



Financial Officer Training

Torrance Council of PTAs Financial Workshop
September 2020

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Torrance Council of PTAs Financial Team

- ▶ **Treasurer**
Mary Scharpf
mary.scharpf@yahoo.com
310-371-0452
Receives copies of Tax Returns, Charitable Trust registration forms, Raffle registration form, Raffle report, Worker’s Comp form, Unit Annual Financial Report.
- ▶ **Financial Secretary**
Shanie Asato
akasju@pacbell.net
310-702-3741
Receives all monies turned in to Council. Contact to purchase Treasurer’s books , Unit Payment Authorization forms & Cash Verification forms (\$5/50).
- ▶ **Director of Budget & Finance**
Jessica Nguyen
tcpta9vp@gmail.com
562-233-1540
Receives requests for reimbursements or advances from Council; copies of budget.
- ▶ **Auditor**
Judy Briggs
jkbriggs@att.net
310-654-3055
Receives copies of audit, monthly unit Treasurer’s Reports and minutes.

Please feel free to contact us if you have any questions. We are here to help you!
Email: TCPTAfinancial@gmail.com

All copies of financial reports/documents should be turned in via email to:
TCPTAdocs@gmail.com

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myPTEZ (formerly PTAEZ)

- Torrance Council encourages all units to use myPTEZ as their accounting software.
- All required reports can be very easily created in myPTEZ in the correct format.
- It is easier for all members of the financial team to work together and keep consistent numbers.
- Many units use Excel to keep track of their financial books. myPTEZ may make it easier to pass the financial books on to the next person who may not be as familiar with a software program like Excel.
- For more information, please see the myPTEZ website for more information – www.myptez.com

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Fiduciary Responsibilities

- Protecting the assets of PTA is the fiduciary responsibility of all board members
- PTA funds belong to the membership of the PTA
- Members must be fully informed about how the money is spent or intended to be spent by the PTA
- Members must be provided with the opportunity to approve business transactions of the organization
- Keeping the members informed indicates the PTA is being transparent

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I was just elected ... what do I do now?

- Review Unit bylaws to determine financial duties and work with outgoing members of the financial team
- Work with Budget Committee (appointed by the president-elect, chaired by the treasurer-elect) to draft a preliminary budget
- Present the preliminary budget to the board-elect and then to the association
- After adoption of the preliminary budget, make a motion to release funds as needed until the first association meeting of the new year
- After July 1, visit the bank to update the account's signature card. The incoming treasurer cannot sign any checks until this is completed.
 - Review Unit bylaws for approved signers
 - Obtain copy of minutes that reflect the elected board
 - Check with bank to find out requirements for changing signers
 - Remove all past signers
 - Change signers on all accounts
 - Ensure the bank statements are being sent to the school address

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Responsibilities of Outgoing Financial Team

- Close books for the school year
- Prepare unit financial reports ending June 30 (treasurer report, financial secretary report, budget to actual report)
- Prepare the Annual Treasurer Report to be submitted to Torrance Council at September meeting
- Prepare the audit for January 1 – June 30 to be presented to the association at first meeting of the school year
- Prepare and submit federal and state taxes (or extension) and Charitable Trust renewal by November 15
- Submit raffle report (if applicable) by October 1
- Transfer all materials to the incoming financial team

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What needs to be done by the first meetings in September?

- The year-end audit (January 1 – June 30) should be complete and ready for presentation to the executive board and adoption by the association.
- Revise the 2020-2021 budget and have it ready for adoption by the executive board and association.
- Prepare unit financial reports (treasurer and financial secretary reports) to cover July and August for presentation to executive board and association.
- If your unit plans to hold a raffle, submit raffle application by September 1.
- Turn in to Council in September ...
 - Financial reports and minutes for May, June, July, August (as applicable)
 - Approved 2020-2021 budget
 - Audit for January 1-June 30
 - Annual Treasurer Report
 - Federal and State tax returns (if completed)
 - Tax extension (if applicable)
 - Charitable Trust Registration renewal (if completed)
 - Statement of Incorporation (incorporated units only, due every other year)
 - Raffle report for 2019-20 (if applicable)

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The Budget Process

- Creating the budget
 - The Treasurer-elect chairs the Budget Meeting
 - Design a financial plan that meets the needs of the association based on its goals and objectives for the year
 - Combine the best of the past with new ideas for the future
 - Ensure that all proposed programs, activities, and fundraisers are compliant with the Insurance and Loss Prevention Guide (Red Light - Yellow Light - Green Light)
- Present the Proposed Budget to the Executive Board
- Present the Proposed Budget to the association for approval
- Approval of programs and fundraisers – evidence of approval of all activities must be in the minutes for insurance purposes

