

SECTION 5

FINANCIAL MANAGEMENT: A TREASURER'S GUIDE

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TREASURER’S CHECKLIST

Use this checklist throughout the year to double-check the financial management practices of your unit. Check items as completed; include dates and names as indicated. A copy of the checklist should be maintained with the treasurer’s records.

- **PTA Audit/Financial Review** completed for past school year and a copy submitted to the state office by the last business day of September.

Auditor(s): _____ Date: _____

- Transition meeting held with outgoing treasurer. Date: _____
- **Signature Cards** on file with bank. Changed immediately after school year ends. Date: _____
- Supplies purchased as needed (receipt book, new checks). **Funds Verification/Check Request Forms** copied for distribution to Board of Directors. (can be emailed and included in handbook)
- **Bookkeeping method chosen** - ledger or computer based. Which? _____
- Copy and file receipts and check requests (according to budget) on an ongoing basis (weekly is recommended).

- **Budget Process:**

Budget Committee formed. Date: _____
 Proposed budget presented to Board of Directors and approved. Date: _____
 Proposed budget presented to general membership and approved. Date: _____
 Budget amendments approved by general membership on:
 Date: _____ Date: _____ Date: _____

- Treasurer and President develop a workable reimbursement system and schedule for Board of Directors. Emphasize that only expenses included in the budget will be reimbursed with receipts/invoices attached.

Date shared with board: _____

- **ALL** checks signed by **two** signers.
- Treasurer and President review (monthly) bank statements and PTA financial status. An individual, who is not an authorized check signer, checks over the bank statement and signs. **THIS IS DONE EACH MONTH.**
- **IRS Forms.** It is the current treasurer’s responsibility to complete all necessary IRS forms. All 501(c)(3) nonprofit organizations are required to file a 990-N, or 990 EZ or 990 and Schedule A regardless of gross receipts.
Date completed: _____
- Submit a copy of the *Georgia PTA* IRS 990 Filing Verification form and a copy of the first page of your 990 EZ or if 990-N e-postcard, the acceptance of filing receipt .
Date completed: _____

- **Treasurer Reports.** (These should be given at all Executive Committee, Board of Directors and general membership meetings.) Indicate date and type of meeting for each report. (e.g. Executive Committee – August 4, General Membership – August 15).

- **Annual Report** written and adopted. Date: _____
- **Auditor(s)** chosen for current school year. Do not include any bank account signer.
Auditor(s): _____ Date: _____

FINANCIAL TIME FRAMES

The fiscal year, budget year, audit year, term of office and school year do not all coincide.

FISCAL YEAR

- A fiscal year is any 12-month period that begins on the first day of a given month and ends on the last day of a given month and is stated in the bylaws, Article XVI: Fiscal Year & IRS Form 990, Section 1.
- The fiscal year is registered with the Internal Revenue Service (IRS) and is used for the purpose of filing IRS Forms 990N, 990EZ, 990 and appropriate schedules.
- At the end of the fiscal year, it is time to review the books and determine total (gross) receipts for the unit for the preceding 12 months.
- All PTAs must file IRS Form 990N, 990 or 990 EZ and appropriate schedules.

BUDGET YEAR

- A budget year is any 12-month period that runs from budget adoption to budget adoption.
- The budget year begins with the adoption of the new budget by the general membership (usually at the first meeting of the school year) and concludes at the end of the 12-month period, the last day of the twelfth month.
- Does not end with the last day of school or election of new officers. The budget is for the association – it does not matter whose names are on the checks. The budget year is used to determine if the funds are spent as approved by the membership for a specific 12-month period.

OFFICERS' YEAR

- According to our bylaws, Article VI: Officers and Their Election, Section 5, officers assume their official duties following the close of the school year and serve for a specified term, generally 12 months. This period is most often from the close of the school year to the close of the next school year.
- In all likelihood, the term of office will not coincide with the fiscal year or the budget year. Officers are not allowed to write checks after their term is over, even though the fiscal and budget years are still in effect.

SCHOOL YEAR

- The school year runs from the first day of school through the last day of school.
- New officers officially begin their term at the end of the last day of school.

MEMBERSHIP YEAR

- Georgia PTA membership year includes all dues collected and submitted to Georgia PTA from July 1 to June 30.

BUDGET

The budget is an outline of estimated income and expenses. It is a financial plan for procuring and apportioning funds to meet the goals and needs of the year's activities as planned by the PTA. An organization's priorities are usually apparent from the budget it approves. The budget:

- Is approved by the general membership, and that motion must be included in the secretary's minutes. There is a proposed sample budget included in the Forms section of this guide.
- Can be amended by the general membership.
- Should include monies necessary to operate the PTA, including summer months and the beginning expenses of the new school year.
- Is not closed at the end of the school year, nor upon the elections of new officers.
- Should be formatted to mirror how you will report income and expenses on IRS Form 990.
- Should be goal oriented, i.e., based on advancing an association's mission.
- Should reflect realistic plans of action.
- Should be participatory (budget preparation with input from officers, principals, and committee chairs.)
- Budgets should offer some flexibility in accommodating appropriate resource requests, not used as an excuse for denying such requests.

DEVELOPING THE BUDGET

- A three to five-member finance or budget committee is responsible for developing the budget.
- The committee typically includes the treasurer, current president, principal, and members proficient in financial management. The treasurer often acts as chairperson of the committee.
- The committee should study the previous year's budget and treasurer's reports to see how that budget met the association's needs.
- Determine the programs and projects to be carried out for the coming year and calculate the funds needed.
- Make realistic estimates of how much each will cost and how they will be funded.
- Seek input from committee chairs and officers.
- Establish a system for keeping track of how well the projected budget is matching up with the actual finances.
- Do not raise money just because it is traditional and later decide how to spend it. Have an appropriate PTA purpose in mind. When planning the year's activities, PTAs should use the 3-to-1 rule. For every fundraising activity, there should be at least three non-fundraising projects aimed at helping parents or children or others advocating for school improvements.

APPROPRIATE PTA EXPENSES

The budget must include all monies necessary to operate the PTA, its programs and activities, including summer expenses such as leadership training for new board members and the "start up" expenses for the new school year. It is imperative that your budget include line items designated for PTA training and convention. Please refer to the sample budget for a list of what line items should be included in the budget.

CARRY OVER FUNDS

There is *no* ruling from IRS, National, or State PTA that limits the amount of money that the PTA may carry over from one budget year to the next. However, it is best if all funds earned within a year are spent in the same year. The amount of carry over is based on what funds are needed to continue PTA business until the next income opportunity. This will vary from one PTA to another. (Note: If your PTA continues to carry over large sums of money, you should reduce the number of fundraisers to bring revenues in line with program requirements.)

APPROVING THE BUDGET

The budget is presented by the committee chairperson to the board of directors for consideration and adoption, then to the PTA membership for approval. A majority vote of the members at the general meeting is required for adoption, a quorum having been determined present. The budget is presented item by item to allow for discussions and amendment of each section.

AMENDING THE BUDGET

The budget is an estimate of the planned revenue and expenses for the year. When there are additional expenses, differences in revenues, or a change in an approved expense, the budget must be amended by a vote of the general membership at any regular meeting or at a special meeting called for that purpose. To amend something previously adopted, it is necessary to have a two-thirds majority (or a simple majority if prior notice of amendment has been given).

OBLIGATIONS OF FUTURE BOARDS

PTAs may not obligate future boards to a contract or a particular expenditure. This means, a future board is not obligated to spend funds as designated by a previous board. A board may designate part of its carry over, but the next board does not have to use it for the designated purpose. Only the PTA membership may decide how its funds are spent.

TAX INFORMATION

There are two taxing authorities that are of concern to PTA: The Internal Revenue Service (IRS) and the State of Georgia. Structurally and politically, these tax collection agencies are totally separate entities. **It is the responsibility of each local unit's officers to learn and fulfill the obligations of the PTA to these taxing authorities.** For rules, guidelines and general information please refer to PTA Back to School Kit *Finance: Quick-Reference Guide*, IRS website (<http://www.irs.gov>), and the Georgia Department of Revenue website, <http://dor.georgia.gov/tax-exempt-organizations-income-tax>. **Per Federal law any organization not filing the appropriate Form 990 for three consecutive years will automatically lose its tax-exempt status.**

FEDERAL

Protecting PTA Tax Exemption

Georgia PTA and all subordinate units in good standing are exempt from federal income tax as a charitable and educational association under the provisions of section 501(c)(3) of the Internal Revenue Code.

Strict compliance with all applicable federal, state and local laws is important to prevent even the most well-intentioned effort from becoming a serious problem for the association.

The following restrictions, which apply to 501(c)(3) classification, must not be violated:

- PTAs must be organized and operated exclusively for charitable, educational or scientific purposes.
- Its resources and funds cannot be used for private benefit.
- Upon dissolution, its assets must be distributed for one or more of those defined purposes.
- It cannot engage in a substantial amount of lobbying activity.
- It cannot engage in political activity or support candidates for public office.

PTA provides the following guidelines to protect PTA funds and fundraising:

1. Fundraising is not a primary function of the PTA. The primary emphasis in PTA is the promotion of the Purposes and Mission. Raise all funds in accordance with a predetermined and budgeted purpose approved by the general membership that advances the PTA's Purposes and Mission. Excessive fundraising places an undue emphasis on money and diverts attention from the PTA's primary role as an advocacy group.
2. All PTA funds *must be raised* through activities that are substantially related to the educational and charitable purposes of the PTA in order to be tax-exempt. It is important to note that it is not how the PTA spends the funds, but rather the manner by which the funds are raised. If funds are generated because of an activity that does not meet the "substantially related" test, the funds must be listed on the association's tax return as taxable unrelated business income.
3. **If a PTA decides to conduct a fundraising activity, children should not be used or exploited as fund raisers.** Fundraising activities should reflect the principles and policies of the PTA and the fundraising activity itself should have a recreational, social or educational value. If a fundraising activity is conducted on school property, a PTA must comply with all laws regulating the use of school property and should receive prior approval from school authorities to ensure that the activity does not violate any school policies.
4. All funds raised by the PTA can only be deposited in a PTA account. All money deposited in the PTA account is considered PTA funds and can only be spent with the approval of the general membership. Payment for all approved expenditures should be made out of the PTA checking account. Every check written must be substantiated with an itemized statement, receipt, or other written authorization for the expenditure.
5. PTA may not delegate authority or control over its funds to another organization or entity. Only the PTA membership can authorize the expenditure of funds. PTA funds cannot be diverted to other organizations or individuals. PTA funds must be kept and accounted for separately from school funds. PTA funds are private monies; school funds are public monies.
6. Before approving proposals or requests for material aid to the school or the community, a PTA must determine if the expenditure is a public responsibility. PTAs should not provide funding for anything that is the responsibility of the education system (*such as salary for school employees, gym floors, school tracks, air conditioners, lawnmowers, golf carts*). PTA renders a more enduring service if it alerts public officials to assume the responsibility, rather than assuming the responsibility itself. When assuming public responsibilities, PTAs can actually contribute to the inequities that already exist in public education today and contribute to inadequate funding from public sources.
7. Before any PTA purchases school equipment, a thorough investigation of all of the ramifications of such a decision should be undertaken. Foremost, the equipment should support the PTA mission and standards. Often, the equipment will be purchased by the school and become the property of the school system. The school will be reimbursed by the PTA, and under certain circumstances, a gift or donation form may need to be completed. The PTA should not have any ongoing maintenance, repair, liability, or insurance obligations with respect to the donated equipment.

8. In approving fundraising activities and expenditures, the PTA membership must further the reputation of the PTA as a charitable association, protect the PTA, its officers and members from liability, and preserve the tax-exempt status of the PTA.

Federal Tax Exemption

What is a 501(c)(3) organization?

The Internal Revenue Service classifies PTAs as tax-exempt 501(c)(3) organizations. A 501(c)(3) organization must be noncommercial (does not engage in specific commercial endorsements, or make a qualitative judgment of a product or service), nonsectarian (does not promote one religious group over another) and nonpartisan (does not endorse or support candidates or parties, however PTAs may support or oppose issues). Further, the organization name or any member acting in an official capacity cannot be used to endorse or promote any commercial concern or political party or conduct activities not in keeping with the Purposes and the Mission of the PTA.

Why is it important to protect PTA's 501(c)(3) status?

PTAs are exempt from income taxes under Sections 501(c)(3) of the Internal Revenue Code. *To retain the tax-exempt status, PTAs must ensure that fundraising does not become their primary focus.* All PTAs function under the exempt status of Georgia and National PTA. In order for a PTA to maintain status as a 501(c)(3) association, specific standards must be met (see explanation of 501(c)(3) above).

What does being a 501(c)(3) association mean to my PTA?

It means your PTA is exempt from paying Federal Income Taxes on money earned by the PTA for use in its programs. This also means that donors may deduct charitable contributions to local units, councils and districts as provided in the Internal Revenue Code.

What is an EIN (Employer Identification Number)?

EIN numbers are issued by the IRS. Every 501(c)(3) organization is required to have one. When a PTA is organized, Georgia PTA applies to the IRS for the number. Your EIN number identifies your PTA as a nonprofit association. It is a nine-digit number and it looks like: 54-1236789. If you are unsure of your EIN number, please contact the state PTA office or your district director for this information. *You must never let another organization/individual use your EIN number.*

Types of Federal Tax Forms

Form 990-N, 990, & 990EZ

Federal legislation was passed in 2006 that began requiring most nonprofits, regardless of gross income, to file at minimum a 990-N (e-postcard) annually. The law provides that any organization not filing for three consecutive years will automatically lose its tax exempt status. Per the bylaws, it is the responsibility of the current treasurer to file the appropriate IRS 990 form. Failure to do so will jeopardize your tax exemption status and your good standing with Georgia PTA.

