

**FINANCIAL SUCCESS
FOR PTA UNITS**
*TREASURY AND FINANCE
WORKSHOP*

Presented by

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TODAY'S WORKSHOP OBJECTIVES

- Understand responsibilities of the Treasurer and of all Board members with regard to financial duties
- Understand the role of the budget as tool for organizing and evaluating the work of your PTA unit, as well as the overall budgeting process (development, adoption, amendment)
- Understand the importance of insurance for your PTA unit
- Understand best practices in PTA cash management – both collection and disbursement of funds
- Understand how PTA dues work and procedures for dues
- Understand some other expenses you MIGHT expect to incur
- Understand the Financial Review Process and when such a review is necessary, as well as the difference in the annual financial review and the monthly review procedures
- Understand the role of fundraising in your PTA unit, as well as other sources of revenue for your PTA unit

SUMMARY OF ROLES AND RESPONSIBILITIES

*Understand
the roles and
responsibilities
of every
member of
your team –
your PTA
Board*



WHAT FINANCIAL RESPONSIBILITIES DO BOARD MEMBERS HAVE?

- Both Articles 7 and 11 of the Uniform Bylaws cover responsibilities of Board
- Uniform Bylaws are available at www.ncpta.org

ALL Board Members have fiduciary responsibilities and are charged with understanding the finances of the PTA unit.

See your unit's Standing Rules for information about any additional requirements in your PTA unit.

**UNIFORM BYLAWS WILL GUIDE YOU
ON
ROLES AND RESPONSIBILITIES**

- You'd be shocked by what you can learn from reading your unit's Uniform Bylaws
- All PTA units in the state are governed by the same bylaws – NC PTA Uniform Bylaws
- You should have a copy readily available from your current PTA president. If not, contact office@ncpta.org for a copy.

ARTICLE 7 – BOARD OF DIRECTORS



Section 7.1 - Duties

*The affairs of this local PTA shall be managed by the board of directors in the intervals between general membership meetings. **The board shall be responsible to assure that all activities and expenditures of this local PTA shall be consistent with the budget approved by the general membership.***

ARTICLE 11 – FINANCE AND BUDGET

Sections 11.1 through 11.3 discuss three types of financial reviews:

Monthly

When a financial officer leaves

Annually

Section 11.4 - Annual Budget

Section 11.5 – Checks

Section 11.6 – Expenditures and fund availability

Section 11.7 - Depositories

Section 11.8 – Contracts and other financial agreements

SECTION 6.9 - SECRETARY

The secretary shall record the minutes of all meetings of the general membership and the board of directors and shall perform such other delegated duties as may be assigned by the board of directors, and shall maintain a file of important documents related to that local PTA, including but not limited to:

articles of incorporation of this local PTA;

the current uniform local bylaws approved by NCPTA and adopted by this local PTA,

the current standing rules of this local PTA, if standing rules have been adopted by the board;

minutes of past meetings of the general membership and board of directors;

a copy of the official membership roster provided for in Section 5.3 of these bylaws;

a current roster of board members;

a current roster of all committee members and chairs;

legal documents, including but not limited to insurance policies and contracts;

current and past tax returns; and

current and past audit reports;

At the end of his/her term, the secretary shall transfer this file of important documents to his/her successor as secretary.

SECTION 6.10 - TREASURER

The Treasurer shall:

Collect, deposit and maintain all funds of this local PTA in approved depositories (including, but not limited to, all monies collected as local dues, raised in PTA activities, received as contributions, or otherwise acquired);

Disburse funds in accordance with the annual budget adopted by this local PTA, and maintain records identifying the purpose and payee of all disbursements;

Maintain a current record of income, expenditures, assets and liabilities of this local PTA, and make all financial records available for inspection and review by the audit committee;

Present a financial report of income and expenses at each meeting of the general membership and the board of directors, which report shall compare current income and expenditures to the approved budget;

Remit dues to NCPTA in accordance with Article 5 of these bylaws and the current NCPTA good standing requirements;

Prepare a year-end financial report by June 30 showing the total income and expenditures for the fiscal year, comparing those figures with the budget approved at the beginning of the fiscal year, and the assets and liabilities of the local PTA, and submit that report to the incoming president, treasurer and audit committee;

File all required tax forms and reports in a timely manner, including but not limited to tax returns for the previous fiscal year, and submit copies of all such filings to the secretary of this local PTA;

At the end of his/her term, transfer all financial records to the audit committee by July 1; and provide assistance to the audit committee upon request.

