

PTA[®]
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For Unit Treasurers

2021 – 2022

-Gwendolyn Brooks



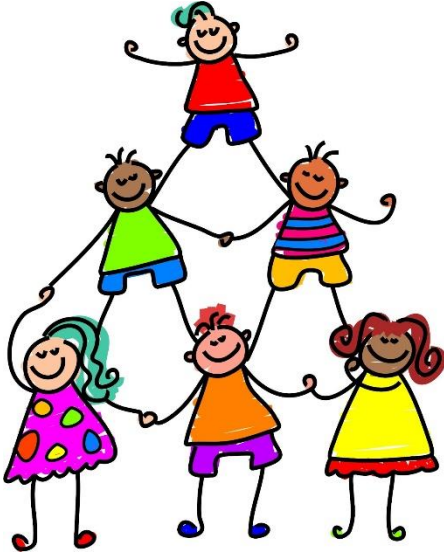
Many thanks to Lezlie Darling and the LBCPTA Board of Directors team of 1995-97 for creating the first issue for this resourceful Red Book

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Long Beach Council PTA Board of Directors & Officers Contact Info 2021-2023

Officer/Chair	Name	Email
President	Andrea Wader	president@longbeachcouncilpta.org
Executive Vice President - Convention, Office, Honorary Service Awards & PATs	vacant	
(1st VP) Director of Leadership - Honor Unit Awards & Red Book	Nora Howit	leadership@longbeachcouncilpta.org
(2nd VP) Director of Membership	April Walker	membership@longbeachcouncilpta.org
(3rd VP) Director of Communications	Christina Wilson	communications@longbeachcouncilpta.org
Program/Directories & Newsletters		
Social Media	vacant	socialmedia@longbeachcouncilpta.org
Website	Christina Wilson	website@longbeachcouncilpta.org
(4th VP) Director of Legislation	Susanna Gonzalez-Edmond	legislation@longbeachcouncilpta.org
LBUSD Liaison		
Resolutions		
Sacramento Safari		
(5th VP) Director of Programs –	Nooshin Valizadeh	programs@longbeachcouncilpta.org
Inspiration		
Reflections	Kim Erkman	reflections@longbeachcouncilpta.org
Founders Day		
In & Out Meeting		
(6th VP) Director of Education	Aarthi Harper	education@longbeachcouncilpta.org
Parent Education		
Ed Celebration		
Teacher of the Year	Erica Dawson	toty@longbeachcouncilpta.org
LBCPTA HS Scholarships	Diana Craighead	scholarships@longbeachcouncilpta.org
(7th VP) Director of Community Concerns	Sarah Derrick	communityconcerns@longbeachcouncilpta.org
Bethune/Homeless Assistance	Sarah Derrick	
Diversity, Equity, and Inclusion	Kim Tabari	dei@longbeachcouncilpta.org
Kindred Schools	Linda Simpkins	finsecretary@longbeachcouncilpta.org
Red Ribbon/Healthy Lifestyles Week	Genn Billish	healthandsafety@longbeachcouncilpta.org
Recording Secretary	Krista Richardson	recsecretary@longbeachcouncilpta.org
Treasurer	Joe Blunt	treasurer@longbeachcouncilpta.org
Financial Secretary	Linda Simpkins	finsecretary@longbeachcouncilpta.org
Auditor	Flora Farzad	auditor@longbeachcouncilpta.org
Historian	Lillian Villa-Quintero	historian@longbeachcouncilpta.org
Area 1 Advisor	Stacey Castro	AA1@longbeachcouncilpta.org
Area 2 Advisor	Jessica Reed	AA2@longbeachcouncilpta.org
Area 3 Advisor	Kelley McCarty	AA3@longbeachcouncilpta.org
Area 4 Advisor	Nora Howit	AA4@longbeachcouncilpta.org
Parliamentarian	Raphael Nendel-Flores	parliamentarian@longbeachcouncilpta.org



Unit Support

Who should I contact?

As of this school year, Long Beach Council PTA is made up of 43 PTA units at schools in LBUUSD. We are a large council, divided into “areas” with an advisor or mentor for each. Area Advisors collect and help keep track of unit reports and materials that are due to council. They are also available to assist unit presidents and other board members by answering questions and providing guidance.

Units with questions or concerns should follow these steps, subscribing to PTA’s notion of “going through channels”:

Step 1 Contact Area Advisor – *if further assistance is needed proceed to step 2*

Area 1 Advisor: Stacey Castro aa1@longbeachcouncilpta.org
Area 2 Advisor: Jessica Reed aa2@longbeachcouncilpta.org
Area 3 Advisor: Kelley McCarty aa3@longbeachcouncilpta.org

Step 2 Contact:

LBCPTA Director of Leadership – Nora Howit @ leadership@longbeachcouncilpta.org or
 LBCPTA President – Andrea Wader @ president@longbeachcouncilpta.org



2021 – 2022 Unit Presidents Tracker

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PLEASE TURN IN THIS FORM EVERY MONTH ALONG WITH THE PAPERWORK DUE. COPIES WITH AN "E" HAVE THE OPTION OF SUBMITTING BY EMAIL OR HARD COPY TO THEIR AREA ADVISOR. COVID MAY CAUSE SOME ADJUSTMENTS DURING THE YEAR.

Unit Name: _____ **PTA President:** _____

Date	Item	Copies	Area Advisor Notes & Signature Only
Aug. 10	Red/Green Book Training Meeting		
Sep. 14	UPs Executive Board Meeting		
Sect 12	Money Matters Form	E or HC	
Sect 6	Membership Dues (#):		(Chk #): (\$):
Sect 8	PAT Award Certificate Order Form	E or HC	(Chk #): (\$):
Sect 9	Treasurer's Report (May – August)	E or HC	
Sect 9	Unit Treasurer's Annual Report (UTAR) 7/1/20 to 6/30/21	E or HC	
Sect 9	Year-End Audit (January 2021 – June 2021)	E or HC	
Sect 9	Taxes – 199 State (7/1/20 – 6/30/21)	E or HC	
Sect 9	Taxes – 990 Federal (7/1/20 – 6/30/21)	E or HC	
Sect 9	CT-TR-1 & RRF-1 (7/1/20 – 6/30/20)	E or HC	
Sect 5	Board & Association Meeting Minutes (Last Assoc. Meet.)		
Sect 12	Officer, Committee Chair & Delegate Contact Info	E only	
Sect 5	Unit Bylaws Status Form	E or HC	
Oct. 12	UPs Executive Board Meeting		
Sect 12	Money Matters Form	E or HC	
Sect 6	Membership Dues (#):		(Chk #): (\$):
Sect 4	Council Assessment Fee \$100.00		(Chk #): (\$):
Sect 8	PAT Award Certificate Order Form	E or HC	(Chk #): (\$):
Sect 9	Treasurer's Report (September)	E or HC	
Sect 9	Unit Budget (Approved by association in September)	E or HC	
Sect 5	Board & Association Meeting Minutes (September)	E or HC	
Sect 9	Conflict/Whistleblower Forms	E or HC	
Nov. 9	Council Association Meeting BRING (min of 2) DELEGATES!		
Sect 12	Money Matters Form	E or HC	
Sect 6	Membership Dues (#):		(Chk #): (\$):
Sect 4	Insurance Premium – Amount to be announced by October UPs		(Chk #): (\$):
Sect 8	PAT Award Certificate Order Form	E or HC	(Chk #): (\$):
Sect 9	Treasurer's Report (October)	E or HC	
Sect 5	Board & Association Meeting Minutes (October)	E or HC	
Sect 12	Worker's Compensation Form	E or HC	
Sect 10	33rd District Unit Program/Directory Award Submission Form	E or HC	
Sect 10	Reflections Student Entry Forms	E or HC	
Sect 10	Reflections Unit Participation Form	E or HC	
Sect 4	Delegate Names:		

2021 – 2022 Unit Presidents Tracker

Please turn in this form every month, along with the paperwork due. Monies turned in must include a Money Matters form. COVID may adjust how paperwork is submitted, thank you for continuing to stay connected and up to date on the paperwork.

Date	Item	Copies	Area Advisor Notes & Initials
Jan 11	UPs Executive Board Meeting		
Sect 12	Money Matters Form	E or HC	
Sect 6	Membership Dues (#):		(Chk #): (\$):
Sect 8	PAT Award Certificate Order Form	E or HC	(Chk #): (\$):
Sect 9	Treasurer's Report (November & December)	E or HC	
Sect 5	Board & Association Meeting Minutes (Nov & Dec)	E or HC	
Feb. 8	UPs Executive Board Meeting FOUNDERS DAY		
Sect 12	Money Matters Form	E or HC	
Sect 6	Membership Dues (#):		(Chk #): (\$):
Sect 10	33rd District PTA Free Will Offering		(Chk #): (\$):
Mar. 8	Council Association Meeting & ELECTION - BRING Min of 2 DELEGATES!		
Sect 12	Money Matters Form	E or HC	
Sect 6	Membership Dues (#):		(Chk #): (\$):
Sect 8	PAT Award Certificate Order Form	E or HC	(Chk #): (\$):
Sect 9	Treasurer's Report (January & February)	E or HC	
Sect 9	Mid-Year Audit (July 2021 – December 2021)	E or HC	
Sect 12	Annual Historians Report	E or HC	
Sect 9	Budget Update (Year-to-Date Actuals)	E or HC	
Sect 5	Board & Association Meeting Minutes (Jan & Feb)	E or HC	
Sect 8	33rd District Unit Recognition Awards Application	E or HC	
Sect 4	Delegate Names:		
Apr. 12	UPs Executive Board Meeting		
Sect 12	Money Matters Form	E or HC	
Sect 6	Membership Dues (#):		(Chk #): (\$):
Sect 8	PAT Award Certificate Order Form	E or HC	(Chk #): (\$):
Sect 9	Treasurer's Report (March)	E or HC	
Sect 12	2022-2023 33rd District Officers Contact Form	E only	
Sect 5	Board & Association Meeting Minutes (March)	E or HC	
Sect 8	LBCPTA Teacher of the Year Entry Form and Essay	E or HC	
May 10	UPs Executive Board Meeting		
Sect 12	Money Matters Form	E or HC	
Sect 6	Membership Dues (#):		(Chk #): (\$):
Sect 8	PAT Award Certificate Order Form	E or HC	(Chk #): (\$):
Sect 4	LBCPTA In & Out Meeting & Awards (6/7/22)		(Chk #): (\$):
Sect 9	Treasurer's Report (April)	E or HC	
Sect 5	Board & Association Meeting Minutes (April)	E or HC	
Sect 12	Unit Program Report	E or HC	



Money Matters Form

The Money Matters Form is required for any monies turned into council. Complete the information below and attach any necessary paperwork with payment. Submission should be to your Area Advisor but may be submitted to a LBCPTA representative in some cases. Be sure to make a copy of this form to serve as a receipt for the treasurer's binder. Be sure to *make copies of this form before filling out.*

Date: _____

Unit Name: _____

Person Completing Form: _____

PTA Position: _____ Phone #: _____

Email: _____ Area Advisor: _____

What is being turned in:

Make all checks payable to LBCPTA unless otherwise noted.

Item	Total	Check #
Membership: (#) _____ members X \$5.05	\$	
Membership: (#) _____ members X \$5.05	\$	
	\$	
	\$	
	\$	
	\$	

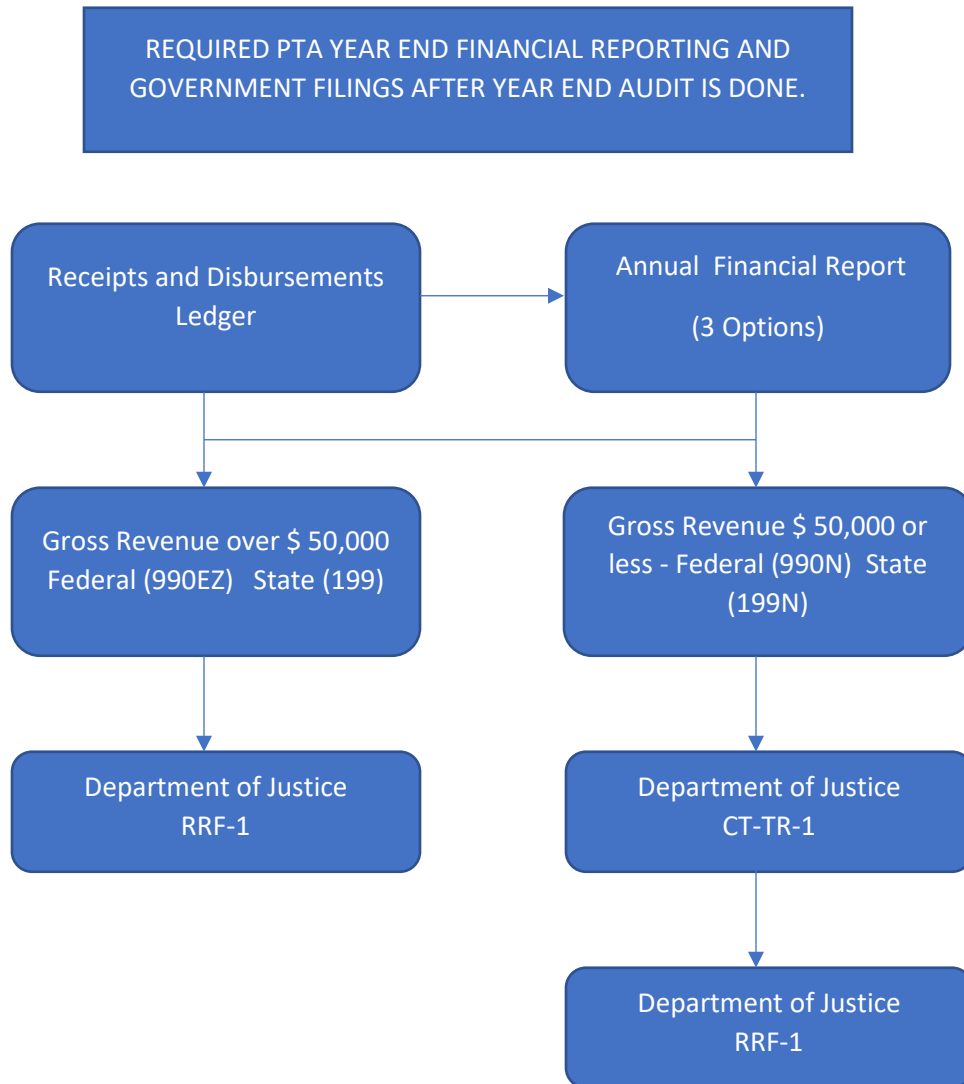
Paperwork Items

Make a copy of this form (before turning in to President) and file with payment authorizations file

YEAR-END REPORTING AND GOVERNMENTAL FILINGS FLOWCHART

(TO BE COMPLETED BY THE OUTGOING TREASURER)

Responsibility: The outgoing treasurer is responsible to close out the fiscal year financial activities and ensure a smooth transition to the incoming financial team. The following activities will be completed to close out the prior year financials.



