

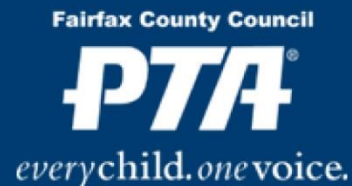


Treasurer 101

Jaime Yarussi, Treasurer

FCCPTA

July 8, 2023




fccpta.org

Objectives

- Understand your duties as a treasurer
- Review taskers and deadlines for treasurers for the FY
- Understand what to submit to the IRS and VA PTA and how.
- Identify the best methods for providing financial reports.
- Define and understand how PTA funds can and should be used.
- Understanding non-dues income from grants and scholarships.



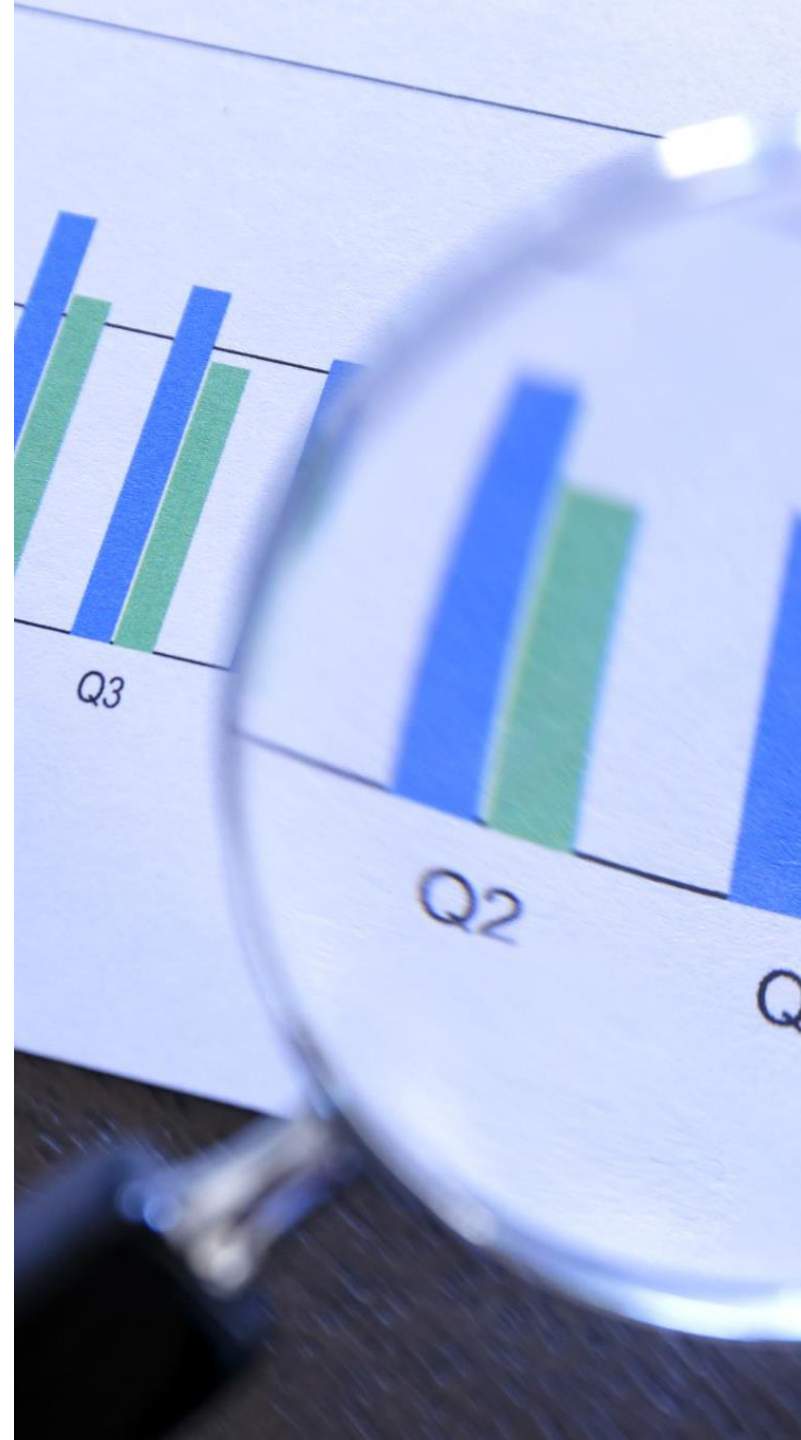
A magnifying glass is positioned over a bar chart. The chart features two columns of bars, one labeled 'Q2' and one labeled 'Q3'. Each column contains two bars, one blue and one green. The magnifying glass is centered over the 'Q2' section, making the bars and labels appear larger and more detailed. The background is a light blue gradient.

