

PTA Treasurer Responsibilities

- ☐ Ensure the unit's financial records are audited according to the bylaws before assuming his or her duties;
- ☐ Ensure the filing of the unit's 990 report to the IRS
- ☐ Determine if any 1099's need to be issued to vendors who, provided a service & were paid \$600 or more before January 31st
- ☐ Upload copies of your annual audit, budget, and approved 990 onto MemberHub before December 1st each year.
- ☐ Ensure three authorized signatures are on file at the bank for financial transactions. These signatures are usually that of the current president and treasurer and one other officer as an alternate. No two check signers should be from the same household;
- ☐ Prepare, with the executive board, the annual budget as prescribed in bylaws;
- ☐ Obtain two authorized signatures on every check;
- ☐ Collect all money during unit activities and promptly deposit it in the unit bank account;
- ☐ Maintain an accurate record of all receipts and disbursements;
- ☐ Obtain authorization from the board before writing a check;
- ☐ Pay, by check, all authorized bills. A bill or a receipt and check request must be provided for all checks written;
- ☐ Submit a written financial statement and copy of the checkbook register at each board meeting and each general membership meeting;
- ☐ Ensure an audit is done in accordance with the bylaws, state PTA requirements, and the PTA's business practice; (see procedures on Livonia PTSA Council website)
- ☐ Prepare an annual report to be used to review unit financial records
- ☐ Keep all treasurer documents and passwords on a USB drive. This makes it easy to transition to the next treasurer.

Your Initial Tasks as Treasurer Include:

- Making sure that the books have been audited before accepting them.
- **Ask about missing records at once.**
- Becoming familiar with the duties outlined in your unit bylaws.
- Work with the outgoing treasurer and incoming board to ensure who should and should not be a signer on the bank account
- Ensure insurance is up to date.

Creating the Budget

- The budget committee should study the previous budget to determine how well that budget met the unit's needs.
- Consider the money needed for upcoming programs and projects as well as revenue sources. Try to think about what percentage of PTA is being spent on teachers, what percentage on students and what percentage on misc.
- Allow enough remaining to start the following year but also try not to “save” too much. Money earned in a year should be spent on those kids in that year.

Approving the Budget

- After the budget has been drafted, the budget is presented at the unit's first general meeting for approval. A majority vote of the members present and voting is required for adoption.
- The budget is presented item by item to allow for discussion and amendment of each line item.
- Checks should NOT be written until the budget is approved.

Amending the Budget

- Since the budget is only an estimate of the planned expenditures for the year, it may be necessary to amend it.
- When there are additional expenses or a change in expenditure, **the budget may be amended by a vote of the unit at any general membership meeting or at a special meeting called for that purpose. This must be done prior to spending this additional money.**

Treasurer's Monthly Report

- Prepare and present a written treasurer's report every month. Include a copy of the up-to-date check register. A printed copy of the bank statement should be available if anyone asks to see it.
- If you are running your meeting virtually, please have the treasurer share the report on the screen so everyone can see it.
- The treasurer's written report should indicate what period of the fiscal year the report covers, the date it was prepared, and who prepared it.

