
Torrance Council of PTAs

Advanced Financial Workshop

September 2021

Council Financial Team 2021-2022

Email: tcptafinancial@gmail.com

Treasurer Mary Scharpf, 310-371-0452 mary.scharpf@yahoo.com	Receives copies of tax returns, charitable trust registration form, raffle registration form, raffle report, worker's comp form, unit annual financial report.
Financial Secretary Shanie Asato, 310-702-3741 akasju@pacbell.net	Receives all money (submit with Council remit form). Contact to purchase unit payment authorization forms, cash verification forms, treasurer's books.
9th VP - Director of Budget & Finance Jessica Nguyen, 562-233-1540 tcpta9vp@gmail.com	Receives requests for reimbursement or advances from Council, copies of association approved budgets, keeps track of Council budget.
Auditor Jennifer Ruste, 310-918-6298 tcptaauditor@gmail.com	Receives copies of audits, monthly and association unit treasurer reports, minutes

TCPTA Beginner/Intermediate Financial Training

torrancecouncilofptas.org/financial-1



A banner for TCPTA - Financial Virtual Training. On the left is a vertical navigation menu with blue buttons: Home, About, Join a PTA/PTSA, Parent Resources, Unit Resources, COVID-19 Info, TCPTA Web Store, Mentors, Programs, Events, Links, Recognitions, Virtual/Digital Resources, and Training & Workshops. The main content area has a background image of hands writing on a document. The text reads: "TCPTA - Financial Virtual Training", "2021 Fall Financial Team Workshop: Beginner/Intermediate - September 20, 2021", "Current Financial Workshop Handouts:", and a bulleted list: "Fall 2021 Beginner Financial Workshop Slides - Sept 2021" and "Fall 2021 Financial Training Handouts - Sept 2021". At the bottom, it says "Fall 2021 Financial Team: Beginner/Intermediate Workshop Recording".

PTA Resources

- Your unit bylaws and standing rules - available from your unit parliamentarian
- Torrance Council of PTAs website - torrancecouncilofptas.org
 - Financial forms available at torrancecouncilofptas.org/financial
- Thirty-Third District PTA - 33rdpta.org
- California State PTA - CAPTA.org
 - Toolkit - toolkit.CAPTA.org
- CAPTA Insurance Coverage - CAPTA.org/pta-leaders/services/insurance
 - AIM (Association Insurance Management, Inc.)
 - Contact: capta@aim-companies.com
 - Insurance & Loss Prevention Guide
- California Attorney General - oag.ca.gov/charities/
 - Charitable Trust Registration (RRF-1)
 - Raffle Registration & Reporting
- California Secretary of State - www.sos.ca.gov/business-programs/business-entities/statements
 - For incorporated units, Statement of Information must be submitted every other year

Spring Responsibilities of the Incoming Financial Team

- Review unit bylaws and standing rules to determine financial duties
 - Work with the outgoing members of the unit financial team
 - The board-elect budget committee puts together a proposed budget for the next school year; chaired by the treasurer-elect
 - The board-elect adopts the proposed budget for the next school year
 - At the last association meeting of the school year:
 - Adopt the proposed budget for the next school year
 - Approve the release of funds as needed at least through the first association meeting of the next school year
 - Record in minutes the change of bank signers required for the next school year
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Summer Responsibilities of the Incoming Financial Team

- PTA Fiscal Year - July 1 thru June 30
 - Revise the budget for adoption at first board and association meetings of the year
 - Update the starting balance for the new year
 - Update the budget based on changes made to plans for the new year
 - After July 1, visit the bank to update the account's signature card. The incoming board cannot sign checks until this is completed.
 - Review unit bylaws for approved signers
 - Check with the bank to learn requirements and necessary documents for changing signers (i.e., bylaws, minutes, etc.)
 - Remove all past signers
 - Change signers on all accounts
 - Ensure the bank statements are mailed to the school's address
 - If your unit plans to hold a raffle, submit raffle application by September 1
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Responsibilities of the Outgoing Financial Team

- Close out the books for the school year
- Prepare reports for period ending June 30 to be presented at first board and association meetings of the new school year
 - Treasurer report, financial secretary report, budget to actual report
 - Audit for the period January 1 - June 30
- Prepare the Annual Treasurer Report to be submitted to Torrance Council
- Prepare and submit federal and state taxes (or extension) and Charitable Trust renewal by November 15
- Submit raffle report by October 1
- Transfer all financial materials to the incoming financial team
 - Permanent financial records, electronic files, log in information, checkbook, checkbook register, etc.