The Duties of a Treasurer

- Have custody of all funds and finances of the local PTA/PTSA.
- Keep a full and accurate account of receipts and expenditures.
- Make disbursements as authorized by the president, executive board, or general membership in accordance with the budget adopted by the general membership.
- Have checks or vouchers signed by two (2) officers, preferably the treasurer and the president.
- Present a written financial statement at every meeting of the local PTA/PTSA and at other times when requested by the executive board.
- Prepare an annual financial report at the close of the fiscal year.

The Duties of a Treasurer

- Have the accounts examined.
- Submit a copy of the fiscal year-end financial review, and any interim financial reviews prepared since the previous year-end financial review by August 1.
- Submit a Form 990N, 990EZ, or 990 and upload a copy to MH for the VA PTA by August 1
- Remit the Virginia PTA and National PTA portion of membership dues to the on or before the first of each month for all membership dues received prior and not yet remitted.
- Remit the council dues as prescribed by such council, if the local PTA/PTSA is a member of a council.



Out With the Old, In With the New

- **Outgoing Treasurer**

- Works with President to arrange audit
- Completes Annual Treasurer's Report
- Completes Financial Review Package for Committee
- File taxes with the IRS and upload copies into MemberHub

- **Incoming Treasurer**

- Read your bylaws and standing rules (if any)
- Familiarize yourself with your responsibilities
- Serves on the Financial Review Committee (unless served in another capacity and was a signor on the account)
- Change names on bank acct
- Take possession of records and checkbook after financial review is complete
- Present financial review report to Board members
- Present financial review report to General Membership
- Upload Financial Review into MemberHub





Treasurer Tasks and Timelines

EVERY MONTH

- Maintain accurate records of receipts/deposits and debits/reimbursements.
- Ensure that deposits and debits are made in a timely manner. Cash should always be deposited the same day.
- Prepare and present a detailed Treasurer Report for each executive board meeting and general membership meeting.
- Ensure monthly bank statement is reconciled to Treasurer Report by a non-signer.
- Remit state/national dues to Virginia PTA every month (for previous month's new members).
- Provide receipts for donations, if required.
- Analyze the budget each month for possible amendments.



Treasurer Tasks and Timelines

JULY

- Outgoing Treasurer completes final bank reconciliation and finalizes June Treasurer Report.
- Outgoing Treasurer determines if unit has (on average) less than \$50,000 in revenue over each of the past three years; if so, immediately file a 990N (e-postcard) with the IRS and submit filing verification to Virginia PTA via MemberHub. If a 990EZ or 990 will be filed, and you will use a tax-preparer, verify tax preparer is ready to receive your records and prepare your filing (deadline: August 1st).
- Financial Review Committee completes Financial Review in early July.
- Financial Review is presented to incoming Executive Board and then submitted to Virginia PTA via MemberHub (deadline: August 1st).
- Incoming Treasurer meets with outgoing Treasurer. Look for training opportunities.
- Incoming Treasurer takes over all financial records once Financial Review is complete.
- Update Bank Signature Cards and any online financial accounts. Ensure you have all relevant passwords and control of all accounts. There should be three (3) authorized signers on financial accounts. Most common is President, Treasurer, Secretary.
- Schedule a Budget planning meeting with the incoming Executive Board.