Sample Monthly Treasurer's Report

Livonia PTSA Council
Profit Loss Budget Overview
July 2014 - June 2015

2014-15 Budget		2014						2015						Total
		Jul	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	
Income														
Founders' Day	\$ 6,500.00							\$ 600.00	\$ 5,500.00	\$ 1,150.00	\$ 200.00			\$ 7,450.00
Membership	\$ 3,500.00		\$ 6.00		\$ 1,947.50	\$ 743.00	\$ 288.00	\$ 10.00	\$ 42.50	\$ 27.50	\$ 14.50			\$ 3,079.00
Youth Making a Difference LEA	\$ 250.00		\$ 250.00			\$ 250.00								\$ 500.00
Youth Making a Difference LEADS	\$ 200.00													\$ -
Male Involvement								\$ 763.29						
Interest	\$ 50.00	\$ 1.97	\$ 1.97	\$ 1.69	\$ 1.42	\$ 1.40	\$ 1.45	\$ 1.47	\$ 1.45					\$ 12.82
TOTAL Income	\$ 10,500.00	\$ 1.97	\$ 257.97	\$ 1.69	\$ 1,948.92	\$ 994.40	\$ 289.45	\$ 1,374.76	\$ 5,543.95	\$ 1,177.50	\$ 214.50	\$ -		\$ 11,041.82
Expense														
Administrative	\$ 100.00		\$ 18.27	\$ 20.14					\$ 12.69					\$ 51.10
Awards & Recognition	\$ 125.00					\$ 40.96								\$ 40.96
Bank Charges	\$ 15.00													\$ -
Clothing Depot	\$ 100.00													\$ -
Communications	\$ 200.00		\$ 58.32											\$ 58.32
Contingency	\$ 1,000.00													\$ -
Convention/Leadership Training	\$ 1,500.00		\$ 130.00		\$ 45.00			\$ 198.00	\$ 1,050.00					\$ 1,423.00
Directory	\$ 130.00													\$ -
ELVs	\$ 2,230.56			\$ 80.00										\$ 80.00
Events & Workshops	\$ 1,000.00		\$ 159.34				\$ 45.59		\$ 78.57					\$ 283.50
Founders' Day	\$ 6,500.00							\$ 140.00	\$ 490.26	\$ 6,137.90				\$ 6,768.16
Galileo Project	\$ 1,500.00			\$ 3,000.00										\$ 3,000.00
Health and Safety/Programs	\$ 100.00													\$ -
Historian	\$ 25.00													\$ -
Hospitality	\$ 200.00													\$ -
Installations and Remembrances	\$ 50.00													\$ -
Insurance	\$ 400.00			\$ 400.00										\$ 400.00
Legislative Advocacy	\$ 25.00													\$ -
LPS Foundation Competitive Edge	\$ 500.00													\$ -
Male Involvement	\$ 500.00							\$ 292.54						\$ 292.54
Masterworks	\$ 50.00													\$ -
P.E.P./P.E.P.-C	\$ 300.00													\$ -
Public Relations	\$ 3,000.00		\$ 159.00	\$ 556.00		\$ 682.96	\$ 288.00	\$ 111.33	\$ 60.00					\$ 1,857.29
Reflections	\$ 500.00							\$ 472.27						\$ 472.27
Team Building	\$ 100.00						\$ 100.00							\$ 100.00
Unit Dues	\$ 25.00		\$ 25.00											\$ 25.00
Website	\$ 75.00		\$ 35.84											\$ 35.84
Youth Making a Difference	\$ 650.00			\$ 100.00		\$ 200.00								\$ 300.00
ELVs Target Grant	\$ -													\$ -
Total Expenses	\$ 20,900.56	\$ -	\$ 585.77	\$ 4,156.14	\$ 45.00	\$ 923.92	\$ 433.59	\$ 1,214.14	\$ 1,691.52	\$ 6,137.90	\$ -	\$ -		\$ 15,187.98
Income - Expenses	-10,400.56		-327.80	-4,154.45	1,903.92	70.48	-144.14	160.62	3,852.43	-4,960.40	214.50	0.00	0.00	

