Unit Form
- Sales Tax Refund Request - **Council Compilation** Form
- Sales Tax Refund Request-**Region Compilation** form
- **Year-End Financial Statement*
- Council: Region Summary of Year-End Financial Reports
- Council: Region Beginning Year Reports

****These are samples only. You can use your own forms, as long as they have the information needed.***

Insurance



- The Utah Risk Manager of Administrative Services modified Rule R37.4 of the Utah Administrative Code adjusting the Utah Governmental Immunity Act Limitations (Tort Limits).

This adjustment ***STRONGLY RECOMMENDS*** **ALL PTA** groups have and maintain General Liability coverage with limits up to the governmental entity tort limits.

- PTA/PTSA's are NOT covered by their district or school insurance; they **MUST** obtain and maintain their own policy. Districts do not cover your money in case of loss, theft, embezzlement, etc. The law is designed to be adjusted each year and therefore the limits may change each year.

As of July 1, 2020, the law stipulates a liability limit of \$3,138,300.

- While we cannot mandate that you purchase your coverage through AIM Insurance, we can advise you that we have secured, through a partnership between Utah PTA and AIM Insurance, a discounted yearly rate.
- If you already have coverage in place with another carrier, we suggest you review the coverage to see if it meets the required regulations and, if necessary, increase your limits or move your coverage to AIM Insurance
- AIM is also working on giving different levels of coverage to better suit the individual needs of all sizes of PTA/PTSA's

Exempt Organization Issues

501(c)3 Group Exemption

- Utah PTA has secured a 501(c)(3) exemption ruling from the Internal Revenue Service (IRS), recognizing it as a public charity under section 509(a)(2).
- Each PTA unit in Utah that is in good standing is covered under Utah PTA's group exemption.
- The IRS requires Utah PTA, as a central organization, to submit annually a list of its subordinate units (Local, Council, and Region PTAs) in good standing.
- If a unit chooses to no longer be affiliated with Utah PTA, it no longer has the benefits of tax-exempt status under Utah PTA.

Fundraising and Sales Tax

- Local and council PTAs are not required to collect or pay sales tax on fundraising events where the items sold are *not available to the general public*.
- We must now collect sales tax on books sold at book fairs, since we are selling a third party's product for them. *This tax is paid to the book fair company and MAY NOT be claimed on the Sales Tax Refund Request.*
- When a PTA does a fundraising event, if the money is collected by the vendor and not by the PTA, sales tax must be collected by the vendor.

Exempt Organization Issues

continued



- Utah law requires every PTA to pay sales tax on purchases *under \$1,000*. That sales tax is refunded upon request.
- For purchases over \$1000, the tax-exempt number 12510060-002- STC should be used.
- A vendor may request an Exemption Certificate from a PTA to verify the tax-exempt number. This certificate can be obtained from the Utah PTA office through kids@utahpta.org.
- Utah PTA has established, within the guidelines of the State of Utah, a procedure whereby PTA units may request a refund of the sales tax paid.
- All PTA Sales Tax Refund Requests must be made through Utah PTA.



FAQ's

There are detailed answers to these questions on pages

in the 2021 Treasurers Handbook.

- Where can I find a list of what our PTA can or cannot spend money on?
- When do we need to amend our budget?
- How do we get a 501(c)3 or Letter of Determination to give to a potential donor?
kids@utahpta.org
- What information should the Treasurer be reporting to the executive committee and the board?
- ***Are local PTAs covered by insurance provided by Utah PTA? NO**
- ***What should our PTA do about an NSF (non-sufficient funds) check?**
- I've heard that our PTA cannot carry over more than \$2000 from one year to the next. Is that true?
- ***Can we donate PTA funds to help a family in need? NO**
- ***A new school is being built and some of our students will be attending the new school. How much of our funds do we have to give the new school's PTA?**
- Our PTA is going to end the year with more money than we thought we would. How do we gift the excess money to the school?
- ***What should happen if someone loses a receipt for reimbursement?**
- Can we reimburse board members for mileage for attending Leadership Convention? YES



Questions????

Betty Shaw
Utah PTA Treasurer
betty@utahpta.org

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Groups you can join:

- Utah PTA Advocacy
- Utah PTA Super Secondary
- Utah PTA Excellent Elementary
- Utah PTA Treasurers
- Utah PTA Reflections
- Utah School Community Councils



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