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Keeping Track of the Budget

- IT IS THE DUTY OF THE ENTIRE BOARD!
- Adoption of the budget does not authorize the expenditure of the funds
 - Event plans need to be approved by the executive board
 - Funds need to be released by the association
- Ensure that expenses stay within budget
 - Inform committee chairmen of their budgeted amounts
- The budget is a working document and can be revised and approved by the executive board and association as needed

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Handling of Receipts

- Receipts must be used for all money received by the PTA
- All money must be counted by two PTA members with one being an officer or chairman – the two shall not be related by blood, marriage or reside in the same household
- The auditor should never count money
- Money must be counted before leaving the school
- Cash Verification forms must be signed by all persons counting the funds
- The number of MEMBERSHIPS must be reconciled and listed on the form along with any DONATIONS received
- The financial secretary must verify totals and countersign the form when taking custody of the money
- Cash verification forms can be used as a receipt
- Receipts should be consecutively numbered

PTA/PTSA Cash Verification Form			Receipt No. _____	
Activity _____			Date _____	
COINS	CURRENCY	CHECKS	<i>Attach additional pages if needed.</i>	
_____ X \$1 = \$ _____	_____ X \$1 = \$ _____	# _____ \$ _____	# _____ \$ _____	# _____ \$ _____
_____ X 50c = \$ _____	_____ X \$2 = \$ _____	# _____ \$ _____	# _____ \$ _____	# _____ \$ _____
_____ X 25c = \$ _____	_____ X \$5 = \$ _____	# _____ \$ _____	# _____ \$ _____	# _____ \$ _____
_____ X 10c = \$ _____	_____ X \$10 = \$ _____	# _____ \$ _____	# _____ \$ _____	# _____ \$ _____
_____ X 5c = \$ _____	_____ X \$20 = \$ _____	# _____ \$ _____	# _____ \$ _____	# _____ \$ _____
_____ X 1c = \$ _____	_____ X \$50 = \$ _____	# _____ \$ _____	# _____ \$ _____	# _____ \$ _____
TOTAL \$ _____	_____ X \$100 = \$ _____	# _____ \$ _____	# _____ \$ _____	# _____ \$ _____
	TOTAL \$ _____	# _____ \$ _____	# _____ \$ _____	# _____ \$ _____
TOTAL CASH \$ _____		# _____ \$ _____	# _____ \$ _____	# _____ \$ _____
CHECKS \$ _____		# _____ \$ _____	# _____ \$ _____	# _____ \$ _____
GRAND TOTAL \$ _____		# _____ \$ _____	# _____ \$ _____	# _____ \$ _____
The above listed money has been counted & placed in the sealed envelope by:			Membership Dues \$ _____ @ \$ _____ = \$ _____	
Signature (1) _____			Received by _____ Financial Secretary	
Signature (2) _____			Date _____	
<small>White Copy (Treasurer) Yellow Copy (Financial Secretary) Pink Copy (Chairman)</small>				

Cash Verification Forms can be purchased from Council \$5.00 for 50 forms

- Copies of the receipt should be given to
 - Event/program chairperson
 - Financial secretary
 - Treasurer (original)
- The financial secretary should log the receipts under the appropriate budget categories

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Making Deposits

- All receipts must be deposited into the bank as soon as possible
- Prepare deposit slips in duplicate, the original for the bank and the duplicate for the treasurer's records
- Checks should be marked "For Deposit Only" with the PTA account number
- Develop and use a system to identify checks should they be returned unpaid (i.e., NSF) from the bank
- All receipts, deposit slips, and cash verification forms should be retained for audit
- Only PTA funds are to be deposited into PTA accounts - no commingling of funds

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Electronic Check Deposits

- Separate bank account should be established
- Consider establishing a financial policy on the quantity of funds that should remain in the e-commerce account
- Check with your bank on their policy regarding maximum number of electronic deposits and maximum amount allowed per month/day and all associated fees, if any
- Create a policy on the storage or destruction of paper checks that are deposited electronically
- Consider which financial officers will access the bank's electronic deposit feature; they must be a signer on the bank account
- Review or create a policy on the review of electronic deposits

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Check Request Procedure

- Prior to association meeting, VP/chairperson determines amount of funds that need to be released
- At the association meeting, move to release funds that are needed before the next association meeting. A list of funds to be released may be posted.
 - Examples: “I move to release \$100 for Red Ribbon Week.” “I move to release up to \$10 per person to attend the council luncheon, not to exceed \$50.” “I move to release 55% of the funds collected for the cookie dough fundraiser.” “I move to release the funds as listed on the posted report.”
- At an executive board meeting, VP/chairperson must present activity plan and estimated expenses for approval to be recorded in the minutes
 - If the plan and expenses are not presented in advance of the activity, then the plan must be presented and approved at the time receipts are submitted. There is a risk to the chairman if the plan is not approved.
- Check requestor submits original receipts and Payment Authorization form
- If funds have been released, and the plan has been previously approved, these checks may be written at any time. If funds were not released and/or the plan was not previously approved, the checks may not be written until a plan has been approved.
- All checks written must be either approved (as a bill to pay) or ratified at the next executive board and association meeting