date printed 5/27/2015

Sample Check Register

<i>Date</i>	<i>Check #</i>	<i>Payee</i>	<i>Check</i>	<i>Deposit</i>	<i>Balance</i>	<i>Budget Item</i>	<i>Cleared</i>
7/1/2016		Beginning Balance Checking			\$ 14,043.31		
7/5/2016	2767		\$ 352.81		\$ 13,690.50		7/8/2016
7/6/2016				\$ 1,100.00	\$ 14,790.50	STEM Donations	
7/15/2016	2768		\$ 100.00		\$ 14,690.50		7/6/2016
7/15/2016	2769	Amanda Walworth	\$ 845.75		\$ 13,844.75	STEM Camp	7/11/2016
7/30/2016		interest		\$ 1.45	\$ 13,846.20		8/20/2016
8/15/2016	2770-2774		\$ 556.94		\$ 13,289.26	Total of STEM checks	
8/31/2016		interest		\$ 1.43	\$ 13,290.69		
9/30/2017		interest		\$ 0.17	\$ 13,290.86	(NOTE:10/1 Balance to open new acct. \$13,290.86)	
10/24/2016		deposit		\$ 1,474.50	\$ 14,765.36	membership	
10/24/2016	MO	Amanda Walworth	\$ 59.89		\$ 14,705.47	elvs	10/24/2016
10/28/2016	ACH	Harland Checks	\$ 19.20		\$ 14,686.27	new checks	10/28/2016
10/31/2016		CC	\$ 5.00		\$ 14,681.27	monthly fee	
10/31/2016		deposit		\$ 0.57	\$ 14,681.84	interest	
11/7/2016		deposit		\$ 635.00	\$ 15,316.84	membership	
11/11/2016	100	AIM Insurance	\$ 400.00		\$ 14,916.84		1/19/2017
11/16/2016	101	LPS Foundation	\$ 500.00		\$ 14,416.84	foundation luncheon	11/23/2016
11/18/2016		deposit		\$ 15.00	\$ 14,431.84		
11/30/2016		deposit		\$ 0.55	\$ 14,432.39	interest	
12/1/2016		deposit		\$ 121.50	\$ 14,553.89	membership	
12/7/2016		deposit		\$ 66.00	\$ 14,619.89	membership	
12/19/2016		deposit		\$ 11.50	\$ 14,631.39	membership	
12/19/2016		deposit		\$ 20.00	\$ 14,651.39	chili cook off	
12/30/2016		deposit		\$ 51.00	\$ 14,702.39	membership	
12/31/2016		deposit		\$ 0.57	\$ 14,702.96	interest	
1/2/2017	102	Churchill HS PTSA	\$ 75.00		\$ 14,627.96	staff membership contest winner	1/19/2017
1/2/2017	103	Emerson MS PTSA	\$ 75.00		\$ 14,552.96	staff membership contest winner	1/24/2017
1/2/2017	104	Riley Upper Elementary PTA	\$ 50.00		\$ 14,502.96	staff membership contest winner	1/17/2017
1/2/2017	105	Webster Elementary PTA	\$ 50.00		\$ 14,452.96	staff membership contest winner	1/26/2017
1/2/2017	106	Niji Iro Elementary PTA	\$ 50.00		\$ 14,402.96	staff membership contest winner	1/17/2017
1/2/2017	107	Hoover Elementary PTA	\$ 50.00		\$ 14,352.96	staff membership contest winner	1/10/2017
1/2/2017	108	Cleveland Elementary PTA	\$ 50.00		\$ 14,302.96	staff membership contest winner	1/13/2017
1/5/2017	109	Livonia Chamber of Commerce	\$ 179.00		\$ 14,123.96	1 year membership	1/17/2017