YOUR BUDGET: TOOL FOR ORGANIZING & EVALUATING

*The budget is a
legally binding
agreement
entered into by
your
membership to
guide your work.*



BUDGET: GAMEPLAN FOR SUCCESS



- Develop a budget
- Involve both last year's and this year's committee chairs in determining funding requirements
- Start with planning the programs first, then plan the income to meet those programs.
- Ensure budget includes only PTA income and only PTA expenditures, not school income or school expenditures.

BUDGET: GAMEPLAN FOR SUCCESS



- Develop a budget (continued):

Important fundraising considerations in budget development:

- Consider the Three to One Guideline
- Budget is one helpful tool to ensure to help the Board avoid Fundraising Fatigue

BUDGET: GAMEPLAN FOR SUCCESS



Consider the Three to One Guideline

- Remember that fundraising is just a means to an end – that end being the ability of your unit to perform its programs, projects, and advocacy work for the year.
- This exercise will help you document that you are mission-focused rather than fundraising-focused.
- As a general guideline, consider the total number of programs and projects you will have (including FREE ones) and divide by 3. This should tell you the maximum number of fundraising ventures you **should** be considering for the year.
- Recommendation: Document a discussion of this in your Board minutes, including your list of total programs and projects, along with your list of fundraisers.
- **Your Board must use judgment** as to what is considered a program or a fundraiser in this analysis.

BUDGET: GAMEPLAN FOR SUCCESS



- Adopt the budget
 - Approval by General Membership in a properly advertised and fully open general membership PTA meeting.
 - Cannot be handled in a Board meeting – must be voted on and approved by the full PTA General Membership.
 - This is a *contract* between the Board and the General Membership

BUDGET: GAMEPLAN FOR SUCCESS



- Amend the budget
- Amend by vote of the entire general membership as provided in the bylaws of your unit
- Changes may not be approved by the Board – must be full general PTA membership

See the archived webinar on this topic at www.ncpta.org/index.php/events/webinars/past-webinars/

INSURANCE FOR YOUR PTA UNIT

General Liability

Bond

Property

Officer's Liability

Many units use AIM Insurance (discounts for PTA units). AIM requires the following:

Each month, a PTA member who is NOT authorized to sign checks must review the bank statement, otherwise, bond insurance may be forfeited.

Review covered events for liability purposes



BEST PRACTICES IN CASH MANAGEMENT



- Cash Collections
- Cash Disbursements

Check out the archived webinar on this topic at www.ncpta.org/index.php/events/webinars/past-webinars/

BEST PRACTICES IN CASH MANAGEMENT

- **Handling Money Collections:** How to get your money safely to the bank
- PTA funds may **NEVER** be deposited into anyone's personal account
- School funds may **NEVER** be deposited PTA account and vice-versa



BEST PRACTICES IN CASH MANAGEMENT

- **Handling Money Collections: How to get your money safely to the bank (continued)**
 - Money should always be counted by at least two unrelated people
 - The chairperson of the activity is responsible for getting the revenue to the Treasurer
 - All deposits submitted to the Treasurer should be accompanied by a Funds Received Form
 - A copy of the Funds Received Form should be kept by the committee chair and the Treasurer



BEST PRACTICES IN CASH MANAGEMENT

- **Handling Money Collections: How to get your money safely to the bank (continued)**
 - Handling Bounced Checks
 - At the time checks are collected, post/list fees for returned checks (this is an annual review question!)
 - Consider redeposit directly to issuing bank on payday
 - Phone call to check writer
 - Letter to check writer
 - Collection Agency
 - Maintain and use a “No Checks” list
 - Inform/Involve Principal only if requested to do so by him/her



BEST PRACTICES IN CASH MANAGEMENT

Handling Money Disbursements: How to ensure safety of funds

- All requests for funds should be in writing, using a check request form. Check request forms must have back-up documentation proving validity of expenditure
- Treasurers should not disburse funds which have not been budgeted and can be held personally liable if they do.
- Your Standing Rules may outline general rule about “going over” the budget.
- Always have two signatures on any check – by two unrelated parties
- Never sign a blank check
- **PLEASE destroy/close accounts for any PTA credit cards or debit cards.**