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Writing the Check

- Payable as listed on the Payment Authorization only
- Payments for membership, insurance, council and district events should be issued to council using the council remit form.
- The amount must match the authorized amount
- All checks must have two signatures (see unit bylaws for approved signers)
- Payments should be made by check
 - Never pay in cash
 - Never pay with a PTA debit/ATM card
 - Never pre-sign checks
- Copies of the Payment Authorization should be given to ...
 - Original to treasurer (with original invoices/receipts)
 - Copy to financial secretary
 - Copy to chairperson/person requesting check
- Transfers between accounts require signatures from two check signers on the “Authorization to Transfer Funds” form

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Payment via Bank Bill Pay Services

- TCPTA recommends the use of paper checks to pay PTA expenses
- Online payment systems – i.e., using your bank’s Bill Pay services – are approved methods of paying expenses
- The use of these methods of payment must be approved by your executive board and shown in the minutes
- A separate bank account should be established to restrict internet access into the general checking account; executive board approval is needed to open a new account with the account signers listed in the minutes.
 - Use of this account should be limited to online payment collections and online payment of expenses.
 - An “Authorization to Transfer Funds” form must be signed by two authorized check signers to transfer funds into this account from the general checking account.
- **Monthly treasurer reports and a separate audit are required for each bank account**
- An “EFT Authorization Form” signed by two authorized check signers must be completed for all Bill Pay service payments prior to payment IN ADDITION TO the usual Payment Authorization form.
- Cyber Liability Insurance Coverage is recommended to protect against possible losses due to the use of Bill Pay services.

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Treasurer Report

- Prepared and presented monthly at executive board meetings and at each association meeting
- Thirty-Third District and Torrance Council encourage the use of monthly reports (instead of preparing reports between meeting dates) so that the end balance matches up with end of fiscal year, audit period, etc.
- Treasurer’s Report must contain
 - Dates covered by report
 - Balance on hand as of last report
 - List of deposits (an itemized list of receipts must be included on treasurer report if not included in a financial secretary report)
 - Total deposits
 - Itemized list of disbursements to include check number, issue date, payee, and description
 - Total disbursements
 - Balance on hand as of the date of the report
- Separate reports are required for each bank account
- A copy of your monthly treasurer report shall be provided to Council

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Financial Secretary Report

- Prepared and presented monthly at executive board meetings and at each association meeting.
- The report must include an accurate record of all individually itemized receipts.
- If the unit does not have a financial secretary, the treasurer shall either also create a financial secretary report OR individually itemize all receipts on the Treasurer report.
- The financial secretary report should also include a report of memberships received each month and the total for the year.

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Computer-Generated Financial Records

- A monthly printed record must be kept in a permanent bound book showing title and time covered
 - Treasurer's Ledger of monthly receipts & disbursements (green treasurer book); OR
 - myPTEZ Permanent Financial Records
 - Monthly Treasurer Reports, Financial Secretary Reports
 - Financial Report for each audit period
 - Completed audit for each audit period
- Maintain a checkbook register with the current balance at all times
- A backup of financial files should be done monthly
 - myPTEZ keeps a backup of all records

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Reporting at Monthly Meetings


- Treasurer
 - Present the treasurer’s report by reading the following:
 - Balance on Hand as of the date of the last report
 - Total Deposits
 - Total Disbursements
 - Balance on Hand as of the date of the report
 - Make a motion to ratify the checks issued since the last meeting.

- Financial Secretary:
 - Present the financial secretary report by reading total receipts and total deposits for the month. Report total memberships received to date.
 - Make a motion to approve to pay the bills that are submitted prior to and during the meeting

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Making a Motion Ratify Checks & Approve Bills to be Paid

____ PTA/PTSA



PTA/PTSA

CHECKS TO BE RATIFIED
Bills to be presented to the Association for ratification that have already been paid:

Date:	Check #:	Event / Activity	Amount:

BILLS TO BE PAID:
Bills to be presented to the Association for approval of payment

To Whom	Event / Activity	Amount:

Financial Secretary

Date

- **Checks to be Ratified** (usually treasurer)
 - Ratify the checks as listed on the treasurer report – e.g., “I move to ratify check numbers 232-241 in the amount of \$274.33 as listed on the treasurer report”
 - Ratify any checks written between the last date covered in the treasurer report to date – e.g., “I move to ratify the following checks ... check #242 in the amount of \$25.00 to Jill Smith for hospitality,” etc.