Sample Monthly Treasurer's Report

LIVONIA PTSA COUNCIL BUDGET 2020-2021
September 16, 2020 through June 4, 2021

	<u>PROPOSED</u>		<u>ACTUAL</u>		
STARTING CHECKING BALANCE	\$7,400.00		\$7,464.06		\$7,464.06
EVENT	INCOME	EXPENSES	INCOME	EXPENSES	NET INC/LOSS
Administrative		(\$100.00)		(\$158.90)	(\$158.90)
Awards and Recognition		(\$100.00)			\$0.00
Bank Charges		(\$25.00)			\$0.00
Chili Cook-Off	\$1,500.00	(\$700.00)			\$0.00
Clothing Depot					\$0.00
Communications		(\$200.00)		(\$178.00)	(\$178.00)
Contingency					\$0.00
Convention/Leader Training		(\$250.00)		(\$30.00)	(\$30.00)
Donations	\$0.00		\$482.54		\$482.54
ELVs		(\$1,608.26)		(\$332.06)	(\$332.06)
Events and Workshops		(\$200.00)			\$0.00
Founder's Day		(\$700.00)	\$108.05	(\$642.63)	(\$534.58)
Hospitality		(\$300.00)			\$0.00
Insurance		(\$400.00)		(\$375.00)	(\$375.00)
Interest	\$3.00		\$2.70		\$2.70
Legislative Advocacy		(\$50.00)			\$0.00
LPS Found. Competitive Edge		(\$500.00)		(\$500.00)	(\$500.00)
Masterworks					\$0.00
Math APPS		(\$350.00)			\$0.00
Membership	\$2,150.00		\$2,150.00		\$2,150.00
P.E.P./P.E.P - C		(\$400.00)			\$0.00
Public Relations		(\$500.00)		(\$189.00)	(\$189.00)
Reflections		(\$900.00)		(\$560.20)	(\$560.20)
STEM		(\$150.00)			\$0.00
Unit Dues		(\$40.00)			\$0.00
YMAD		(\$100.00)		(\$140.00)	(\$140.00)
YMAD (LEA)	\$100.00				\$0.00
YMAD (LEAD)	<u>\$200.00</u>				<u>\$0.00</u>
TOTALS	\$11,353.00	(\$7,573.26)	\$10,207.35	(\$3,105.79)	\$7,101.56

Another format
you can use for
Treasurer's Report

The Treasurer should have on hand:

- A copy of the unit bylaws
- A copy of the current budget
- Checkbook to disburse funds as authorized
- Up to date check register
- Up to date printed bank statements
- Copies of filed Form 990
- Group IRS exemption letter from Michigan PTA
- Blank forms (check/reimbursement request, tally sheet, membership forms, etc.)

Restricted Funds

- While it is a common PTA rule that one board cannot obligate the next year's board, the IRS has strict rules on restricted funds. **When money is raised for a specific purpose, (technology, a new playground, etc.), the money raised must be spent on that purpose.**
- It does not matter if it is one year, five years, or 25 years from now. If a PTA wishes to use the restricted funds for an alternate purpose, the donors must be notified and given the option to have their donation refunded to them.

What to Do with Excess Funds

- There is no ruling from the IRS or PTA that limits the amount of money that a PTA may carry over to the next budget year. **No PTA board has the authority to write checks to the school or the principal for unbudgeted items to “clean out” the accounts.** Expenditures must be approved by the general membership at a meeting.
- Every PTA should try to leave sufficient funds for leadership training for new board members, startup expenses for the new school year, etc.

Handling Fundraising Receipts and Expenditures

- When a PTA is planning a fundraising activity that will involve large amounts of money, the treasurer should arrange to deposit the money in the bank as soon after the conclusion of the project as possible. **The treasurer and another person should count the monies received, and both should sign a tally sheet verifying the amount. Even if the project is a continuing one, the money should be deposited daily in the PTA's bank account.**
- **Never deposit any money in anyone's personal account or in the school account, and never leave the money in the school building or in someone's home.**

Unit Guidance on Cash Payment Apps

As many PTAs move to online banking and payment systems, it is important to understand the possible liabilities and rules regarding such. 'Peer to peer' cash payment applications such as Venmo, Zelle or Cash App should NOT be used for PTA banking needs, for the following reasons:

1. Cash payment applications are 'peer to peer' platforms, and do not support nonprofit accounts or offer bank level security.
2. The use of Venmo for any financial transactions related to your unit (including accepting payments for membership dues) violates the terms of Venmo's own user agreement.
3. Despite Venmo's new 'Venmo Business,' PTAs still cannot use this app for any payments, as it is still considered a 'peer to peer' platform.
4. Venmo Business has this added language, which would put you as a unit leader in an unacceptable liability situation: Authority of Officers and Employees. You agree that all officers, employees, agents, representatives and others having access to the username and/or password shall be vested by you with the authority to use Venmo and to legally bind you. You shall be responsible for all actions by current and former officers, employees, agents, representatives and others, regardless of whether authorized by you, that access the Venmo Services using your username and password. YOU ASSUME THE ENTIRE RISK FOR THE FRAUDULENT, UNAUTHORIZED OR OTHERWISE IMPROPER USE OF YOUR PASSWORD. WE SHALL BE ENTITLED TO RELY ON THE GENUINENESS AND AUTHORITY OF ALL INSTRUCTIONS RECEIVED BY US WHEN ACCOMPANIED BY SUCH PASSWORD, AND TO ACT ON SUCH INSTRUCTIONS.
5. There is little to no financial protection for your unit, or for you as a unit leader, when using cash payment applications.
6. Your Fidelity Bond (Crime) Coverage through AIM is NOT intended to cover claims for loss of funds related to the use of Venmo or other like cash payment applications for the aforementioned reasons.

Units that want to accept electronic or credit card payments can use programs like MemberHub, PayPal, Cheddar Up, Stripe or Square. These programs have sufficient banking and financial protections for your unit, and for you as a unit officer, and NFP use of the aforementioned electronic or credit card payment programs is allowed.

Tally Sheet

PTA/PTSA Event Tally Sheet

Name of Event _____ Date _____

[illegible]

CURRENCY	AMOUNT
\$100	
\$50	
\$20	
\$10	
\$5	
\$2	
\$1	
SUBTOTAL:	

COIN	AMOUNT
Half Dollars	
Quarters	
Dimes	
Nickels	
Pennies	
SUBTOTAL:	

MONEY ORDER	AMOUNT
SUBTOTAL:	

CHECK TOTAL	
M/O TOTAL	
CURRENCY TOTAL	
COIN TOTAL	
GRAND TOTAL	

Two people count all moneys and record. Both people sign this form, and the person keeping the funds initials the Possession line. Each person receives a copy of this form. Give to Treasurer or deposit in bank ASAP.

Signature 1 _____ Possession _____

Signature 2 _____ Possession _____

Release of Funds

Amount _____

Received by _____ Date _____

Received by _____ Date _____

Compliments of Michigan PTSA

Livonia
PTSA Council

Reimbursements

- The treasurer should be given itemized bills, sales slips, etc., with a reimbursement request attached to pay by check. **Expenses should never be paid for with cash from an activity.** (Example paying for pizza with the door sales monies)
- Within a few days of the conclusion of the activity, the treasurer or fundraising chair should complete a detailed report of all receipts and expenditures and the profit from the project. That report should be presented to the executive board and the membership at the meeting following the activity.

Check Request System

- A unit should use a general check request system for all expenditures. **The check request should include the date, a brief description, the amount to be paid and budgeted line item. The request should be signed and dated by the requester.**
- After the check is written, either enter the check number on the check request or attach a check stub. Only original invoices or receipts should be approved for payment.

Reimbursement Form

Livonia PTSA Council Check Request Form

Amount of Check: _____

Make Payable To: _____

Phone: _____ Email: _____

____ Please mail to _____

Description of Expense	Committee	Amount
_____	_____	_____
_____	_____	_____
_____	_____	_____
		Total _____

ORIGINAL RECEIPTS MUST BE ATTACHED

Signature _____ Date _____

Please return completed form to Debbie Pline, Treasurer
734-788-4009 or rdpline91@gmail.com

Treasurer's Use Only Check # _____ Date Issued _____

Livonia
PTSA Council

Federal Tax-Exempt Status: 501(c)(3) Organizations

- Most PTAs are classified as tax-exempt 501(c)(3) public charities under the Internal Revenue Code (IRC).

One major advantage for organizations that are exempt under Section 501(c)(3) of the IRC is that contributions to such organizations may be deductible on donors' federal income taxes.