		UNIT:							
EXAMPLE			RECEIPTS AND DISBURSEMENTS LEDGER						
			AS OF:						
Receipts Ledger									
Account Description	Account Balance	Membership Dues Income	TOTEM Dues Income	Non- Unit Dues Income	Fundraising (Special Events)	Program Services Income	Sales (example-Spirit Wear)	Donation Income	Other Income
Membership Dues (10)	100.00	49.50		50.50					
TOTEM Membership Dues Income	1,584.00		1,584.00						
Program Services Revenue									
Spirit Wear	75.00			-			75.00		
Special Events - Fundrasing									
Fall Fundraiser	7,450.00				7,450.00	-			
Family Dinner Nights	252.00				252.00	-			
Donations - Amazon Smile	54.30						-	54.30	
Other Income	2.00						-		2.00
TOTAL RECEIPTS/INCOME:	9,517.30	49.50	1,584.00	50.50	7,702.00	-	75.00	54.30	2.00
Disbursements Ledger									
Account Description	Account Balance	Organizational Expenses	Founders' Day Gift	Non-Unit Dues Expense	Fundraising (Special Events)	Program Services Expense	Cost of Goods Sold (example-Spirit Wear)	Insurance	Other Expense
Program Services									
Teacher Appreciation	325.00	-				325.00			
Special Events - Fundraising	3,750.00				3,750.00				
Organizational Expense									
Square Fees	1.50	1.50		-					
Bank Charges and Fees	13.45	13.45		-					
Membership Dues - Non Unit	50.50			50.50				-	
	4,140.45	14.95	-	50.50	3,750.00	325.00	-	-	-
	Audit Period as of : _____								
					Auditor Signature and Date				
	Cash Balance on hand at 11/1/2019			4,250.00					
	Total Receipts/Income			9,517.30					
	Total Expense/Disbursements			(4,140.45)					
	Cash Balance on hand at 11/30/2019			9,626.85					

SAMPLE: UNIT TREASURER'S ANNUAL REPORT (UTAR)

THIRTY-THIRD DISTRICT PTA							
UNIT TREASURER'S ANNUAL REPORT TO COUNCIL							
July 1, 2019 to June 30, 2020							
UNIT				COUNCIL			
ANNUAL DUES ARE:	\$	10.00	per member	IRS-EI NUMBER			
BANK				STATE ENTITY NUMBER			
CHECKING ACCT#							
RECEIPTS							
BALANCE ON HAND, ANNUAL REPORT JUNE 30, 2019							4250.00
1. Membership Dues	\$	4.95	X	10	+ Totem dues of \$	1,584.00	1633.50
(unit portion times number of non-Totem members - July 2019 - June 2020 plus Totem \$)							
2. Program Service Revenue							75.00
3. Interest Income						\$	
4. Special Events and Activities (Gross Income)							7,702.00
5. Other Income							56.30
TOTAL INSIDE COLUMN (sum of 1,2,3,4, & 5)							9,466.80
6. Receipts not belonging to unit:							
a. Council, district, state, and national portion of dues:							
		5.05	X	10			50.50
(unit portion times number of non-Totem members - July 2019 - June 2020 plus Totem \$)							
b. Founder's Day gift (free will offering)							
						\$	
TOTAL INSIDE COLUMN (sum of 6a & 6b)							50.50
TOTAL RECEIPTS (B + C)							9,517.30
TOTAL RECEIPTS AND BALANCE ON HAND (A + D)							13,767.30
DISBURSEMENTS							
1. Program Service Expense (Student Assistance & Parent Education)							325
2. Direct Expenses of Special Events							3,750.00
3. Organizational Expenses							14.95
4. Honorary Service Awards							\$
(do not include cost of pins) # of awards							
5. Founders Day Unit Donation as Budgeted							\$
6. Other Disbursements							\$
TOTAL INSIDE COLUMN (sum of 1-6)							4,089.95
7. Disbursements Not Belonging to Unit:							
a. Council, district, state, and national portion of dues:							
		5.05	X	10			50.50
(transitory portion of dues - July 2019 - June 2020 times number of non-Totem members)							
b. Founders Day Gift (free will offering)							
						\$	
TOTAL INSIDE COLUMN (sum 7a & 7b)							50.50
TOTAL DISBURSEMENTS (F + G)							4,140.45
BALANCE ON HAND, JUNE 30, 2020: (A - H)							9,626.85
(This figure should be the same as the total in your checkbook and savings at the time of this report)							
NAME OF PERSON MAKING THIS REPORT: _____							
PHONE: _____							

Sample Budget to Actual

UNIT: _____

EXAMPLE

BUDGET TO ACTUAL REPORT

AS OF: _____

BUDGET LINE ITEM DESCRIPTION	APPROVED BUDGET	ACTUAL INCOME OR EXPENSE	DIFFERENCE
CARRY FORWARD BALANCE AT	-	4,250.00	
INCOME:			
Membership Dues Income	500.00	49.50	450.50
TOTEM Membership Dues Income	2,000.00	1,584.00	416.00
Programs Service Income			
Spirit Wear Income	2,000.00	75.00	1,925.00
Interest Income	60.00	-	60.00
Special Events-Fundraising Income			
Fall Fundraiser Income	7,500.00	7,450.00	50.00
Family Dinner Nights	800.00	252.00	548.00
Carnival Income	8,000.00	-	8,000.00
Spring Fundraiser Income	6,000.00	-	6,000.00
Donations			
Amazon Smile	120.00	54.30	65.70
Other Income	100.00	2.00	98.00
Membership Non-Unit Dues	-	50.50	(50.50)
TOTAL INCOME	27,080.00	9,517.30	17,562.70
EXPENSE:			
Program Services Revenue			
Spirit Wear Expense	1,500.00	-	1,500.00
Gift to School - Field Trips	5,000.00		
Student Planners	3,000.00		
Teacher Appreciation	300.00	325.00	(25.00)
Special Events-Fundraising Income			
Fall Fundraiser Expense	3,750.00	3,750.00	-
Carnival Expense	4,000.00	-	4,000.00
Spring Fundraiser Income	3,000.00	-	3,000.00
Organizational Expense			
Square Fees	75.00	1.50	73.50
Government Filing Fees	100.00	-	100.00
Bank Charges and Fees	50.00	13.45	36.55
Postage	20.00		
Supplies	130.00		
Insurance	232.00		
Membership Non-Unit Dues	-	50.50	(50.50)
TOTAL EXPENSE	21,157.00	4,140.45	17,016.55
TOTAL NET OPERATIONS	5,923.00	5,376.85	-
ACTUAL CASH BALANCE AT 6/30		9,626.85	-

ANNUAL FINANCIAL REPORT (SAMPLE)

FISCAL YEAR _____

Name of Unit _____ IRS EI # _____

Council _____ District PTA _____

BALANCE ON HAND from previous year

\$ _____

RECEIPTS

Savings account interest

\$ _____

Checking account interest

\$ _____

Membership dues (unit portion only)

\$ _____

Fundraising (list total gross income individually)

\$ _____

xxx

\$ _____

xxx

\$ _____

Donations

\$ _____

TOTAL \$ _____

RECEIPTS NOT BELONGING TO UNIT

Council, district, state, and National PTA membership per capita

\$ _____

Founders Day freewill offering

\$ _____

TOTAL \$ _____

TOTAL RECEIPTS \$ _____

DISBURSEMENTS (List Budget Categories)

Operating expenses

Membership envelopes

\$ _____

Insurance premium

\$ _____

Newsletter and publicity

\$ _____

Council/district leadership workshops

\$ _____

Convention (State/National PTA)

\$ _____

Officers' and chairmen's reimbursement

\$ _____

Past president's pin

\$ _____

Honorary Service Award

\$ _____

Program expenses

Programs and assemblies

\$ _____

Reflections Program

\$ _____

Family Engagement

\$ _____

Emergency preparedness

\$ _____

Hospitality

\$ _____

Fundraising

Carnival

\$ _____

Book fair

\$ _____

Gift wrap

\$ _____

TOTAL \$ _____

DISBURSEMENTS NOT BELONGING TO UNIT

Council, district, state, and National PTA membership per capita

\$ _____

Founders Day freewill offering

\$ _____

TOTAL \$ _____

TOTAL DISBURSEMENTS \$ _____

BALANCE ON HAND

\$ _____

Signature _____ Date _____

FILING TAXES

Every PTA Must File Tax Returns



California State PTA is committed to providing information to help make your PTA aware of the latest state and federal requirements. Federal and state laws require nonprofit groups, including PTAs, to file tax returns. Below is a list of the requirements as they relate to PTAs for the **Federal IRS Form 990** and for the **State of California Franchise Tax Board Form 199**.

Please continue to check the California State PTA's website

www.capta.org for the latest information.

Note: For PTAs that require specific filing assistance, it is recommended that an accountant or tax professional specializing in nonprofit 501(c) 3 organizations be consulted regarding all tax filings.

Federal IRS Form 990

Internal Revenue Service (IRS) Form 990 tax returns or an extension request Form 8868 must be filed by the return due date. Returns are due four months and 15 days after the fiscal year-end.

Which form to file:

990N Gross receipts normally equal to or less than \$50,000

990EZ Gross receipts equal to or more than \$50,000 and less than \$200,000 and total assets less than \$500,000

990 Gross receipts equal to or more than \$200,000 or more, and total assets equal to or more than \$500,000

A Schedule B must be completed if the PTA receives a donation of \$5,000 or more from a single donor.

California State Franchise Tax Board Form 199

All units, councils and districts must now file the Form 199. Returns are due four months and 15 days after the fiscal year-end.

Which form to file:

199N Gross receipts normally equal to or less than \$50,000

199 Gross receipts normally greater than \$50,000

TAX PREPARATION AND SUBMISSION:

1. All forms for Federal and State may be found at <https://capta.org/pta-leaders/services/tax-filing-support-center>.
2. Tax professionals may be utilized to prepare tax returns based upon the Association approval of the service contract to include amount and scope of work. (A 990EZ is not required for gross revenues of \$ 50,000 or less.) Please contact LBCPTA if you need help finding an accountant.
3. All tax returns are due 4 ½ months after the end of the fiscal year. Fiscal Year ending on June 30 will be due on November 15. A request for a 6-month extension may be granted using IRS form 8868.
4. Failure to file tax returns annually may result in fines and/or loss of tax exempt status.
5. Per unit bylaws, submit copies of all tax returns to your Council or District.
6. File for next audit.

TAX FILING SUPPORT CENTER

TAX FILING SUPPORT CENTER

Welcome to our Tax Filing Support System for PTA leaders.

California State PTA's Tax Filing Support Center is up and running! Please email all requests to taxinfo@capta.org (mailto:taxinfo@capta.org) to contact our Tax Filing Assistant Donna Broussard with any questions.

Note: Updated Forms are required by the Attorney General's Registry of Charitable Trusts for fiscal year 2019-20. Download the Annotated RRF-1 (http://downloads.capta.org/tfsc/RRF-1_Form_Annotated_2020+07+02+FINAL.pdf) and CT-TR-1 (http://downloads.capta.org/tfsc/CT-TR-1_Form_Annotated_20200707_FINAL.pdf) forms to help complete your annual reporting requirements!

INTRODUCTION

Information helps your PTA meet federal and state reporting requirements.

[File your taxes step-by-step with our guidelines \(https://capta.org/pta-leaders/services/tax-filing-support-center/tax-filing-what-to-file/\)](https://capta.org/pta-leaders/services/tax-filing-support-center/tax-filing-what-to-file/)
[Prepare for filing deadlines \(https://capta.org/pta-leaders/services/tax-filing-support-center/tax-filing-filing-deadlines/\)](https://capta.org/pta-leaders/services/tax-filing-support-center/tax-filing-filing-deadlines/)
[Contact your council or district \(https://capta.org/about/our-team/districts-and-councils/\)](https://capta.org/about/our-team/districts-and-councils/)
[Get an entity-status letter \(https://www.ftb.ca.gov/help/business/entity-status-letter.asp\)](https://www.ftb.ca.gov/help/business/entity-status-letter.asp)
[Contact PTA first! \(https://capta.org/pta-leaders/services/tax-filing-support-center/tax-filing-contact-pta-first/\)](https://capta.org/pta-leaders/services/tax-filing-support-center/tax-filing-contact-pta-first/)

FORMS

We have the tax forms you need all in one place!

[990N \(https://www.irs.gov/charities-non-profits/annual-electronic-filing-requirement-for-small-exempt-organizations-form-990-n-e-postcard\)](https://www.irs.gov/charities-non-profits/annual-electronic-filing-requirement-for-small-exempt-organizations-form-990-n-e-postcard)
[990EZ \(https://www.irs.gov/pub/irs-pdf/f990ez.pdf\)](https://www.irs.gov/pub/irs-pdf/f990ez.pdf)
[Form 990/990EZ from Previous Years \(https://apps.irs.gov/app/picklist/list/priorFormPublication.html\)](https://apps.irs.gov/app/picklist/list/priorFormPublication.html)
[990 \(https://www.irs.gov/pub/irs-pdf/f990.pdf\)](https://www.irs.gov/pub/irs-pdf/f990.pdf)
[Schedule A \(https://www.irs.gov/pub/irs-pdf/f990sa.pdf\)](https://www.irs.gov/pub/irs-pdf/f990sa.pdf)
[Schedule O \(https://www.irs.gov/pub/irs-pdf/f990so.pdf\)](https://www.irs.gov/pub/irs-pdf/f990so.pdf)
[199N \(https://www.ftb.ca.gov/file/business/types/charities-nonprofits/199N.asp\)](https://www.ftb.ca.gov/file/business/types/charities-nonprofits/199N.asp)
[199 \(https://www.ftb.ca.gov/forms/2019/2019-199.pdf\)](https://www.ftb.ca.gov/forms/2019/2019-199.pdf)
[RRF1 \(for fiscal year 2019-20 and later\) \(http://oag.ca.gov/sites/all/files/agweb/pdfs/charities/charitable/rrf1_form.pdf\)](http://oag.ca.gov/sites/all/files/agweb/pdfs/charities/charitable/rrf1_form.pdf)
[RRF1 \(for fiscal year 2018-19 and earlier\) \(http://downloads.capta.org/toolkit/forms/RRF-1+Fillable+2017.pdf\)](http://downloads.capta.org/toolkit/forms/RRF-1+Fillable+2017.pdf)
[Charity Registration Online Renewal System \(http://rct.doj.ca.gov/eGov/Login.aspx\)](http://rct.doj.ca.gov/eGov/Login.aspx)
[8868 \(https://www.irs.gov/pub/irs-pdf/f8868.pdf\)](https://www.irs.gov/pub/irs-pdf/f8868.pdf)
[CT-TR-1 \(https://oag.ca.gov/sites/all/files/agweb/pdfs/charities/charitable/ct-tr1-form.pdf\)](https://oag.ca.gov/sites/all/files/agweb/pdfs/charities/charitable/ct-tr1-form.pdf)

LOOKUP TOOLS

We've gathered resources to help you look up tax filings and other information regarding your PTA using your EIN.

[IRS 990N e-postcards \(https://apps.irs.gov/app/eos/\)](https://apps.irs.gov/app/eos/)
[IRS 990 and 990 EZ: Charity Navigator \(http://www.charitynavigator.org\)](http://www.charitynavigator.org)
[IRS 990 and 990 EZ: GuideStar \(https://www2.guidestar.org/\)](https://www2.guidestar.org/)
[IRS 990 and 990 EZ: ProPublica Nonprofit Explorer \(https://projects.propublica.org/nonprofits/advanced_search\)](https://projects.propublica.org/nonprofits/advanced_search)
[AG Registry Verification \(for RRF-1 forms, Raffle Reports, etc\) \(http://rct.doj.ca.gov/Verification/Web/Search.aspx?facility=Y\)](http://rct.doj.ca.gov/Verification/Web/Search.aspx?facility=Y)

ELECTRONIC FILING

Electronic-filing tools help streamline your tax-filing process.

[Online 990 Form \(http://efile.form990.org/\)](http://efile.form990.org/)
[Online 990N Form \(https://www.irs.gov/charities-non-profits/annual-electronic-filing-requirement-for-small-exempt-organizations-form-990-n-e-postcard\)](https://www.irs.gov/charities-non-profits/annual-electronic-filing-requirement-for-small-exempt-organizations-form-990-n-e-postcard)
[Online 199N Form \(https://www.ftb.ca.gov/file/business/types/charities-nonprofits/199N.asp\)](https://www.ftb.ca.gov/file/business/types/charities-nonprofits/199N.asp)
[Charity Registration Online Renewal System \(http://rct.doj.ca.gov/eGov/Login.aspx\)](http://rct.doj.ca.gov/eGov/Login.aspx)

NEWS

Check out news and information for your tax-filing needs.

[Tax Filing FAQs \(https://capta.org/pta-leaders/services/tax-filing-support-center/tax-filing-faqs/\)](https://capta.org/pta-leaders/services/tax-filing-support-center/tax-filing-faqs/)



MAIL TO:
Registry of Charitable Trusts
P.O. Box 903447
Sacramento, CA 94203-4470

STREET ADDRESS:
1300 I Street
Sacramento, CA 95814
(916) 210-6400

WEBSITE ADDRESS:
www.oag.ca.gov/charities

ANNUAL REGISTRATION RENEWAL FEE REPORT TO ATTORNEY GENERAL OF CALIFORNIA

Sections 12586 and 12587, California Government Code
11 Cal. Code Regs. sections 301-306, 309, 311, and 312

Failure to submit this report annually no later than four months and fifteen days after the end of the organization's accounting period may result in the loss of tax exemption and the assessment of a minimum tax of \$800, plus interest, and/or fines or filing penalties. Revenue & Taxation Code section 23703; Government Code section 12586.1. IRS extensions will be honored.

(For Registry Use Only)

John J. Smith Elementary PTA ← Enter PTA name as shown on your bylaws

Name of Organization

← Enter prior legal name(s), if any

List all DBAs and names the organization uses or has used

1234 Any Street

← Enter school's physical address

Address (Number and Street)

My Town, CA 90000

← Enter school's city, state & zip

City or Town, State, and ZIP Code

123-456-7890

myemail@gmail.com

Telephone Number

E-mail Address

Check if:

☐ Change of address

☐ Amended report

Enter Charitable
Trust Number

State Charity Registration Number CT0123456

Corporation or Organization No. 1234567 ← Enter FTB number

Federal Employer ID No. 12-3456789

Enter Federal Employer
Identification Number,
also known as FEIN or EIN

Include Renewal Fee,
if applicable.

ANNUAL REGISTRATION RENEWAL FEE SCHEDULE (11 Cal. Code Regs. sections 301-307, 311, and 312) Make Check Payable to Department of Justice

Gross Annual Revenue	Fee	Gross Annual Revenue	Fee	Gross Annual Revenue	Fee
Less than \$25,000	0	Between \$100,001 and \$250,000	\$50	Between \$1,000,001 and \$10 million	\$150
Between \$25,000 and \$100,000	\$25	Between \$250,001 and \$500,000	\$100	Between \$10,000,001 and \$50 million	\$225
		Between \$500,001 and \$1,000,000	\$150	Over \$50 million	\$300

If 990N filed, total revenue from Form CT-TR-1 or from IRS Form 990, line 12 or 990EZ, line 9.

Enter amount of noncash contributions or 0.
Examples include: gift basket for your auction or cases of water for an event.

Net assets or fund balances
at fiscal year end.

For your most recent full accounting period (beginning 7 / 1 / 2019 ending 6 / 30 / 2020) list:

Gross Annual Revenue \$ 26405

Noncash Contributions \$ 0

Total Assets \$ 8452

Leave blank if IRS 990N
filed. See instructions if
990 or 990EZ filed.