Budget Elements

	Budget
Cash Balance Forward	\$ 8,524.23
Income	
Administration	
001 - Membership Dues Income	\$ 2,000.00
001A - Membership Dues Income from TOTEM	\$ 500.00
001B - Membership Dues Income - Council Solicited	\$ 48.00
003 - Membership Donations Income	\$ 500.00
Fundraisers	
101 - Fundraiser 1 Income	\$ 2,500.00
102 - Fundraiser 2 Income	\$ 1,000.00
Programs	
201 - Program 1 Income	\$ 500.00
Non-Unit Income	
002 - Membership Dues Transitory Income	\$ 3,000.00
Total Income	\$ 10,048.00
Expense	
Administration	
010 - Bank Fees Expense	\$ 25.00
012 - Insurance Expense	\$ 258.00
015 - Operating Expense - copies, supplies	\$ 200.00
018 - myPTEZ Expense	\$ 209.00
019 - Tax Preparation Expense	\$ 250.00
.....	
090 - Unbudgeted Expense	\$ 6,930.23
Fundraisers	
101 - Fundraiser 1 Expense	\$ 500.00
102 - Fundraiser 2 Expense	\$ 200.00
Programs	
201 - Program 1 Expense	\$ 5,000.00
202 - Program 2 Expense	\$ 2,000.00
Non-Unit Expense	
002 - Membership Dues Transitory Expense	\$ 3,000.00
Total Expense	\$ 18,572.23
Total Balance	\$ -

- Cash Balance Forward = balance as of July 1
- Income
 - Administration
 - Membership Dues Income - recommend using different budget lines for different sources of membership dues; 001 = unit portion of dues that are paid directly to unit; 001A = unit portion of dues rec'd from TOTEM; 001B = unit portion of dues received from council
 - Membership Donations Income - separate line to record donations that come in with memberships - do not include with membership dues
 - Fundraisers
 - Programs
 - Non-Unit Income
 - Membership Dues Transitory Income - portion of dues rec'd by unit that will be forwarded to council
- Expense
 - Administration
 - Unbudgeted Expense - contains funds that are not budgeted toward any admin, fundraiser, program expenses; used to cover unexpected/unplanned expenses and cover carry-over expenses needed for following year
 - Fundraisers
 - Programs
 - Non-Unit Expense
 - Membership Dues Transitory Expense - portion of dues rec'd by unit paid to council (should equal Membership Dues Transitory Income)
- Total Balance = Cash Balance Forward + Total Income - Total Expense = 0

Financial Procedures for the Internet

- Torrance Council recommends using normal methods (writing a check and depositing funds at the bank) for handling disbursements and receipts
 - Online payment collection systems designed for business use are allowed
 - PayPal, Square, merchant account, etc.
 - Online payment systems are allowed
 - Electronic Funds Transfer (EFT), Bank Bill Pay Services
 - Person-to-person apps not designed for business use and/or which are not protected by FDIC insurance and bank-level security features, should not be used by PTA
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Financial Procedures for the Internet (cont'd)

- When using EFT/Bank Bill Pay System to pay expenses ...
 - Use the Payment Authorization form with original invoices or receipts
 - An *Authorization for Payment via EFT/Bank Bill Pay Services* needs to be signed by two check signers
 - Payments should be recorded in the checkbook register, ledger, and treasurer report
 - When using online payment collection systems or electronic check deposit feature
 - Revenue should be accounted for and recorded in checkbook register, ledger, and financial reports
 - Check with bank on policy regarding quantity of electronic deposits allowed per month and any associated fees
 - Procedures should be established regarding who has access to this feature
 - Create a policy on the storage or destruction of checks for deposit
 - Create a policy on the review of electronic deposits
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Financial Procedures for the Internet (cont'd)

