

Treasurer 101

Your PTA relies on you to ensure that appropriate financial records are kept, a budget is established and followed and controls are in place to prevent theft or fraud. Responsibilities include:

- Keeping accurate records and submitting written financial statements for meetings
- Chairing the Budget Committee, which prepares and monitors the annual budget
- Ensuring an audit, financial review or compilation is done in accordance with the bylaws
- Preparing an annual report to be used to review your PTA financial records
- Filing your PTA's 990 report to the IRS on time—if your unit is a 501(c)(3)
- Submitting state-level reports and filings as required
- Overseeing proper handling of money, such as ensuring money is collected, counted, recorded and deposited promptly and appropriately
- Ensuring financial checks and balances are in place at all times

Great treasurers often have skills or experience with basic financial management. Training and tools are available from your state PTA and **National PTA**.

<https://www.pta.org/docs/default-source/local-leader-kit/lptalk-finance-qrg-eng.pdf>

A PTA Treasurer's First 30 Days

If you take each of these steps in (roughly) your first month in office, you'll be off to a fantastic start!

#1: Gather.

There are several items you'll want to put your hands on right away to be sure important records aren't lost in the transition. Collaborate with your PTA president and past officers to gather these records. If any records are missing, **contact your State PTA** for guidance. Records to gather include:

- **Your PTA Bylaws** (and any accompanying standing rules) to find important information about how finances are to be handled and how funds are to be disbursed.
- **Current year's budget** to guide any immediate expenditures, as well as prior year budgets, to help you get ready to draft a **budget** for next year.
- **Receipt book** to acknowledge money received.
- **Checkbook** to disburse funds as authorized by the current year's budget and bylaws.
- **Treasurer's account book** in which to keep the PTA's financial records. If this is an electronic file or system, schedule time to be trained on how it works.
- **IRS tax information**, including your unit's IRS determination letter of tax-exempt and/or application (if you have it), federal employer identification number (EIN), and copies of filed Form 990 or other required tax forms. You should also have

information regarding your state tax status, including sales tax.

- **The most recent audit report and recommendations.** If an **audit** did not occur after the latest transition of officers, make sure to get one done. You will want to start fresh with a new set of books. Be sure the previous accounts are "closed" or "zeroed" out and audited.
- **Bank statements and electronic access.** Gain access to and then change the usernames and passwords for all accounts - for many units, this includes both a checking and a savings or reserve account.

#2: Protect.

Take these few important steps right away to safeguard your PTA's nonprofit status and protect your local PTA from theft, fraud and liability.

- **Make sure IRS Form 990 was filed properly** for the most recent year. See **Your 501(c)(3) Status** and/or the **501(c)(3) Basics for Local PTAs eLearning Course** for more information.
- **Change the signatures on your PTA's bank accounts.** You will want to be sure previous officers no longer have access to your accounts. A transition letter from the outgoing treasurer or president to the bank may be necessary to enact this change. Also, make sure the bank has your PTA's EIN on file, rather than an individual's social security number.

- **Ask your state PTA** what is required for **insurance** and when the payment is due. Insurance can protect your board members, events, and PTA property.

#3: Prepare Your Team.

With your PTA president, set and communicate the fiduciary standards by which your PTA team will be bound.

- Establish or update procedures for handling money, getting reimbursed, and applying for grants.
- Educate your board about how to read the budget and encourage them to ask good questions.
- Seek other PTA members with experience writing grants, assisting with sponsorship and helping to raise funds.

Key Strategies for Smart Money Management

- **Keep PTA funds separate.** PTA funds should never be deposited into a personal account, school account or the account of any other organization or group.
- **Get help.** Effective financial management requires support from many leaders and members, including finance, budget and audit/internal review committees.
- **Put proper financial procedures** in place to help protect your PTA from theft and fraud.

Great Resources to check out.

<http://idahopta.org/wp-content/uploads/Duties-of-the-Treasurer.pdf>

<https://www.pta.org/docs/default-source/local-leader-kit/pta-records-retention-schedule.pdf>

<http://idahopta.org/treasurer/>

<https://www.pta.org/local-leader-kit/finance>