Filing is done at the end of the fiscal year as indicated in your bylaws. 990 returns must be mailed or e-filed no later than the 15th day of the fifth month after the end of the fiscal year.

Example: If your Fiscal Year is June 1 to May 31, the 990 is due October 15.

What must be filed?

990-N - Electronic Postcard Return of Organization Exempt from Income Tax

- ❖ Organizations with gross receipts between \$0 and \$50,000 must file form 990-N, also known as the E-postcard.

990EZ - Short Return of Organization Exempt from Income Tax

- ❖ Organizations with gross receipts between \$50,000 and \$200,000 and assets less than \$500,000 must file form 990EZ.
- ❖ If a PTA makes more than \$1,000 in unrelated business income, it must file a Form 990-T.
- ❖ If a PTA has changed the fiscal year in the bylaws or changed its name, Form 1128 must be filed.
- ❖ If a PTA wishes to request an extension of time to file Form 990 or 990-EZ, it should complete and file Form 8868 with the IRS before the deadline determined by the close of the PTA's fiscal year.

If a paper copy is filed, copy page 1 of the return and attach to IRS 990 Filing Verification Form. The original should be sent registered mail to IRS service center, a complete copy to Georgia Department of Revenue, and a complete copy should be kept with PTA permanent records.

State copy mailing address:

Georgia Department of Revenue
P.O. Box 740395
Atlanta, GA 30374-0395

Federal copy mailing address:

Internal Revenue Service Center
Ogden, UT 84201-0027

If the 990 is filed electronically, print 3 copies of the e-filing receipt. Keep one for your PTA permanent records, send one copy to Georgia Department of Revenue, and attach one to IRS 990 Filing Verification Form.

Automatic Tax Exemption Revocation for Non-Filing – Those in jeopardy of losing exemption are listed on the IRS website. "If an organization does not file an annual return or notice for three consecutive years, the organization is automatically revoked by operation of law, and not by a determination made by the IRS. To have its tax-exempt status reinstated, the organization must file an application for exemption." If exemption is lost, local unit will be notified in writing. The fee to reinstate ranges from \$250+ final amount is determined by the IRS. ***These limits are subject to change. Please verify with the IRS at www.irs.gov prior to preparation of tax return.***

What are gross receipts?

A gross receipt is the total income/revenue generated by your association. A net receipt is the amount remaining after all expenditures/bills have been paid. For example, if a PTA collects \$10,000 in a fundraising sale, but pays the vendor \$5,000, the entire \$10,000 is considered gross receipts. *The state and national portion of dues are not part of gross receipts.*

How do we get the forms?

For Form 990-N go to www.irs.gov/charities for the form and instructions. Locate the heading Annual Electronic Filing Requirements for Small Exempt Organization – Form 990-N (e-postcard). Form 990 or 990EZ and appropriate Schedules are requested from the IRS. To order Form 990 or 990EZ and Schedule A, call 1-800-TAX-FORM (1-800-829-3676 and follow prompts). Be sure to ask for the forms and the instructions. They will not send the instructions unless you ask for them. If you have access to the Internet, you can download and print these forms at the IRS website: www.irs.ustreas.gov.

What are the penalties for late filing or not filing?

Failure to file the Form 990 may result in a penalty of \$20 a day not to exceed \$10,000 or 5% of the organization's gross receipts for the year. Late filing, incorrect filing and/or incomplete filing can result in a fine. Remember, PTA is tax exempt, but not exempt from filing under the above conditions. There is no statute of limitations for returns that have not been filed. Failure to file 990-N, 990, or 990-EZ for three consecutive years will automatically result in loss of tax-exempt status.

Form 8868

Form 8868 is to be used in obtaining an extension of time to file Form 990. It is an automatic 3-month extension form (meaning no reason for the extra time need be provided.) It can also be used to obtain a second 3-month extension, but an explanation is required and it is not an automatic extension.

Form 1099-Misc

A PTA must file Form 1099-MISC with the IRS whenever it pays a person or an unincorporated business \$600 or more in a calendar year for services rendered.

Form 1128

Form 1128 is to be used if changing your fiscal year becomes necessary. The directions and form may be found on the IRS website.

STATE**Sales Tax**

The Georgia Sales and Use Tax Exemptions OCGA 48-8-3 (#56) states:

(56) Sales by any parent-teacher organization qualified as a tax exempt organization under Section 501(c)(3) of the Internal Revenue Code;

If a local unit purchases items for its own use — it is taxable. Examples include paper, binders, cash boxes, office supplies. If it buys something for resale, it is tax exempt. Examples of this includes supplies for the school store, refreshments that are sold, spiritwear. Exemption documentation required is Form ST-5 to be used as your Sales and Use Tax Certificate of Exemption. The properly completed form should be given to the vendor/supplier who is providing the **resalable fundraising items** to your PTA/PTSA.

Complete the form as follows:

Section 1 – Enter Vendor (Supplier) Business Name, Date and Address

Section 2 – Check Box #3

Section 3 – Name of Purchaser – Enter PTA/PTSA Name

Sales Tax Number – Enter Non Applicable

Purchaser's Address – Enter School Address

Name and Signature – Print Your Name, Enter Signature and PTA Title

All vendors should be made aware of your sales tax exempt status. Do not pay sales tax on purchases for resale (i.e., wrapping paper, etc.)

ST-5 (Rev. 10/2016)



**STATE OF GEORGIA
DEPARTMENT OF REVENUE
SALES TAX CERTIFICATE OF EXEMPTION
GEORGIA PURCHASER**

To: _____
SUPPLIER DATE

SUPPLIER'S ADDRESS CITY STATE ZIP CODE

THE UNDERSIGNED HEREBY CERTIFIES that all tangible personal property purchased or leased after this date will qualify for tax-free or tax exempt treatment as indicated below. (Check the Applicable Box)

- 1. Purchases or leases of tangible personal property or services for **RESALE ONLY**. O.C.G.A. § 48-8-30. A sales and use tax number is required unless the purchaser is one of the following: church, qualifying tax exempt child caring institution, tax exempt parent-teacher organization or association, private school (grades K-12), nonprofit entity raising funds for a public library, member councils of the Boys Scouts of America or Girl Scouts of the U.S.A. **TAX-FREE TREATMENT DOES NOT EXTEND TO ANY PURCHASE TO BE USED BY THE PURCHASER, INCLUDING ITEMS THE PURCHASER WILL DONATE.** O.C.G.A. §§ 48-8-3(15), (39), (41), (56), (59), (71).
- 2. Purchases or leases of tangible personal property or services made by the United States government, the state of Georgia, any county or municipality of this state, fire districts which have elected governing bodies and are supported in whole or in part by ad valorem taxes, or any bona fide department of such governments when paid for directly to the seller by warrant on appropriated government funds. A sales and use tax number is not required for this exemption. O.C.G.A. § 48-8-3(1).
- 3. Sales of tangible personal property and services made to the University System of Georgia and its educational units, the American Red Cross, a Community Service Board located in this state, Georgia Department of Community Affairs Regional Commissions, or specific qualified authorities provided with a sales tax exemption under Georgia law. A sales and use tax number is not required for this exemption. O.C.G.A. §§ 37-2-6.1(d), 48-8-3(8), 50-8-44.
- 4. The sale, use, consumption, or storage of materials, containers, labels, sacks, or bags used for packaging tangible personal property for shipment or sale. Materials purchased at a retail establishment for consumer use are not exempt. A sales and use tax number is not required for this exemption. O.C.G.A. § 48-8-3(94).
- 5. Aircraft, watercraft, motor vehicles, and other transportation equipment manufactured or assembled in this state when sold by the manufacturer or assembler for use exclusively outside this state and when possession is taken from the manufacturer or assembler by the purchaser within this state for the sole purpose of removing the property from this state under its own power when the equipment does not lend itself more reasonably to removal by other means. A sales and use tax number is not required for this exemption. O.C.G.A. § 48-8-3(32).
- 6. The sale of aircraft, watercraft, railroad locomotives and rolling stock, motor vehicles, and major components of each, that will be used principally to cross the borders of this state in the service of transporting passengers or cargo by common carriers and by carriers who hold common carrier and contract carrier authority in interstate or foreign commerce under authority granted by the United States Government. Replacement parts installed by carriers in such aircraft, watercraft, railroad locomotives and rolling stock, and motor vehicles that become an integral part of the craft, equipment, or vehicle are also exempt. The exemption does not extend to private or contract carriers. O.C.G.A. § 48-8-3(33)(A).
- 7. Purchases or leases of tangible personal property or services made by the Federal Reserve Bank, a federally chartered credit union, or a credit union organized under the laws of this state. A sales and use tax number is not required for this exemption. 12 U.S.C. §§ 531, 1768 § 1768; O.C.G.A § 48-6-97.

Under penalties of perjury, I declare that I have examined this certificate and, to the best of my knowledge and belief, this certificate is true and correct and made in good faith, pursuant to the sales and use tax laws of the State of Georgia. Further, I understand that any tangible personal property obtained under this certificate is subject to sales and use tax if the purchaser uses or consumes the property in any manner other than indicated above.

Purchaser's Name: _____ Sales Tax Number: _____
(IF REQUIRED)

Purchaser's Type of Business: _____

Purchaser's Address: _____

Printed Name and Signature: _____ Title: _____

Telephone Number: _____ Email: _____

Supplier must secure and maintain one properly completed certificate of exemption from each purchaser making purchases without the payment of tax.

Raffles & Bingo

Georgia law (OCGA Section 16-12-22.1) allows certain nonprofit, tax-exempt organizations to operate raffles. PTAs interested in conducting a raffle must check with the local school administration to ensure such an activity does not violate any existing policies or rules. The PTA must apply for a license with the **sheriff of the county in which the PTA is located**, as well as verify if there is a limit on the number of raffles that each organization can operate annually.

Recreational Bingo (Free Bingo) – No license required. These are bingo games for which your PTA *does not charge* participants to play and *does not award cash prizes* or prizes worth more than \$15 per game. Also, the non-cash prizes cannot be exchanged or redeemed for money. Recreational bingo games are not considered gambling under Georgia law, so your PTA may hold them as often as you like.

Other types of bingo are considered gambling and therefore require a permit or license from the Georgia Bureau of Investigation.

Annual Bingo Fundraiser – This is a special exception for nonprofit school organizations, and PTAs are included under this exemption. The GBI will issue a one-time permit for one bingo session during the calendar year free of charge. Keep in mind that *only one* permit will be issued per school *or* PTA; *not to both* during the same calendar year. Your PTA must apply for the permit by letter on school letterhead signed by the principal and PTA president. The permit must be posted in the location where you hold the bingo. The GBI will send you instructions along with your one-time permit. Allow at least two weeks to receive the permit. Go to <https://gbi.georgia.gov/bingo> for additional information.

Bradley Martin, GBI - Bingo Unit
ATTENTION: BINGO UNIT
P. O. BOX 370808
DECATUR, GEORGIA 30037-0808
(404) 270-8525

Please note: The permit will only be issued once between January 1 and December 31, which obviously overlaps two school years. Plan ahead!

Gift Cards

Many PTAs recognize the benefits that gift cards offer and purchase them for use in their programs. However, without adequate documentation of the purchase and distribution of gift cards, no one is accountable for those items and there is no “audit trail.”

Another concern is turning volunteers into employees. When cash, gift cards, or gift items of more than nominal value are given to PTA volunteers, the PTA runs the risk of turning the volunteer into an employee in the eyes of the IRS. While the work of PTA volunteers is invaluable, if a PTA attempts to “compensate” a volunteer for his/her services, then he/she is no longer a volunteer.

Here are some tips for handling gift cards:

- Gift cards are cash equivalents, so PTAs should exercise the same care when storing and distributing gift cards.
- If a gift card is donated to the PTA for the purpose of subsidizing association expenses, complete a Check Request Form with receipts attached to verify that funds were spent appropriately.
- Institute the use of a log for disbursement of gift cards (or cash) used for prizes or incentives for students so that there is documentation of who received each award. (That log, signed by each prize recipient, would be attached to the check request form used for the purchase of the gift cards.)
- Limit use of gift cards for PTA purchases to items in the approved budget, and maintain, to the extent possible, the same controls that should be in place for cash purchases (including having two people coordinate gift card use and retaining receipts for purchases made).

SOURCES OF FUNDS

FUNDRAISING

When planning fundraising activities for the year use the **3:1 rule** as a fundraising guideline: *For every one (1) fundraising activity, there should be at least three (3) projects aimed at helping parents or children, or advocating for school improvement.* This simple test helps protect your association's 501(c)(3) status and promote PTA purposes.

Each PTA is an independent private association and all monies raised by it are the property of that independent local PTA. Unless the rules governing PTAs expressly prohibit a specific activity or expenditure, the members of each PTA vote to determine how PTA funds are to be used. However, each PTA must remember that its actions have an impact upon the integrity, reputation and tax-exempt status of all PTAs. Therefore, its own standards must be consistently held high. The greatest service PTA can perform is to promote, advocate and support quality public education. Please see the Georgia PTA website for complete guidelines for fundraising.

- Fundraising is the method of raising money to finance PTA programs and projects.
- The fundraising project must support the goals of PTA and be related to its education, charitable, and philanthropic purposes as a tax-exempt association.
- It should involve as many members as possible and be fun.
- The fundraising project must have the approval of the membership in advance of the event. (Normally fundraising projects are approved when the budget is approved. This can include a general amount of budgeted money under the heading "Fundraisers.")