Treasurer Tasks and Timelines

AUGUST


- Go over the books and set-up files for the new fiscal year. Ensure you have enough checks. Verify your MemberHub account is linked to your Bank account to facilitate Membership sales, online store sales, and 1-click dues payments to Virginia PTA.
- Review procedures for reimbursements, paying bills, and money handling to ensure they are within PTA guidelines. Present to Executive Board for approval if changes are needed.
- Determine if a Summer Budget was approved at the last meeting of the year. If so, you may pay the expenses that were approved in that document. Otherwise, there may be no spending until the approval of the budget at the first general membership meeting.
- Prepare a draft budget using previous year-end financial report, Financial Review, and new fiscal year plans. The new fiscal year budget should include any income/expenses approved by General Membership in your Summer Spending Budget.
- Hold a Budget Committee meeting to finalize the proposed budget, and present it to the Executive Board for approval.
- Prepare for Back-to-School Events and conduct a practice run for processing payments and collecting membership dues.



Treasurer Tasks and Timelines

SEPTEMBER

- Present the Financial Review report to general membership at the first meeting.
- Present proposed Budget to general membership at the first meeting for approval.
- Make documents easily available to executive board and members: reimbursement/check requests, monthly reports, approved budget.
- Double check that volunteers understand the budget and reimbursement process and cash counting and documentation procedures for events.
- Verify all compliance documents were submitted to Virginia PTA to meet your Standards of Affiliation (SOA), and look for your new SOA/501(c)3 verification letter in MemberHub.
- If your PTA has individually filed for a Virginia Sales Tax Exemption, check the expiration date.
- Pay membership dues from Back-to-School events. Verify membership counts with the membership chair and ensure all members are entered into MemberHub.



Treasurer Tasks and Timelines

OCTOBER-MARCH

- Continue monthly financial processes, including appropriate documentation and reporting.
- Submit state/national dues to Virginia PTA after each month that new members join. Check to see if you owe dues to a council (separate payment).
- Analyze the budget to see if any amendments need to be presented to the general membership for approval.



Treasurer Tasks and Timelines

APRIL-MAY

- Announce date for reimbursement request cut-off (generally the last day of school).
- Start to prepare financial records to ensure that all required documents are ready to turn-over to the Financial Review committee, including monthly minutes, reports, bank statements, tax documents, electronic transfer confirmations etc.
- Make sure the Executive Board has appointed a Financial Review Committee, and reach out to them to ensure they are prepared to complete the review in early July.
- Prepare a Summer Spending Budget for adoption at the last General Membership meeting of the school year to support operations and spending prior to the first meeting of the school year when the new fiscal year budget will be approved.
- Evaluate average annual revenues to determine type of tax filing for this fiscal year. If a 990EZ or 990 is required, plan to self-file, or hire a CPA who can prepare your tax-filing in July.
- Check insurance policy and provide a copy of the current policy to Virginia PTA (due: June 15)



Treasurer Tasks and Timelines

JUNE

- Ensure that all planned final transactions are complete prior to June 30th (fiscal year end).
- Prepare final Treasurer Report (Annual Report) and start to complete the Treasurer portion of the Financial Review.
- Schedule transition meeting with incoming Treasurer and encourage them to participate in Virginia PTA Treasurer Training.

Questions About
Treasurer Duties
or Timelines



**UNDERSTANDING IRS
AND TAX
INFORMATION**



IRS 501(c)(3) Organizations

All PTAs are set up as 501(c)(3) organizations and, in the State of Virginia, we are all under the umbrella of the Virginia PTA.