Program Expenses \$

Total Expenses \$

24322 ← If IRS 990N filed, total expenses
from Form CT-TR-1. See
instructions if 990 or 990EZ filed.

PART B - STATEMENTS REGARDING ORGANIZATION DURING THE PERIOD OF THIS REPORT

Note: → All questions must be answered. If you answer "yes" to any of the questions below, you must attach a separate page providing an explanation and details for each "yes" response. Please review RRF-1 instructions for information required.

	Yes	No
1. During this reporting period, were there any contracts, loans, leases or other financial transactions between the organization and any officer, director or trustee thereof, either directly or with an entity in which any such officer, director or trustee had any financial interest?		✓
2. During this reporting period, was there any theft, embezzlement, diversion or misuse of the organization's charitable property or funds? If the PTA suffered a theft or mismanagement and a police report was filed, mark "Yes"		✓
3. During this reporting period, were any organization funds used to pay any penalty, fine or judgment?		✓
4. During this reporting period, were the services of a commercial fundraiser, fundraising counsel for charitable purposes, or commercial coventurer used? If the PTA used a person or company to run a fundraiser(s) on their behalf and paid them a flat fee or a percentage of the donations, mark "Yes"		✓
5. During this reporting period, did the organization receive any governmental funding?		✓
6. During this reporting period, did the organization hold a raffle for charitable purposes? If you marked "Yes", make sure your Raffle Registration & Raffle Reporting are current		✓
7. Does the organization conduct a vehicle donation program?		✓
8. Did the organization conduct an independent audit and prepare audited financial statements in accordance with generally accepted accounting principles for this reporting period? Audits conducted by a PTA auditor are not GAAP audits. Most PTAs should mark "No"		✓
9. At the end of this reporting period, did the organization hold restricted net assets, while reporting negative unrestricted net assets?		✓

I declare under penalty of perjury that I have examined this report, including accompanying documents, and to the best of my knowledge and belief, the content is true, correct and complete, and I am authorized to sign.

Signature of Authorized Agent

First Last
Printed Name

Treasurer
Title

7/2/2020
Date

Treasurer or authorized officer should complete
this section: sign, print name, title, date



MAIL TO:
Registry of Charitable Trusts
P.O. Box 903447
Sacramento, CA 94203-4470

STREET ADDRESS:
1300 I Street
Sacramento, CA 95814
(916) 210-6400

WEBSITE ADDRESS:
www.oag.ca.gov/charities

ANNUAL TREASURER'S REPORT ATTORNEY GENERAL OF CALIFORNIA

Section 12586, California Government Code
11 Cal. Code Regs., Section 301

(FORM CT-TR-1)

(For Registry Use Only)

John J. Smith Elementary PTA	Enter PTA name as shown on your bylaws	Enter Charitable Trust Number
Name of Organization		
1234 Any Street	Enter school's physical address	State Charity Registration Number CT0123456
Address (Number and Street)		
My Town, CA 90000	Enter school's city, state & zip	Corporation or Organization No. 1234567
City or Town, State and ZIP Code		Enter FTB number
		Federal Employer I.D. No. 12-3456789

For annual accounting period (beginning 7 / 1 / 2019 ending 6 / 30 / 2020)

Enter Federal Employer Identification Number, also known as FEIN or EIN

BALANCE SHEET

ASSETS

Cash	\$ 8,452.00	Cash on hand, including balance in checking account(s) at fiscal year end.
Savings	\$ 0.00	Balance in savings account(s) at fiscal year end.
Investment	\$ 0.00	
Land/Buildings	\$ 0.00	
Other Assets	\$ 0.00	Enter other assets, if applicable. Examples include: spirit wear inventory, PTA owned equipment. Include itemized list w/fair market value of each.
TOTAL ASSETS	\$ 8,452.00	

LIABILITIES

Accounts Payable	\$ 0.00	Enter liability amount(s) owed, if applicable. Most PTAs will not have any liabilities.
Salary Payable	\$ 0.00	
Other Liabilities	\$ 0.00	
TOTAL LIABILITIES	\$ 0.00	

FUND BALANCE

Total Assets less Total Liabilities \$ 8,452.00

REVENUE

Cash Contributions	\$ 15,200.00	Examples include: membership dues (do not include portion forwarded), donations, gift cards.
Noncash Contributions	\$ 0.00	
Program Revenue	\$ 6,200.00	Examples include: gift basket for auction, cases of water for an event.
Investments	\$ 0.00	Examples include: spirit wear sales, yearbooks, movie night.
Special Events	\$ 5,005.00	Examples include: fundraisers, raffles, auctions.
Other Revenue	\$ 0.00	
TOTAL REVENUE	\$ 26,405.00	If you have other revenue, include an itemized list w/sources and amount received from each.

NET REVENUE

Total Revenue less Total Expenses \$ 2,083.00

EXPENSES

Compensation of Officers/Directors	\$ 0.00	
Compensation of Staff	\$ 0.00	Examples include: catalog sales cost, book fair cost, flyers, postage for mailings.
Fundraising Expenses	\$ 9,800.00	
Rent	\$ 0.00	
Utilities	\$ 0.00	
Supplies/Postage	\$ 100.00	Used for PTA operations.
Insurance	\$ 232.00	Includes PTA insurance and any add'l coverage or workers' comp premiums, if applicable.
Other Expenses	\$ 14,190.00	
TOTAL EXPENSES	\$ 24,322.00	

I hereby declare under penalty of perjury that I have examined this report, including all schedules, and the content is true, correct and complete and I am authorized to sign.

Signature of Authorized Agent	First Last Printed Name	Treasurer Title	7/2/2020 Date
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Treasurer or authorized officer should complete this section: sign, print name, title, date

7/7/2020

ORGANIZATION NAME:	John J. Smith Elementary PTA
STATE CHARITY REGISTRATION NO. (CT)	CT0123456
CORPORATION OR ORGANIZATION NO.	1234567
FEDERAL EMPLOYER I.D. NO.	12-3456789

FOR PERIOD BEGINNING: 07/07/2019 ENDING: 06/30/2020

Other Revenue:

Description	Amount
Other Revenue	-

Total Other Revenue	-
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Other Expenses:

Teacher Appreciation Lunch	325.00
Spirit Wear Cost of Goods Sold	13,863.50
Square Fee	1.50

Total Other Expenses	14,190.00
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(If the unit uses PTAEZ or other financial software, a report off the system may be used.)

IRS LETTER OF DETERMINATION AND NON-PROFIT RAFFLE PROGRAM

A letter of determination stating that your PTA unit is in good standing and is an IRS tax exempt entity should be kept on file (with the bylaws) by the unit. In good standing means that the unit is current with all required governmental tax filings.

To ensure that your unit is in good standing with the IRS go to the IRS verification website at <http://apps.irs.gov/app/eos> using the unit IRS ID# (EIN).

To check the unit status with the California Department of Justice and Attorney General Office go to <http://rct.doj.ca.gov/verification> using the EIN, Franchise Tax Board number or Charitable Trust number. All required RRf-1s (Registration Renewal Form) and CT-TR-1 (Charitable Trust Treasurer Report, if applicable) and 990 or 990EZ (if applicable) must be submitted to obtain a “current” status.

This LOD may be needed by the bank to open a new bank account or update an existing bank account. Not having this LOD may cause appreciable delays in being able to perform unit business such as writing checks or making deposits.

It is sometimes required by donors such as stores, restaurants, etc. as well as available grants to prove your tax exempt status. Therefore, the fundraising chairperson will need access to this form also. It is recommended that the LOD be retained with the bylaws and Recording Secretary file.

To receive the LOD for your unit, the PTA president must send a request via email to LOD@capta.org and include the unit name and the IRS ID # (EIN) found in the bylaws (Article XIII, Section 3).

STATE OF CALIFORNIA **NONPROFIT RAFFLE PROGRAM (NRP)**

If your unit plans to administer a raffle, you must request a Raffle Permit from the Attorney General of the State of California. The permit covers September 1 through August 31 and is a multiple use raffle permit. Complete and mail form CT-NRP-1 (oag.ca.gov/charities/raffles) with a check for \$ 20, made payable to the Department of Justice, to the Office of the Attorney General. Proof of California FTB tax exempt status must be attached to the registration form. An Entity Status letter may be obtained by going to <http://ftb.ca.gov/e-letter> and enter your unit’s FTB Entity ID found in your unit’s bylaws (Article XIII, Section 4). Your unit name should be automatically populated and, if correct, click on the entity ID number then generate the letter. Upon approval, you will receive a confirmation letter (usually between 2 to 3 weeks) from the Registry of Charitable Trusts assigning a Raffle Registration No. for the year. You must receive the confirmation letter prior to conducting any raffle activities such as selling tickets.

An aggregate report of gross revenue and expense for all raffles must be completed on form CT-NRP-2 (Nonprofit Raffle Report) and submitted to the Office of the Attorney General by October 1 (after the end of the permit period). Even if no raffle took place, you must complete the Nonprofit Raffle Report and put 0 revenue or a notation saying no raffles were held.

IMPORTANT: THE 90/10 RULE IS BEING ENFORCED. THE NEW FORM HAS ADDED THE EXPLANATION OF THIS RULE UNDER #4 OF RAFFLE INFORMATION. IT MEANS THAT THE RAFFLE EXPENSES MUST NOT EXCEED 10% OF THE RAFFLE GROSS RECEIPTS.

“Any violation of Penal Code 320.5 section (b)(4)(A) may result in sanctions including, but not limited to, a revocation of the organization’s raffle license and a referral to the District Attorney’s Office.”



**APPLICATION FOR REGISTRATION
NONPROFIT RAFFLE PROGRAM**
(California Penal Code section 320.5)

MAIL TO:
Office of the Attorney General
Registry of Charitable Trusts
P.O. Box 903447
Sacramento, CA 94203-4470

STREET ADDRESS:
1300 I Street
Sacramento, CA 95814
(916) 210-6400

WEBSITE ADDRESS:
www.oag.ca.gov/charities

The registration period is September 1 to August 31.

**A CHECK IN THE AMOUNT OF \$20 MADE PAYABLE TO
DEPARTMENT OF JUSTICE MUST ACCOMPANY THIS
REGISTRATION FORM**

(For Registry Use Only)

Proof of California Franchise Tax Board exempt status must be attached to this registration application. This application will otherwise be deemed deficient and returned to the organization.

(For Registry Use Only)

Name of Organization:

Address of Organization:

City or Town, State and ZIP Code:

E-mail Address:

Telephone Number:

Fax Number:

Raffle Registration Number: _____

Provide at least one of the following:

State Charity Registration Number: _____

Federal Employer Identification Number (FEIN):

SOS Corporation Number: C _____

FTB Organization Number: _____

Please list the date your organization first qualified to conduct business in the State of California: _____

Specify the organization's tax - exempt status pursuant to California Revenue and Taxation Code section:

<input type="checkbox"/> 23701a Labor, agricultural, or horticultural organizations	<input type="checkbox"/> 23701g Nonprofit pleasure and recreation clubs
<input type="checkbox"/> 23701b Fraternal beneficiary societies, orders or associations	<input type="checkbox"/> 23701k Religious or apostolic corporations having common or
<input type="checkbox"/> 23701d Religious, charitable, scientific, testing for public safety, literary, educational, amateur sports or prevention of cruelty to children or animals organization	<input type="checkbox"/> 23701l Domestic fraternal societies, orders or associations
<input type="checkbox"/> 23701e Business leagues, chambers of commerce, real estate boards, and boards of trade	<input type="checkbox"/> 23701t Homeowners and associations
<input type="checkbox"/> 23701f Civic leagues, social welfare organizations and local employee organizations	<input type="checkbox"/> 23701w Veterans organizations

Proposed date(s) of raffle(s) [REQUIRED] _____
(month/day/year) (After August 31, a new registration is required.)

By signing this application for registration, I hereby certify all of the following:
Applicant is a nonprofit organization and all information provided on this application is true and correct.

Signature of Authorized Officer or Director Who Prepared This Form

Date

Printed Name of Authorized Officer or Director

Title of Authorized Officer or Director



NONPROFIT RAFFLE REPORT

<p>MAIL TO: Office of the Attorney General Registry of Charitable Trusts P.O. Box 903447 Sacramento, CA 94203-4470</p> <p>STREET ADDRESS: 1300 I Street Sacramento, CA 95814 (916) 210-6400</p> <p>WEBSITE ADDRESS: www.oag.ca.gov/charities</p>	<p>A report must be completed for each year in which a raffle was conducted (September 1 through August 31).</p> <p>The report is due on or before October 1. (California Penal Code section 320.5)</p>	<p>(For Registry Use Only)</p>
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PART A: General Organization Reporting Information

<p>Name of Organization: _____</p> <p>Address of Organization: _____</p> <p>City or Town, State and ZIP Code: _____</p> <p>E-mail Address: _____</p> <p>Telephone Number: _____</p> <p>Fax Number: _____</p>	<p>Provide at least one of the following:</p> <p>State Charity Registration Number: _____</p> <p>Raffle Registration Number: _____</p> <p>Federal Employee Identification Number (FEIN): _____</p> <p>SOS Corporation Number or FTB Organization Number: _____</p>
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Part B: Raffle Information

<p>1. Raffle year ending August 31, _____ (Year)</p> <p>2. Aggregate gross receipts from the operation of raffle(s): \$ _____</p> <p>3. Aggregate direct costs incurred by the organization from the operation of raffle(s): \$ _____</p> <p>4. At least 90% of the gross receipts received from ticket sales must be used for the beneficial or charitable purpose of the eligible organization or for the benefit of another eligible organization. Did direct costs exceed 10% of gross receipts and did your organization use funds from sources <i>other</i> than from ticket sales to offset costs? <input type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>If yes,</p> <p>4(A) Total funds from sources other than ticket sales used for the administration or other costs of conducting the raffle(s)? \$ _____</p> <p>4(B) What was the source of these funds? _____</p> <p>5. Describe the charitable or beneficial purpose for which the raffle proceeds were used. _____</p>
--



NONPROFIT RAFFLE REPORT

6. Were some or all of the raffle proceeds used for the benefit of another eligible nonprofit organization? ☐ Yes ☐ No
- If the answer is yes, provide the following information below for each organization for which the proceeds were used. Attach additional sheets of paper, if necessary.

Recipient Organization	\$ Dollar Amount of Raffle Proceeds to Recipient Organization
Address of Recipient Organization	Contact Person for Recipient Organization
City, State, and ZIP Code	Telephone Number of Recipient Organization

Part C: Certification by Authorized Officer or Director of Reporting Organization

I hereby certify that:

	True	False
1) At least 90% of the gross receipts (total dollar amount prior to deduction of expenses) received from the sale of raffle tickets was used for the beneficial or charitable purposes of the eligible organization conducting the raffle or for the benefit of another eligible organization.		
2) None of the funds required to be used for beneficial or charitable purposes were provided to an officer, director or member (as defined by Corporations Code section 5056) of the organization which conducted the raffle(s).		
3) No person involved in or connected with the conduct of the raffle(s) was compensated by the organization conducting the raffle(s) from raffle proceeds required to be used for beneficial or charitable purposes.		
4) No gaming machine, apparatus or device, including but not limited to one which meets the definition of a slot machine as described in California Penal Code sections 330a, 330b, or 330.1, was used in conducting the raffle(s).		
5) No individual corporation, partnership or other legal entity has or holds a financial interest in the conduct of the raffle(s) other than the organization conducting the raffle(s) or any private, nonprofit eligible organization which received funds from the raffle(s).		
6) No raffle was conducted, and no raffle tickets were sold, traded, or redeemed, within an operating racetrack enclosure, satellite wagering facility, or gambling establishment.		
7) Tickets were not sold, traded or redeemed over the Internet.		
8) Raffle funds were not used for any purpose outside of California.		

If the answer to any question in Part C, Items 1 through 8, was "False," please explain the circumstances that support the answer. Use additional sheets of paper, if necessary, for the explanation. If the answer to more than one question in Part C was "False," reference the question number next to each explanation.

In signing this Nonprofit Raffle Report, I hereby certify that all of the information contained herein is true and correct.