SPECIAL NOTE: *PTA policy states, "Children should never be exploited or used as fundraisers."*

NONCOMMERCIAL POLICY – USE OF PTA BRAND/LOGO

All PTA bylaws, whether national, state, district, council or local unit, include the requirement that the PTA be noncommercial. Neither the name "PTA," which is a registered service trademark, nor the names of any of its officers shall be used in conjunction with commercial activities of other organizations, including but not limited to the promotion of goods and services. This policy should be applied with judgment and common sense, recognizing that it is not meant to prohibit all contact with other groups and organizations. In conjunction with its noncommercial policy, PTA must not raise money to be diverted into other channels, such as providing support to other organizations or individuals, no matter how worthy. This policy is not meant to prohibit PTAs from providing monetary assistance to other PTAs.

Under no circumstances should a PTA allow money collected, donated, or raised by any means for another organization to pass through the PTA's bank account(s). All fundraising activities must be approved by the general membership. PTAs should not undertake fundraising activities for any project that does not benefit a majority of the children of the PTA's school, or does not have general benefit to all children. Fundraisers for a specific person (i.e., child's transplant, teacher's bone marrow procedure, etc.) should be avoided, not because they are not worthy, but because they set precedence. PTAs can provide volunteers and expertise for such fundraisers, but should *not* be the driving force or the repository of the funds raised. Local banks can set up accounts for this purpose so PTA doesn't run the donations through the PTA account.

ALL FUNDS DEPOSITED IN THE PTA ACCOUNT BECOME THE PROPERTY OF THE PTA AND ALL EXPENDITURES REQUIRE A VOTE OF THE ASSOCIATION.

DISCLOSURE STATEMENTS FOR CHARITABLE CONTRIBUTIONS

During times of tragedies and great need, PTAs are often asked to make contributions to other organizations. PTAs should always follow PTA guidelines and IRS regulations.

PTAs may:

- Act jointly with other organizations to achieve common goals.
- Choose to donate a portion of PTA funds to a local or national cause/event, just remember it must be approved by the general membership, not just the board of directors.
- Promote another organization's program or service, including a fundraiser so that members may choose to participate as private individuals.

PTAs may not:

- Deposit money raised for another organization into the PTA account.
- Raise or manage funds for another organization, as fundraising does not fulfill the primary mission of the PTA.

Donations to Other 501(c)(3) Organizations

IRS rules do not prohibit 501(c)(3) organizations from making donations to other 501(c)(3) organizations.

Funds should never be run through PTA accounts that are not, nor are never meant to be, PTA funds. This applies to funds that belong to other organizations, the school and money being held for school or other organizations (i.e., school chorus, drama club, etc.), no matter how worthy the cause. The following examples illustrate some of the most common instances when a PTA should not deposit funds into their account: funds collected for T-shirts for the band, proceeds of the drama fundraiser in anticipation of the production, contributions for a family in need after a crisis or tragedy.

Simply stated, PTAs should not raise or hold money for other organizations. PTAs raise money for their PTA programs and work. Raising money for other organizations or groups is the other group's responsibility in accordance with their own mission or purpose. What PTAs might do is raise awareness about the needs of other organizations, preferably those with a common focus or mission to PTA. A unit can share information about other organization's fundraisers and can encourage members to volunteer at their events, albeit not to the detriment of the PTA and its ability to find volunteers and financial support.

A PTA, through a Community Outreach line item in its budget and to a reasonable extent, can secure supplies for another organization. A PTA also can help in other non-monetary ways such as conducting a coat and mitten drive for a nearby Children's Shelter or buying supplies for a PTA group to serve dinner at a local soup kitchen.

On a one-time/emergency basis, a PTA can consider donating its own funds to an organization. This would be best demonstrated by donating to the American Red Cross for 'natural disasters

Additionally, by siphoning funds or setting up line items in the PTA budget, or developing fundraisers for another organization, a PTA limits the programs and good works it can do directly for the members of its local unit and school community. For example, several schools have experienced families burned out of their homes this year. If funds from these PTAs had been given to another organization, it might have jeopardized the home school's ability to provide supplies or other non-monetary support to these families in need. Care and balance are recommended. When specific questions arise, please contact your District Director or the state PTA treasurer.

DEDUCTIBILITY OF CONTRIBUTIONS TO PTA

*Reference: [PTA Finance Quick-Reference Guide](#) and IRS Publication 1771, *Charitable Contributions-Substantiation and Disclosure Requirements on the IRS website at www.irs.gov**

Contributions to the PTA are tax deductible in full if no service or other benefit is received in return. Contributors who receive services or benefits may deduct only that part of the contribution that is greater than the fair market value of the benefit received. For example, if admission paid to a PTA event includes a meal, only the portion of the admission price that exceeds the fair market value of the meal is deductible.

Single contributions in excess of \$250 require a receipt documenting the charitable donation to the PTA. A cancelled check will suffice as substantiation for contributions over \$75 and up to \$250. The treasurer should have a procedure in place to provide this documentation. Separate payments to a PTA generally will be treated as separate contributions and will not be aggregated for the purpose of applying the \$250 threshold.

The written acknowledgement by the PTA for a contribution received must provide information sufficient to substantiate the amount of the deductible contribution. If applicable, the PTA is required to include a good faith estimate for the value of the goods and services provided to the donor in exchange for making the contribution to the PTA.

Acknowledgements for the PTA need not be in a particular form; they can be made by a letter, post card or computer generated form. A PTA may prepare a separate acknowledgement for each contribution, which can be given at the time of the contribution or may provide donors with the periodic acknowledgements that give required information for each contribution by the donor of \$250 or more during that period. A PTA that knowingly provides false written substantiation to a donor may be subject to penalties for aiding and abetting an understatement of tax liability.

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, following similar guidelines for cash contributions. However, the PTA is not required to, and should not, place a value on the contributed item(s) for the donor. For Form 990 reporting purposes, the PTA will have to place a value on the property for its financial records.

UNRELATED BUSINESS INCOME (UBI)

*Reference: [PTA Finance Quick-Reference Guide](#) and IRS Publication 598, *Tax on Unrelated Business Income of Exempt Organizations* on the IRS website at www.irs.gov*

Exemptions or Exclusions

The income from most PTA fundraising activities is exempt from federal income taxes because:

- The activities are conducted only once per year
- At least 85 percent of the work of the activities is conducted by volunteers, or
- The activities consist of selling donated merchandise (e.g., a silent or live auction of donated merchandise).

Judgment of whether an activity is related or unrelated is made on a case-by-case basis.

The federal, state, and local governments may have different standards for pursuing the charge of UBI, although most state and local governments follow the federal rules.

CORPORATE SPONSORSHIPS

Reference: [PTA Fundraising Quick Reference Guide](#)

Since PTAs never want to exploit children or place them in uncomfortable situations, PTAs are discovering that sponsorships can be a preferable method over fundraisers to finance their programs and activities.

What is Corporate Sponsorship?

Corporate sponsorship is a funding mechanism in which a commercial concern provides cash, products, or know-how to a charitable or educational association in return for an acknowledgment of thanks. The acknowledgment of thanks generally takes the form of public recognition for the sponsor's support. Endorsement activities are fundraising mechanisms in which charitable or educational associations endorse the products or services of commercial concerns.

For example, a company donates money to the PTA to pay for a Parent Involvement Handbook. On the back of the book, the PTA prints the company's name as the sponsor.

Sponsorships are an appropriate means of funding projects and programs that promote the objectives of the association. Endorsement activities are not appropriate for PTA participation based on PTA's noncommercial policy.

A 501(c)(3) charitable or educational association is not prohibited from engaging in corporate sponsorship activities. A special provision in the IRC makes 501(c)(3) organizations exempt from paying federal income taxes on income from corporate sponsorships, as long as the benefits that are given back to the corporate sponsor fall within IRS guidelines. Because qualifying corporate sponsorship income is considered a charitable donation, there is no limit to the amount that can be received by a 501(c)(3) organization.

Qualified Sponsorship Payment

The statute defines a **qualified sponsorship payment (QSP)** as any payment made by an entity engaged in a trade or business, where there is no arrangement or expectation that the entity will receive any substantial return benefit for the payment. The recipient organization's use or acknowledgement of the payer's name, logo, or product lines is not a substantial return benefit.

PTA can express its appreciation to a sponsor for financial support as long as it does not promote the sponsor's products, services or facilities. This expression of appreciation can include the sponsor's logos and slogans, its locations, telephone number, Internet address and value-neutral descriptions or displays of products or services. In addition, the guidelines allow the sponsor or PTA to distribute the sponsor's product to persons attending an event. The expression of appreciation cannot contain qualitative or comparative language or price information. This type of language may qualify as advertising, which is taxable. PTAs may provide an insubstantial benefit to the sponsor for the contribution. The benefits are insubstantial when the benefits provided are token items such as mugs, calendars, key chains, or shirts that include the PTAs name or logo. See the IRS instructions as to annual cost limits. <https://www.irs.gov/charities-non-profits/advertising-or-qualified-sponsorship-payments>.

Excluded from QSPs are payments dependent on the level of attendance at an event, broadcast ratings, or other factors indicating the degree of exposure necessary to receive payment. For example, if PTAs will only receive the payment when more than 200 people attend the event, or if there is guaranteed press coverage, the payment is not a QSP. In general, the payment must be given with **no strings attached**.

How is Sponsorship Revenue reported on Form 990? QSPs in the form of money or property are contributions and reported on line 1 of Part I of Form 990 or Form 990-EZ.

Sponsorship Guidelines

- The PTA will seek sponsors who help further the aims, programs, and goals of the association by providing money or in-kind donations. Sponsorships should be linked to specific activities, events, programs, or publications.
- The PTA will not seek nor accept sponsorship money or in-kind donations from companies who manufacture products or take public positions inconsistent with PTA policies, positions, and resolutions. Sponsorship agreements will never involve techniques or marketing approaches that exploit children.
- The PTA's name, logo or mark shall not be used by the sponsor in sponsor materials or communications without the express written authorization of the PTA in advance.
- The PTA will not make any endorsements regarding the sponsor's company, products, or services. An endorsement is a qualitative or quantitative value judgment (e.g. "the best Internet provider"). No sponsor shall be identified as the "Official (product) of PTA," the "Official (service) of PTA," or the "Official (supplier) of PTA,"
- Any mailings generated by the sponsorship agreement will be handled by the PTA and not by the sponsor. Mailing lists will not be provided to sponsors under any circumstances.
- All materials or communications, including, but not limited to, print, video, Internet, broadcast or display items developed to promote or communicate the sponsorship using the PTA's name, marks and/or logo, will be approved by the PTA Executive Committee prior to use by the sponsor.
- No sponsorship agreement shall put the PTA's tax-exempt status in jeopardy.
- Sponsorships will adhere to PTA bylaws.
- Sponsorship agreements shall not include clauses requiring the participation of other PTAs, or prohibiting other PTAs from partnering with competing companies with similar products or services.

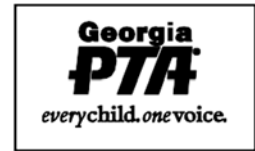
SPENDING PTA FUNDS

What Are Appropriate Uses Of PTA Funds?

1. Funds raised should be for a definite, pre-determined and budgeted purpose.
2. They should be used to promote programs and further education that benefits the health, safety, education and welfare of children per the PTA Purposes.
3. The PTA must spend funds according to the Mission and Purposes of the PTA.
4. All monies deposited in the PTA account belong to the general membership. All funds should be spent as allocated in the budget as passed by the general membership of the PTA.
5. Excess funds raised or not spent should be carried forward to the next budget year.
6. Salaries are not considered appropriate PTA expenses.
7. A future board is not obligated to spend funds as designated by a previous board. A board may designate part of its carry over, but the next board does not have to use it for the designated purpose.
8. When purchasing items for the school, the funds must be spent according to an approved budget, and the school must provide you with a purchase order, invoice, or receipt. All PTAs should use a formal process of allocating these funds. Georgia PTA recommends two methods to decide how funds are spent.

Grant Model

- Establish a Grant Committee consisting of PTA board members, teachers, and administrators.
- Create the grant criteria, application, application process and approval process to all PTA chairpersons, school staff and administrators. Anyone may apply by completing a grant application and submitting it for consideration to the Grant Committee.
- Grants can only be funded with monies already raised for appropriate PTA enrichment purposes.
- The Grant Committee review and approve the requests, notifying applicants of approval of their requests, giving instructions to all applicants whose grants were approved about how to proceed.

SAMPLE LETTER

Date _____

Dear Staff and Faculty Members:

The PTA/PTSA is pleased to announce that decisions have been made regarding the disbursement of \$_____ designated for the Appropriation Funds. We received \$_____ in requests. Since we were able to fund _____ of the total requests, several factors were taken into consideration:

- (1) School goals of _____ and _____ were given first priority.
- (2) Mr(s). (Principal) _____ helped by prioritizing requests and made suggestions to combine efforts in several pods or departments.
- (3) Those departments that had received recent bond funding, grant funding or additional revenues were not given as high a priority.
- (4) We viewed many requests with a long-range plan. Part of the request may be funded this year with a goal of funding the remainder in the next few years.
- (5) Some requests were met with funds from a more appropriate area in the PTA/PTSA budget.

Thank you for submitting your requests. We know that your objective is to make your classroom part of the best instructional program possible for our students at _____. A list of all items purchased from the fund will appear in the next issue of (School Newsletter).