- A separate bank account is recommended for use with online payment/collection
 - Consider establishing a financial policy on the quantity of funds that should be kept in this account
 - Use of this account should be limited to online payments collections and online payment of expenses
 - Transferring funds between accounts
 - An *Authorization to Transfer Funds Between Accounts* must be used to transfer funds between bank accounts; requires the signature of two check signers
 - A motion should be made to transfer funds between accounts at an executive board or association meeting
 - Each bank account requires a separate treasurer report and audit

Forms Needed for Online Banking

PTA
everychild.onevoiceSM

AUTHORIZATION TO TRANSFER FUNDS BETWEEN ACCOUNTS

Date: _____

Reason for transfer: _____

Transfer from account: _____

Transfer to account: _____

Amount to transfer: _____

Requested by: _____

Authorized by: _____
(Authorized Check Signer)

(Authorized Check Signer)

This form must be signed by two authorized check signers before any transfer may be made. Signatures by facsimile copy will be accepted.

Date of Transfer: _____ Bank Transaction Number: _____

- *Authorization to Transfer Funds Between Accounts*
 - Use this form to transfer funds between the general checking account and other accounts
 - Requires signatures from two authorized check signers
- *Authorization for Payment via EFT/Bank Bill Pay Services*
 - Use this form for any payment of expenses using EFT/Bank Bill Pay Service
 - Requires signatures from two authorized check signers

PTA
everychild.onevoiceSM

AUTHORIZATION FOR PAYMENT VIA EFT/BANK BILL PAY SERVICES
ATTACH ALL INVOICES AND ORIGINAL SIGNED REQUEST FOR PAYMENT

Date: _____

Vendor Name: _____

Address: _____

City/State/Zip: _____

Telephone (_____) _____ Email: _____

Budget Account: _____

Reason for Payment: _____

Payment Account: _____

Payment Amount: _____

Requested By: _____

Authorized By: _____ Date: _____
(Authorized Check Signer)

Authorized By: _____ Date: _____
(Authorized Check Signer)

This form must be signed by two authorized check signers before any transfer/transaction may be initiated. Signatures by facsimile copy will be accepted.

FOR PTA TREASURER USE:
 Membership-approved activity Funds released by membership
 Executive Board-approved expenditure

Transaction Date: _____ Transaction Number: _____

Date Approved in minutes: _____ Secretary's signature: _____

08/2017

Fig. F-11 Authorization for Payment Via EFT/Bank Bill Pay Services

California State PTA Toolkit – December 2019 F52 Finance

Insurance Coverage for the Internet

- CAPTA insurance package includes Fidelity Bond coverage which provides protection against embezzlement, robbery, and theft.
 - The bond includes a component called “Computer and Funds Transfer Fraud” which extends coverage in situations where a scammer poses as a trusted board member of the PTA in urgent need of a wire transfer or gift cards.
 - CAPTA insurance package DOES NOT include cyber liability coverage
 - If your unit collects private information like SSNs or credit card data, and there was a breach of that information, a cyber policy would reimburse for damages caused.
 - It would be necessary to find alternate coverage.
 - Media Liability Coverage - additional coverage available through the CAPTA insurance
 - Protects your unit from liability in the event of accidental misuse or disclosure of information on your website or other social media site (includes misuse of logo, copyright, pictures, confidential information, and other misrepresentations or misappropriations).
 - See the CAPTA Insurance Guide for coverage amounts and costs.
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Monthly Bank Statements

- Bank statements should be mailed to the PTA at the PTA’s permanent address
 - Statements should not be mailed to the home address of a check signer
 - The canceled checks or images of the canceled checks should be included in the statement
 - It is acceptable to use the bank’s online banking to obtain a bank statement
 - Review of monthly bank statements
 - A board member who does not sign checks should open, review, sign, and date each month’s bank statement prior to giving it to the treasurer for bank reconciliation
 - If online banking is used to retrieve bank statements, a board member who does not sign checks should download the statement for review
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Permanent Financial Record

