Signs of Good Financial Procedures

A financially healthy PTA:

- Ensures that only authorized check signers (as specified in the bylaws) are on the bank signature card. Removes previously authorized signers from the signature card whenever a resignation occurs or a new term begins.
- Prepares and presents treasurer reports at all meetings, budget-to-actual comparative reports, committee reports and financial review reports at board and association meetings.
- Ensures the budget is approved by association, funds are released and expenditures are authorized prior to spending funds.
- Only pays bills which have been authorized by the executive board or association.
- Has the bank statements and reconciliations reviewed and signed monthly by a non-check signer; may be the financial reviewer.
- Conducts at least one financial review per year, in accordance with the bylaws. Financial reviews not conducted by a qualified accountant or Indiana PTA representative are reviewed by a financial review committee.
- Files the appropriate *IRS Form 990 (Indiana PTA will do this for you)* annually and all state forms required by the due date.
- Conducts a membership campaign throughout the year and remits membership funds not belonging to the association by November 15, March 15, and the end of the fiscal year. E-membership program.
- Ensures all monies are counted by two PTA members, one of whom must be an officer or chairman. Cash verification forms are signed by everyone who counts monies. A signed copy of the verification form is kept by each person who participates in the count.
- Ensures all monies are deposited into the bank account **immediately.**
- Issues a receipt for donations
- Ensures checks and bill payments are signed by two authorized check signers.
- Ensures the unit follows the direction of Fort Wayne Community Schools Parent Organization Handbook and completes all forms required.

- Ensures officers receive training at convention, state, district, and/or council PTA workshops.

Fiduciary Responsibilities

The responsibilities of financial officers are specified in the association bylaws and are also established in Indiana State PTA policies and procedures. Additional information can be found in the Indiana PTA Handbook, which can be found on theIndiana PTA website

The treasurer and any bank signers are generally considered the financial officers. The president, secretary and vice presidents/chairs also have specific financial responsibilities. Every PTA board member has a fiduciary responsibility to:

- Protect the assets of the organization. These assets include cash, assets, volunteers and the PTA’s reputation.
- Ensure compliance with all laws. These include federal and state laws as well as the policies and procedures of the PTA.
- Ensure the assets are used to meet the needs of the children and members served by the PTA.
- Ensure continuity of the association by preserving assets for the future and not encumbering future boards.
- Ensure the association remains transparent – all the members are given the opportunity to participate in decision making and to view financial reports.
- Ensure the association is carrying out the purposes of PTA. These include increasing family engagement, advocacy and increasing communications between home and school. Fundraising is not a purpose of PTA, but PTAs may fundraise to provide PTA programs. Councils and districts have an additional purpose, which is to train and support local associations and their officers.

PTA officers/chairmen need to understand why they are doing the things they are doing and be committed to doing them correctly and completely.

Contents of the Treasurer’s Records

Complete treasurer’s records should contain the following:

- Financial reviewer’s reports, checklists and recommendations for current and one prior year
- Budget and budget versus actuals reports and updates
- Bylaws and standing rules
- Copy of current Letter of Determination for Tax Exemption
- Minutes from all meetings.
- Treasurer’s reports from all meetings
- Copies of tax filings (NP-20 and 990N/EZ)
- Information sheet listing the name, address and phone number of all financial institutions used, along with any passwords and information pertaining to computerized records.
- Annual financial reports
- Financial ledger/check register (may be kept electronically)
- Copies of all bank statements for fiscal year
- Blank Income Forms
- Completed Income Forms with money handling forms, supporting documentation and bank deposit slips attached (**AT LEAST 2 signatures**)
- Blank Expense/Reimbursement Forms
- All Expense Forms with receipts attached - in the event a receipt is lost a verification must be typed up and signed by at least 2 additional people.
- Completed online payment forms (Square, CheddarUp, Stripe) with supporting documentation and reports attached
- FWCS Parent Organization Handbook
- FWCS Monthly Reconciliation Forms
- FWCS Concessions Forms
- FWCS Fundraiser Approval Forms
- FWCS Ticket Sales Form
- FWCS Wristband Form

- Federal Employer Identification Number (EIN)
- Voided checks
- Copies of any “how to” forms (how the council spreadsheets work if you are using it, how to use square, etc)

For each bank account, record in a secure location the account number, place of deposit, and elected officers authorized to sign on the account. If a manual ledger is used, write inside the front cover of the treasurer’s book. Keep the checkbook in a safe place. Ensure that the secretary records the elected officers authorized to sign on the account in the minutes of the association election meeting or whenever the executive board fills a vacant position.