Signature of Authorized Officer or Director Who Prepared the Report

Date

Printed Name of Authorized Officer or Director

Title of Authorized Officer or Director

AFTER THE ELECTION- FINANCIAL ACTIVITIES CHECKLIST

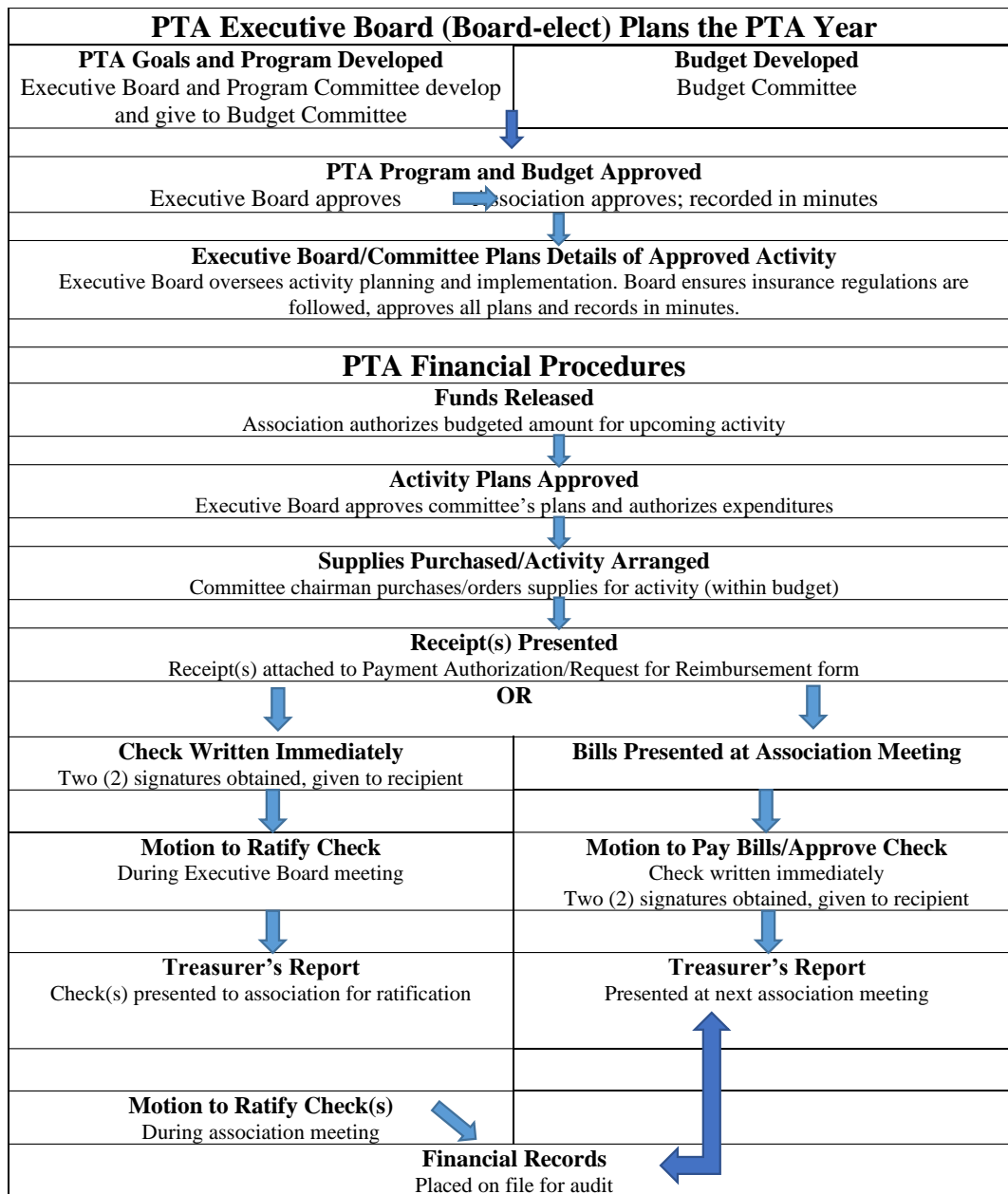
(FOR INCOMING TREASURER AND BOARD-ELECT)

APRIL/MAY/JUNE

✓	The new board-elect-develops and adopts a preliminary budget (See Financial Flowchart)
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PTA Financial Flow Chart



QUICK REFERENCE CHECKLIST FOR INCOMING TREASURERS

JULY

✓	Add new check signers to bank accounts, remove old signers. Verify that there are no ATM cards associated with the account and set up on-line access to retrieve bank statements. No on-line banking is allowed.
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AUGUST/SEPTEMBER

✓	Revise Budget that was developed in the Spring. (if necessary)
✓	Attend Fall training provided by council /district.
✓	Make sure Year-end Audit was completed by Outgoing Auditor or audit committee as soon as possible after fiscal year end. Contact council for help if not completed by August 15.
✓	Make sure Outgoing Treasurer has completed the Financial Annual Report
✓	Make sure Outgoing Treasurer files the applicable IRS Form 990 and the California State 199 and RRF-1/CT-TR-1 forms by the due date. Get copies of all filings.
✓	Notify board of Whistleblower/Conflict of interest policies and have them sign the Conflict/Whistleblower Form
✓	Train officers and chairmen on use of Cash Verification Forms and how to count cash. Provide Payment Authorization /Request for Reimbursement form and instructions to officers
✓	Arrange for non-check signer(auditor) to review bank statement monthly
✓	Get ready for the first Association Meeting: Present the Year end Audit for adoption Request approval of proposed programs and fundraisers Present proposed budget for adoption, request release of funds from appropriate expense categories for fall programs, Release of funds does not authorize anyone to spend funds: plans must be presented to executive board before funds expended. Present Treasurer Report and request ratification of checks written since the last association meeting.
✓	Forward the first membership remittance to council and then remit monthly.

OCTOBER/NOVEMBER

✓	Forward copies of Year-end Audit Report, Budgets, Annual Financial Report and Taxes to Unit President to be turned in to LBCPTA at the next Unit Presidents Meeting.
✓	Forward Insurance premium and Workers Compensation Form by due dates listed on Treasurer's Tracker. Note: the Workers Compensation Report should be filled out even if the unit has not had any employees

AND BEYOND...

✓	Refer to Monthly Unit Treasurer Tracker form for reporting due dates and upcoming deadlines.
---	---

A LOOK AT THE BUDGET

The following information was compiled from the CAPTA Toolkit – Finance Section and Thirty-Third District PTA – March 2017



The budget is a financial representation of the goals, activities and operations a PTA expects to conduct during a specified time period. The budget estimates income and expenses for the year and must be presented to the association for approval and recorded in the association minutes. The budget must coincide with the term of office, which is usually also the association's fiscal year.

Developing the Budget (Toolkit p. F21)

The budget committee, which is appointed by the president (or president-elect if the budget is being developed for the new term in advance of taking office), has the responsibility for developing the annual budget. The treasurer (or treasurer-elect if the budget is being developed for the new term in advance of taking office) is designated as the committee chairman. The budget committee may include financial officers, the principal or other designated representative, the president (ex officio), and others. The committee cannot develop the budget until the board-elect has determined the goals and programs for the upcoming year. The executive board should have surveyed the school community before developing the goals and programs.

Once the goals and priorities are established, the committee should:

- Know the goals the association is trying to achieve for the year and plan finances accordingly.
- Invite board members to submit suggestions.
- Review the program(s) proposed by the program committee, including detailed expense projections.
- Review past budgets, income and expenditures.
- Estimate probable income from all sources.
- Balance probable income with probable expenses.
- Determine the amount of carry-over funds to set aside to begin operations at the beginning of the subsequent PTA fiscal year, prior to the onset of fundraising activities.
- Unallocated Reserve funds represent the amount remaining after making allocations for budgeted programs and activities and may be used to cover any unexpected or unplanned expenses in the current fiscal year.

Approving the Budget (Toolkit p. F22)

In the spring, the board-elect develops the budget and present the proposed budget for adoption to the current executive board and the membership at the last PTA meeting of the year. The association approves the release of any funds required prior to the next association meeting in the fall. This allows the board elect the ability to cover routine summer expenses as outlined in the bylaws. The PTA shall not assume any financial obligation in any one term of office that will be carried over into the succeeding term. The proposed budget must be presented to and voted upon by the executive board and recommended for adoption at the first association meeting each year. After the budget is adopted by the association, it should be followed closely in all financial transactions. Adoption of the budget does not authorize the expenditure of the funds.

BUDGET COMMITTEE AND TIMELINE

Committee:

- The Budget Committee is a function of next year's board.
- Look in your Standing Rules to see if there are guidelines.
- The Budget Committee is organized/called by the incoming president and is chaired by the incoming treasurer.
- It is helpful if the current president asks the current board for recommendations for next year's budget.

Time Line:

- After the PTA/PTSA election, the incoming president and treasurer call a meeting of the budget committee. This should be done as soon as possible.
- The proposed budget is voted on by the incoming board at their first meeting.
- The proposed budget will be voted on by the association at the last association meeting of the year, usually in May or June.
- Once the proposed budget is approved by the association, the incoming treasurer should release funds for budget categories where expenses may occur over the summer and after the start of school (e.g., registration, First Day Coffee, hospitality supplies, August/September board and association meeting hospitality, board/president expenses for photocopying or postage, June training at Thirty-third district). **DO NOT RELEASE THE ENTIRE BUDGET.**
- Over the summer the budget (final version) **MUST** be approved/adopted at your first association meeting of the new school year, usually in August or September.

A LOOK AT THE BUDGET (CONT.)

The main rule (this is a rule):

You must have a balanced budget.

Your income and expenses must be equal.

A good starting point is determining what programs from the current school year you would like to continue (Yellow/Red Ribbon, Reflections, H.S.A., assemblies, field trips, and parent education, for example).

Review expenses related to those programs

Some programs have expenses based on participation like Reflections, so if you plan on upping your game on some programs, don't forget to increase expenses.

Hospitality (Food/Beverage expense) served with a program. If you have hospitality with a program – for instance: registration – put that under the program budget, not under the hospitality or support service budget.

Determine the level of other expenses like insurance, officers' expenses, PTA training/workshop attendance (increase a little if you have a new treasurer, president, recording secretary who might want to attend some training), photocopying, postage, council/district expenses. All these should be separate line items.

DON'T increase what you charge for membership (your membership dues) right now. What you charge for dues is listed in your bylaws and you cannot charge more without doing a bylaws change with CAPTA.

Hospitality: the total of your hospitality budget should not exceed 5 % of your total budget. This means the hospitality for your meetings and teacher appreciation or other hospitality that you may provide are not part of a program.

Legislative Activities also have a 5% rule.

Mileage: you must check your standing rules to see if you have any guidelines for mileage reimbursement. Depending on the location of the CAPTA Convention, delegates may want to drive.

Standards for PTA Fundraising (Finance Toolkit p. F23 – Nov. 2016)

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 the educational, charitable, and philanthropic purposes as a tax-exempt organization. When planning the year's activities, PTAs should use the 3-to-1 rule: There should be at least three non-fundraising programs aimed at helping parents or children or advocating for school improvements, for every one fundraiser. It should involve as many members as possible and be fun. It should not be a burden to the school staff or parent volunteers, compete with or detract from school lunch and nutrition programs, or conflict with other PTA, school, or community events. Children should never be used to sell door-to-door or exploited to raise funds. It cannot involve commercial or advertising obligations. See National PTA's *Back-to-School Kit* sections Finance and Fundraising, which prescribes the ethics of fundraising. The fundraising project must have the approval of the membership in advance of the event, and the vote must be recorded in the minutes. Projects must have a specific purpose. If the fundraising project is ongoing (e.g. e-scrip), it must be approved each year by the association membership.

Hospitality (Finance Toolkit p. F30 – Nov. 2016)

PTAs must maintain their nonprofit status as governed by the Internal Revenue Service Code section 501(c)(3). Within the language of the code, the IRS does permit expenses that are not directly related to the primary purpose of the PTA if the expenses are not of a significant amount. "Not of a significant amount" is defined by the IRS as an amount that does not exceed 5 percent of the nonprofit association's annual budget. Five percent is the recommended limit to be used as a guideline for PTAs for all hospitality expenses, including staff or volunteer appreciation. It is important to budget appropriately when considering all PTA expenditures, and all expenditures must be approved by the membership. The PTA may provide hospitality for association, executive board, and committee meetings; staff appreciation; volunteer appreciation; and other events requiring refreshments, food, paper goods, certificates, or decorations. The PTA may choose to:



- Purchase nonalcoholic drinks and/or snacks
- Solicit donations from businesses or members, or
- Store supplies to make coffee and/or punch, etc.

The cost of meals or beverages provided for volunteers during the course of their work; e.g., while processing fundraiser orders or counting money after an evening program, are not considered to be hospitality. Such expenses must be budgeted and approved by the association in advance. The expenditures are accounted for as a cost of doing the program or fundraiser on which they are working; e.g., wrapping paper sales or a fall festival.

Legislative Activities (Advocacy Toolkit p. A14 – May 2016)

IRS Reporting Requirements

A PTA operating as a 501(c)(3) may not devote more than an insubstantial part of its activities and budget to influence legislation. The "insubstantial part" is not clearly defined, but is often interpreted to be no more than 5 percent of an organization's annual operating expenditures.

A LOOK AT THE BUDGET (CONT.)

Personal Gifts (*Finance Toolkit p. F30 – Nov. 2016*)

PTA funds should not be used to purchase personal gifts, equipment for staff lounges and lunchrooms or for furnishings for principals' offices. Personal gifts include gift cards and gifts for baby showers, Secretary's Day, bereavements, weddings, or birthdays. If the membership determines that such items are necessary, the individual members can make personal donations to purchase the designated items. These donations should not be commingled with PTA funds.



Staff Appreciation

The California State PTA understands the importance of staff appreciation in building a stronger home-to-school connection. PTA resources may be used for this type of expense. Acceptable expenditures may include a staff lunch as long as the expenses follow the above guidelines and the expenses are approved by the membership.

Volunteer Appreciation

A simple and appropriate way to thank volunteers for their time and effort supporting the PTA is to plan and budget for a volunteer appreciation event near the end of the school year. Invite all volunteers who helped with PTA activities and programs during the year. The PTA may present each volunteer with a certificate of recognition. If the PTA wishes to reward volunteers with personal gifts, the association may vote to do so and seek out donations to cover those items. Alternatively, officers or other members may make donations to pay for such items.

Unallocated Reserve: (*Finance Toolkit p. F21 – Nov. 2016*) Unallocated reserve funds represent the amount remaining after making allocations for budgeted programs and activities and may be used to cover any unexpected or unplanned expenses in the current fiscal year with approval of the association. The budget should be amended to reflect funds transferred from Unallocated Reserves to other expense categories.

Restricted Reserve: In planning the budget, it is permissible for PTAs to have a savings account to hold funds for more than one year for the following reasons:

- Efficient management of restricted funds;
- A PTA program requires large donation to the school and the school district requires advance notice if the PTA cannot continue to fund the activity; i.e., computer equipment or teacher aide salary; and
- Monies to finance long-term or unexpected but approved projects or programs, i.e., playground project. As a guide, the savings account reserve should not exceed one-half of the association's budget for an average year.

Recommended Budget Line Items (*Toolkit p. F21*)

When developing a PTA budget, consider including the following line items:

How are you going to pay for this? Remember the 3 to 1 rule. You should have 3 programs for every 1 fundraiser. This rule is to ensure that you are focusing on programs and not on raising funds.

- Take a minute to go onto CAPTA.org website under finance and click on fundraising. There is valuable information on the difference between fundraising and sponsorship.
- Gifting to the school district should be a line item with a ZERO balance. As you gift, you will put your gifting expense on this line but you DO NOT BUDGET for gifting. (This doesn't mean personal gifts, as those are not allowed. This is giving to the school or to other non-profits.)

DO NOT include in the budget (things that PTA's cannot pay for):

- **Gifts** (personal gifts to teachers, parents, board members, staff, custodians, etc.). You can facilitate the collection of money, but those funds cannot go into the PTA bank account.
- **Flowers as gifts** (even for bereavement). See rule above. You can use flowers as decorations but you cannot give flowers as gifts.
- **Gift Cards** (these would be considered personal gifts), even if you are buying it for the office or for teachers to pay for supplies. The IRS requires itemized receipts. State PTA recommends that you solicit donations of gift cards if you want to use them as gifts or as incentives for programs/fundraisers. You should not use PTA fund to pay for them.

OTHER STUFF

- You don't have to put your carryover in your budget if you carry over the same amount each year.
- You can put in an unallocated reserve to cover any unexpected expenses.
- If you asked for money for specific things like disaster funds, library funds, supplies, etc. these MUST be kept separately and any leftover at the end of the year CANNOT be swept into your general fund. You must keep a separate accounting for these funds on a year to year basis.

A LOOK AT THE BUDGET (CONT.)

Carry-over Funds: Carry-over funds represent the amount which is set aside to begin operations at the beginning of the next PTA fiscal year, prior to the onset of fundraising activities. To calculate the amount of this reserve, review the prior year's Annual Financial Report to determine which operation or program expenses require funding during transition, and estimate costs for these items in the new fiscal year.

Convention: The annual California State PTA convention is usually held at the end of April or the first part of May. The unit should budget enough money to cover the cost of registration, hotel room, transportation and food for the allowed number of delegates based on the unit's membership (Attending Conventions and Conferences, Running Your PTA Chapter).

Donations: PTAs may ask community supporters to donate funds for a specific program.

Fundraisers: Fundraising income is the gross income from fundraisers. List each fundraiser individually. The expenses for conducting each fundraiser should be listed under Expenses individually by fundraiser.

Gross Income: This includes the total amount of income for the year, excluding council, district, State, and National PTA portions of the per capita dues and freewill offerings.

Insurance: Participation in the California State PTA insurance program is required of all PTAs in California. Budget an amount that is similar to the actual expense from the previous year's premium. Units are notified of the

Funds Not Belonging to the Unit (Toolkit p. F22)

Council, district, State, and National PTA portions of membership dues and the Founders Day freewill offering are not a part of the unit's funds to be used for expenses. They should not be included in the annual budget as receipts for budget planning purposes. They also are not included in the gross receipts when reporting to the IRS (Gross Receipts). These funds can be paid without the authorization of the membership. Such funds should be forwarded through channels immediately. Council or district PTA remittance forms must be issued to track ensure proper allocation of funds from the unit.

All disbursement of funds not belonging to the unit must be recorded in the next treasurer's report and payment reported to the association. Council and district PTAs set their own dates far enough in advance of the California State PTA due dates to have sufficient time for such pass-through funds to be received by the California State PTA office (Budget Sample, Fig. F-1 or Forms Chapter).

premium amounts by October 1. The premium must be forwarded through PTA channels to be received in the California State PTA office by December 20, or a late fee of \$25 will be assessed by the California State PTA.