Sincerely,

Name and Phone Number _____

Chair PTSA Appropriations Committee

Committee Members: PTA President _____ Principal _____ PTA Treasurer _____

A copy of your request is attached:

- Your request has been granted in part from the (Budget Line Item Fund) _____
- Your request has been granted from the (Budget Line Item Fund) _____
- Your request has not been granted at this time, but has been retained for future consideration as funds become available.

Your purchase(s) will be handled in the following manner:

CASH BOX PROTOCOL

PTA treasurers never sign a blank check and never write a check for cash. This guideline pertains to providing change or petty cash for event/program cash boxes. Fall Festivals, Sock Hops, Family Fun Nights, etc. often require change for tickets or items to be sold, which means a local unit needs to have a supply of small bills and currency available at the opening of the event. Best practice dictates that the event chairperson secures the petty cash needed for the cash boxes from the bank prior to the event, turns in the receipt with a proper Check Request Form and then is reimbursed. This is the same procedure followed for every expense reimbursement written on PTA accounts.

However, occasions arise when the above procedure cannot be followed. In that case, strict enforcement of the following guidelines should be utilized. This will ensure that quality bookkeeping is maintained and the PTA's cash box funds are protected at all times.

The following procedure is 1) valid only for previously member approved budgeted line items for PTA events or programs and 2) appropriate only in rare circumstances when petty cash "best practices" are not possible.

- ❖ Event chairperson, in planning with the PTA Executive Committee, indicates that cash boxes will be needed for the upcoming event.
- ❖ At least one week prior to event date, event chair secures a Check Request Form (found later in this section) and completely fills in the top portion for the Check Request Form.
- ❖ On the Check Request Form, indicate that the check should be payable to the person obtaining the cash box cash and the purpose of the check is "cash box for the event". Approval by the committee chair should be indicated.
- ❖ The amount of check section on the Check Request Form must have a specific amount entered on it. The recommended amount should be reasonable for the specific event and will typically fall between \$25.00 and \$100.00. This allows four cash boxes with \$25.00 per cash box for the event.
- ❖ The purpose line on the Check Request Form must specifically reference the event and why the cash is needed, e.g. *Petty cash for Sock Hop event change box.*
- ❖ The event chair must sign the Check Request Form and turn it in to the treasurer for proper approval.
- ❖ The Check Request Form **must be approved by the president, signed and dated** before the treasurer writes the check.
- ❖ Process checks (signed by the president and treasurer) no earlier than the day of the event, or one-day prior if the event is held on the weekend.
- ❖ Charge funds to the event budget line item, just as any other expense for the event or program would be charged. The treasurer indicates this on the Check Request Form in the Treasurer's Only box.
- ❖ As soon as the event concludes, count all receipts and register them on the Fund Verification Form (found later in this section). Note the amount obtained for the cash boxes on this form. Counters sign off on the form.
- ❖ All receipts are deposited the day of the event, using a night depository if needed.

CHECKING ACCOUNT SIGNERS

In order to protect your PTA, local unit bylaws and the insurance company require that **all** checks have **two** signatures, the president and treasurer. The secretary's signature is also on file at the bank to sign checks only in an emergency in place of either the treasurer or president.

Typically, if the local unit PTA has Co-Presidents, both names may be added to the signature card. However, one president should be the designated signer and the other used in emergency backup

situations only. Most units designate one Co-President as the signee on the signature cards, just as one is designated to receive official mailings from state and national PTA.

PTA bylaws also specify “individuals authorized to sign checks shall not be related to each other by marriage or any other relationship.”

Make sure new signature cards are on file with the bank as soon as the school year ends and whenever the treasurer changes. This must be done in a timely manner so that the business of the PTA remains continuous.

Check with your bank regarding their specific requirements for changing of signers. Typically, you will need:

- All three officers designated to sign checks and at least two of the outgoing officers who are currently authorized to sign checks.
- A dated copy of the election meeting minutes in which all newly elected officers’ names is inscribed.
- Your Employer Identification Number, Checking account number, and Local Unit PTA number.

Because PTA requires two signatures on every check, *use of a PTA debit card, credit card, ATM card or online banking to disburse PTA funds is not permitted.*

VERIFICATION OF TWO SIGNATURES

Although many banks and financial institutions no longer verify two signatures on checks, PTA bylaws require that all checks have two signatures. Similarly, bonding insurance requires the safeguard of two signatures on PTA checks in order for policies to be effective/valid.

Properly Addressed Checks →

Memo for Use →

My PTA
6200 Blue Circle Drive
Atlanta, GA 30303


1097

Feb 7 20 04

PAY TO THE ORDER OF Lenny's Meat Market \$ 39.40

Thirty-nine and 40/100 DOLLARS

VOID AFTER 90 DAYS



FOR Meat - Spaghetti Dinner - Fall Festival

0019767 1769800980 4456009 198764

Jane Courtly

Mary Smith

TWO SIGNATURES REQUIRED

← Two Signatures

Check Stub Properly Filled Out →

		1097	1158	30
		2/7/2004		
TO <u>Lenny's Meat Market</u>			DEPOSITS	
FOR <u>Meat - Spaghetti Dinner</u>				
Account: <u>Fall Festival</u>	TOTAL			
	THIS CHECK	39	40	
	BALANCE	1118	90	

ELECTRONIC BANKING RECEIPT OF FUNDS

Georgia PTA recognizes that local units may wish to offer their membership the opportunity to purchase memberships and other items online or through the use of credit cards. **Note – local units are still prohibited from paying for their purchases with credit cards, debit cards or online transfer.** Local units may only pay with a check containing two signatures.

When accepting payments from PTA members for membership dues, donations or purchases utilizing a service such as PayPal or other merchant service provider, the following procedures must be followed.

- Only an authorized account signer may have access to the PayPal or merchant services account.
- Funds must be transferred at least weekly into the unit's checking account by the Treasurer.
- The transactions must be reconciled and signed by two individuals.
- Merchant accounts and/or merchant terminals cannot be shared with other groups or the school.
- Reversals and refunds cannot be processed through the merchant services account.
- In order to process a reversal or refund, a Check Request Form must be completed with documentation as to why the credit is requested. The credit must be paid via check with two signers. Fees for merchant services must be included in the budget and approved by the membership.

Access to funds/Transfers to checking account

Services such as PayPal, Square or Google may not automatically transfer the funds once the sale is made to the bank account of the merchant. If it does not, it is necessary for someone to manually make the transfer of funds. It is recommended that any such transfer be made on a weekly basis at a minimum. During high activity periods, such as during back to school membership drives or fundraisers, the local unit may decide to make more frequent transfers. *Access to the online account shall be limited to checking account signers only.* A non-account signer such as the webmaster is not permitted access to the merchant account. The Treasurer is responsible for the transfer.

Reconciliation of merchant transactions

Merchant transactions are to be reconciled and signed by two individuals. This will provide the dual control typically seen with the Fund Verification Form. The signed reconciliation is to be kept with the Treasurer's records and submitted with the other documentation to the auditor at the end of the year. The reconciliation will confirm the amount transferred from the online merchant account to the local unit checking account. The reconciliation will also confirm the correct budget line item.

LIABILITY ISSUES

Georgia PTA strongly encourages units to obtain adequate insurance protection against liability and financial loss due to fraud, embezzlement or dishonest acts. Operating a PTA unit is much like running a small business. Businesses need insurance to protect their investments; the same is true for PTA units. Having insurance protection makes good business sense, especially when the cost is relatively small for the peace of mind of knowing you are protected.

FIDELITY BONDING INSURANCE

It is in the best interest of the PTA for the treasurer and all other individuals authorized to handle funds and securities of the association to be covered by a fidelity bond in the amount determined by the executive committee. The bond policy covers losses sustained by a PTA through a fraudulent or dishonest act or acts committed by any of the employees or non-compensated elected officers and their successors or any non-compensated person who is authorized by an officer to handle PTA monies acting alone or in conspiracy with others.

When requesting information on a fidelity bond policy, the PTA should decide which type of coverage it requires, a position schedule bond, blanket position bond, or commercial blanket bond. The position schedule bond covers the position(s) listed and does not mention any individual(s) by name. A blanket position bond covers all members handling funds with the amount of coverage applying separately to each member. The commercial blanket bond covers all members handling funds with the amount of coverage for any one loss regardless of the number of members involved.

The amount of coverage should be determined by taking the average of the association's gross receipts for the past three years.

LIABILITY INSURANCE

General

PTAs should consider their need for liability insurance when there are projects or activities that may result in potential hazard for PTA members, school children, or other third parties. Commercial general liability insurance provides coverage for your legal liability arising from bodily injury, personal injury (false arrest, libel, slander, and other defined injuries), advertising injury, and property damage to others arising out of your activities and operations. Such insurance coverage may be purchased on either a continuous year round, comprehensive coverage basis, or on a one-time basis for special events. Generally speaking, school district liability insurance does not extend to PTAs or their activities.

Accident Medical

Accident Medical Insurance provides payment for injuries sustained at a PTA event. This insurance will cover risks that are often excluded by the General Liability Policy. These risks include injury while in an automobile or on motorized rides.

Directors and Officers (D&O)

Directors and officers' liability insurance provides protection for claims arising out of the wrongful acts (making policy and managing the affairs) of directors and officers that do not fall under the definition of physical injuries. D&O liability insurance may provide coverage for the defense costs resulting from covered claims. Some examples of D&O liability claims include the following:

- Discrimination based upon age, sex, race, national origin, disability, etc.
- Improper employment termination
- Breach of contract, e.g., contract disputes with customers, vendors, suppliers, or service providers
- Mismanagement of organization funds

Property Insurance

Property Insurance covers property that is owned, loaned, or borrowed to be used by a local unit, council, or district. Examples of PTA property that you would consider insuring include: computer for the association, popcorn machine for Fall Festival, and fundraising merchandise, in short, property that would be difficult to replace if damaged or stolen. Property insurance will replace such items if a loss occurs due to theft or natural hazard. (Each local unit will need to determine if their PTA owns property that should be insured.)

IMPORTANT: Do not hesitate to contact your PTA's insurance provider when problems and questions arise.

CONTRACTS

In the course of a year, a PTA may enter into a variety of contracts. For instance, a PTA may contract for a band for a dance or purchase supplies for a fundraising venture. The PTA assumes the responsibility to comply with the terms and conditions of the contract and to pay the stated sum. The fact that an activity is not a financial success or that the PTA has insufficient funds to meet its obligation has no effect on the responsibility assumed.

The president should clearly identify that it is the unit entering into the contract and not the president as an individual. If possible, an additional officer's signature as witness is a good practice. The contract should read similarly to the following:

_____	PTA/ PTSA unit or council by _____	
School	President	Date

(Witness - One other PTA officer's signature)		

Before you enter into a contract on behalf of your PTA, consider the following:

- Has the membership approved the project?
- Have all contracts been received in writing? (Written agreements are preferable to oral agreements and less likely to misunderstand.)
- Are the terms and conditions of the contract understood? Have they been reviewed by legal counsel, if needed, and agreed to by the board/executive committee?
- Is the length of the contract limited to the term of the participating officers?

Contract Tip

Remember, if there is any question about the terms or conditions of the contract, the proper time to seek advice is **before** the contract is signed.

INCORPORATION

Corporation: A legal entity that exists separately from the individuals who organize, control and operate it. As a general rule, officers, directors and members are not personally liable for claims against the entity unless their individual actions are improper. A judgment against the corporation would be limited to the assets of the corporation and not extend to the assets of individual officers, directors and members.

Incorporation is one of the most important steps a PTA can take to protect its officers and volunteers from being personally liable or responsible for a PTA's debts or legal obligations. The existence of a corporation serves to establish protection for, and limit the liability of, the individual members of the PTA while performing PTA business.

Incorporating does nothing to change the liability of the PTA in the event of a lawsuit, but individual personal liability will be minimized.

- **Initial Incorporation:** Georgia PTA has streamlined the incorporation process for local unit PTAs. To become incorporated, a local unit should complete the Incorporation Request Form in this resource and submit it, along with a \$175.00 check, to Georgia PTA, which includes \$100.00 to the Secretary of State's office for the initial incorporation fee, \$45.00 for the publication notice and \$30.00 for the annual registration fee.
- **Annual Incorporation Renewal:** Once incorporated, in order to maintain your unit's incorporation, an annual registration renewal fee of \$30.00 must be paid each year to Georgia PTA, who submits it on your behalf to the Secretary of State's Office in March. Georgia PTA will send an invoice for the renewal fees to units in November of each year. It is the responsibility of the incorporated local unit to contact the state office if an invoice has not been received by the end of January. *A \$25.00 late fee will be assessed to your Annual Registration if payment is not filed with the Secretary of State office by April 1st.*
- **Administrative Dissolution:** When an entity (local PTA unit) fails to pay their annual renewal fee the Secretary of State may administratively dissolve that entity. An entity may apply to have an administrative dissolution rescinded and become reinstated. The fee associated with reinstatement is \$250.

FINANCIAL ACCOUNTABILITY

BOOKKEEPING PROCEDURES

Setting Up the Ledger (sometimes referred to as a “Cash Book”)

After the budget is approved, a ledger should be set up to record all PTA deposits and expenditures. The ledger should include a column for each line item in the budget. Approving the budget is the way the membership of the PTA approves unit spending. If there is no line item to support an expense check, the check should not be written. That is why it is very important to develop or amend the adopted budget for accurate accounting of the association's funds throughout the year.

