

The logo features the acronym 'PTA' in a large, bold, blue, italicized sans-serif font. A registered trademark symbol (®) is positioned to the upper right of the 'A'. Below this, the tagline 'everychild. one voice.' is written in a smaller, blue, italicized serif font, also followed by a registered trademark symbol (®). The text is centered within a white circular area, which is framed by four dark blue corner pieces, each containing a light blue curved line that suggests a circle's edge.

**PTA**<sup>®</sup>

*everychild. one voice.*<sup>®</sup>

# Treasurer Training

## Part 2



Carolyn Briner  
Georgia PTA Treasurer



# Learning Objectives

- Constructing a Local Unit Budget
- Audits
- Form 990
- Electronic Banking

# The Many Faces of Time

- Fiscal Year
- Budget Year
- School Year





# What is a Budget

The Budget is an **estimate** of the expected income and planned expenses for the year.

The budget can and should be amended throughout the year.



# Budget Process

- Budget Committee prepares proposed budget
- Present proposed budget to Board of Directors
- Present proposed budget to General Membership for approval



# Rules for Effective Budgeting

- Goal Oriented
- Realistic Plan of Action
- Participatory Process
- Flexible



# Developing the Budget

- Decide on your programs and projects
- Make realistic estimates of the costs of programs and projects (look to prior years)
- Then decide how you will fund programs



# Things to Consider before Fundraising

- Don't just fundraise to fundraise!
- Membership Approval
- Carry over
- 3 to 1 Rule
- Sales Tax Exemption
- <http://www.irs.gov/charities/index.html>

# Donations

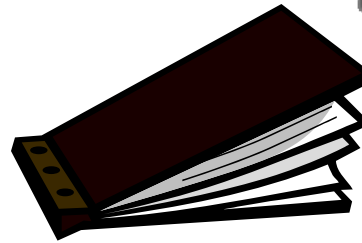
- Contributions to the PTA are tax deductible in full if no service or other benefit is received in return.
- Single **cash** contributions in excess of **\$250** require a receipt documenting the charitable donation to the PTA.
- If the donor claims the value of a **non-cash** contribution of **\$250 or more**, the PTA is required to furnish a written acknowledgement as well. However, the PTA is not required to, and should not, place a value on the contributed item(s) for the donor.

# Putting it all together

Sources of Funds



Uses of Funds



Must Balance





# Purpose of the PTA Audit

- To certify the accuracy of the books and records of the financial officer.
- To assure the membership that the association's resources/funds are being managed in a businesslike manner within the regulations established for their use in by the membership approved budget.
- Required to be in good standing and for bonding insurance.



## When Should the Audit be done?

- At the end of the school year (do not wait for end of fiscal year)
- Upon resignation of the treasurer
- Change in signers on account
- Missing funds are suspected
- Any time deemed necessary



# Items Needed for Audit

- Copy of last audit report
- Checkbook and cancelled checks
- Bank statements & Deposit Slips
- Treasurer's book or ledger of transactions
- Approved Budget with any amendments
- Itemized statements and receipts of bills paid
- Cash Verification Forms
- Check Request Forms (Receipts attached)
- Copies of executive, board, and association minutes
- Copies of all Treasurer Reports
- Current Bylaws
- Annual financial report



# Audit FAQs

- Does the audit have to be completed by a CPA?
- Do we have to pay someone to do our audit?
- Can we write checks during the audit?



# Irregularities

- Auditor may find:
  - Missing Funds
  - Poor Accounting
  - Checks with only ONE signature
  - Bills paid by debit card or credit card
  - Checks signed by unauthorized signatures
  - Reimbursements not done in timely manner
- Use findings as opportunity to improve financial procedures



# Missing Funds

- Findings must be reported to Board of Directors (not just Executive Committee)
- Board must act on the report
- Board must report its actions to the membership



# Missing Funds

## Recommended Action Steps

- Board has legal obligation to take every reasonable action to recover missing funds
- All final actions of the Board must be “On Record”
- Notify the insurance/bonding agent
- Notify the appropriate law enforcement agency



## Once the audit is complete...

- Auditor should present report to the Executive Committee
- The Executive Committee presents the report to the membership at the first meeting of the school year and membership adopts the report
- A copy of the audit report (all 3 pages) is submitted to the state office no later than September 30<sup>th</sup>.