Membership Dues: Each association determines its own membership dues, but a portion of each membership must be forwarded through channels. The forwarded funds are listed as "Funds Not Belonging to the Unit." The budget should only reflect the amount of dues the unit retains as income.

Membership Envelopes: The purchase or printing of membership envelopes is listed as an expense.

Reimbursable Expenses: PTA should reimburse executive board members for any approved out of pocket expenses. PTA funds may not be used for personal expenses, gifts, personal acknowledgments, or personal use items. Appropriate out of pocket expenses include photocopies, office supplies, etc. Unit, council and district PTAs should budget for out-of-pocket expenses and ensure the budget is shared equitably among officers/chairmen in accordance with job responsibilities. Members should be reimbursed upon submission of a signed payment authorization/request for reimbursement form. Receipts must be submitted for all reimbursable expenses. Unit, council and district PTAs may not budget for an officer's allowance. The IRS considers an allowance as miscellaneous income that must be declared by the recipient as such and will be taxed accordingly.

Staff/Volunteer Appreciation: PTA resources may be used for hospitality for staff/volunteer appreciation as long as it does not represent a significant amount. "Not of a significant amount" is defined by the IRS as an amount that does not exceed 5 percent of the nonprofit organization's annual budget (see Staff Appreciation). PTA funds cannot be used to purchase personal gifts for staff or volunteers, such as gift cards.

Training/Workshops: Budget funds to send executive board members to council, PTA district, and California State PTA workshops/meetings.

Amending the Budget (Toolkit p. F22)

If adjustments are needed, the budget can be amended by a two-thirds vote of the association. It is recommended that the treasurer provide the executive board with a budget-to-actual comparison report quarterly, but at least midterm.

Sample Budget

UNIT: _____

PROPOSED BUDGET FOR 2020-2021

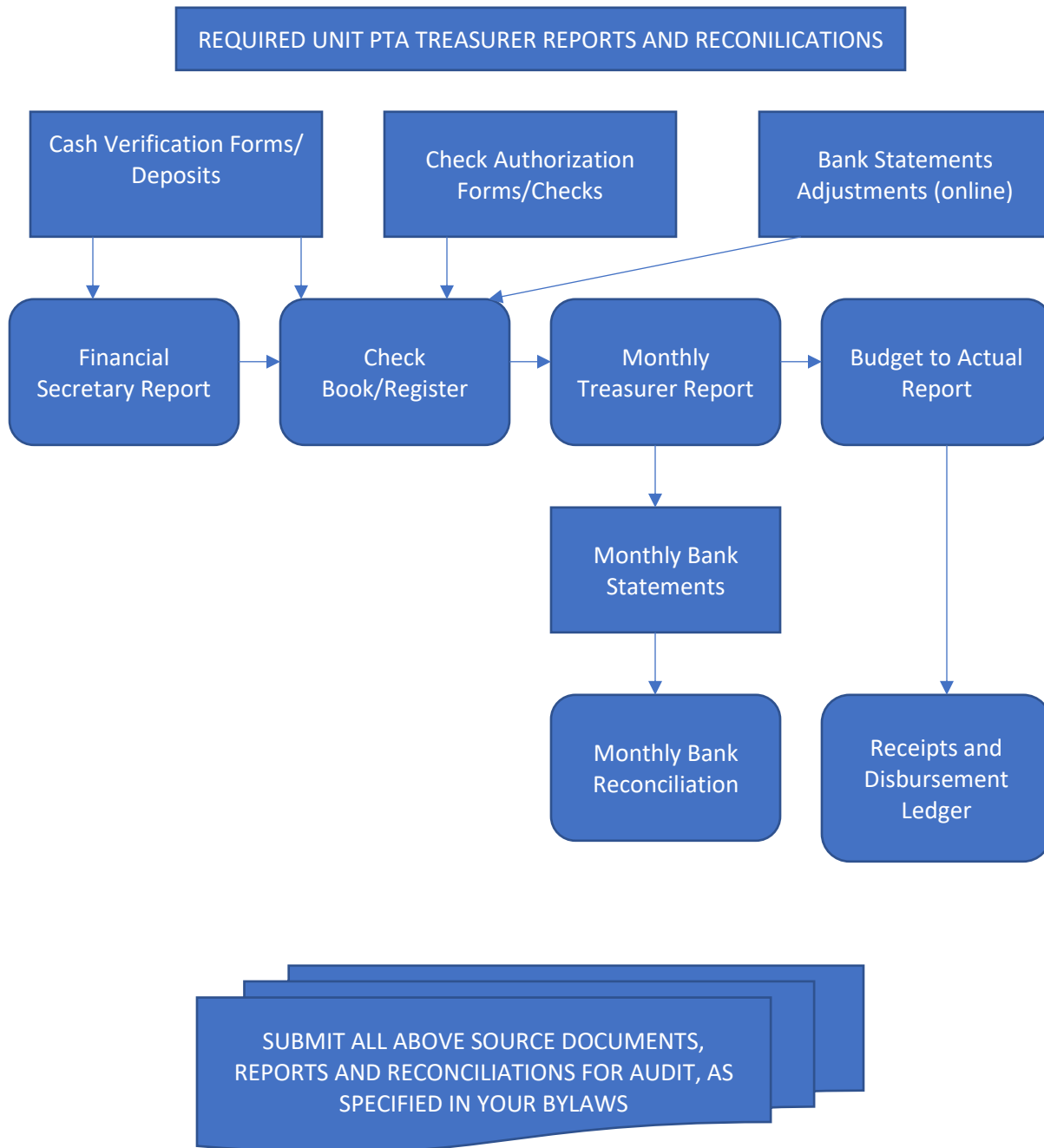
BUDGET LINE ITEM DESCRIPTION	APPROVED BUDGET
CARRY FORWARD BALANCE AT	4,250.00
INCOME:	
Membership Dues Income	500.00
TOTEM Membership Dues Income	2,000.00
Programs Service Revenue	
Spirit Wear Income	2,000.00
Interest Income	60.00
Special Events-Fundraising Income	
Fall Fundraiser Income	7,500.00
Family Dinner Nights	800.00
Carnival Income	8,000.00
Spring Fundraiser Income	6,000.00
Donations	
Amazon Smile	120.00
Other Income	100.00
Membership Non-Unit Dues	-
TOTAL PROJECTED INCOME	27,080.00
EXPENSE:	
Program Services Expense	
Spirit Wear Expense	1,500.00
Gift to School - Field Trips	5,000.00
Student Planners	3,000.00
Teacher Appreciation	300.00
Special Events-Fundraising Expense	
Fall Fundraiser Expense	3,750.00
Carnival Expense	4,000.00
Spring Fundraiser Expense	3,000.00
Organizational Expense	
Square Fees	75.00
Government Filing Fees	100.00
Bank Charges and Fees	50.00
Postage	20.00
Supplies	130.00
Insurance	232.00
Membership Non-Unit Dues	-
TOTAL PROJECTED EXPENSE	21,157.00
PROJECTED NET OPERATIONS	5,923.00
PROJECTED CASH BALANCE AT 6/30	10,173.00

Approved by the Board on:

Approved by Association on:

Revision Date:

REQUIRED RECORDS AND REPORTS FOR AUDIT FLOWCHART



CASH VERIFICATION FORM

(Membership, Fundraisers, Donations)

UNIT NAME		
ACTIVITY	Membership	DATE

COINS

_____	x 1¢ =	_____
_____	x 5¢ =	_____
_____	x 10¢ =	_____
_____	x 25¢ =	_____
_____	x 50¢ =	_____
_____	x \$1 =	_____
TOTAL \$		_____

CURRENCY

_____	x \$ 1 =	_____
4	x \$ 5 =	20
_____	x \$ 10 =	_____
1	x \$ 20 =	20
_____	x \$ 50 =	_____
_____	x \$100 =	_____
TOTAL \$		40

CHECKS Attach adding machine tape of itemized checks.

#	1339	\$	30	#		\$	
#	3440	\$	10	#		\$	
#	3481	\$	20	#		\$	
#		\$		#		\$	
#		\$		#		\$	
#		\$		#		\$	
#		\$		#		\$	
#		\$		#		\$	
#		\$		#		\$	
#		\$		#		\$	
#		\$		#		\$	
#		\$		#		\$	
#		\$		#		\$	
#		\$		#		\$	

Cash Total: 40

Check Total: 60

Cash Total:	40
Check Total:	60
Grand Total:	100

Membership Dues

10 members @ \$ 10 (dues) = \$ 100 + donations = \$ _____ **Grand Total \$** 100

FOR OFFICIAL USE ONLY

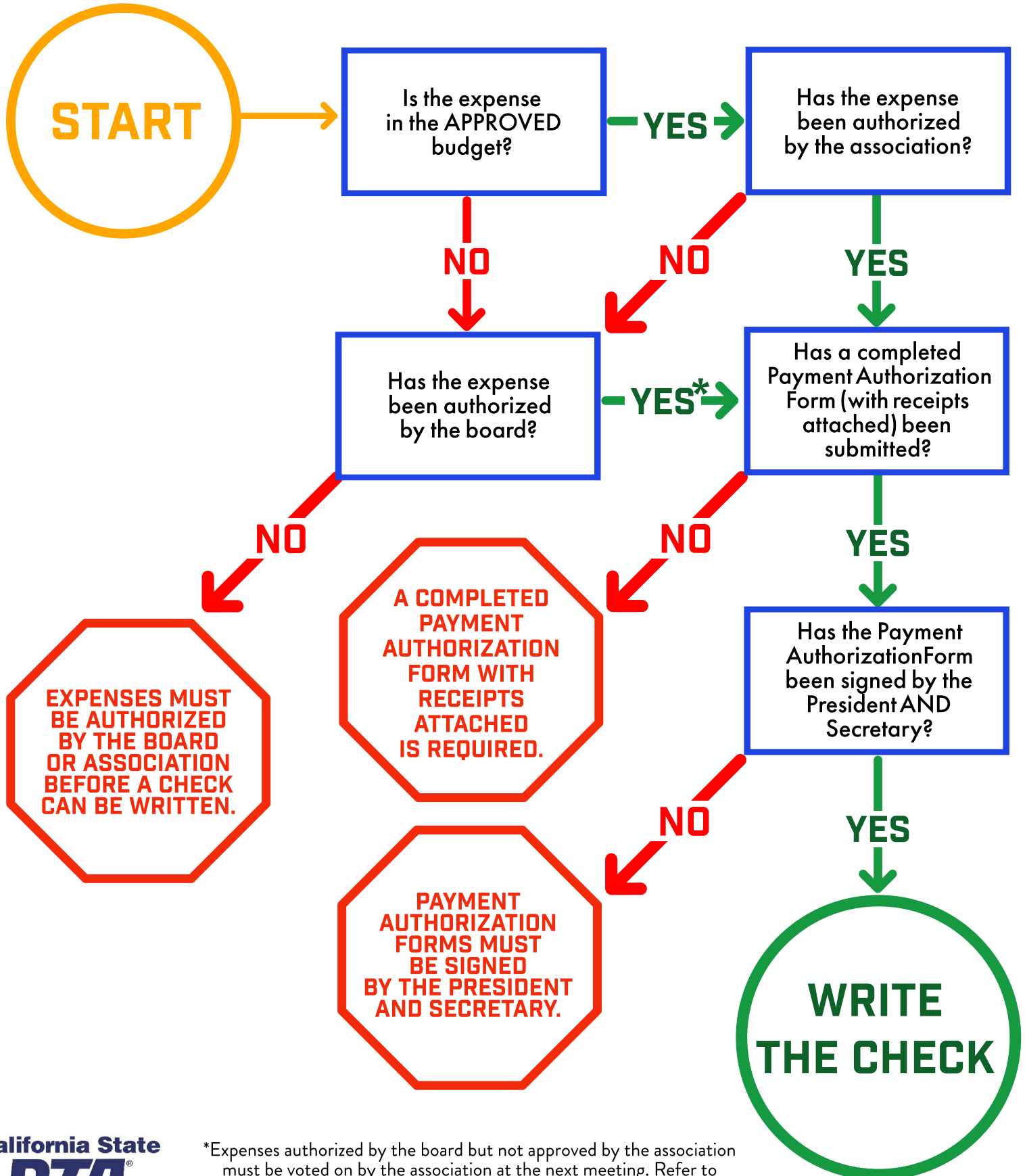
Signature _____
 Signature _____
 Signature _____

Amount Received: \$ _____
 Signature _____
 Date _____

UNIT: _____
FINANCIAL SECRETARY REPORT
November 1, 2019 thru November 30, 2019

Date	Receipt Number	Description	Amount
11/2/2019	123	Membership Dues (10 @ \$ 4.95)	49.50
		Non-Unit Membership (10 @ \$ 5.05)	50.50
11/4/2019	124	Family Dinner Nights - Flippin' Pizza	252.00
11/16/2019	125	Fall Fundraiser Tickets	7,500.00
Total Receipts			7,801.50

CAN WE WRITE THIS CHECK?



PAYMENT AUTHORIZATION/REQUEST FOR REIMBURSEMENT

ATTACH ALL RECEIPTS TO THIS EXPENSE STATEMENT

Name of Payee Judy Smith
 PTA Position Teacher Appreciation Chairperson
 Address 1000 Awesome Road
 City/Zip Long Beach, 90808
 Telephone (____) _____ Email _____

Expenditure was for: Fall Teacher Appreciation Lunch

List Expenditures:	\$ _____
Food	\$ <u>275.00</u>
Decorations	\$ <u>50.00</u>
_____	\$ _____
TOTAL EXPENSE	\$ <u>325.00</u>

Total Amount Claimed From Above	\$ <u>325.00</u>
Minus Advance Received	\$ <u>0.00</u>
Reimbursement Claimed	\$ <u>325.00</u>
Not claimed – donate to PTA	\$ <u>0.00</u>
Refund to PTA (Enclose Check)	\$ <u>0.00</u>

Signature Judy Smith Date 11/3/2019

Signature of VP/Chairman for Program/Event Judy Smith

FOR PTA TREASURER USE:

- ☒ Membership-approved activity
- ☒ Funds released by membership
- ☒ Executive Board-approved expenditure

Check Number	Category	Amount Advanced	Expenses	Amount Owed or Due
3075		\$0.00	\$325.00	\$325.00

President's signature: Mary Taylor Date: 11/1/2019

Date approved in minutes: 10/15/2019 Secretary's signature: Jane Doe

03/2009



5.1.5 Fiduciary Agreements and Gifts to Schools

PTA programs promoting parent education, home and school cooperation, children's well-being, community betterment, and funding for education must have first call on PTA funds. However, when a PTA is asked to purchase or provide materials for the local school, it is necessary to follow certain guidelines so that the gift will be acceptable to both the PTA membership and the school district.

When making gifts, a Fiduciary Agreement should be completed by the PTA and signed by all involved so that all parties acknowledge and agree to gift restrictions (Forms, Chapter 9). If a Fiduciary Agreement is not completed, gifts to the school that are accepted by the school district become the property of that district and can be moved or used at any school within the school district.

Certain gifts, such as funding for field trips, enrichment programs, teacher aides, special instructors, books, classroom supplies, or major equipment purchases, require prior approval from the PTA membership, school principal, and school district. Many school districts have policies and regulations on accepting gifts. Be sure to check with the school district **before** purchasing any materials or gifting funds to the school.

PTA members must approve all expenditures of funds, including the amount of monies to be used for gifts to the school, prior to the expenditure of those funds. This approval must come in the form of a motion and vote at a meeting of the membership and must be recorded in the association minutes of the meeting. Since PTA membership is new each year, funds cannot be committed from one year to the next unless funds were raised for a specific purpose and are therefore restricted. One example might be funds raised over three years for a major purchase. If restricted funds are not used for their designated

purpose the funds must be returned to the donors or the donors must agree to the new purpose.

A gift to the school should benefit the largest number of students possible. Gifts should be in the form of a donation, presented and accepted by the school board at a school board meeting and recorded in the school board minutes. This ensures the school district will assume responsibility for the liability, maintenance and upkeep of any equipment purchased. Check with the school district to determine whether it is better to donate money for any equipment and have the district purchase the item(s) instead of the PTA purchasing the item(s) and then gifting them to the school.

At the first association meeting following the acceptance of the gift by the school board, a description of what was given to the school district must be noted again, and the date the school board accepted the gift must be recorded in the PTA association minutes.

The school district is subject to fiduciary responsibility. If the school district accepts money or equipment that is given subject to a restriction, then the restriction must be honored or the law will impose personal liability on the officers or trustees of the school district in their individual capacities. It is possible that the law would merely require the refund of the gift not used for the restricted purpose. The law does not do that automatically – there must be a complaint filed with the school district by the donor.

If the school district or any recipient is not willing to honor the restrictions on use which accompany a charitable contribution, then the recipient must decline to accept the gift. There is no duty of any recipient of an offered charitable gift to actually accept the gift if there is a restriction attached.