There will be two sections in the ledger: *income and expenses*. The ledger can be kept either manually in a ledger book available from any office supply store, or on a computer bookkeeping or spreadsheet program. The computer helps because it does the math and can develop some reports automatically. It depends on what the treasurer is comfortable with and what equipment is available. In either case, the ledger is set up in the same manner. **(Note: If using a computer system for accounting, see procedures for computer-generated financial reports.)**

In the sample income ledger sheet, the first column is the date of the transaction and the next columns are the income categories. Please note that deposits may include income from more than one source. For example, on 9/10 the treasurer received funds from both the membership drive and T-shirt sale, and needs to make a “split” deposit entry. Both are deposited with the same deposit slip, but credited to the correct columns in the ledger and so noted on the deposit slip. A “total” column shows the total of the deposit. Keep a copy of each deposit slip, which can be matched with the ledger and checkbook register. Reminder: record on each deposit slip, the actual splits of each income account to which the funds are to be credited. Use the line items approved in the budget for this purpose.

SAMPLE LEDGERS

INCOME LEDGER										
Date	State & National Portion of Membership Dues		Local Dues		Donations		T-shirt Sales		TOTAL INCOME	
8/24	675	00	825	00					1500	00
8/28					75	50			75	50
9/10	225	00	275	00			5300	00	5800	00
9/20	390	00	473	00					863	00
9/30	(1290)	(00)							(1290)	(00)
PAGE TOTALS			1573	00	75	50	5300	00	6948	50

*Check Number 228 to Georgia PTA for state and national portion of membership dues $344 \times \$3.75 = \1290.00

EXPENSE LEDGER												
Date	Check #	Written to	Council Dues		T-shirt Sale		Insurance		Computers		TOTAL EXPENSES	
8/24	225	PTA Council	100	00							100	00
8/28	226	ABC Insurance Co.					218	00			218	00
9/10	227	T-Shirt Company			2800	00					2800	00
9/20	229	DEF School							500	00	500	00
PAGE TOTALS			100	00	2800	00	218	00	500	00	3618	00

COMPUTER-GENERATED FINANCIAL RECORDS

Guidelines for Computer Use

- Computer files must be stored to a backup external storage device which contains only PTA records at least monthly.
- Each report generated must show the title and time period covered.
- If an error is discovered after the report/file has been printed, correct it by a journal entry adding an explanation. (If printed copies have been distributed, corrected copies with an explanation must be distributed.)
- A hard copy of the computer register should be printed on a monthly basis and maintained in a bound book.
- Maintain a checkbook with the current balance at all times. If you are keeping a computer register, that is not necessary. If printing the checking by computer, you won't have a separate check register.
- In preparing the financial records for audit, the same procedures are followed as with records kept by hand. Printed ledgers, reports, deposit slips, bills, minutes and other records are submitted to the auditor establishing a clear "audit trail" of the financial transactions of the association.

To protect the PTA funds we track each PTA Income and Expense transaction by using Fund Verification and Check Request Forms. This ensures accurate and complete financial reporting. These forms must be supported with appropriate documentation: deposit slips, expense receipts and or bills, contracts, bank statements, treasurer reports, in accordance with a membership approved budget. See policy and forms section of this guide for sample forms.

CHECK REQUEST PROCEDURES

1. PTAs must use a general check request system for disbursement of funds.
2. The check request form must include: date of request, brief description of PTA approved activity, amount to be paid, receipts/invoices for activity, budget line items associated with request, and signature of the president authorizing payment. Note: Only original invoices should be approved for payment.
3. Two signatures are required on every check written: the treasurer's and president's. The secretary's signature serves as an emergency backup in lieu of the president or treasurer's signature. If the secretary is unable to serve as the emergency signer, then another officer can be considered.
4. On the check request form, enter the check number of the issued check, along with the treasurer's signature. This procedure is to be followed for each check written.

These records are kept meticulously and are available to assist and conduct the annual audit for the PTA.

GEORGIA PTA AND NATIONAL PTA DUES

Each unit forwards to Georgia PTA the portion of dues collected for state and national dues on a monthly basis using the "Dues Transmittal Form." Checks are made payable to Georgia PTA, which has the responsibility of forwarding National PTA's portion. According to IRS, these dues technically never belong to the local unit and should not be counted as income by the local PTA. The treasurer should work with the membership chair to correctly and promptly pay dues throughout the year. A copy of the Dues Transmittal form should be kept for the Treasurer's records.

Bank Reconciliations

Reconcile the monthly bank statement and compare with the check stub/register balance promptly to ensure that bank and financial records are correct. Identify differences, note outstanding checks and determine the adjusted bank balance at the end of the month. This establishes the funds available against which checks may be written.

After reconciliation, file all supporting receipts, details of deposits, copies of canceled checks in numerical order and duplicate deposit slips, with the statement.

Note: If your bank does not provide copies of your checks, please contact them and request they do. There may be a minimal charge.

On a monthly basis, the bank statements are to be reviewed, signed and dated by a PTA member who is not a signer on the accounts and is not related to an account signer by marriage or any other relationship.

THE PTA AUDIT

PTA Audit Objective

Purpose: To certify the accuracy of the books and records of the PTA. To assure the membership that the association's resources/funds are being managed in a business-like manner within the procedures established.

What is a PTA Audit?

Auditing involves following financial transactions through the records to be sure that receipts have been properly accounted for and expenditures made as authorized in the budget, as approved by the general membership, and in conformity with PTA bylaws and standing rules. The audit must review all accounts of the PTA.

Who May Conduct the Audit?

The board of directors selects an auditor or auditing committee of one or more no later than two weeks prior to the end of the school year. Individuals who are selected to serve on the audit committee should have an accounting or financial background and an unbiased, independent perspective of the books. An auditor or auditing committee member shall not be related to any signee on the checking account by marriage or any other relationship. (Bylaws: Article VII: The PTA Audit: Section 4.) The PTA president, treasurer or any signee may **not** be a member of the audit committee.

When Is an Audit Performed?

- On an annual basis at the end of each school year
- Upon resignation of the treasurer during the school year
- At any time deemed necessary
- When missing funds are suspected

The outgoing treasurer should deliver all of the items required in Schedule A of the Audit Form to the auditor at the end of the school year. These include:

- A copy of the last audit report
- The checkbook containing stubs of all checks written and cancelled checks (may be images on bank statements)
- Bank statements and deposit receipts
- Treasurer's book or ledgers
- The annual financial report
- All treasurer's reports
- All itemized statements and receipts of bills paid
- All Check Request and Fund Verification forms
- Adopted budget and any amendments that were approved by the membership during the year
- Current bylaws
- Copies of board, executive committee, and association minutes

The outgoing treasurer can no longer write checks after the end of the school year. The supply of unused checks and deposit tickets should be turned over to the new treasurer along with a copy of the following: check register, most recent bank statement and budget vs. actual receipts and disbursements. It is recommended that expenditures within an adopted budget be limited to those of an emergency nature until the audit is complete. Note: All previous contractual obligations and other PTA invoices constitute "emergency" PTA business.

The auditor/auditing committee report shall be in writing. If the auditing committee finds there are not adequate records or accounting procedures used, this information should be noted.

The audit report must be given to the association and officially adopted (a copy is provided to the secretary for the minutes.) A copy of the audit report must be provided to the Georgia PTA state office no later than the last business day of September using the PTA Audit forms.

Conducting The Audit

- Begin the audit with the first transaction posted after the last audit. Make sure the beginning balance agrees with the Balance on Hand per the last audit report.
- Make sure that each check written has proper substantiation, i.e. vendor invoice or check request and contains two signatures.

- Ascertain the date of fundraisers and verify deposits are made in a timely manner. Check to see that two people counted the cash and checks, with the treasurer being the third signer.
- Check all ledger entries back to the canceled checks and validated deposit tickets. Verify that income and expenses are allocated to the proper budget category and are within the approved budget.
- Verify that bank reconciliations are done monthly and check their accuracy.
- Check the accuracy of the math in the checkbook and ledgers if a manual system was used.
- Verify that financial reports presented to the membership and executive committees are accurate representations of the transactions recorded in the books.
- Check the accuracy of the annual report and verify that it will be retained as a part of the permanent file.
- Watch for checks with multiple handwriting (other than one of the signatures) or different inks. This would be an indication of blank checks being released.
- Checks should never be made payable to "Cash." Startup funds should be made payable to the person responsible for the cash until it is refunded.
- Make sure that the state and national portion of dues are not recorded as income to the unit, but kept separate or recorded as a liability. Verify that the amount sent to state office agrees with the membership roster and is submitted on a **monthly** basis to the state office.
- Make sure the appropriate 990 was filed accurately and on time to the IRS.
- Check the minutes of the general, board of directors, and executive committee meetings to verify the following:
 - The budget and all amendments were adopted by the general membership.
 - The general membership approved all fundraisers, whether through approval of the budget that includes them or through a special vote if added after the adoption of the budget.
 - Financial reports were presented at all general, board of directors, and executive committee meetings for all accounts.
 - Verify the executive committee approved all plans of work.
 - Verify a quorum was present at all executive and general meetings.

In the event a complete audit cannot be done due to the inadequacy or unavailability of the records, this finding must be reported to the membership. Steps to correct the situation should be recommended for adoption by the membership. In the event the validity of the audit report is questioned, the state PTA can be contacted for assistance.

Inaccuracies found during the audit, including suggestions for future record keeping and recommendations for follow-up contact should be recorded on the *PTA Audit/Financial Review Form*, which is included in this guide.

IMPORTANT: Any investigation by the auditor(s) must be kept confidential.

Audit Report

A member of the audit committee or auditor should make a report to the executive committee. The executive committee must make a report to the general membership at the first meeting held after the conclusion of the audit. The association should formally adopt the report at that time. "I move that the Audit Report be adopted." A vote is taken and the action recorded by the secretary in the minutes. Any PTA member may make a motion to adopt the audit. A copy of the annual financial report should be attached to the audit report and maintained permanently by the treasurer and placed in the minutes.

PTA Audit / Financial Review – DUE September 30

Local units and councils should scan and email the audit/financial review form to audit990@georgiapta.org or mail to Georgia PTA, 114 Baker St. NE, Atlanta, GA 30308-3366. Audits (all pages plus supporting documents) must be sent by the last business day in September as a criterion to be considered in good standing. Local units must also send a copy to their local council, if applicable, or to their district Director if there is no council.

Irregularities in the Records

If the audit committee finds irregularities in the records of the treasurer:

- Contact the treasurer to secure additional records or information.
- If the matter cannot be settled to the auditors' satisfaction, contact the unit president to work out what additional steps need to be taken.
- The unit president should request additional guidance from the council president (if the unit is in a council) or the district director (if the unit is not in a council).
- A council president may request assistance from the district director if the matter cannot be resolved at the council level.

PREVENTING THEFT, FRAUD AND EMBEZZLEMENT

Every local, council, district and state association should have a strong system of internal controls. Internal controls are not only for large organizations; there are steps small organizations can and should take to protect their assets as well. They may not have enough volunteers or employees to maintain strict delineation of duties, but internal controls are still possible. PTA's financial policies and procedures (as stated in bylaws and Georgia PTA Leadership Resource Guide) provide a high level of control and should be followed in every PTA. Without good internal controls, it could take months to become aware of a problem. Three action items for every leader upon taking office:

- Review National PTA's Fraud Prevention Checklist (pgs. 2-3) which is available online.
- Access the Preventing Theft in Your PTA e-learning course located on the [National PTA website](#). This course will teach you how to detect theft in your unit and what to do if you suspect it is happening.
- Review your PTA's internal controls. If you do not have any written procedures, ask your council for an example. Starting with basic PTA requirements as outlined in bylaws is a good start.

Internal Controls

Internal controls are a process designed to provide reasonable assurance regarding the reliability of financial reporting, the effectiveness and efficiency of your operations, and compliance with applicable laws and regulations.

Implementing proper internal controls provide assurance that:

- Fraud will be discovered on a timely basis
- Perpetrators will be identified
- A strong deterrent to improper activities is in place
- Loss will be covered by insurance – Many times, an insurance policy will not cover losses if written controls are not in place or if they are not followed.