All supplies listed below are legitimate PTA expenses, reimbursable upon approval of the executive board.

Bank Deposit Book

Bank Deposit Slips

Checks: Imprinted with the legal name of association, address, two signature lines, and the following wording: “Void if not cashed within 90 days” and, “Two signatures required.”

Deposit Stamp: Includes “For Deposit Only,” name of PTA and account number.

File or Envelope: For filing bills and receipts.

Locking Money Box or Safe: For temporary holding of cash.

Numbered Receipt Book: A numbered invoice book may also be useful.

Portable File or Binder: To hold treasurer’s current records.

Storage Box: To hold treasurer’s records not in current use.

Treasurer’s Book (Ledger Book): Used to keep track of all transactions. May be kept electronically instead.

Payment Authorization/Request for Reimbursement Forms: Written requests for an expenditure or reimbursement

Cash Verification Forms: Used by at least two PTA members when counting monies to verify cash and checks received.

Accounting/Financial Software: May be purchased outright or licensed yearly.

USB/Flash Drives: To store backup copies of financial records and documents and/or transfer files to successors. (We suggest using the Google Drive account provided by Indiana PTA)

Computer-Generated Financial Records

Financial records may be kept on a computer,providing PTA procedures are followed and a backup copy of all electronic records is maintained. It is strongly recommended that a monthly printed record is kept in a permanent binder. The supporting documents for computer-based accounting systems are the same as for manual systems; only the process for recording transactions is different.

Before using a computer consider the following:

- The records must be such that the next financial officer will be able to continue with the record-keeping on the same computer program, a compatible computer program, or by hand.
- The PTA must purchase/license the financial program to be used, so future financial officers will have access to the program.
- The association must agree on software used.
- All ledgers, check registers, cash disbursements, and other yearlong registers need to be bound together for storage. Refer to the records retention schedule.
- All records must be turned over in paper format to the Indiana PTA FSR completing your financial review.

Preparation for a Financial Review

*Please remember, all forms turned in must be in paper format

Collect all financial books, records and reports from the treasurer, including:

- Completed copy of the year’s council financial checklist
- Copy of current standing rules
- Checkbook register\ and canceled checks (including voided checks);
- Copy of all bank statements
- Completed Income Forms with money handling forms, supporting documentation and bank deposit slips attached (**AT LEAST 2 signatures**)

    - Deposits for different budget categories/events either made in separate deposits or broken down by category on the income form
    - If a deposit slip is missing a typed up explanation must be included and be signed by at least 2 officers
- All Expense Forms with receipts attached - in the event a receipt is lost a verification must be typed up and signed by at least 2 additional people.
    - Expenses for different budget categories/events either made in separate payments/reimbursements or broken down by category on the expense form
    - If a receipt or invoice is missing a typed up explanation must be included and be signed by at least 2 officers
- Completed online payment forms (Square, CheddarUp, Stripe) with supporting documentation and reports attached
- Treasurer's Financial Reports
- Meeting minutes
- Copies of board, executive committee and association minutes, including an adopted budget, any amendments that were approved during the year, approval of expenditures, and ratification of payments;
- Committee reports from chairmen (e.g., fundraising, membership, etc.);
- Budget and budget versus actuals reports and updates
- FWCS Monthly Reconciliation Forms
- FWCS Concessions Forms
- FWCS Fundraiser Approval Forms
- FWCS Ticket Sales Form
- FWCS Wristband Form
- Any other information requested by the financial reviewer;