Gifts to Schools

- **Field Trips** -Should benefit the majority of students within the school. ***PTA should not pay directly for the bus, nor sign any papers relating to the proposed trip.*** **REMEMBER:** PTA Insurance ***does not*** cover children except as volunteer workers.
- **Trees and Plants** – Should be cleared by the principal through the school district.
- **Computers** -Should benefit the majority of students within the school. All purchases should be made in consultation with the school district. PTAs should determine how the equipment will be used to enhance the instructional program and make sure:
 1. That there is a comprehensive school district plan specifying how the equipment will be used with school curriculum.
 2. That the equipment to be purchased is part of the school district's overall plan.

FIDUCIARY AGREEMENT: LBUSD-SPECIFIC POLICIES AND PROCEDURES

THE FIDUCIARY AGREEMENT

LBUSD SPECIFIC POLICIES AND PROCEDURES

The Fiduciary Agreement is a PTA form representing the agreement between the PTA and the School to remit funds to the Long Beach Unified School District (LBUSD) in accordance with the Gifts to School budget, as approved by the PTA Association.

There is a separate agreement between the principal/school administrator and (LBUSD).

Gifts over \$ 100 must be approved by the LBUSD Board of Education (at their regular meeting) and a letter will be sent to the PTA accepting the gift. Please consider the LBUSD Board meeting schedule when remitting funds as this does delay fund availability.

There is a LBUSD financial tracking system which ensures that funds are spent in accordance with the PTA Fiduciary Agreement. Even though principals have access to the gift accounts, they do not have the ability to move funds.

Equipment should be purchased by the District (not PTA) in accordance with approved LBUSD procurement procedures, ie, the school initiates a requisition and the District will implement the purchase order, administer contracts, as needed, and pay the vendor. As a result, LBUSD owns the equipment and is responsible for the insurance, maintenance and repair of the equipment.

Although a Fiduciary Agreement should accompany a PTA check to the District, the District will process the payment without it. It is the choice of the PTA to send the Fiduciary Agreement to LBUSD to obtain a signature prior to remitting the check. There is an approximate turnaround time of 10 work days. The other option is to send the Fiduciary Agreement with the check and the signed form would be returned with the acceptance letter.

Since gifts are accepted by the LBUSD Board of Education, residual funds may not be refunded without Board approval. The PTA may request to move the residual funds to another line item. Otherwise, the funds will be moved to a general account to be used at the discretion of the school administrator.

If funds are not used (cancelled field trips for example), they may be refunded to the unit or reclassified to another purpose, as approved by the current PTA and principal, based upon an amended Fiduciary Agreement.

If you have any questions regarding the Fiduciary Agreement or the status of a submitted Fiduciary Agreement or check, please contact Renee Arkus, Executive Director of Fiscal Services at (562) 997-8126 or email at rarkus@lbschools.net.

FIDUCIARY AGREEMENT FORM



FIDUCIARY AGREEMENT

The _____ PTA/PTSA (PTA), hereby gives to the
_____ of _____

Public School District, a monetary grant in the amount of _____

dollars (\$ _____) check number _____, dated and signed by

_____ president and _____ treasurer of the
_____ PTA.

The gift money is for the sole purpose of _____

It is hereby agreed that the gift monies will be spent for the above-stated purpose on or before
_____. Any portion of such funds that is unused or unexpended as of such
date shall be reimbursed in full to the _____ PTA within seven (7)
business days of the expiration date.

The PTA hereby gives to the _____ of
_____ Public School District, the following equipment

The _____ Public School District accepts ownership of
the above described equipment, accepts responsibility for the installation, operation and maintenance of the above
described equipment, and will keep the above described equipment at

_____, for a period of no less than
_____ (_____) years.

The conditions set forth in this Fiduciary Agreement are restrictions placed by the PTA upon the donation and use of
the above described money or equipment.

PTA/PTSA President	Date
PTA/PTSA Treasurer	Date
School Administrator	Date
School District Administrator	Date



everychild.onevoice.

AUTHORIZATION FOR PAYMENT VIA EFT/BANK BILL PAY SERVICES

ATTACH ALL INVOICES AND ORIGINAL SIGNED REQUEST FOR PAYMENT

Date _____

Vendor Name _____

Address _____

City/State/Zip _____

Telephone (_____) _____ Email _____

Budget Account _____

Reason for Payment _____

Payment Account _____

Payment Amount _____

Requested By _____

Authorized By _____ Date _____
(Authorized Check Signer)

Authorized By _____ Date _____
(Authorized Check Signer)

This form must be signed by two authorized check signers before any transfer/transaction may be initiated. Signatures by facsimile copy will be accepted.

FOR PTA TREASURER USE:

- ☐ Membership-approved activity ☐ Funds released by membership
☐ Executive Board-approved expenditure

Transaction Date	Transaction Number
------------------	--------------------

Date Approved in minutes: _____ Secretary's signature _____

08/2017

Fig. F-11 Authorization for Payment Via EFT/Bank Bill Pay Services

REQUEST FOR AN ADVANCE FORM

Date: _____ Activity: _____

Check Payable to: _____ E mail: _____

Address: _____ Telephone No: _____

Approved Budget Amount: _____

Previous Advance Amount: _____ (Budget Balance Available \$ _____)

Requested Advance Amount: _____ (Attach List of Estimated Expenditures)

Available Budget Amount: _____

I request the above advance for expenses authorized by the Board and funds released by the Association for the approved PTA activity. Within 2 weeks of the completed activity, I agree to submit an Advance Clearance Form with all required original receipts and to refund the unused portion of the advance or to claim, on a Payment Authorization form, monies paid by me in excess of the advance amount but within the approved budget.

Printed Name: _____ Position: _____

Signature: _____ Date: _____

Chairperson Approval (If different than Requestor): _____

Name

Signature

 =====
President/Recording Secretary Use Only:
_____ Membership-Approved Activity _____ Funds Released by Membership_____ List of Estimated Expenditure attached_____
President's Signature

Date

Recording Secretary's Signature

Date

 =====
Treasurer Use Only:

Advance Check #: _____ Check Date: _____ Check Amt.: _____

Note: Advances will not be authorized for expenditures which are invoiced by a vendor and can be paid directly to the vendor via a check issued by the PTA.

ADVANCE CLEARANCE (EXPENSE STATEMENT)

(Attach all original receipts)

Original Advance – Check Date: _____ Check #: _____ Check Amount: _____

Date: _____ Activity: _____

Requestor Name: _____ Position: _____

List Expenditures: _____ Amount: __________ Amount: _____

_____ Amount: _____

_____ Amount: _____

Total Expenditures (per attached receipts not to exceed budget): _____ Amount: _____

Total Amount Claimed: _____ (total expenditures above)

Less Advance Received: _____ (subtract advance received)

Reimbursement Claimed: _____ (expense exceeds advance-submit check request)

Refund to PTA: _____ (expense is less than advance – attach check)

Requestor Name: _____ Signature: _____

Reviewed by: _____ Date: _____

Treasurer

NOTE: Within 2 weeks of the completed activity, I agree to submit an Advance Clearance Form (expense statement) with all required original receipts and to refund the unused portion of the advance or to claim, on a Payment Authorization Form, monies paid by me in excess of the advance but within the approved budget.

AUTHORIZATION TO TRANSFER FUNDS BETWEEN ACCOUNTS

Date: 11/16/2019

Reason for transfer: To fund general operations

Transfer from account: E-Commerce Account XXXX-XXXX

Transfer to account: General Checking Account

Amount to transfer: \$1,700.00

Requested by: Treasurer

Authorized by: Check Signer
(Authorized Check Signer)

Check Signer
(Authorized Check Signer)

*This form must be signed by two authorized check signers before any transfer may be made.
Signatures by facsimile copy will be accepted.*

Date of Transfer _____	Bank Transaction Number _____
------------------------	-------------------------------

10/2010

MEMBERSHIP: RECORD, RECONCILE AND REMIT

MEMBERSHIP RECORDING OF CASH AND CHECKS:

1. Process cash and checks using the cash verification form (CVF) and deposit to the bank.
2. Record membership dues income (unit portion of the membership amount, as specified in the unit bylaws.
3. Record per capita dues as "Funds Not Belonging to the Unit – Income".

MEMBERSHIP RECORDING OF E-COMMERCE (NOT TOTEM):

1. Record GROSS membership amount in accordance with bylaws using the e-commerce sales reports.
2. Record merchant fees to a separate fee expense account.
3. PTAEZ Users – Memberships purchased on the online store will be posted automatically. Draw down funds from Paypal.

MEMBERSHIP RECORDING OF TOTEM:

1. Record the TOTEM deposit to the bank as membership dues income. Non-unit dues are not posted to the bank so no remittance is required.
2. Record gross donation to income and the fee charged by TOTEM to a fee expense account.

MONTHLY RECONCILIATION OF "FUNDS NOT BELONGING TO THE UNIT – INCOME AND EXPENSE"

1. Reconcile the Funds Not Belonging to the Unit – Income against cash receipts and e-commerce reports. Membership list may be used not including TOTEM members.
2. Determine number of memberships that need to be remitted thru channels.
3. Write check and post to Funds Not Belonging to the Unit – Expense.
4. Funds Not Belonging to the Unit Income and Expense should be equal.

MONTHLY REMITTANCE THRU CHANNELS:

1. Prepare Remittance Form (Money Matters Form) for the number of memberships due and the amount. Attach check and turn in to Council. The check does not have to be approved or ratified.
2. Over remittances at the end of the year will not be refunded. Under remittances must be remitted the following year.

TREASURER REPORTS

Monthly Treasurer Reports:

1. A separate monthly Treasurer Report must be prepared for each bank account and paypal account that is not automatically posted to the bank account on a regular basis.
2. The report must include all cash receipts and expenditures plus all bank adjustments which must be posted to the unit financials after the fact, such as bank fees and TOTEM.
3. The Treasurer Report must be presented to the Board and Association for approval and ratification of checks.
4. It was recommended to open another bank account for the processing of e-commerce. Attached are examples of a treasurer report with one bank account and another with two accounts being used.
5. File for audit.

Periodic Treasurer Reports:

1. Treasurer Reports may be run using non monthly date parameters which match the unit Association or Board meetings in order to present the most current information.
2. Review beginning and ending balances to ensure that there is no overlap or gap between the reporting periods. Review these reports against the financial information in the minutes.
3. These reports are for internal reporting only. External reporting requires the monthly accounting period to be reported to external entities and the year end remains on June 30.
4. File for audit.

Processing Returned Checks from the Bank:

1. Post the amount of the NSF check as a reduction of revenue and the bank fee to a fee expense account.
2. Contact payers asap to request reimbursement in cash or casher check in the amount of the NSF check and bank fee.
3. Post the reimbursement to increase revenue by the amount of the check and reduce fee expense by the amount of the fee.

Processing E-Commerce Sales:

1. Post gross sales amount to the appropriate income category and merchant fee to a fee expenses account. The difference should be the cash posted by the bank.
2. Generate a report off the payment processor's website to support the entry.
3. The total TOTEM amount should be posted to Membership Dues.

AUTHORIZATION TO TRANSFER FUNDS BETWEEN "BANK" ACCOUNTS:

1. If the unit has an e-commerce account, funds collected must be transferred to the general checking account to cover checks issued.
2. The attached form must be prepared before the request is posted and should be signed by two check signers.
3. The transfer must be posted to online banking or in person by the bank.
4. File for audit.

SAMPLE: TREASURER REPORT

EXAMPLE:

UNIT: _____
 MONTHLY TREASURER REPORT - CHECKING ACCOUNT (ONE ACCOUNT)
 FOR THE PERIOD _____ TO _____

BALANCE ON HAND AT 11/01/2019	4,250.00
-------------------------------	----------

DATE	TRANSACTION TYPE	TRANS. NUMBER	DESCRIPTION	AMOUNT	TOTAL
------	---------------------	------------------	-------------	--------	-------

INCOME:

11/2/2019	Deposit	123	Memberships Dues (10 @ 4.95)	49.50	
11/4/2019	Deposit	124	Family Dinner Night - Flippin Pizza	252.00	
11/16/2019	Deposit	125	Fall Fundraiser	7,500.00	
TOTAL UNIT INCOME (CASH VERIFICATION FORMS)					7,801.50

11/7/2019	Bank Adjustment	501	TOTEM Memberships Dues (32 @ 4.95)	1,584.00	
11/14/2019	Bank Adjustment	502	Square Sales - Spirit Wear (Gross)	75.00	
11/20/2019	Bank Adjustment	503	Bank Deposit Correction	2.00	
11/25/2019	Bank Adjustment	504	Amazon Smile	54.30	
11/28/2019	Bank Adjustment	506	Returned Check by Bank - Fall Fundraiser	(50.00)	
TOTAL BANK ADJUSTMENTS					1,665.30

FUNDS NOT BELONGING TO THE UNIT INCOME:

11/2/2019	Deposit	123	Membership Non-Unit (10 @ 5.05)	50.50	
TOTAL ALL INCOME AND CASH BALANCE					13,767.30

EXPENSES:

11/3/2019	Check	3075	Teacher Appreciation - Judy Smith	325.00	
11/20/2019	Check	3077	Fall Fundraiser	3,750.00	
11/26/2019	Voided Check	3075	Teacher Appreciation - Judy Smith - Lost	(325.00)	
11/28/2019	Check	3078	Teacher Appreciation - Judy Smith - Replacement	325.00	
TOTAL UNIT CHECKS (CHECK AUTHORIZATION FORMS)					4,075.00

11/4/2019	Bank Adjustment	500	Bank Service Charge	3.00	
11/14/2019	Bank Adjustment	502	Square Sales Fee	1.50	
11/26/2019	Bank Adjustment	505	Difference between check amount and cleared amount	0.45	
11/28/2019	Bank Adjustment	506	Bank Fee for Returned Check	10.00	
TOTAL BANK ADJUSTMENTS					14.95

FUNDS NOT BELONGING TO THE UNIT EXPENSE:

11/20/2019	Check	3076	Remit Membership (Non-Unit) to Council (10)	50.50	
TOTAL ALL EXPENSES					4,140.45

BALANCE ON HAND AS OF 11/30/2019	9,626.85
----------------------------------	----------

BANK STATEMENT - CHECKING ACCOUNT (ONE ACCOUNT)
AS OF NOVEMBER 30, 2019

EXAMPLE

Beginning Balance at 11/01/2019	4,500.00
Deposits/Credits	9,565.80
Checks/Debits	(438.95)
Ending Balance at 11/30/2019	13,626.85

Deposits and Credits

11/2/2019 Deposit		100.00
11/4/2019 Deposit		252.00
11/16/2019 Deposit		7,500.00
11/7/2019 Credit	TOTEM	1,584.00
11/14/2019 Credit	Square Sales (Net)	73.50
11/20/2019 Credit	Deposit Correction	2.00
11/25/2019 Credit	Amazon Smile	54.30
Total Deposits/Credits		9,565.80

Checks/Debits

11/25/2019 Check	3076	50.50
11/30/2019 Check	3078	325.45
11/4/2019 Debit	Bank Service Charge	3.00
11/28/2019 Debit	Returned Check Fee	10.00
11/28/2019 Debit	Returned Check	50.00
Total Checks/Debits		438.95

BANK RECONCILIATION - CHECKING ACCOUNT (ONE ACCOUNT)
AS OF NOVEMBER 30, 2019

Bank Balance at 11/30/2019	13,626.85
Outstanding Checks	
10/15/2019	3073 250.00
11/20/2019	3077 3,750.00
Adjusted Bank Balance at 11/30/2019	9,626.85

Prepared By: _____ Date: _____

Reviewed By: _____ Date: _____

		UNIT:							
EXAMPLE			RECEIPTS AND DISBURSEMENTS LEDGER						
			AS OF:						
Receipts Ledger									
Account Description	Account Balance	Membership Dues Income	TOTEM Dues Income	Non- Unit Dues Income	Fundraising (Special Events)	Program Services Income	Sales (example-Spirit Wear)	Donation Income	Other Income
Membership Dues (10)	100.00	49.50		50.50					
TOTEM Membership Dues Income	1,584.00		1,584.00						
Program Services Revenue									
Spirit Wear	75.00			-			75.00		
Special Events - Fundrasing									
Fall Fundraiser	7,450.00				7,450.00	-			
Family Dinner Nights	252.00				252.00	-			
Donations - Amazon Smile	54.30						-	54.30	
Other Income	2.00						-		2.00
TOTAL RECEIPTS/INCOME:	9,517.30	49.50	1,584.00	50.50	7,702.00	-	75.00	54.30	2.00
Disbursements Ledger									
Account Description	Account Balance	Organizational Expenses	Founders' Day Gift	Non-Unit Dues Expense	Fundraising (Special Events)	Program Services Expense	Cost of Goods Sold (example-Spirit Wear)	Insurance	Other Expense
Program Services									
Teacher Appreciation	325.00	-				325.00			
Special Events - Fundraising	3,750.00				3,750.00				
Organizational Expense									
Square Fees	1.50	1.50		-					
Bank Charges and Fees	13.45	13.45		-					
Membership Dues - Non Unit	50.50			50.50				-	
	4,140.45	14.95	-	50.50	3,750.00	325.00	-	-	-
	Audit Period as of : _____								
						Auditor Signature and Date			
	Cash Balance on hand at 11/1/2019			4,250.00					
	Total Receipts/Income			9,517.30					
	Total Expense/Disbursements			(4,140.45)					
	Cash Balance on hand at 11/30/2019			9,626.85					

THE FIVE-MINUTE AUDIT FOR PTAS

The five-minute audit for PTAs

A treasurer's report includes meaningful information, but how does the PTA know it's accurate?