PTA – Specific Warning Signs

- Treasurer's report delayed or non-existent
- Budget monitoring reports delayed (may be part of the treasurer's report)
- Delayed deposit of cash receipts
- Missing supporting documents
- Multiple corrections to the cash book
- Checks bouncing when there should be sufficient cash
- Lifestyle or behavior changes of staff or volunteers

Financial Red Flags

One of the most important things we do as PTA board members is conduct fundraisers so that we can provide educational support to our schools. With that comes the handling of money — often large sums of money. It is important to always stay aware of what is going on with your PTA funds and to catch any financial red flags. To protect your PTA, be aware of the following things:

- No treasurer's reports at executive board or association meetings;
- Reports are given orally with written information to be provided "later;"
- Treasurer's reports list only general categories without sufficient detail;

- Treasurer missed meetings;
- Audits not performed as scheduled;
- No one from unit attends any council/district meetings or workshops;
- Board members not turning in correct amount of money; accounting irregularities in their own fundraisers/activities;
- Inability of treasurer or chairman to say how much money the fundraiser made;
- A PTA mom offers to “do” the fundraiser with her own business;
- No monthly financial reports; no audits;
- Board unfamiliar with unit bylaws;
- Banks that do not return processed checks (or copies of such;)
- Unapproved meeting minutes;
- Unapproved budgets or yearly calendars;
- President (or other officer) not reviewing bank statements;
- School staff member as treasurer;
- School staff the greater percentage of the board;
- Demands from staff/principal for “gifts” to school;
- A treasurer who is disorganized and can't get reports ready for meetings;
- A president who writes the checks because the treasurer has no experience;
- Inquiry calls by concerned parents, teachers, or principal;
- Calls on the same matter from two different sources;
- Failure to provide a year-end audit on request;
- Providing skimpy or misleading information;
- Subsidizing memberships for anyone (students, etc.);
- Lack of or incomplete minutes, particularly in matters involving use of funds;
- PTA paying for aides or specialists one year and expecting/obligating next year's board to do the same;
- Getting involved in supporting petitions for more teacher hours, etc. Boards are not obligated to take either side of a dispute;
- Anxious principal who wants projects funded without going through the process set up by the PTA;
- Overbearing principal who wants the PTA to do what he/she wants regardless of the proper procedure;
- Fundraising project that will benefit a board member financially;
- Unit board not following financial procedure because they “never did before”; board that claims it “didn't know;”
- Only one person counting money;
- Only one person signing checks; only one person on bank signature card;
- Signing of blank checks; and
- Receipts not attached to Requests for Reimbursements

First Steps for Suspected Fraud or Theft

Local units should initially contact their council and district if fraud is suspected or reported. If after contacting their council and district, the local unit still has questions or concerns, they shall contact the Georgia PTA president or Georgia PTA treasurer. Normally this occurs when local unit officers see irregularities in the financial records. Please refer to the Prevention Checklist and Georgia PTA Leadership Resource Guide for details on how to protect your local unit against embezzlement.

The local unit obtains the books and records in order to conduct a complete and thorough audit. All records, funds, books and other materials pertaining to the position shall be relinquished to the president within three (3) days. The local unit, council and district will agree as to who will complete the audit. The auditor must be an unbiased, independent party, who has no potential conflict of interest. A copy of the audit should be submitted to the Georgia PTA president and treasurer who will review and advise the local unit, council and district officers as to findings and collaborate on next steps.

If the auditor confirms fraud, the local unit must act on the report. The entire board of directors must be informed and meet and agree on what action should be taken. All action taken by the board must be on the record (included in the minutes). Alleged theft or embezzlement must be pursued. The funds of the PTA belong to the membership, and as caretaker of those funds, the board is obligated to report the facts about any alleged wrongdoing to the members.

The principal and school district should be advised. However, this is PTA business and must be dealt with by the association. If the school system is also a victim, then coordination between the PTA and the school system shall be necessary.

It is very important to not make accusations. Any written correspondence should always be worded “alleged complaint or allegation”. Emails and texts can be subject to discovery, so use caution and prudence in writing.

Determine what other access to the funds the suspect has — online banking, checkbook, in-person withdrawals, etc. Notify the bank immediately. Consider removing the person from the bank account, changing the online banking password (which should be done at the beginning of every school year) or freezing the account while the investigation is ongoing. Gather facts, documents and ask questions.

Complete an *Allegation Form for Suspected Fraud*. A copy of this form will be sent to the alleged person.

Contact insurance company. AIM is the insurance company that most local unit PTAs in Georgia use. AIM does require a police report prior to reviewing a claim.

Once theft is confirmed, file an official report with the police department. Not pursuing action sets a precedent that may cause additional fraud later on or create an environment that does not deter fraud. Unreported fraud may cause loss of credibility and respect for the association among the members, community, partners and donors. Lastly, lack of prosecution may void insurance policies.

Fraud Allegation Form

Date: _____

Name of PTA/PTSA: _____ LU#: _____

Council: _____ District: _____

PTA/PTSA Address: _____

City: _____ State: Georgia ZIP: _____

Bank & Account Number: _____

Insurance Co: _____ Phone Number: _____

Please check all the records provided and/or used:

- | | | |
|--|--|--|
| <input type="checkbox"/> Background Check, (if applicable) | <input type="checkbox"/> Bank Signature Card | <input type="checkbox"/> Online Banking Access |
| <input type="checkbox"/> Copy of Audit | <input type="checkbox"/> Debit card | <input type="checkbox"/> Fund Verification Forms |
| <input type="checkbox"/> LU Officer Information | <input type="checkbox"/> Budget | <input type="checkbox"/> Check Request Forms |
| <input type="checkbox"/> Treasurer’s Report | <input type="checkbox"/> Insurance purchased | <input type="checkbox"/> Checkbook |
| <input type="checkbox"/> Fundraiser contract | <input type="checkbox"/> Fundraiser Invoices | <input type="checkbox"/> Calendar of Events |

Date of Discovery: _____ Amount of Financial Discrepancy: \$ _____

Complainant: _____ Position: _____

Email: _____ Phone Number: _____

Provide details of financial discrepancy and how it was discovered:

Proof of Discrepancy (Please attach copies)

Recommendation:

Interviewer’s Name: _____ **Signature:** _____

For Council/District Use Only:

Police Report #: _____ Georgia PTA notified: _____ Freeze Account: _____

FAQ: TREASURER

1. **When should we change signers on the PTA banks accounts?** Go to the bank with at least two outgoing signers as soon as the school year ends and whenever one of your account signers is no longer serving as one of your officers. Bring a signed copy of the minutes from the election meeting with you.
2. **Can PTA members be required to make financial contributions to the PTA?** PTA members cannot be assessed any additional payment or fee aside from membership dues, unless the bylaws so provide. Participation in fundraising events must always be optional. Repeated solicitations can be tiresome and embarrassing. Rewards to individual students on the basis of a parent's financial ability to contribute to the PTA are inappropriate. Volunteer contributions of time, expertise, and investments of human assets are treasured above all else.
3. **Under what circumstances could a PTA provide financial aid for a public responsibility?** PTAs cannot offer long-term financial support of school programs or personnel, due in part to the annual nature of the PTA budget. In emergencies, and with the approval of its membership, a PTA may provide for the pressing needs of children and youth while working to alert the public to its obligations. On occasion, a PTA may initiate and operate a much-needed service for a limited time in order to alert the appropriate public agency to its necessity. As volunteer associations, PTAs *should not* pay or subsidize the salaries of public employees, either directly or indirectly.
4. **What types of advocacy efforts can PTAs pursue?** Much of the legislation, programs and policies protecting the health, education and well-being of children are the results of PTA efforts. PTAs may propose, support or oppose legislation, programs and policies needed to achieve the PTA Purposes, provided that these efforts qualify as "lobbying" under the Internal Revenue Code. That means that they do not use more than 5 percent of the association's annual resources. Analyzing and sharing information about legislation and communicating with legislative or other policy-making bodies about decisions that affect the PTA are not lobbying activities. Partisan political activity, defined as participating or intervening in any local, state or federal campaign, as representative of PTA, for an elected political office, is absolutely forbidden. PTAs advocate on behalf of issues, not individuals.
5. **Do the fiscal year, budget year, and officer year need to coincide?** No. Everyone tries to make the fiscal year, audit year, term of office and budget year, all coincide. The truth of the matter is that they all may not be the same. The checkbook is not tied to a fiscal year or officers' year. The audit doesn't have to coincide with the fiscal year. It coincides with the end of the school year. The treasurer's term of office ends at the close of the school year, as does the term of the other officers. If officers' terms of office are for more than one year, the *annual* audit must still be completed at the end of each school year. At that time the books are closed for audit, the signature cards changed at the bank, and any bills that need to be paid are paid by the new officers under the approved budget. It is important to remember that the bills are the bills of the association, not of a specific set of "officers."
6. **What is corporate sponsorship?** Sponsorship is simply the donation of money, goods or services by a business to a PTA in return for a public acknowledgement of that donation. For example, a company donates money to the PTA to pay for a Parent Involvement Guide. On the back of the book, the PTA prints the company's name as the sponsor.
7. **Where do I find the budget and financial records?** The President and the incoming treasurer should obtain the budget and financial records from the outgoing treasurer. Review those records with your officers and make note of the things that must be done to start the coming school year.
8. **What is a budget?** The budget is an outline of estimated income and expenses for a 12-month period. It should be based upon the local PTA's plan of work for that 12-month period. The budget does not end at the end of the school year, nor upon the election of new officers, but runs until the next budget is adopted, usually at the first general meeting of the year.

9. **Who prepares the budget?** A budget committee is appointed, and it prepares the budget. It is composed of the treasurer (who usually serves as chair), the president (past and present, if possible), and committee chairpersons responsible for sources of funds or revenue, as well as other interested board members (especially those with experience in financial matters).
10. **Is attending training and convention a “legitimate” PTA expense?** YES! Attending training is an appropriate PTA budget expense. Verify that your budget allocates sufficient funds for members to attend these important events (e.g., Convention Leadership Training, PTA Day at the Capitol) during the year. Expenses include registration and lodging.
11. **How and when is the budget adopted?** A new budget is adopted annually at the first general meeting of the school year. The treasurer presents the budget to the board and executive committee for consideration. It must be presented to the PTA membership for approval at the first general meeting of the year. It generally is not necessary to have the budget approved before the end of school in May/June. A majority vote of the members present is required for adoption.
12. **How are changes made in the budget?** Since the budget is only an estimate of the planned expenditures for the year, it may be necessary to amend it during the year. Amendments require a vote of the members at any regular meeting or at a special meeting called for that purpose. To amend something previously adopted requires prior notice and a majority vote, or a two-thirds vote without prior notice.
13. **How much money do we need to run our PTA?** It is the responsibility of your PTA to raise the amount of money needed to meet its proposed budget. The PTA is an educational organization, not a fundraising organization. Choose wisely the fundraising activities that best meet your PTA's needs. Start by identifying what programs and projects in your plans of work need to be funded. Don't raise money first and then decide how to spend it.
14. **Is it ever okay for PTAs to pay salaries of school personnel?** No. This is a school system responsibility under all circumstances.
15. **Who can audit the books?** Your unit does not have to hire a CPA to do the audit and generally speaking should not have to pay for an audit. It should be performed by an individual auditor, or a committee of no fewer than three people (Bylaws Article VIII). They can be PTA members from another school or someone in the community familiar with bookkeeping. The key is to have an independent review of the books conducted by people who are familiar with proper PTA financial management. Under no circumstances can an auditor be one of the signers on the bank accounts, or related to one of the signers. You may contact your council, district or the state office for further guidance.
16. **Can our PTA have a debit card or use online banking?** NO. *The use of a debit card and/or online banking does not follow the procedures* as outlined in the bylaws and Guides of the Georgia PTA for payments or receipt of funds. *All payments are to be made by check with two signatures.* These procedures cannot be followed with either debit cards or online payments. And since your bonding insurance is based on your following the proper financial procedures, your bonding insurance would not cover any losses incurred through use of either a debit card or online banking.
17. **What do we do with unspent funds when school ends? Do we have to turn them over to the principal?** All funds can only be spent as approved in the budget. If they are not spent, then they should be carried over to the following year's budget. The officers cannot just decide how to spend or use up funds at the end of the school year. Also, you should never turn PTA funds over to the school.
18. **Is there a limit on the amount of funds that can be carried over from year to year?** There is no limitation on amounts carried over from year to year; however, it is recommended that you limit fundraising to levels required for budgeted expenses to avoid substantial carry-over amounts.

19. **What does the PTA do for money during the summer?** The budget that is in place for that time period will dictate what is approved and what can be paid. If expenses fall under an approved line item in the budget, they should be paid or reimbursed. If they are not covered by the budget, then they cannot be paid or reimbursed. New officers are responsible for making such decisions during the summer relative to the budget in place at that time. Only new officers may sign checks after the end of the school year.
20. **Can the outgoing officers commit how funds will be spent in the next budget year?** No. A new budget is approved every 12 months based on the recommendations of the budget committee. Future boards are not obligated to use funds as designated by the previous administration.
21. **Can the principal tell the PTA how to spend the PTA's funds or what fundraisers to do?** No. Only the PTA membership decides how PTA funds will be raised and spent.
22. **With the reduction in the state's funding for education and local school system budget challenges, shouldn't PTA offer to fill the gaps ... by buying books, desks, equipment and even paying salaries?** No. More now than ever PTAs need to advocate securing adequate funding for education and for all children. PTA is not there to buy the basics, nor create inequities from one school to another.
23. **Why should our PTA be incorporated?** By incorporating a PTA legally insulates or protects its officers and volunteers from being personally liable or responsible for a PTA's debts or obligations. All PTAs are strongly encouraged to incorporate.
24. **Does our PTA need insurance, and if so, what kind?** YES. Georgia PTA strongly encourages each PTA to have fidelity bonding insurance to cover all individuals handling funds and PTA assets. General liability coverage is also recommended to protect PTA members in case they are held legally liable for bodily injury or property damage resulting from a covered event (for example, if someone gets hurt at your fall festival and sues). Similarly, directors' and officers' insurance provides protection if an officer/director is sued for failure, or alleged failure, to live up to their responsibilities and duties assumed in their PTA position. Property insurance covers fixed assets, inventory, and other property owned by a PTA, such as a storage unit, its fundraiser orders pending delivery, etc. During the summer, Georgia PTA will send information to you about available insurance policies.
25. **Whose responsibility is it to file appropriate IRS forms?** According to the local unit PTA bylaws, the active or current treasurer is required to prepare IRS forms. These forms are generally due five months and 15 days after the end of your fiscal year. Check your bylaws for the exact dates of your fiscal year.
26. **Can our PTA do raffles or play Bingo?** PTAs interested in conducting a raffle must check with the local school administration to ensure such an activity does not violate any existing policies or rules. The PTA must apply for a license with the **sheriff of the county where the PTA is located**. The PTA must also verify, with state and local authorities, the number of raffles an association may hold on an annual basis.
27. PTAs interested in conducting Bingo may do Recreational Bingo, a.k.a. Free Bingo, as many times per year as they wish. Recreational Bingo is defined as a Bingo game for which your PTA does not charge participants to play and does not award cash prizes, nor prizes worth more than \$15 per game. **No license is required**

- .
28. If your PTA is interested in holding an annual **Bingo fundraiser where participants will be charged to play, the PTA may apply for a one time per year Bingo permit through the Georgia Bureau of Investigations (GBI)**. This permit will only be issued once per school or PTA and only once per calendar year! Your PTA must apply for the permit by letter on school letterhead signed by the principal and PTA president. The permit must be posted in the location where you hold the bingo. The GBI will send you instructions along with your one-time permit. Allow at least two weeks to receive the permit.
- Keep in mind the three P's: *Pay – Play – Prizes*. If you Pay to Play for Prizes, the GBI considers it gambling and therefore illegal, so be sure that you follow the proper procedures!
 - Copies of the current version of bingo related forms, rules and other related documents are now available on the GBI's webpage <http://gbi.georgia.gov>. Click your mouse on Services, then click on BINGO, and then on Forms and Regulations. Phone: 404-244-2600. Fax: 404-270-8529.
29. **How soon may we file our IRS 990N postcard?** The 990N can be filed immediately after the close of your fiscal year and must be filed no later than the fifteenth day of the 5th month, following the close of the fiscal year (e.g. Fiscal year ends June 30th the 990N must be filed by November 15th).