- A permanent financial record should be kept of the following records:
 - Monthly receipts and disbursements (i.e., treasurer and financial secretary reports or receipt and disbursement ledgers)
 - Summary of receipts and disbursements for each audit period (i.e., a budget to actual report or the myPTEZ Financial Report)
 - Audits
 - Annual treasurer report
 - Suggestion - purchase a bound journal book; print out information on full page sheets of labels to put in book
 - Keep a separate binder/folder to hold copies of each year's federal and state filings
 - Federal and state tax returns
 - Charitable trust registration
 - Raffle registration/reports
 - Statement of information (for incorporated units)
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Preparing for the Audit

- The auditor prepares two audits per year
 - July 1 thru December 31
 - Target completion date - adoption at February executive board and association meetings
 - January 1 thru June 30
 - Target completion date - adoption at September executive board and association meetings
 - Financial records to be given to the auditor for each period
 - Permanent financial record book
 - Checkbook register
 - Bank statements
 - Bank reconciliation reports
 - Payment authorizations and receipts/invoices
 - Cash verifications and deposit records
 - All federal and state filings (taxes, charitable trust, worker's comp, raffle reports, etc.)
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Treasurer's Annual Report

- The treasurer is required to prepare this report at the end of the fiscal year
 - The report summarizes gross receipts and disbursements for the fiscal year (July 1 - June 30)
 - The tax preparer uses the Annual Report to prepare and file taxes
 - This report is turned in to council and district PTAs
 - 3 different report options:
 - Budget to Actual Report that covers the entire fiscal year
 - Treasurer's Annual Report form in an Excel file as provided by Torrance Council
 - Annual Report that includes all of the information in the sample found in the CAPTA Toolkit (<http://downloads.capta.org/toolkit/forms/AnnualFinancialSample.pdf>)
 - A copy is due to Torrance Council at the October executive board meeting
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Federal and State Filings

- All PTA units must file a federal and a state tax return each fiscal year
 - Tax returns (or IRS extension) must be filed by November 15
 - Charitable trust renewal form (RRF-1) must be filed with the California Attorney General's office with payment 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 your 990 or 990EZ
 - If your unit intends to hold a raffle, you must register the raffle with the California Attorney General's office (CT-NRP-1) prior to September 1 (or at least 60 days prior to the raffle); raffle reports (CT-NRP-2) are due by October 1 of the following school year
 - Incorporated units must file a Statement of Information form to the California Secretary of State's office every other year
 - Copies of all filings must be turned in to Torrance Council
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1099 for Independent Contractors

- Any independent contractor or vendor who is not incorporated (or treated as a corporation for tax purposes) and who is paid \$600 or more for services in a calendar year must be issued a IRS *Form 1099 NEC* by January 31
 - Any independent contractor or vendor who was paid less than \$600 for services and requests a *1099 NEC* be issued must be provided one
 - The *1099 NEC* is filed based on the calendar year - NOT the fiscal year
 - PTAs should request a IRS *Form W-9* (Request for Taxpayer Identification Number) from any contractor or vendor they expect to pay \$600 or more for services in a calendar year
 - PTA must report individuals who are independent contractors to the California EDD on *Form DE 542* (Report of Independent Contractors(s)) within 20 days of making payments of, or entering into a contract for \$600, or more within any calendar year
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Workers' Compensation Annual Payroll Report Form

- Each PTA unit must file a Workers' Compensation Annual Payroll Report form no later than January 31 of each year whether or not the unit had any employees
 - The report covers the period of January 5 of the previous year thru January 4 of the current year
 - The insurance company has an online submission process
 - The following information is required:
 - Payees are all employees, independent contractors, or companies that were paid directly by the PTA unit for services
 - Type of work performed
 - Whether the payee has their own workers' compensation insurance
 - A surcharge will be owed to the insurance company if the total amount paid to payees without workers' compensation coverage exceeds \$1,000
 - A copy of the filed workers' compensation form will need to 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
 - Present to the executive board for discussion/approval
 - After executive board approves gifts to school, present to the association for approval
- Field Trips
 - Must be approved by TUSD
 - Payment of bus transportation is considered to be a gift to school
 - Bus transportation must be paid through TUSD

Fiduciary Agreement

- Purpose of the Fiduciary Agreement
 - Document the school's responsibility to spend donated funds by a certain date as specified by the PTA
 - Transfer ownership of equipment donated to the school
 - Transfer responsibility for installation, operation, and maintenance of donated equipment to the school
- The Fiduciary Agreement should be completed for all donations to your school
 - Includes donations of money, equipment, items, etc.
 - It is signed by the PTA president, PTA treasurer, and the school administrator
- Keep track of fiduciary agreements
 - Ensure that funds have been spent by the school as specified by the PTA
 - If funds have not been spent by the designated date, the PTA may ask for those funds to be returned



FIDUCIARY AGREEMENT

MONETARY DONATION:

All monies being donated to schools should be payable to TUSD and given to the school site for deposit in the school's district account. The school name should be written on the memo line.