The unit needs to assign a non-check signer to review the bank statement each month. The most logical choices are the auditor or a member of the audit committee.

Armed with the treasurer's financial report, minutes and the bank statement the following can be checked:

Treasurer's Report Nov.1-Nov. 30:				Bank Statement			
Beginning Balance – Nov. 1				Bank Stmt Beginning Balance			
			\$3,500				\$3,550
Income							
Giftwrap	11/01	\$2,400		Deposits	11/05	\$2,400	
Memberships	11/14	<u>\$ 300</u>			11/15	<u>\$ 300</u>	
			\$2,700				\$2,700
Expense							
CK 100	ABC Co	\$1,299		Checks	99	\$ 50	<i>last treas. rpt</i>
CK 102	Alpha PTA Council	<u>\$ 160</u>			100	\$1,299	
CK 103	Mary Smith	<u>\$ 250 \$300</u>			103	<u>\$ 300</u>	
			\$2,709 \$1759				\$1,649
Ending Cash Balance			\$3,493 \$4441	Ending Bank Balance			\$4,601
							<i>CK 102</i> -160

Call president and treasurer. Looks like Nov. treas.' report –check #103 needs to be corrected. Could be bank error?

Note: If the bank statement does not include copies of checks, the unit has to obtain copies. Most banks have online access. PTAs can have online access to their bank accounts, but they must decline any access to online payment of bills.

Step 1: Look at the checks. Verify

- Two signatures on every check
- Payee, amount and date match the treasurer's report
- Purpose of payment is included in the check's note section

Step 2: Look at the deposits. Verify

- Date and amount match the treasurer's report
- Deposits have been timely

Step 3: Assure no online payments or withdrawals have been made using a debit/ATM card.

Step 4: Reconcile the bank statement to the treasurer's report.

- Make adjustments for checks that have not cleared and for deposits not shown.

Step 5: Contact the treasurer to determine the source of the error(s). Corrections, if required, are included in the next treasurer's report. Report findings to unit president, treasurer and auditor (if reviewer isn't the auditor). *Note: the five-minute audit will NOT reveal that the treasurer allocated \$100 collected for Membership Dues to Gift-Wrap Income instead, but it will point out that a \$1,000 deposit showing on the treasurer's report didn't actually make it to the bank or that a check cashed by the bank didn't show up on the treasurer's report. If this happens, ask more questions and investigate further!*

PTA resources include *Toolkit*, Finance section: 5.3 Banking, 5.3.3 Bank Statements, 5.3.6a Check Writing; Forms section: Check Sample.

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HOW TO CONDUCT AN AUDIT



THE PURPOSE OF THE AUDIT:

- To review the PTA financial records in order to ascertain that good internal control procedures are in place; and, to test the level of compliance with those PTA approved policies and procedures. This review may reveal weaknesses; and, reporting or processing errors.
- Review the board and association meeting minutes and treasurer reports presented at the meetings to reasonably ensure that funds are spent in accordance with membership wishes.

AUDIT TIMELINE:

- The PTA bylaws specify the audit due dates which are required twice a year, ie, mid-year and year end. Additionally, audits will be required when bank accounts are closed or a check signer is removed. Audits should be prepared in a timely manner. A recommended benchmark is within two weeks of receipt.
- Separate audits must be prepared for each bank account.

WHO CONDUCTS THE AUDIT?

- The PTA Auditor is either elected or appointed per the bylaws. The auditor must not be a check signer or related by blood, marriage or cohabitation with an authorized check signer.
- The outgoing auditor is responsible for the June 30 (year-end) audit. If not completed, the new year auditor or an audit committee may conduct the audit. The prior year treasurer may not participate.
- The Audit Review Committee is required, if the PTA auditor is not a “qualified” accountant. See Q&A below

PREPARATION FOR AN AUDIT

- Treasurer should use the Audit Checklist to collect required documentation for the Audit.
- The top portion (the checklist) shows that the auditor received (or not) the documents necessary to conduct the audit. Ideally, this section could be completed by the unit/council treasurer and the auditor together during the “hand off” to avoid future confusion, should something be missing during the audit. If there is not a one on one physical hand off (porch drop off), the auditor should check in the documents first and email the unit/council immediately, if something is missing. The recording secretary would provide the board and association minutes with the pertinent treasurer reports attached.

AUDIT PROGRAM OR ACTION PLAN:

- The remaining portion of the “Audit Checklist” may be used as the Audit Program or Action Plan. This audit program documents what procedures will be followed to validate that the unit/council is in compliance with the PTA approved policies and procedures.
- The steps may be used as questions for which the auditor will indicate “yes”, “no”, or “NA”. Check off each item as you go to keep track of your progress. See examples of cash verification form, check authorization form, treasurer report, bank statement/reconciliation and ledger report on pages
- The auditor does not make corrections to the financial records.

AUDIT REVIEW COMMITTEE

In accordance with the new PTA insurance requirements, there must be an Audit Review Committee composed of at least two people, one of whom may be the auditor and one other Association member who is appointed by the Executive Board and ratified by the Association. The auditor may be elected or appointed in accordance with the bylaws. The Audit Review Committee reviews the completed audit before presentation to the president and treasurer, if needed, and the Executive Board. The audit should be signed and dated by the Audit Review Committee members. An Audit Review Committee is not required if the audit is prepared by a qualified accountant. The unit may also engage the services of an outside accounting firm to perform the audit which would not require the Audit Review Committee approval.

Question: Can the council or district auditor act as the Audit Review Committee for units, without being a member of the association?

Answer: *It is preferable that the unit Audit Review Committee is comprised of the unit's association members. If there are no volunteers, the council or district auditor may step in as the Audit Review Committee.*

Question: Board appointments are usually made by the president and approved by the Executive Board. Why are the auditor (if not elected) and Audit Review Committee members appointed by the board and approved by the association?

Answer: *The president is a check signer and should not appoint the auditor who will be reviewing the accounting records. The Audit Review Committee members must be independent.*

Question: Are there any other restrictions on who may serve on the Audit Review Committee?

Answer: *The Audit Review committee members may not be related by blood, marriage or cohabitation to the financial officers or auditor.*

Question: Should Review Committee members attend audit training to know what to look for?

Answer: *Training is not mandatory but is highly recommended. The experience and training will enhance their ability to review financial records and may interest the committee member to volunteer to be a future auditor.*

Question: What is the scope of work of the Review Committee? Do they perform the audit again?

Answer: *The scope of work is not specified by the insurance company or the State PTA. It is recommended, at a minimum, that the Audit Review Committee verifies beginning and ending balances, the audit report calculations and all findings and recommendations. A random sampling of documentation may also be done. Redoing the entire audit is not required.*

Question: Who is a qualified accountant?

Answer: *A qualified accountant such as a CPA has been trained/licensed to conduct audits and/or review accounting records. Additionally, work experience specific to the auditing field, especially in the public sector, may be used to qualify an auditor or accountant. They do not need to be currently employed.*

Question: Is an audit review committee needed if an audit is conducted by a council/district officer?

Answer: *If the Council or District Officer is not a qualified accountant, a Review Committee is required.*



AUDIT CHECKLIST



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AUDIT CHECKLIST	Unit Name	Date	YES	NO	N/A
DESCRIPTION					
Financial Records Provided: List missing records/forms not completed on recommendation report.			<input type="checkbox"/>	<input type="checkbox"/>	
<input type="checkbox"/> Bylaws & Standing Rules <input type="checkbox"/> Budget(s) <input type="checkbox"/> Last Audit Report <input type="checkbox"/> Ledger <input type="checkbox"/> Checkbook register <input type="checkbox"/> Cancelled checks (including voids) <input type="checkbox"/> Authorizations for Payment <input type="checkbox"/> Cash Verification Forms <input type="checkbox"/> Bank statements, bank books and deposit slips <input type="checkbox"/> Bank Reconciliations <input type="checkbox"/> Receipts/bills <input type="checkbox"/> Cash receipts <input type="checkbox"/> Executive board minutes <input type="checkbox"/> Association minutes <input type="checkbox"/> Committee reports <input type="checkbox"/> Treasurer Reports (Board & Association) <input type="checkbox"/> Financial Secretary Records <input type="checkbox"/> Annual Financial Report <input type="checkbox"/> Workers' Compensation Annual Payroll Report form <input type="checkbox"/> IRS Forms 990/990EZ/990N <input type="checkbox"/> State Form 199 <input type="checkbox"/> State Form RRF-1 <input type="checkbox"/> State Form TR-1 (if required) As required for PTAs with employees or independent contractors: <input type="checkbox"/> IRS Form 941 <input type="checkbox"/> IRS Form 1099 <input type="checkbox"/> State Form DE-6 <input type="checkbox"/> State Form DE-542 <input type="checkbox"/> Other: _____					
Beginning Balance Records					
1. Check to see if amount shown on first bank statement (adjusted for outstanding checks and deposits) corresponds to the starting balance recorded in checkbook register, ledger, treasurer's report and ending balance of last audit			<input type="checkbox"/>	<input type="checkbox"/>	
Bank Reconciliation					
1. All bank statements opened, reviewed, signed & dated monthly by non-check signer			<input type="checkbox"/>	<input type="checkbox"/>	
2. All bank statements reconciled by treasurer and reviewed, signed & dated monthly by non-check signer			<input type="checkbox"/>	<input type="checkbox"/>	
3. Ending balances (checkbook register, ledger and treasurer report) agree with last bank statement (adjusted for outstanding checks and deposits not posted to bank statement)			<input type="checkbox"/>	<input type="checkbox"/>	
4. Deposits and Checks Written: (signed by two authorized check signers per the bylaws)					
a) Recorded in checkbook register			<input type="checkbox"/>	<input type="checkbox"/>	
b) Recorded in ledger in proper line items/categories/columns			<input type="checkbox"/>	<input type="checkbox"/>	
c) Agree with treasurer reports			<input type="checkbox"/>	<input type="checkbox"/>	
5. Electronic payments and deposits recorded in checkbook register, ledger and treasurer reports			<input type="checkbox"/>	<input type="checkbox"/>	
6. Bank charges and interest recorded in checkbook register, ledger and treasurer reports			<input type="checkbox"/>	<input type="checkbox"/>	
Membership					
1. Amount recorded and deposited equals total number of memberships received # _____ (members) @ \$ _____ (membership dues listed in bylaws) = \$ _____			<input type="checkbox"/>	<input type="checkbox"/>	
2. Amount forwarded to next level PTA equals total number of memberships received # _____ (members) @ \$ _____ (per capita amount listed in bylaws) = \$ _____			<input type="checkbox"/>	<input type="checkbox"/>	
Insurance – premium(s) forwarded to next level PTA by due date			<input type="checkbox"/>	<input type="checkbox"/>	
Minutes					
1. Original budget and updates/changes approved by association and recorded in minutes			<input type="checkbox"/>	<input type="checkbox"/>	
2. Funds released by association and recorded in minutes as released			<input type="checkbox"/>	<input type="checkbox"/>	
3. All expenditures approved and recorded in executive board minutes (List those expenditures not approved on recommendation report)			<input type="checkbox"/>	<input type="checkbox"/>	
4. All expenditures approved/ratified in association minutes (List those expenditures not approved on recommendation report)			<input type="checkbox"/>	<input type="checkbox"/>	
5. Committee minutes record plans, proposed expenditures, and total of monies earned			<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Authorizations for Payment (signed by secretary and president)			<input type="checkbox"/>	<input type="checkbox"/>	
1. All authorizations written for approved amounts (List missing authorizations on recommendation report)			<input type="checkbox"/>	<input type="checkbox"/>	
2. All authorizations have receipt/bill attached (List missing receipts/bills on recommendation report)			<input type="checkbox"/>	<input type="checkbox"/>	
3. Authorizations match checks written			<input type="checkbox"/>	<input type="checkbox"/>	
Income					
1. Deposits properly supported			<input type="checkbox"/>	<input type="checkbox"/>	
2. Cash Verification Forms used with two people counting money and signing			<input type="checkbox"/>	<input type="checkbox"/>	
3. Income received matches deposits recorded in checkbook register, ledger and treasurer reports			<input type="checkbox"/>	<input type="checkbox"/>	
4. Designated income spent as specified			<input type="checkbox"/>	<input type="checkbox"/>	
Financial Secretary Reports					
1. Filed for every association and board meeting			<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2. Receipts/Deposits agree with ledger & register			<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Treasurer Reports					
1. Filed for every association and board meeting			<input type="checkbox"/>	<input type="checkbox"/>	
2. Agree with ledger and checkbook register			<input type="checkbox"/>	<input type="checkbox"/>	
3. Annual Financial Report			<input type="checkbox"/>	<input type="checkbox"/>	
Committee Reports					
1. Committee reports for all fundraisers submitted or report in minutes.			<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Reporting Forms and Tax Returns					
1. Verify that all forms have been filed annually (if required)			<input type="checkbox"/>	<input type="checkbox"/>	
Audit Reports					
1. Audit done semiannually			<input type="checkbox"/>	<input type="checkbox"/>	
2. Audit reviewed by review committee or conducted by qualified accountant			<input type="checkbox"/>	<input type="checkbox"/>	
3. Present written report with recommendations to executive board			<input type="checkbox"/>	<input type="checkbox"/>	
4. Present audit report to association for adoption			<input type="checkbox"/>	<input type="checkbox"/>	
5. Forward report to the next level PTA			<input type="checkbox"/>	<input type="checkbox"/>	
Audit Recommendations					
All "No" answers should be included in the report as recommendations to change financial procedures. At the completion of the audit, meet with president and financial officers to discuss recommendations and any corrections as needed. When errors have been corrected by a financial officer and accounts are accurate, draw a double line in red ink where the audit concludes on all records. Sign & date the audited materials.					
Mismanagement – Is mismanagement suspected? (Contact district PTA president immediately for assistance if yes.)			<input type="checkbox"/>	<input type="checkbox"/>	

Fig. F-5 Audit Checklist

California State PTA Toolkit – June 2020

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Finance



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AUDIT REPORT

Date EXAMPLE Fiscal Year _____
 Name of Unit _____ IRS EIN _____
 Council _____ District PTA _____
 Bank Name _____ Account Name _____
 Bank Address _____ City/Zip _____
 Membership Dues Per Bylaws \$ 10.00
 Total Members YTD 325 E-Members YTD 94

Dates covered by this audit November 1, 2019 to November 30, 2019

Check numbers reviewed in this audit 3075 to 3078

BALANCE ON HAND at date of last audit 10/31/2019 (date) \$ 4,250.00

RECEIPTS since last audit \$ 9,517.30

TOTAL \$ 13,767.30

DISBURSEMENTS since last audit \$ 4,140.45

BALANCE ON HAND as of 11/30/2019 (date) \$ 9,626.85 *

BANK RECONCILIATION

BANK STATEMENT BALANCE as of 11/30/19 (date) \$ 13,626.85

DEPOSITS not yet credited (add to balance) \$ _____

\$ _____ \$ _____ \$ _____

UNCLEARED CHECKS (List check number and amount)

3073 \$ 250.00 # _____ \$ _____ # _____ \$ _____

3077 \$ 3,750.00 # _____ \$ _____ # _____ \$ _____

TOTAL uncleared checks (subtract from balance) \$ 4,000.00

BALANCE in checking account as of 11/30/2019 (date) \$ 9,626.85 *

*These lines must balance

Read the following when the auditor's report is given: I have examined the financial records of the treasurer of _____ PTA/PTSA and find them:

- ☐ correct.
☐ substantially correct with the attached recommendations and findings.
☐ partially correct. More adequate accounting procedures need to be followed so that a more thorough audit report can be given.
☐ incorrect.

Attach separate report of explanation and recommendations to executive board.
 A separate audit form must be completed for each bank account.

Date Audit Completed _____ Date Audit Reviewed by Committee _____

Date Executive Board Adopted _____ Date Association Adopted _____

Auditor's Signature _____ Auditor's Printed Name _____

Review Committee Signature(s) _____

(Copies to: unit president, secretary, and treasurer; council treasurer or auditor and district PTA treasurer or auditor as directed by the district PTA. Attach copies of tax filings to copies provided to next level PTA.)

AUDIT REPORT

Date _____ Fiscal Year _____
 Name of Unit _____ IRS EIN _____
 Council _____ District PTA _____
 Bank Name _____ Acct Name _____
 Bank Address _____ City/Zip _____
 Membership Dues Per Bylaws \$ _____
 Total Members YTD _____ E-Members YTD _____

Dates covered by this audit _____ to _____

Check numbers reviewed in this audit _____ to _____

BALANCE ON HAND at date of last audit _____ (date) \$ _____

RECEIPTS since last audit \$ _____

DISBURSEMENTS since last audit \$ _____

BALANCE ON HAND as of _____ (date) \$ _____ *

BANK RECONCILIATION

BANK STATEMENT BALANCE as of _____ (date) \$ _____

DEPOSITS not yet credited (add to balance) \$ _____

\$ _____ \$ _____ \$ _____

UNCLEARED CHECKS (List check number and amount)

_____ \$ _____ # _____ \$ _____ # _____ \$ _____

_____ \$ _____ # _____ \$ _____ # _____ \$ _____

TOTAL uncleared checks (subtract from balance) \$ _____

BALANCE in bank account as of _____ (date) \$ _____ *

*These lines must balance

Read the following when the auditor's report is given: I have examined the financial records of the treasurer of _____ PTA/PTSA and find them:

- ☐ correct with no recommendations.
- ☐ correct with the attached recommendations.
- ☐ substantially correct with the attached recommendations and findings.
- ☐ partially correct. More adequate accounting procedures need to be followed so that a more thorough audit report can be given.
- ☐ incorrect.