PTA AUDIT / FINANCIAL REVIEW FORM (PAGE 1 OF 3)



Purpose: To remain in compliance with the bylaws, be in good standing and to verify funds raised and spent by the unit.

Instructions:

1. The Board of Directors must select an auditor or auditing committee no later than two weeks prior to the end of the school year. Refer to Bylaws, Article VII, Section 4.
2. The treasurer shall submit to the auditor(s) all financial records and forms listed below.
3. Local units and councils should scan and email the audit/financial review form to audit990@georgiapta.org or mail to Georgia PTA, 114 Baker St. NE, Atlanta, GA 30308-3366. Audits must be sent in by the last business day in September. You must also send a copy to your local council, if applicable, or to your district Director if there is no council.

Date		PTA Local Unit ID#	
District	Council	PTA Name	
Contact Person		PTA Position	
Address			City
State	Zip	Email	
Cell Phone		Home Phone	

Auditor/Auditing Committee: Please complete all sections.

Year 20____ - 20____

PTA, please mark PTA boxes in Section A for documents you are providing.

Section A: Please check all Financial records provided

PTA	Auditor

- Checkbook register (a listing of all checks)
- All bank statements
- All funds verification forms and deposit slips
- All check request forms with receipts/bills attached
- All treasurer's reports
- Adopted budget and approved amendments
- Copies of all minutes (board, executive and general)
- Copy of local unit bylaws

PTA	Auditor

- General ledger report (list of all receipts/disbursements)
- The annual financial report (profit and loss statement)
- Cancelled checks or bank images from bank statement
- Copy of insurance
- All treasurer's reports
- Itemized statements and receipts of bills paid
- Copy of last year's audit report and 990 or 990N
- Copy of the final bank statement for the last audit period

Section B: To be completed by the Auditor ONLY

Y N

- a. Does the amount shown on the first bank statement (adjusted for outstanding checks and deposits) correspond to the starting balance recorded in the checkbook register, ledger, treasurer's reports and ending balance of the last audit?
- b. Were the bank statements reconciled monthly by the treasurer and signed by the president and another person not authorized to sign checks or related to the signers?
- c. Did all the checks written contain two (2) signatures? President, treasurer or one another elected officer?
- d. Were all checks properly recorded in the checkbook register, ledger or treasurer's reports?
- e. Were all bank charges and interest recorded in the checkbook register, ledger and treasurer's reports?
- f. Did the PTA purchase insurance?
- g. Were all authorizations approved by the president or their designee and contain receipts?
- h. Did the PTA make payments by a PTA credit or debit card?
- i. Did the PTA use the Funds Verification Forms?
- j. Were all funds received counted by two persons with the treasurer being the third counter?
- k. Did the funds received match the deposits recorded in the checkbook register, ledger and treasurer's reports?
- l. If the PTA accepts payment by credit/debit cards (e.g. PayPal) are those funds reconciled and posted in the register?
- m. Did you receive a copy of the approved/amended budget?
- n. Was the income spent according to the approved/amended budget?
- o. Did the general meeting minutes contain budget approval?
- p. Did the general meeting minutes include all budget amendments?
- q. Did the general meeting minutes include the audit report approval?
- r. Do the membership numbers match? _____ # of memberships collected? _____ # of membership dues submitted to the state?

Please contact and return the completed audit to the new incoming treasurer. The outgoing treasurer needs to sign the audit form before handing over to the auditor/audit committee.

Outgoing Treasurer's Signature _____ Date _____

Outgoing Treasurer's Daytime Phone _____ Email _____

Incoming Treasurer's Name _____ Daytime Phone _____ Email _____

PTA AUDIT/FINANCIAL REVIEW FORM (PAGE 2 of 3)



Year 20____ - 20_____

Date_____

PTA Name_____ PTA LU ID #_____

Council_____ District_____

Dates covered by this audit/financial review from:_____ to: _____

1. Balance on Hand (From Date of Last Audit)..... \$ _____

2. Receipts (From last audit to date of audit)..... \$ _____

3. Total Cash (add 1 and 2 together)..... \$ _____

4. Disbursements (From last audit to date of audit)..... \$ _____

5. Balance on Hand (Date of Audit, subtract line 4 from line 3)..... \$ _____

6. Bank Statement Balance as of _____ (date) \$ _____

7. Checks Outstanding (List check number and amount)

<i>Check #</i>	<i>Amount</i>	<i>Check #</i>	<i>Amount</i>
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____

8. Total Outstanding Checks..... \$ _____

9. Balance in Checking Account (Subtract line 8 from line 6)..... \$ _____

Note: Amounts on line 5 and 9 should be the same.

Only one line can be checked, if there are any findings (even minor) line 2 must be checked:

1. _____ I (We) have audited the books and find them to be correct.
2. _____ I (We) have audited the books and found the following problems and/or make these suggestions.
Problems/suggestions must be noted on page 3 of the audit form.
3. _____ I (We) have audited the books and found significant problems that must be reported to the district PTA immediately for assistance. Please document finding on page 3 of the audit form.

Auditor/Reviewer Signature Auditor/Reviewer Signature Auditor/Reviewer Signature

Auditor/Reviewer Printed Name Auditor/Reviewer Printed Name Auditor/Reviewer Printed Name

Auditor/Reviewer Phone Number Auditor/Reviewer Phone Number Auditor/Reviewer Phone Number

Outgoing President's Signature (mandatory) Outgoing Treasurer's Signature (mandatory) Date

The auditor/auditing committee report must be in writing and submitted with the audit. If the auditor/committee finds there are not adequate records or inappropriate accounting procedures used, this information should be noted.

Note: A copy of the Financial Review/Audit must be submitted to Georgia PTA by the last business day in September. Once the appropriate 990 is filed with the IRS, please submit the IRS filing verification form and appropriate documents to Georgia PTA.

PTA AUDIT/FINANCIAL REVIEW FORM (PAGE 3 of 3)



Year 20_____ - 20_____

Date_____

PTA Name_____ LU ID # _____

Council_____ District _____

This page must be completed if any of the following occur:

- Any of the required documents from section A are not provided.
- Any of the boxes in section B are marked with a no.
“Exception: letter h. Did the PTA make payments by a PTA credit or debit card? Should be no, if yes, it must be noted.”
- If line 2 or 3 are marked on page 2.

IRS 990 FILING VERIFICATION



Purpose: To remain in compliance with the IRS and in good standing with Georgia PTA.

Instructions:

1. **IRS 990 filing is done at the end of the fiscal year as indicated in your bylaws. 990 returns must be mailed or e-filed no later than the 15th day of the fifth month after the end of the fiscal year.** *Example: If your Fiscal Year is July 1- June 30, the 990 is due November 15.*
2. **Submit completed form and attachment as described below within 10 days of filing date to audit990@georgiapta.org.** If you must mail, send to Georgia PTA, 114 Baker Street, NE, Atlanta, GA 30308-3366.
3. **If a paper copy is filed, copy page 1 of the return and attach to this form.** The original should be sent registered mail to IRS service center, a complete copy to Georgia Department of Revenue, and a complete copy should be kept with PTA permanent records.

State copy mailing address:
Georgia Department of Revenue
P.O. Box 740395
Atlanta, GA 30374-0395

Federal copy mailing address:
Internal Revenue Service Center
Ogden, UT 84201-0027

- **If the 990 is filed electronically**, print 3 copies of the e-filing receipt. Keep one for your PTA permanent records, **send one copy to Georgia Department of Revenue**, and attach one to this form.

Local Unit ID# _____ Council _____ District _____

Local Unit Name _____

Local Unit Fiscal Year End Date per Bylaws _____ EIN # _____

IRS 990N was accepted date _____ IRS 990 EZ: Mail Date _____

Submitted by _____ Date _____

PTA Position _____ Email _____

- **990-N - Electronic Postcard Return of Organization Exempt from Income Tax**
Organizations with gross receipts between \$0 and \$50,000 must file form [990-N](#), also known as the e-postcard. 990-N filers are required to complete a short, one-time registration before submitting their electronic form to IRS.gov.
- **990EZ - Short Return of Organization Exempt from Income Tax**
Organizations with gross receipts between \$50,000 and \$200,000 and assets less than \$500,000 must file form 990EZ.
- If a PTA makes more than \$1,000 in unrelated business income, it must file a Form 990-T.
- If a PTA has changed the fiscal year in the bylaws or changed its name, Form 1128 must be filed.
- If a PTA wishes to request an extension of time to file Form 990 or 990-EZ, it should complete and file Form 8868 with the IRS before the deadline determined by the close of the PTA's fiscal year. For more information, visit www.irs.gov/charities.

CHECK REQUEST FORM



REQUESTER FILLS IN THIS SECTION

Date of request _____

Person requesting _____

Requester's phone number _____ email _____

Make check payable to _____

Amount of check \$ _____

Purpose _____

Signature of requester _____

Note: If item has already been purchased, please attach receipt(s) to this form. Otherwise, provide receipt(s) as soon as possible after purchase. Approval must be obtained on all purchases. Failure to obtain approval may result in purchaser having to incur the expenses. Signature of the PTA president is required before treasurer will issue check.

Approval _____ Date _____

FOR TREASURER'S USE ONLY	
Date issued _____	Check number _____
Charged to what budget item _____	
Comments _____	

Treasurer's signature _____	

FUNDS VERIFICATION FORM



Date _____ Activity _____

Chairperson _____ Budget category _____

Petty cash must be accounted for separately on its own form.

Section 1: Use this section if you are collecting money only by cash/checks. After funds are deposited in the bank by the treasurer, a copy of the deposit slip must be attached to this form.

Coins	_____	X	.01	=	_____
	_____	X	.05	=	_____
	_____	X	.10	=	_____
	_____	X	.25	=	_____
	_____	X	.50	=	_____
	_____	X	1.00	=	_____

Total 1 \$ _____

Currency	_____	X	\$1.00	=	_____
	_____	X	\$5.00	=	_____
	_____	X	\$10.00	=	_____
	_____	X	\$20.00	=	_____
	_____	X	\$50.00	=	_____
	_____	X	\$100.00	=	_____

Total 2 \$ _____

Checks How many? _____ (Itemized list on back page) **Total 3 \$** _____

Grand Total (Total 1 + Total 2 + Total 3) \$ _____

Section 2: Use this section if you are collecting money by credit card. Transaction report must be attached.

Credit Card Gross (all money collected) 1 _____

Credit Card Processing Fees 2 _____

Credit Card Net (should be what is deposited in the bank) **Grand Total (1 minus 2)** _____

For Membership dues submission, please complete this box.

_____ members @ \$ _____ (dues amount) = \$ _____ + donations \$ _____ + other \$ _____ - fees \$ _____ = \$ _____

Please note: This total should match one of the Grand Total boxes above.

Verification: (signature of the two counters – cannot be related and cannot be the treasurer)

By signing this form, you are certifying that these funds were received and properly accounted for.

Signature _____ Signature _____

For Treasurer's Use Only

Amount received: \$ _____ Date received: _____ Date deposited: _____ (must be same day or within 24 hours)

Treasurer's Signature _____ Date _____

Note: After the treasurer verifies and deposits funds, he or she should provide a copy of the deposit slip to the person who submitted the funds.

