

Livonia PTSA Council Treasurer Recommendations for Financial Best Practices

1. The Treasurer **MUST** present a Financial Statement **AND** Transaction Report at **EVERY** meeting. Paper copies must be available and shared on screen for members joining virtually. Transparency is key and your members should be aware of all transactions each month.
2. Every Treasurer should review the **National PTA's Finance Quick Reference Guide**. Visit livoniaptscouncil.org/resources to access it.
3. **NEVER** sign a check payable to yourself or a spouse!
4. PTA/PTSA Debit cards/Credit cards are **STRONGLY** discouraged.
5. **ALWAYS** leave a paper trail for **ALL** transactions!!!
6. **ALWAYS** count money with a minimum of **two** or **three** people together **in the same room** and use an approved tally sheet.
7. Instead of using a bank withdrawal slip to obtain cash (for a cash box, for instance); write a check to the PTA or to the Committee Chair.
8. **NEVER** sign a multi-year contract. An existing multi-year contract prohibits the current year's membership from making decisions pertaining to the current year's funds. The President/Treasurer should be the only persons authorized to sign a contract.
9. If the President & Treasurer are spouses, the President should not be a signer on the bank account.
10. Print or scan the monthly bank statement, blacken out the account number, and import the scanned statement into your monthly financial report.
11. Never write a check that exceeds the approved budget line-item amount. Chairpersons should be made aware of the budget for said committee/event. Any amount requested for reimbursement over the budget should be approved by the membership.

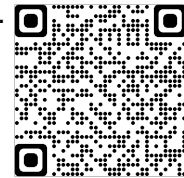
12. A 990 **MUST BE** filed by every unit. The amount dictates which 990 form is to be used. **\$50,000 or less is the threshold for a 990-N.** For information on how to file your 990, scan the QR code provided here.



**** Filing your 990 can be easily completed on the IRS website for FREE, there is no reason to pay a company to file for you.**

13. Tax-exempt status does not mean sales tax exempt. The unit must pay sales tax on items it sells if readily consumable.

14. **Raffles require a license**, but it's all in the language of the event. Visit [Raffles \(michigan.gov\)](https://www.michigan.gov/raffles) or scan the QR code for more information and to apply for a raffle license.



15. If the school has a movie license, the PTA doesn't need one and vice versa. Check the National PTA website (PTA.org) for movies.

16. The EIN and the Tax ID number are the same thing.

17. Chartering scout troops or other groups is **NOT** recommended; any funds they raise would have to be filtered through the PTA treasury (commingling of funds), liability from a money standpoint as well as a bodily injury standpoint puts the PTA at risk and may conflict with the PTA Mission.

18. Offering scholarships to a few selected students should be weighed carefully to ensure that that Objectives of PTA are being observed.

19. In order to be eligible to file a claim in the event of missing funds, many bonding insurance policies have stipulations that require an annual audit **AND** that the monthly bank statement is reviewed and initialed by a non-signer on the account.

20. When in doubt, ASK COUNCIL! We are here to help!

After reading this all officers MUST sign the Financial Best Practices Form!