Tax Exempt Letter



Michigan Parent Teacher Association
1390 Eisenhower Place
Ann Arbor, MI 48108
(Phone) 734-975-9500 (Fax) 734-677-2407

Copy

*Michigan PTA mobilizes the forces of school, home, and community in order
to ensure a quality education and nurturing environment for every child.*

November 20, 2014

To Whom It May Concern:

The PTA/PTSA unit listed below is a subordinate association chartered by the Michigan Congress of Parents and Teachers (Michigan PTA) and as such is included in our group exemption. The Internal Revenue approved group exemption recognizes our subordinates as exempt from Federal income tax under section 501(c)(3) of the Internal Revenue Code.

Cooper Upper Elementary School PTA
Westland, Michigan 48185
Michigan PTA ID#: 608033
EIN: [REDACTED]

The above-mentioned PTA/PTSA unit is recognized as a qualified subordinate in good standing, under group exemption number 5017, through November 30, 2015.

Sincerely,

Sandra York
Executive Director

www.michiganpta.org

This will be uploaded into MemberHub by MI PTA after all compliance documents have been approved for the year.

Livonia
PTSA Council

990 E-Postcard

- PTAs whose annual gross receipts are \$50,000 or less for tax years ending on or after December 31, 2010, are required to submit Form 990-N, also known as the e-Postcard.
- The e-Postcard is due every year by the 15th day of the fifth month after the close of your tax year. For example, if your tax year ended on December 31, the e-Postcard is due May 15 of the following year. You cannot file the e-Postcard until after your tax year ends.

Treasurer's Annual Report

- At the close of the PTA's fiscal year, the treasurer should close the financial records and prepare an annual financial report covering the entire fiscal year.
- The report becomes official after the audit has been completed and the audit report is officially adopted by the membership. Thus, the adoption of the audit report will be done at the first business meeting of the new fiscal year.
- The treasurer's annual report and the audit report are filed with the permanent financial records.

Other Treasurer Resources

- <https://www.pta.org/local-leader-kit/finance/pta-finance-101>
- <https://michiganpta.org/>
- <https://www.irs.gov/charities-non-profits/charitable-organizations>

Records Retention Schedule

8

The PTA Treasurer

Records Retention Schedule

It is very important that certain records be retained. It helps to develop a records retention policy. Listed on this page are items that should be reviewed on a periodic basis and kept in a safe place.

Records to be Retained Retention Period

Accounts payable records	7 years
Annual audit reports	Permanently
Articles of Incorporation	Permanently
Bank reconciliations	1 year
Bylaws, including all amendments	Permanently
Cash receipt records	7 years
Checks (canceled) (see exception, next line)	7 years
Checks (canceled) for important payments, i.e., taxes, special contracts, etc. (checks should be filed with the papers pertaining to the transaction)	Permanently
Contracts and leases (expired)	7 years
Contracts and leases still in effect	Permanently
Corporation reports filed with the secretary of state	Permanently
Correspondence with customers or vendors	1 year
Correspondence (general)	3 years
Correspondence (legal)	Permanently
Duplicate deposit slips	1 year
Employee records (post-termination), if applicable	3 years
Employment applications, if applicable	3 years
Equipment owned by PTA	Permanently
Financial statements (year-end) and budgets	10 years
Grant award letters of agreement	10 years
Insurance records, accident reports, claims, policies, certificates	Permanently
Inventories (products and materials)	7 years
Invoices	7 years
Journals	Permanently
Minute books of directors and committees	Permanently
PTA charter	Permanently
Petty cash vouchers	3 years
Purchase orders	7 years
Record retention policy	Permanently
Sales records	7 years
Standing rules (current)	Permanently
Tax-exempt status documents	Permanently
Application for tax exemption (federal and state)	
Letter of determination (recognition) of tax-exempt status (federal and state)	
Group tax exemption documents, if applicable	
Letter assigning IRS Employee Identification Number (EIN)	

LPTSA Council Audit Party

Mark your Calendars

Wednesday, July 20

6 – 8 pm

Livonia Board of Education

Please RSVP:

<https://forms.gle/3TdchdoudPeCACJ87>