PTA DUES

- Local units must pay membership dues to NCPTA (\$1.75) and National PTA (\$2.25) for a total of \$4.00 per member.
- State and National dues are payable via check to NCPTA. NCPTA will remit National's portion of the dues to National.
- State and National dues are to be paid by the 15th of each month. No separate invoice will be sent, but a copy of the remittance advice can be found on the NCPTA website.
- Single memberships versus Family memberships – remember that you must remit \$4.00 per person to State and National PTA. If a Family membership covers two adults, then you must remit \$8.00 per family membership to State and National PTA.
- In order to participate in the annual Reflections Contest on the countywide basis, you must ensure that you are a unit in good standing. See <http://www.ncpta.org> for more information on good standing requirements.

OTHER EXPENSES YOUR UNIT MAY INCUR

- Leadership training costs are legitimate expenses of a PTA unit, as long as they are included in the PTA unit's budget.
- Joining the Wake County PTA Council – (You've received an invoice for this year, but if you need another copy, email treasurer@wakepta.org).
- Consider budgeting to attend NCPTA events (Summer Leadership Training, Healthy Learning Summit & Parent Engagement Conferences).
- National PTA Convention





MONTHLY FINANCIAL REVIEW

- Bank statement should be opened by someone on the Financial Review Committee and reviewed/initialed prior to being passed to the treasurer for the reconciliation work
- Monthly bank reconciliation should be done on a timely basis. Financial Review Committee should review this periodically.
- Monthly reports should be prepared showing the approved budget for the year and the actual results Year-to-Date so that committee chairs will have an idea as to where they stand against their budgets.
- Even if the Treasurer is unable to attend a Board Meeting or a General Membership Meeting, a financial report needs to be made.



FULL FINANCIAL REVIEW PROCEDURES

- Must be completed at end of fiscal year or any time there is a change in check signers
- Options: Professional (paid CPA or donated services) or Committee of at least three members (cannot include any authorized check signer or the school principal)
- Bylaws require the Financial Review/Audit Committee to be a standing committee throughout the school year
- See www.ncpta.org – very detailed information there; electronic confirmation of completion due to NCPTA by August 31 in order to maintain good standing - **confirm filing date in MemberHub.**
- Check out the archived webinar on this topic at www.ncpta.org/index.php/events/webinars/past-webinars/

ANNUAL IRS 990 FILING

- After completing the annual Financial Review, Treasurer is responsible to file the annual IRS 990
- NC PTA Good Standing Requirement and required by IRS to maintain non-profit status - **confirm filing date in Member Hub.**
- The 990 deadline for organizations with a fiscal year end of June 30 is **November 15.**
- If your PTAs **gross** receipts are under \$50,000.00, you can file the IRS 990N which only requires 8 pieces of information – should take 5 minutes to complete!
- See <https://www.pta.org/990s> on the National PTA site for more information on the 990 requirements.

MISSING MONEY !!!



- Executive Board must take action or can be considered co-conspirators
- Get Help! The sooner the better!
- Contact Insurer for guidance
- Contact Wake County PTA or NC PTA for guidance

THE ROLE OF FUNDRAISING IN YOUR UNIT

- Keep in mind that as a 501 (c)3 organization, you must have a non-profit purpose.
- **We fundraise to have enough funding to support the programs and services that we provide.** Not vice versa. We don't provide services because we raised the funds to provide them. (Don't get the cart before the horse.)
- **The PTA doesn't exist to raise funds, and if that becomes the central focus, your PTA unit needs an intervention.**
- Fundraising Fatigue can set in really quickly.
- Limit the number of "Asks" - Where else could you secure funds besides parents?

CONSIDERATION OF OTHER SOURCES OF REVENUE FOR YOUR PTA UNIT

- Grants
- Sponsorships
- Employer Match on Donations
- Other Sources of Funding



NCPTA RESOURCES:

WWW.NCPTA.ORG

THREE-PART TREASURER SERIES:

- ROADMAP TO SUCCESSFUL PTA BUDGETS
- BEST PRACTICES IN PTA CASH MANAGEMENT
- EXAMINING THE FINANCIAL REVIEW COMMITTEE AND PTA 990

PAST WEBINARS ARE AVAILABLE ONLINE
FOR YOUR REVIEW 24 HOURS A DAY/7
DAYS A WEEK!

WWW.NCPTA.ORG/INDEX.PHP/EVENTS/WEBINARS/PAST-WEBINARS/

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