The _____ PTA/PTSA, hereafter referred to as "PTA", hereby gives to _____ School, hereafter referred to as "School", a monetary grant in the amount of _____ dollars (\$ _____), PTA check number _____, dated and signed by _____ (President) and _____ (Treasurer) of the PTA.

The gift money is for the sole purpose of _____

It is hereby agreed that the gift monies will be spent for the above stated purpose on or before _____ (date). Any portion of such funds that is unused or unexpended as of such date shall be reimbursed in full to the PTA within sixty (60) business days of the expiration date.

PTA President: _____ Date: _____
PTA Treasurer: _____ Date: _____
School Administrator: _____ Date: _____

EQUIPMENT DONATION:

The _____ PTA/PTSA, hereafter referred to as "PTA", hereby gives to _____ School, hereafter referred to as "School", the following equipment _____

The School accepts ownership of the above described equipment and accepts responsibility for the installation, operation and maintenance of the above described equipment.

PTA President: _____ Date: _____
PTA Treasurer: _____ Date: _____
School Administrator: _____ Date: _____

Financial Records Retention

- Permanent
 - Annual Financial Statements
 - Audit Reports
 - General ledger (monthly receipts and disbursements)
 - Treasurer's Annual Report
 - Federal and State Tax Returns
 - Charitable Trust Registrations
 - Raffle Reports
 - IRS Rulings
 - Cancelled checks (special, such as loan repayment)
- 7 Years
 - Accounts payable (payment authorizations and receipts/invoices)
 - Accounts receivable (cash verification forms and deposit receipts)
 - Bank statements, reconciliations, deposit slips
 - Cancelled checks (routine)
 - Employee, Business Expense Reports, Documents (workers' comp, 1099)
 - Interim financial statements
 - Credit card receipts

Records Retention and Destruction Policy

for all PTA records can be found on the CAPTA website at toolkit.capta.org/finance/policies-and-procedures/records-retention-schedule-and-destruction-policy/

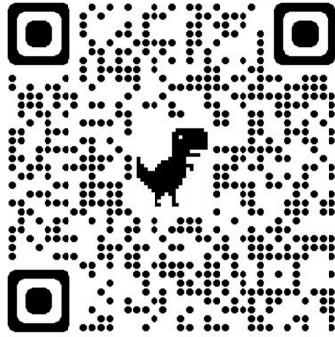
Financial Turn-In Dates - Reports, Documents, Payments

Turn in reports and documents to: tcptadocs@gmail.com

- Monthly
 - Executive board treasurer reports
 - Membership dues - \$6 per member
- September
 - Treasurer reports for previous year
- October
 - Audit for January 1 - June 30
 - Budget approved by association
 - Treasurer's Annual Report (for previous fiscal year)
 - Raffle registration/report
 - Association treasurer report (Sept meeting)
- November/December
 - Federal and state tax returns (all pages)
 - Charitable trust registration form (RRF-1)
 - Insurance payment - currently \$258
- November/December (continued)
 - Donations for council & district (scholarship, Project BOSS & HOPE, health, Founders Day)
- December/January
 - Workers' Comp Annual Payroll Report
 - Association treasurer report (Nov/Dec meeting)
- March/April
 - Audit for July 1 - December 31
 - Revised budgets approved by association
 - Association treasurer report (Feb/March meeting)
- As needed
 - Payments for meetings, luncheons, etc.
 - Statement of Information (for incorporated units), Fiduciary Agreements

QUESTIONS?

Workshop Survey



<https://forms.gle/f54xjAziGy9Mn7gM6>