- We are income tax exempt and sales tax exempt (optional)
- Donations by our donors are treated as charitable contributions for tax purposes
- We must be organized and operate according to the mission set forth in our bylaws:
- Advocate for the health, education and welfare of all children.
- Non-sectarian
- Non-commercial
- Non-partisan
 - Cannot engage in political activity
 - CAN engage in insubstantial amount of lobbying
- Resources cannot be used for private benefit

IRS Requirements

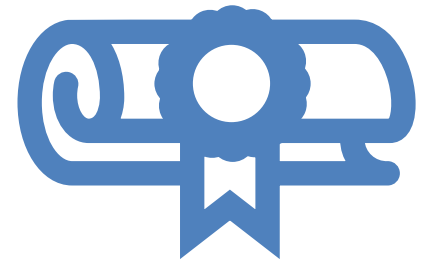
PTAs are non-profit, tax exempt 501 (c)(3) organizations; as such we are required to:

- File a tax return each year
 - All units must file 990, 990-EZ, or 990-N (e-Postcard) with the IRS
- Follow the “3-to-1 Rule” of three programs for every one fundraising activity
- Spending must fall within these three categories: educational, operational and charitable
- Benefit: Fundraise without paying federal tax on that income



Virginia Sales Tax Exemption

- PTAs may obtain an application on-line at www.tax.virginia.gov/npo to receive a copy of the Sales and Use Tax Certificate of Exemption letter.
- This is optional but can save substantial tax; certificates are valid for five (5) years.



GOOD STANDING

-
- Officer update form (due after new officers are elected and anytime an update is made)
 - Membership dues paid
 - Organizational Structure Form submitted
 - Audit completed and sent to Virginia PTA
 - IRS 990 confirmation sent to Virginia PTA
 - Proof of insurance sent to Virginia PTA

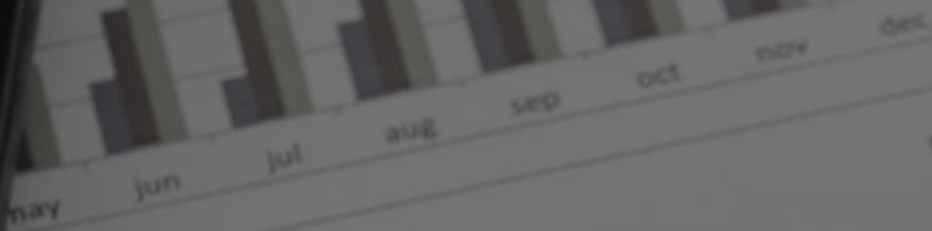




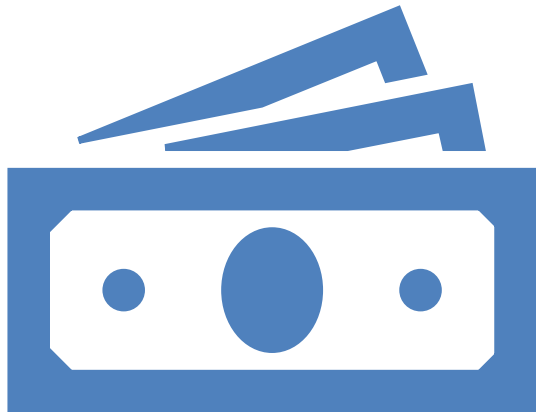
Questions About the IRS or Taxes



FINANCIAL REPORTS



125,058	154,568	95,054	124,500
125,487	56,845	97,511	125,000
124,000	110,000	99,011	154,000
105,450	150,000	99,216	95,000
86,502	35,000	101,090	154,200
	83,000	101,684	110,000
	45,000	101,962	89,000
		102,747	50,000
			68,700
			123,000



Types of Financial Reports

- Monthly treasurer's report
 - Ensures that PTAs are spending as approved and within budget
- Fiscal Year Financial Review
 - Includes the Annual Report
 - Ensures that PTAs are following proper financial procedures and are practicing financial responsibility

A collage of office supplies including a white calculator, a calendar showing dates like 16, 23, 30, 17, 24, 25, 31, and a notebook with purple and teal sticky tabs.

Monthly Treasurer Report

- Monthly reconciled budget report – see template:
 - Balance from last meeting
 - Plus the itemized income
 - Less the itemized expenses
 - Current balance
 - Budget vs. Actual
- Analysis that helps to make good decisions, such as:
 - Mission impact
 - Opportunities to save expenses
 - Downward trends or low returns in fundraising
 - Volunteer hours for insignificant results
 - Expense or income comparisons to prior year

Financial Reviews



Not a “pass or fail” process

- Ensures that PTAs are following proper financial procedures and are practicing financial responsibility.
- If not, this process helps them get back on track.