# IRS Form 990

- Since 2006 all Not For Profits, regardless of income, required to file a Form 990
- Failure to file for three years, automatic revocation of tax exempt status

# Which IRS Form 990 to file?

- 990 N – Electronic Postcard
  - Receipts less than **\$50,000**
- 990 EZ
  - Receipts less than **\$200,000** or total assets less than \$500,000

– *Updated for Tax Year 2010*

# Common 990 EZ Errors

- Failure to file
- Incorrect fiscal year end
- Failure to attach Schedule A to Form 990 EZ

<b>Form 990-EZ</b> Department of the Treasury Internal Revenue Service	<b>Short Form</b> <b>Return of Organization Exempt From Income Tax</b> <small>Under section 501(c), 527, or 4947(a)(1) of the Internal Revenue Code (except black lung benefit trust or private foundation)</small> <small>▶ Sponsoring organizations of donor advised funds and controlling organizations as defined in section 512(b)(13) must file Form 990. All other organizations with gross receipts less than \$500,000 and total assets less than \$1,250,000 at the end of the year may use this form.</small> <small>▶ The organization may have to use a copy of this return to satisfy state reporting requirements.</small>		OMB No. 1545-1150 <b>2009</b> <b>Open to Public Inspection</b>
	<b>A For the 2009 calendar year, or tax year beginning</b> _____, 2009, and ending _____, 20____		
<b>B</b> Check if applicable: <input type="checkbox"/> Address change <input type="checkbox"/> Name change <input type="checkbox"/> Initial return <input type="checkbox"/> Terminated <input type="checkbox"/> Amended return <input type="checkbox"/> Application pending	Please use IRS label or print or type. See Specific Instructions.	<b>C</b> Name of organization _____ Number and street (or P.O. box, if mail is not delivered to street address) _____ Room/suite _____ City or town, state or country, and ZIP + 4 _____	<b>D</b> Employer identification number _____ <b>E</b> Telephone number _____ <b>F</b> Group Exemption Number ▶ _____
<small>• Section 501(c)(3) organizations and 4947(a)(1) nonexempt charitable trusts must attach a completed Schedule A (Form 990 or 990-EZ).</small>		<b>G</b> Accounting Method: <input type="checkbox"/> Cash <input type="checkbox"/> Accrual Other (specify) ▶ _____	

Check by-laws for fiscal year end



# IRS Form 990 N

Completing the e-Postcard requires the seven items listed below:

1. Employer identification number (EIN)
2. Fiscal year
3. Legal name and mailing address
4. Any other names the organization uses
5. Name and address of a principal officer
6. Web site address if the organization has one
7. Confirmation that the organization's annual gross receipts are normally \$50,000 or less



# 990 FAQs

- When is my 990 due?
- Who is responsible for completing?
- Who is responsible for sending in to IRS?
- Who signs the return?



# Online Resources

Internal Revenue Service

[www.irs.gov](http://www.irs.gov)

GuideStar

[www.guidestar.org](http://www.guidestar.org)

# Electronic Banking

- For RECEIPT of funds only
- Unit may not pay by credit card, debit card, or online transfer





# Policies and Procedures

- Access to Funds
- Reconciliation of Transactions
- Reversals of Charges/Refunds
- Fees included in a membership approved budget



Thank you for joining us today

**Georgia**  
**PTA**<sup>®</sup>

*everychild.one voice.*

114 Baker St., NE

Atlanta, GA 30308-3366

Phone: 404-659-0214 or 1-800-PTA-TODAY

E-mail: [treasurer@georgiapta.org](mailto:treasurer@georgiapta.org)

**PTA**<sup>®</sup>  
*everychild.one voice.®*