



## FINANCIAL QUICK TIPS FOR PRESIDENTS



While the Treasurer has the responsibility to maintain and record the finances of your PTA, the President and Board members need to be aware of rules and procedures that govern the budgeting and accounting of the funds. All PTA funds belong to the association members, not just the executive board, and the entire board has fiduciary responsibility to manage these funds with care.

PTA Presidents need to have basic knowledge of PTA financial procedures, and taking a complete Treasurer's workshop is highly recommended. Until then, the following is a quick list of items that you may refer to throughout the year to help guide financial transactions and considerations.

### **Why is money important to my Local PTA?**

- PTA is not a booster club for schools.
- Our primary purpose is not raising funds.
- PTAs should raise enough funds for approved goals.
- Don't have to spend down all funds. Carryover is okay – check bylaws or standing rules.

### **Set-up a bank account**

President and Treasurer are signers, per your bylaws. Use the minutes that reflect the names of the President and Treasurer appointed when setting up the bank account.

Check the standing rules to determine additional signatures.

Per the Texas PTA Policy on Local and Council PTA Bylaws, the Secretary shall not serve as a signer on the PTA's account(s) since they are the official record keeper for the PTA.

### **Bank Statements**

Each bank statement should be opened and reviewed by a PTA member who does not sign on the account. They should initial and date the envelope and statement after they have reviewed it. There is a Non-Signer Review of Bank Statement Form found in the Treasurers Resource Guide, which can be used by the person reviewing the bank statement. It is recommended that the Secretary not be the reviewer of the bank statement.

### **Plan of Work**

Each board member submits a written Plan of Work (POW) for approval by the executive board at the first executive board meeting of the new term. The POW should detail the anticipated activities of the committee and the related expenses expected. The President and Secretary receive a copy for the PTA's permanent files.

### **Budget Process**

- Consider forming a committee to develop the budget. Consult your bylaws and standing rules for committee composition.
- Use the previously approved Plans of Work and adopted goals as the basis for the budget and/or amendments.
- Present the budget to the executive board for discussion and approval by vote.
- Present to the membership for approval by a majority vote at the annual/last meeting.
- Present all budget amendments to the membership for approval by a 2/3 vote.
- The budget can be amended at any time.

**Make sure the school's Principal and the Board members have their own copy of the budget. This way, all members know what they can/cannot request throughout the year.**

### **Financial Reports**

A financial report is not optional and must be presented at every meeting. The Treasurer reads the financial report, which includes the beginning balance, total income, total expenditures and the ending balance. The chair states that the report is filed for financial reconciliation



## **Receipts and the Itemized Receipt Form**

- Itemized Receipt form and procedures protect the PTA and the individuals handling the money. (This form may be reproduced or purchased as a three-part form from Texas PTA.)
- At least two people should always count the money at the same time.
- The Treasurer is the last to count the money and sign the receipt form.
- Transfer the money with a receipt to the Treasurer for deposit.
- All parties who signed the Itemized Receipt Form should retain a copy of the signed form after all have signed.
- All PTA funds received should be deposited promptly in the PTA account.
- Do use itemized receipt forms
- Do NOT allow another organization to pass its money through PTA accounts
- Do Not deposit monies in a personal or school account
- Do have procedures in your standing rules for handling insufficient funds checks

## **Reimbursement Voucher**

- All expenses must be associated with an existing budget line item.
- Complete the voucher and attach receipts.
- President is expected to sign/approve all vouchers.

## **Treasurer's Report**

- President needs to make sure a report is presented either by the Treasurer or a designated board member.
- A separate report for each meeting should go from executive board meeting to executive board meeting and regular meeting to regular meeting..
- Confirm ending balance of previous report is the beginning balance of new report.
- Ask if there are any questions. Treasurer should answer questions.
- The report is filed for financial reconciliation.

## **Tax Exempt Forms – Texas Sales and Use Tax Resale Certificate**

- Resale Form – This is for items that you purchase and plan to re-sell for your PTA. For example, you would use this when purchasing t-shirts.
- Hotel Occupancy Tax Exemption –Use if you are staying at a hotel for PTA business.

## **Sales Tax**

The tax-free events can be approved and recorded in the minutes at either an executive board or regular meeting. Each PTA may have two tax-free days (24-hour period) per calendar year.

## **Money Matters**

All PTAs are required to file one of the following IRS 990 returns:

- 990-N E-Postcard: Gross receipts are \$50,000 or less
- 990-EZ and Schedule A & O: Gross receipts  $\leq$  \$200,000 and total assets  $\leq$  \$500,000.
- 990 and Schedules A & O: Gross receipts  $\leq$  \$200,000 and total assets  $\geq$  \$500,000.

The President is the authorized signer on all tax documentation and correspondence.

## **Contracts**

The President is the authorized signer on all contracts as approved by the executive board. Include your title as an officer in order to avoid personal liability.

## **Insurance**

Local PTAs need insurance to protect their investment. Fidelity bonding is recommended to protect your money.



## **Financial Reconciliation**

- The President appoints the financial reconciliation committee at least 30 days before the last meeting of the year with the approval of the executive board.
- The committee is composed of not less than three members.
- No one who is an authorized signer on any bank account may serve on the committee. It is recommended that the incoming Treasurer should not serve on the committee.
- The financial reconciliation committee should use the checklist and form in the *Texas PTA Treasurer's Resource Guide*.

## **Annual Report**

- A preliminary report is given at the annual meeting.
- A final report is completed by the Treasurer at the end of the fiscal year. It is for information only and is not adopted.
- The annual report should look like the annual budget but with year-end actual figures.

**Quick-Reference Guides** - these four guides are available for download on the Texas PTA website, [www.txpta.org](http://www.txpta.org), and are included in the *Official Back to School Kit*.

- President
- Money Matters
- Membership
- Programs