Two Part Process

- The treasurer and president for the financial review period gather your records and complete the financial management checklist. Instructions found [here](#).
- Your financial review committee reviews the checklist and completes the remainder of the financial review packet.

Once complete, the Financial Review is presented to your Executive Board, adopted by your General Membership and a copy is sent to Virginia PTA.

Financial Reviews

Complete a financial review

- Before a new treasurer takes over and
- At the end of each fiscal year (completed within a month of year-end)

The financial review committee consists of 3 people appointed by your executive board:

- They cannot be signers on the unit's account(s) and cannot be family members of signers;
- They may come from your board or your membership;
- The committee must elect a chair.

Questions on Financial Reports



USING PTA FUNDS



Our Shared Mission...

- To make every child's potential a reality by engaging and empowering families and communities to advocate for all children.



When You Think of Spending PTA/ PTSA Money



Begin with Your PTA's Mission and Strategic Objectives

What are your priorities?

Organize list of expenses:

- Operational expenses
- Program services (including leadership development)
- Fundraising expenses



How will you raise funds to support these priorities?

Building Your Budget: Setting Priorities



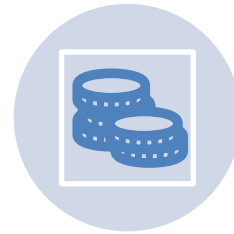
Top 3 PTA Priorities



Operational &
Program Expenses



Membership Goal



Income Goal &
Fundraising Mix



Budget Review and Approval

- Present budget to the Executive Board
- Post 30 days in advance of general membership
- Present to general membership for approval

REMEMBER this is a living document and needs to be changed and voted on anytime there is a +/- \$500 change in a line item



Is It In the Budget?

- Only approved expenses can be paid
- Always use a reimbursement process/form and everything must have a receipt/invoice
- Define your internal controls, this is the floor

PTA MONEY IS FOR PTA USE

- PTA members, through their elected Board, control use of funds
- For donations >\$250, acknowledge donation with statement that “no goods or services were received in return for contribution”
- Do not raise money or donate to individuals or families in crisis – find other ways to show support. This includes not collecting, purchasing or distributing gift cards to individuals/families!
- Do not “hold” money for anything that is not a PTA program



Programs and Fundraising: 3 to 1 Rule

- For every fundraising activity there should be at least three non-fundraising projects (activities or events)
- These projects should be aimed at helping parents, children, or advocating for school/education improvements

FUNDRAISING

- Gift wrap sales
- Fun run
- Game night (e.g. Bingo)
- Book sales
- Spirit Wear
- Paint Night
- Movie Night

PROGRAMS

- Spelling Bee
- Scholarships
- Assemblies
- After School Programs
- Reflections celebration
- Pastries with Parents
- Winter Coat Drive

Money Tips



Establish procedures:

NEVER sign a blank check

Two, unrelated signers on all checks

Bank statement reconciled monthly

Report included in minutes



Deposit funds immediately



Keep PTA funds separate from personal, school or other accounts



GIFT CARDS – The equivalent of cash

PTAs may be soliciting donations of gift cards (often grocery gift cards) or money to purchase gift cards with the intent of distributing them to families in need. This is the equivalent of asking for cash donations and handing cash to families in need, prohibited under 501(c)(3) regulations. A PTA must not solicit gift cards (or funds to purchase gift cards) for grocery, school supply, rent, necessities, etc. assistance and then distribute those gift cards to individuals.

Collection and distribution of gift cards MUST be done by an organization or group that is not PTA affiliated. Any promotion/advertising/literature of such a drive must make it clear that the funds/gift cards are going to a non-PTA group. If PTA officers are involved as community members with such a group/drive, ensure transparency by clarifying. For instance, attach a statement such as, “The gift card collection and delivery for this effort is being handled by parents who are active in XXX PTAs including NAME, NAME, NAME. Please note that this is not a PTA sponsored drive due to 501(c)(3) regulations and donations are not charitable donations.”