- **Bills to be Paid** (usually financial secretary)
 - Make a motion to approve to pay the bills submitted prior to and during the meeting – e.g., “I move to pay the following bills ... check #243 in the amount of \$14.50 to Sue Johnson for Red Ribbon Week,” etc.

- Upon approval of motions, the form should be given to the recording secretary to facilitate the inclusion of the details of both motions in the minutes

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Reconciling the Bank Statement

- The bank statement should be mailed to the school
 - It is acceptable to use online banking to obtain bank statements
- The bank statement should be reviewed monthly by a non-check signer to ensure there are no irregularities before forwarding to the treasurer.
- The bank statement should include cancelled checks or images of the checks.
- NSF checks (non-sufficient funds)
 - Deduct amount of returned checks from Receipts; record bank fees as Disbursements
 - Contact check writer and request reimbursement for check amount and bank fee
 - When collected, record the amount of the check back into Receipts, and deduct the collected bank fee from Disbursements
- The treasurer must reconcile the bank statement monthly
 - Verify checks written to checks posted on bank statement
 - List and total any outstanding checks
 - Verify deposits made to deposits posted on bank statement
 - List and total any un-posted deposits
 - Add any unposted deposits and deduct any outstanding checks to bank statement ending balance
 - Total must agree with your checkbook balance

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Preparing for the Audit

- Tie up loose ends and collect all needed records for the audit
- Research and clear all outstanding checks
- Organize records for the auditor
 - Ledger (or permanent financial record book)
 - Checkbook register
 - Bank statements (including cancelled checks and voided checks)
 - Payment authorizations and receipts
 - Cash verifications and deposit records
- Deliver books and records to the auditor in a timely manner
- Audits must be completed twice per fiscal year
 - July 1 through December 31 (target completion date – adoption at February executive board and association meetings)
 - January 1 through June 30 (target completion date – adoption at September association meeting)

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Annual Treasurer's Financial Report

- Reports gross receipts and disbursements for the fiscal year (July 1 through June 30)
- It is used by tax preparers to file taxes
- The council and district PTAs also require this report
- Units are to prepare their own Annual Treasurer's Financial Report
- Council will provide an Excel file which includes treasurer's book reconciliation of monthly receipts and disbursements and the Annual Treasurer's Report form

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Taxes, Charitable Trust & Raffles

- All PTAs must file a federal and a state tax return
- Tax returns (or IRS extension) must be filed by November 15
- Charitable Trust Registration renewal form (RRF-1) must be filed (with payment) annually by November 15
 - If your unit files the 990N, your RRF-1 must be submitted along with the form CT-TR-1
 - If your unit files the 990 or 990EZ, your RRF-1 must be submitted along with a copy of the 990 or 990EZ
- All units holding raffles must register with the state (form CT-NRP-1) prior to September 1 (or at least 60 days prior to raffle)
- Raffle reports (form CT-NRP-2) are due by October 1 of the following school year
- Copies must be turned in to Council

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Gifts to School

- Gift to School Committee
 - Composed of PTA president and/or board members along with school principal and/or other administrators/teachers
 - Discuss needs of the school along with available PTA funds
 - Provide recommendations of gifts to school to the executive board
- Recommendations of Gifts to School
 - Presented to the executive board for discussion/approval
 - After executive board approves gifts to school, presented to the association for approval
- Fiduciary Agreement
 - The Fiduciary Agreement should be completed for all donations to your school.
 - It is signed by the PTA president, PTA treasurer, and the school administrator.
 - Purpose of the Fiduciary Agreement
 - Document the school's responsibility to spend donated funds as specified by the PTA
 - Transfer ownership of donated equipment to the school
 - Transfer responsibility for installation, operation, and maintenance of equipment to the school
- Field Trips
 - Must be approved by TUSD
 - Bus transportation fees must be paid through TUSD
 - It is recommended that admission be paid through TUSD

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Financial Records Retention

- | | |
|---|--|
| <ul style="list-style-type: none">➤ Permanent<ul style="list-style-type: none">➤ Annual Financial Statements & Audit Reports➤ Cancelled Checks (special situations)➤ General Ledger➤ Annual Reports➤ Tax Returns➤ Charitable Trust Registration➤ Raffle Reports | <ul style="list-style-type: none">➤ 7 Years<ul style="list-style-type: none">➤ Accounts Payable➤ Accounts Receivable➤ Banks Statements, Reconciliations, Deposit Slips➤ Cancelled Checks (routine)➤ Employee/Business Expense Reports/Documents➤ Interim Financial Statements |
|---|--|

Records Retention and Destruction Policy
for all PTA records can be found on the CAPTA website at
<http://toolkit.capta.org/finance/policies-and-procedures/records-retention-schedule-and-destruction-policy/>

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Questions & Answers