#	Check Number	Name	Amount	#	Check Number	Name	Amount
1				31			
2				32			
3				33			
4				34			
5				35			
6				36			
7				37			
8				38			
9				39			
10				40			
11				41			
12				42			
13				43			
14				44			
15				45			
16				46			
17				47			
18				48			
19				49			
20				50			
21				51			
22				52			
23				53			
24				54			
25				55			
26				56			
27				57			
28				58			
29				59			
30				60			

Total number of checks: _____ **Total \$ Amount of checks:** _____

ANY SCHOOL PTA/PTSA

SAMPLE PROPOSED BUDGET**BUDGET YEAR AUGUST 20__ TO AUGUST 20__**

Anticipated Revenue Based on 800 members @ \$2.50 each (local unit portion only)

Balance forward from July 1 (Carry Over Funds) \$570.00**RECEIPTS**

Checking Account Interest	\$25.00
Membership Dues (800 @ \$2.50)	2,000.00
Fund Raising Projects	
Fall Festival	3,000.00
Family Night Dinner	2,500.00
T-shirts	1,500.00
Wrapping Paper Sales	<u>7,000.00</u>

Total Projected Receipts \$16,025.00**TOTAL \$16,595.00****EXPENSES**

Accounting Fees (Audit, IRS forms, etc.)	\$300.00
Appreciation	
Faculty & Staff Appreciation	400.00
Volunteers	300.00
Arts in Education/Reflections	500.00
Bonding, Liability, Property Insurance	450.00
Council Dues	50.00
Council Scholarship Donation	100.00
Conventions/Leadership Training (State and National, PTA Day at Capitol, etc.)	2,500.00
Donations to Georgia PTA (Arts in Education, Memorial Fund, Centennial Celebration)	200.00
Fall Festival Expenses	1,050.00
Family Night Dinner Expenses	550.00
Hospitality	400.00
Incorporation Renewal Fee	50.00
Juvenile Protection	400.00
Membership Campaign	150.00
Miscellaneous Expense	200.00
Newsletter and Publicity	300.00
Officers' Expenses (telephone, tolls, travel, etc.)	200.00
Postage	150.00
Programs	600.00
Scholarship	500.00
Supplies	200.00
Wrapping Paper	<u>3,150.00</u>

Total Projected Expenses \$12,700.00**Start Up For Fiscal Year Beginning July 1 3,895.00****TOTAL \$16,595.00**

Adopted by the Association (Date): _____

ANY SCHOOL PTA/PTSA
SAMPLE TREASURER'S REPORT

February 20 _____

BALANCE ON HAND: 1/31/20_____ \$2,780.01

INCOME	Monthly	YTD	Budget	Variance
Local Membership Dues (@ \$2.75)	300.00	1,100.00	962.50	137.50
Investment (CD @ Bank on \$2,500)	8.33	83.33	100.00	(16.67)
Donations from PTA parents	1,000.00	1,000.00	---	1,000.00
Fundraising Projects				
Carnival	50.00	1,700.00	1,500.00	200.00
Book Sale	100.00	456.14	600.00	(143.86)
TOTAL INCOME:	\$1,458.33	\$4,339.47	\$3,162.50	\$1,176.97
EXPENSES.				
Administration				
Supplies	25.00	155.00	200.00	45.00
Past Presidents Pin	25.00	25.00	50.00	25.00
Printing	0.00	100.00	100.00	---
Mailing Permit Postage	15.00	700.00	750.00	50.00
Liability Insurance	25.00	125.00	300.00	175.00
Bonding Insurance	25.00	75.00	150.00	75.00
Leadership Education				
District/Council Conferences	10.00	30.00	60.00	30.00
State Convention Leadership	0.00	245.00	300.00	55.00
Publications/Brochures	40.00	110.00	200.00	90.00
Committees				
Membership	20.00	130.00	225.00	95.00
Programs	20.00	176.18	200.00	23.82
Volunteer Recognition				
Awards (3)	0.00	0.00	50.00	50.00
Special Appreciation Awards	0.00	0.00	50.00	50.00
Projects				
Carnival	0.00	251.63	300.00	48.37
Book Sale	0.00	125.00	200.00	75.00
Reflections	0.00	185.00	245.00	60.00
Parent Education	0.00	356.00	200.00	(156.00)
Student Enrichment Grants	0.00	275.00	300.00	25.00
Self-Esteem Program	0.00	179.00	190.00	11.00
Reading Scholarships	0.00	185.00	200.00	15.00
TOTAL EXPENSES:	\$205.00	\$3,427.81	\$4,270.00	\$842.19

BALANCE ON HAND: 2/18/20_____ \$4,033.34

Receipts not belonging to unit – State and National Dues (350 @ \$3.75)	\$1,312.50
Disbursement of funds not belonging to unit – State and National Dues (300 @ \$3.75)	<u>1,125.00</u>
Balance due to state PTA office	\$187.50

Submitted by: Treasurer

ANY SCHOOL PTA/PTSA

SAMPLE ANNUAL FINANCIAL REPORT**BUDGET YEAR AUGUST 20__ TO AUGUST 20__**

Balance Forward July 1		\$ 550.00
YTD ACTUAL RECEIPTS		
Checking Account Interest	\$ 19.27	
Membership Dues (916 @ \$2.50)	2,290.00	
Fund Raising Projects		
Fall Festival	\$3,875.50	
Family Night Dinner	2,100.00	
Wrapping Paper Sales	<u>7,350.00</u>	
Total Fund Raising Receipts	\$13,325.50	
Total 20 - 20 Unit Receipts		<u>\$15,634.77</u>
TOTAL RECEIPTS		\$16,184.77
YTD ACTUAL EXPENSES		
Arts In Education/Reflections	\$ 410.00	
Audit Expense	100.00	
Bonding/Liability Insurance	359.00	
Conferences/Conventions (State, National, District, Council)	1,785.00	
Council Dues	25.00	
Council Scholarship Donation	100.00	
Faculty & Staff Appreciation	376.52	
Fall Festival Expenses	1,025.33	
Family Night Dinner Expenses	439.21	
Hospitality	250.00	
Juvenile Protection	505.00	
Membership Campaign	149.00	
Miscellaneous Expense	75.00	
Newsletter and Publicity	297.33	
Officers' Expense	103.49	
Postage	75.00	
Programs	1,000.00	
Scholarship	500.00	
Supplies	187.03	
Volunteers In Education	276.49	
Wrapping Paper Expenses	<u>3,319.50</u>	
Total 20 - 20 Unit Expenses	\$11,357.90	
Grant to School/Computer Software, Science Equipment, Library Books	<u>3,000.00</u>	
TOTAL 20 - 20 EXPENSES		<u>\$14,357.90</u>
Start Up For Fiscal Year Beginning July 1, 20__		\$ 1,826.87
RECEIPTS NOT BELONGING TO UNIT		
State and National PTA Dues (916 @ \$3.75)		\$ 3,435.00
DISBURSEMENT OF FUNDS NOT BELONGING TO UNIT		
State and National PTA Dues (916 @ \$3.75)		<u>\$ 3,435.00</u>
Balance Due to State PTA office		\$ 0.00

Submitted by: 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, but see exception)	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 & leases (expired)	7 years
Contracts & 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 the PTA	Permanently
Financial statements (year-end) & budgets	10 years
Grant award letters of agreement	10 years
Insurance records, accident reports, claims, policies, certificates	Permanently
Inventories (products & materials)	7 years
Invoice.....	7 years
Journals	Permanently
Minute books of directors & committees	Permanently
PTA charter	Permanently
Petty cash vouchers	3 years
Purchase orders.....	7 years
Record retention policy	Permanently
Sales records	7 years
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)	
Form 990N/990EZ and Schedule A, as filed with IRS	
State tax information returns, as filed	
Form 990T, if applicable, for unrelated business income	
Correspondence with IRS	
Other information returns filed with the government	
Charitable Solicitation Registration, if applicable	
Trademark registrations.....	Permanently
Vouchers for payments to vendors, officers, etc. (includes allowances & reimbursements to officers, members, etc., for travel & other expenses)	7 years

DONATIONS TRANSMITTAL FORM



Purpose:

Use this form to send donations from the Local Unit PTA to the State PTA office.

Instructions:

- Make copies of this form as needed.
- Fill in the information requested below. Please print.
- Write one check (or money order) for all forms submitted at the same time.
- Remember, your PTA check must have two signatures.
- Submit this form along with payment. Keep a copy of this form for your records.
- **Make checks payable and mail to Georgia PTA, 114 Baker Street, NE, Atlanta, GA 30308-3366.**

Date		PTA Local Unit ID#	
District	Council	PTA Name (No abbreviations)	
Contact Person		PTA Position	
Address			
City		State	Zip
Cell Phone		Home Phone	
Email			

Endowment Fund Donations

\$	Alice McLellan Birney Endowment Fund Donation	The annual interest from this fund supplements Georgia PTA's operating budget.
\$	Memorial Fund (\$25.00 minimum donation)	In Memory of:
		Send Certificate to:
		Address:

Other Donations

\$	Georgia PTA Scholarship Fund (\$25.00 donation suggested)	Your donations provide the sole funding for the scholarships awarded to graduating seniors.
\$	Founders Day Donations	Your donations further the work of the PTA.
\$	Reflections (\$15.00 donation suggested)	Your donations provide the sole funding for student awards given to state level Reflections winners.
\$	Donations to help other units attend training offered by Georgia PTA	Your donations provide grants for local unit or council PTAs in need to attend Convention Leadership Training.

\$ _____ Total Donations (Please submit only one check.)

Signature of President or Treasurer: _____

FOR OFFICE USE ONLY:	
Amount Received \$ _____	Date Received _____
<input type="checkbox"/> Check/Money Order # _____	<input type="checkbox"/> Cash

DUES TRANSMITTAL FORM



Purpose:

Use this form to send membership dues from the Local Unit PTA to Georgia PTA.

Instructions:

- Make copies of this form as needed.
- Fill in the information requested below.
- Calculate amount of dues at \$3.75 per member per annum.
- Dues should be submitted on a monthly basis, unless no dues are collected.
- Write one check (or money order) for all forms submitted at the same time.
- Remember, your PTA check must have two signatures.
- If you have achieved 100% Membership, you must also submit the Membership Awards Form.
- Submit this form along with payment. Keep a copy of this form for your records.
- **Make checks payable and mail to Georgia PTA, 114 Baker Street, NE, Atlanta, GA 30308-3366.**

Date		PTA Local Unit ID#	
District	Council	PTA Name (No abbreviations)	
Contact Person		PTA Position	
Address			
City		State	Zip
Cell Phone		Home Phone	
Email			
<input type="checkbox"/> Check here if you wish to receive email notification that dues payment was received.			

DUES CALCULATION

Total dues are \$3.75 per member per annum (\$1.50 for state, \$2.25 for national).

Number of members _____ at \$3.75 each = \$ _____

This payment represents dues collected for new members for the following month:

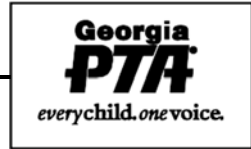
- | | | | | |
|-------------------------------|-------------------------------|------------------------------|------------------------------|------------------------------|
| <input type="checkbox"/> Aug | <input type="checkbox"/> Sep | <input type="checkbox"/> Oct | <input type="checkbox"/> Nov | <input type="checkbox"/> Dec |
| <input type="checkbox"/> Jan | <input type="checkbox"/> Feb | <input type="checkbox"/> Mar | <input type="checkbox"/> Apr | <input type="checkbox"/> May |
| <input type="checkbox"/> June | <input type="checkbox"/> July | | | |

*Note: If no dues are collected during a month, it is **NOT** necessary to submit this form.*

Signature of President or Treasurer: _____

FOR OFFICE USE ONLY:	
Amount Received \$ _____	Date Received _____
<input type="checkbox"/> Check/Money Order # _____	<input type="checkbox"/> Cash

INCORPORATION REQUEST FORM



Purpose:

Use this form to request that Georgia PTA incorporate your local unit PTA.

Instructions:

- Fill in the information requested below. Please print.
- Attach a check in the amount of \$175.00 to this form. Georgia PTA will forward \$100.00 to the Secretary of State’s office for the initial incorporation fee, \$45.00 for the publication notice and \$30.00 for the annual registration fee.
- Georgia PTA will bill your local unit annually in the fall for the \$30.00 renewal fee.
- Refer to the *Financial Management* section of this resource for more information on incorporation.
- **Make checks payable and mail to Georgia PTA, 114 Baker Street, NE, Atlanta, GA 30308-3366.**

Date		PTA Local Unit ID#	
District	Council	PTA Name (No abbreviations)	
Contact Person		PTA Position	
School System			
School Address			
City		State	Zip

President		
Home Address		
City	State	Zip
Cell Phone	Home Phone	
Email		

Treasurer		
Home Address		
City	State	Zip
Cell Phone	Home Phone	
Email		

President’s Signature _____

FOR OFFICE USE ONLY:	
Amount Received \$ _____	Date Received _____
<input type="checkbox"/> Check/Money Order # _____	<input type="checkbox"/> Cash

SAMPLE CHECK RETURNED (NSF) LETTER



Any School PTA
June 17, 20__

Name of Check Writer
Address of Check Writer

RE: Check Returned for Not Sufficient Funds
September 12, 20__, Check # 456
Tickets for Fall Festival

Dear Check Writer,

Any School PTA received notice on October 12, 20__, that your check, written for Fall Festival tickets totaling \$55.00, did not have sufficient funds to cover this expense. Over the past thirty days we have been in contact with you and the banking institution in an attempt to rectify the amount owed for the tickets purchased. A detailed written log of contacts and actions taken is attached. *(Copy the log the treasurer has kept of contacts.)*

Immediate cash payment of \$100.00 is required at this time. This includes the original amount of the check plus three returned check fees from your bank.

Please see the totals below:

Check # 456	\$ 55.00
Bank return fee	15.00
Bank return fee	15.00
<u>Bank return fee</u>	<u>15.00</u>
Total	\$ 100.00

Please remit the cash to the school office by Friday November 1, 20__, at 2:30 pm.

Failure to meet this debt will result in the matter being turned over to a collection agency or other legal means to ensure payment.

Mary Jane, President (Signature)
Any School PTA

John Doe, Treasurer (Signature)
Any School PTA

CC: Principal, Any School PTA
President, Any Bank USA