Gift Cards Continued

Purchasing gift cards for use in PTA programs, while permissible, comes with the potential for misuse.

- **What Are Some of the Ways That PTAs Are Currently Using Gift Cards?**
 - As prizes or incentives for students in Reflections and other programs
 - As “stipends” for teachers to purchase classroom supplies
 - As donated merchandise for “silent auction” fundraising events
 - As thank you gifts for volunteers and teachers/staff
- **What Are the Potential Problems with Using Gift Cards in These Ways?**
 - Loss of accountability. Gift cards, like cash, can be used by anyone. Without adequate documentation of the purchase and distribution of gift cards, no one is accountable for those items; there is no “audit trail.” For example, students who do not attend their Reflections award night may not receive the gift cards purchased as prizes. Donated gift cards from a local business might end up being used personally. Unfortunately, PTAs, like all non-profits, are susceptible to fraud. The policies and procedures in place for control of usual transactions – such as two signatures on checks, prompt reconciliation and detailed documentation – are sometimes nonexistent or easily circumvented with gift cards.
 - Creating an employee/employer relationship. When cash, gift cards, or gift items of more than nominal value (\$25) are given to PTA volunteers or school staff, the PTA runs the risk of turning the individual into an employee in the eyes of the IRS. An employee is liable for paying taxes on income, and the PTA, as an employer, becomes subject to payroll filings and taxes.



Avoiding the Gift Card Pitfalls



Treat gift cards as cash and institute the use of a log for disbursement of gift cards used for prizes or incentives for students so that there is documentation of who received each award. That log, signed by each prize recipient, would be attached to the check request form used for the purchase of the gift cards.



Limit use of gift cards for PTA purchases to items in the approved budget, and maintain, to the extent possible, the same controls that should be in place for cash purchases; including having two people coordinate gift card use and retaining receipts for purchases made. For teacher supply gift cards, require submission of receipts for purchases made to ensure appropriate use.



Eliminate or reduce the use of gift cards - or cash - for “thank you gifts” to volunteers, teachers and/or staff to avoid the potential to create an employer-employee relationship. Ensure that the total amount of gift cards to any individual does not exceed \$25 for each fiscal year.

Questions
About Using PTA
Money



**NON-DUES
INCOME: GRANTS
AND SCHOLARSHIPS**

Grants

- Grants can come from a variety of PTA and non-PTA sources
- Only apply for grants that reflect the mission of the PTA
- If a grant has a restriction, that information must be provided to the general membership and the PTA has the responsibility to ensure that funds are dispersed in accordance with the restriction(s)
- General membership does need to vote on the expenses for the grant
- Best Practice - create a restricted line item for any grant



Scholarships

- Scholarships can be set up for a variety of purposes that fit with the PTA mission. Some examples are membership scholarships, college scholarships, training scholarships, etc.
- Scholarships **MUST** be equitable - ensure criteria and expectations are visible to your membership.
- Sponsors may provide scholarships **AND** some companies will provide matching funds if an employee makes a donation to the PTA.
- If funds are solicited/donated specifically for scholarships, a restricted line item must be created.



The Difference between Grants and Scholarships

- Usually grants are need based and scholarships are merit based.
 - PTA Grants generally provide funds for a program, which many include supplies, transportation, speaker fees and so on.
 - The application process for a grant should focus on the activity for which the funds are being requested and the benefit to the community (students, teachers, families) as well as where else funds can be sought.
- PTA Scholarships generally provide funds for a person or persons (which is an exception to the IRS inurement clause)
 - The application process and requirements for a scholarship should focus on the personal attributes and possibly the need of the person applying; there should not be consideration of where else funds might be sought.





Questions About Grants and Scholarships



Questions?

Link to VA PTA Treasurer Tools

<https://www.vapta.org/pta-basics/support/treasurer-tools>



Fairfax County Council

PTA[®]

everychild.one voice.

fccpta.org