Attach separate report of explanation and recommendations to executive board.

A separate audit form must be completed for each bank account.

Date Audit Completed _____ Date Audit Reviewed by Committee _____

Date Executive Board Adopted _____ Date Association Adopted _____

Auditor's Signature _____ Auditor's Printed Name _____

Auditor is a qualified accountant? ☐ Yes ☐ No (If Yes, Audit Review Committee is not required.)

Definition of qualified accountant can be found in the Insurance Guide.

Review Committee Signature(s) _____

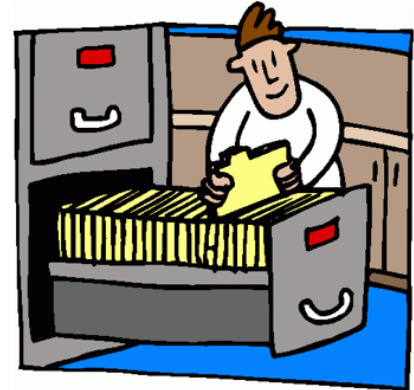
(Copies to: unit president, secretary, and treasurer; council treasurer or auditor and district PTA treasurer or auditor as directed by the district PTA. Attach copies of tax filings to copies provided to next level PTA.)

Records Retention Schedule and Destruction Policy

It is very important that certain records be retained. The current IRS letter of determination, the current bylaws and standing rules approved by the state parliamentarian, and articles of incorporation (for incorporated PTAs) must be readily accessible at all times.

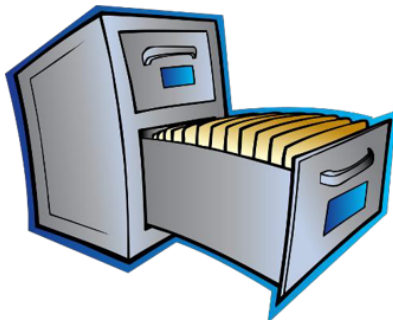
Listed here are items that must be reviewed on a periodic basis and kept in a safe place. Members of the executive board must properly dispose of records by shredding the document within 30 days of the expiration of the holding period.

To assist in this process, it is recommended that upon filing records, note on the outside of the box a "Destroy After" date.



PERMANENT STORAGE

- All audit reports
- Articles of Incorporation
- Canceled checks for important transactions (e.g., taxes, contracts). Checks should be filed with papers pertaining to each transaction.
- Corporation exemption documents (if incorporated)
- Corporation reports filed with the Secretary of State
- Legal correspondence
- Insurance records:
 - Accident reports
 - Claims
 - Employee Acknowledgment Forms
 - Insurance Incident Reports
 - Policies
- Ledgers (bound)
- Minutes of executive board and association (bound)
- PTA Charter
- Tax documents:
 - Exempt status
 - Group exemption
 - Letters assigning federal and state identification number (Federal Identification Number and State Taxes and Government Forms)
 - State and federal tax forms, as filed
- Correspondence with state or federal agencies
- Trademark registrations



10 YEARS

- Financial statements (year-end) and budgets
- Grant award letters of agreement

7 YEARS

- Bank statements that contain photocopies of canceled checks
- Cash receipt records
- Checks (other than those listed for permanent retention)
- Expired contracts and leases
- List of board members and their contact information
- Payment authorization and expense forms (receipts attached) for payments to vendors or reimbursement to officers
- Purchase orders
- Sales records

3 YEARS

- General correspondence
- Employee records (post-termination)
- Employment applications
- Membership lists, including names and full contact information

1 YEAR

- Bank reconciliations
- Certificates of insurance
- Correspondence with vendors if non-contested
- Duplicate deposit slips
- Inventories of products and materials, updated yearly
- Membership envelopes/forms for current membership

NOTE: Financial officers have a fiduciary responsibility to protect sensitive and confidential information. Copies of deposited checks should be shredded after the audit has been completed.

California State PTA Toolkit



Working with Foundations and Booster Clubs

The goal of most on-campus organizations is to provide support and sometimes resources for the students and their families. We are all volunteers trying to make our school a better place for our children. It is because of this common goal that we must strive for trust, communication and coordination with other school affiliated groups. Also, it is imperative to know that we only have the power and duty to run our own organization. We have no jurisdiction over any other organization.

The first step in working with other groups is to schedule a meeting with the principal. All leaders should present their ideas and goals for the school year and seek the principal's approval on special calendar events (the issue of fundraising is of the utmost importance and should also be discussed). This meeting should serve to set an example of cooperation and to create a harmonious tone.

Fundraising events and activities should be scheduled in such a way as to not conflict with each other.

Another important step would be to develop a non-voting advisory position on the PTA board. This step requires an amendment to the bylaws. A courtesy seat can be granted to a liaison who is not a PTA member. Having a liaison from another group would promote the spirit of cooperation, enable the sharing of information and helping to avoid the duplication of services and activities. Those PTAs who publish a newsletter can allow another organization to have space as long as their information is aligned with the PTA standards and approved by the PTA president.

When it comes to financial matters, the rule to know is that **all monies must be kept separate** – there should be no co-mingling of funds. Please consult the Toolkit, it is an excellent resource for these and other financial issues. Also when it comes to financial matters, be advised that the IRS has many regulations pertaining to non-profit organizations and that there are significant tax implications when dealing in conjunction with other non-profit organizations.

Make sure you are well informed before engaging in any financial arrangements.



FAQs about Contracts

Who, What, and Why

What is a contract?

A contract is a written legally enforceable agreement between two or more persons or organizations.

Who approves a contract?

Any contract with another organization must be read carefully and must be signed by two elected officers, one of whom must be the president, after a vote of approval by the membership.

Who is responsible for the contract?

When entering into a contract, the president is responsible for the agreement and should clearly identify that it is the PTA entering into the contract. The signature on a written contract should read **FOR EXAMPLE: "SUNSHINE PTA, BY: JOHN DOE, PRESIDENT."**

What about a verbal contract?

There are no verbal contracts in PTA. Contracts must be in writing. Understand the terms and conditions of the contract. Have the contract reviewed by legal counsel if needed. Ensure that the length of the contract is limited. Do not sign a contract that makes the PTA responsible for injury or damages.

Why is evidence of insurance important?

It is critical that outside vendors/concessionaires/ service providers have their own insurance to reduce the possibility the PTA unit will be held liable for the activity. PTAs are required to obtain a Hold Harmless Agreement and Evidence of Insurance from each vendor / concessionaire / service provider that is used. The vendor/concessionaire/service provider, instead of providing a copy of their insurance to each unit, may file an annual Evidence of Insurance with the California State PTA insurance broker.

A list of vendors/concessionaire/service providers that have filed Evidence of Insurance with the PTA is included in the Insurance Loss Prevention Guide. These vendors/ concessionaire/service providers do not need to sign the Hold Harmless Agreement or provide a copy of their insurance AS LONG AS the policy had not expired – refer to policy expiration date following their name.

The bottom line is...

NEVER sign a Hold Harmless Agreement on behalf of the PTA unit until the California State PTA insurance broker has been contacted. If the school district requires the PTA to sign a Hold Harmless Agreement for the use of school premises, the PTA should first contact the California State PTA insurance broker. If you are then directed by the insurance broker to sign an Addendum to the facilities use permit, you will find that form in the forms section of the Toolkit.

CAPTA Insurance Broker:

AIM (Association Insurance Management, Inc.) (800) 876 4044
Email: capta@aim-companies.com

DIRECTORS AND OFFICERS LIABILITY INSURANCE

California State PTA provides \$1,000,000 Directors and Officers Liability Insurance. This policy covers all unit, council and district PTA officers in the state.

You as a director, officer, member or volunteer of an organization, can be sued because of failure or alleged failure to act within established guidelines. Directors and Officers have a fiduciary duty to their organization and are sued by those who feel members have not lived up to the responsibilities or duties assumed as members of the organization.

Generally these duties are:

Duty of Loyalty: Requires you to act in good faith. You must not allow your personal interest to prevail over the interests of the organization. Don't use the PTA as a personal forum.

Duty of Care: Requires you to be diligent and prudent in managing the organization's affairs. You must be informed and regularly review all financial statements, have regular attendance at board meetings and avoid conflicts of interest.

Duty of Obedience: Forbids acts outside the scope of corporate powers. The governing board of the organization must comply with state and federal law, and conform to the organization's charter, articles of incorporation and bylaws. Refer to your bylaws.

Examples of actual claims that have been filed against nonprofit organizations:

- Wrongful Termination
- Breach of Employment Contract
- Fund Misappropriation
- Discrimination
- Antitrust
- Civil Rights Violation
- Sexual Harassment
- Promotions and Compensation
- Invasion of Privacy
- Interference with Employment Contract
- Inefficient Administration
- Waste of Assets
- Failure to Deliver Services
- Fund-Raising Activities
- Lobbying Activities
- Entering into Contracts where Conflict of Interest May Exist
- Libel and Slander

If you have a potential claim or receive a summons, do NOT hire an attorney. Report the loss immediately to our Broker. If you hire your own defense you will not be reimbursed.

BONDING INSURANCE

The basic bond for all unit, council and district PTAs provides \$15,000 Employee/Volunteer Theft, \$15,000 Forgery and \$15,000 Theft, Disappearance and Destruction of money or scrip. There is a \$500 deductible. CA State PTA is able to negotiate a very low premium for the bond coverage because of the financial guidelines contained in the PTA Toolkit. It is important to be familiar with and follow the guidelines.

“Theft” means an unlawful taking of property covered by the Policy to the deprivation of the PTA. The term “unlawful” requires criminal intent, and the PTA must have been deprived of the benefit of the claimed property.

The bond provides very limited coverage for credit cards; therefore we discourage the use of cards by unit, council and district PTAs. If you accept cards for payment at your events and one of your volunteers steals the number and misuses it our bond will not cover this type of loss. Units are not allowed to have credit card in the name of the unit or ATM card attached to any PTA bank account.

The insurance carrier has higher limits available for those PTA who have a need. If you wish a higher limit please contact the PTA broker, KNIGHT Insurance Services, Inc. The higher limit must be purchased by the renewal date in January and is available to units, councils and districts. *(Please check the most current Loss and Prevention guide to get the exact date in January)*

It is very critical that PTA Financial Guidelines be followed. Two signatures are required on all checks. When a fundraiser is held and large amounts of cash are collected, two unrelated people should count the funds and deposit the money in the bank. Cash should not be left unattended in any car. When a large fundraiser is held it is a good practice to do a review on the fundraiser immediately upon completion of the event. A review will immediately reveal if funds are missing. If funds are not deposited right away a copy of the cash verification form must be kept separated from the cash. If stolen with the cash you will have lost your evidence.

It is very critical that you have a good paper trail on your transactions. If you have a loss, you need to prove the loss to the company with sufficient paperwork. If you cannot, the bonding company will not pay the loss.

You must report a loss within 60 days of discovering a potential claim. Contact your PTA District President as soon as you suspect mismanagement.

The bonding company can refuse to insure a unit if they are not following PTA financial procedures. There is no coverage afforded to anyone under the bond if you are aware they have previously stolen. See Page 19 in the Insurance and Loss Prevention Guide for the Bond Claim Form.

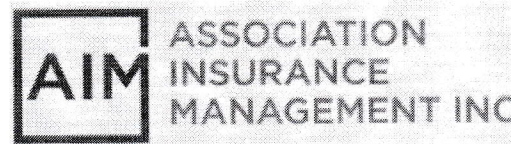
No Property Insurance

The California State PTA does *not* provide insurance for any personal or real property the association might own. If the PTA owns computers, merchandise being held for sales (e.g., gift wrap, food items), staging, costumes, decorations or any other items of value, the association should contact a local insurance broker for coverage. If goods held for sale are stolen, burn in a fire or are in anyway damaged there is no coverage. The PTA unit may also contact the California State PTA Insurance broker for coverage.

< [PTA Leaders \(https://capta.org/pta-leaders/\)](https://capta.org/pta-leaders/)

INSURANCE COVERAGE AND SERVICE

California State PTA is committed to ensuring you have the best possible insurance coverage and service to protect your unit and your members. Our insurance broker is AIM (Association Insurance Management Inc.), who works to ensure that our PTAs are receiving the best coverage for their premium costs. Coverage features include:



- Broad coverage for events without the need for underwriting or additional premium on a case-by-case basis
- \$1 million limit per PTA for Directors & Officers coverage
- Under General Liability, fire damage coverage of \$1 million
- No to low deductibles on all included coverages
- Additional activities such as certain types of inflatables, bounce houses and carnivals are included in the standard coverage; however, please consult and follow California State PTA guidelines as outlined in the Toolkit (<http://toolkit.capta.org/>) and the Insurance Guide (http://downloads.capta.org/Leaders/Insurance/CAPTA_Insurance_Guide_2021_FINAL.pdf)

Download the current guide through the link below to learn more about how California State PTA provided insurance protects your PTA. The guide is also available in Spanish here. (http://downloads.capta.org/Leaders/Insurance/CAPTAInsuranceGuide_SPANISH_2021.pdf)

DOWNLOAD THE GUIDE ([HTTP://DOWNLOADS.CAPTA.ORG/LEADERS/INSURANCE/CAPTA_INSURANCE_GUIDE_2021_FINAL.PDF](http://downloads.capta.org/Leaders/Insurance/CAPTA_Insurance_Guide_2021_FINAL.PDF))

NEW WORKERS' COMP ANNUAL PAYROLL REPORT PROCESS

For 2021, PTA and AIM have implemented a new Workers' Compensation Annual Payroll Report and submission process.

The Workers' Compensation Annual Payroll Report is a document that every PTA in the state is required to submit for insurance purposes by **January 31, 2021**. It is used to indicate if you paid anyone (including employees and independent contractors) for services, and the amounts you paid, if any. **This report is required annually, even if you did not pay anyone.**

What's Different This Year?

1. **An updated report form that is simpler and easier to complete!** If your PTA did not pay anyone, simply check the box that indicates "No One Paid."
2. **New, completely online submission process.** You can access the new online report submission form at the link below. If you cannot access the electronic submission form (or simply prefer paper), please contact AIM and ask for a paper form to be mailed to you, or download a paper form below. Both online and paper report forms are available in English and Spanish.
3. **Send reports directly to AIM, not your council or district PTA.** The Workers' Compensation Report, and any surcharge that might be due, should be sent directly to AIM. Reports should NOT be sent through channels.

***Please note:** This new process only applies to the Workers' Compensation report and any surcharge you may owe. Every unit, council or district should still pay their regular insurance premium through channels. Check with your council or district for local due dates.*

Links to forms, instructions and other resources

- Online report form (<https://aiminsurance.formstack.com/forms/capta>)
- Paper report form (http://downloads.capta.org/Leaders/Insurance/WC_PaperForm_English_2021.pdf) (English)
- Paper report form (http://downloads.capta.org/Leaders/Insurance/WC_PaperForm_Spanish_2021.pdf) (Spanish)
- Instructions (http://downloads.capta.org/Leaders/Insurance/WC_Online_Submission_Instructions_General_2021.pdf) for filling out the **online** report form
- Instructions (http://downloads.capta.org/Leaders/Insurance/WC_Submission_Instructions_PaperForm_2021.pdf) for filling out the **paper** report form
- Instructions (http://downloads.capta.org/Leaders/Insurance/WC_Online_Submission_Instructions_Payee_2021.pdf) for filling out the **payee** section of the online report form
- Click here (https://drive.google.com/file/d/1uQbq7hP_ESxhzARZp5cmdgHTzd7BE5w0/view) for a short video which provides an overview of the new process

If you have any questions about the new Workers' Compensation Annual Payroll Report process, the report forms, or Workers' Compensation coverage in general, please contact AIM using one of the methods listed in the next section.

CONTACT AIM TODAY

AIM has a rich and deep understanding of PTA and has partnered with 47 state PTAs for more than 30 years. AIM has an experienced team that is available to support your local PTA 24/7 including weekends. AIM can also answer questions and provide information in Spanish if needed.

- capta@aim-companies.com (<mailto:capta@aim-companies.com>)
- (800) 876-4044 or (214) 360-0801

INSURANCE WEBINAR

On **November 30, 2020** California State PTA and our insurance broker, Association Insurance Management (AIM), held an informative webinar regarding insurance policies and services designed to protect your PTA and your members, and support your activities.

We reviewed insurance coverage, changes in benefits, the renewal process, the new workers' compensation form, incident reporting forms, deadlines, and more.

Click here (https://zoom.us/rec/share/1QGx6-mR9vdOJBWRilBuN6nXBDn4q4hwdxZHsy8LoeJk6Ym9ylgUVY_XLOFWE.iUlrkp0btrPcvlCg) to watch a recording of this webinar.

Conflict of Interest Policy

<http://toolkit.capta.org/running-your-pta/planning-organizing/conflict-of-interest-policy/>



Anyone in a position to make decisions about spending the PTA's resources (i.e., transactions such as purchases and contracts) – who also stands to benefit from that decision – has a duty to disclose that conflict as soon as it arises or when it becomes apparent; he or she should not participate in any final decisions.

A copy of this policy shall be given to all members of the board, officers, and staff members upon commencement of such person's relationship with the PTA or at the official adoption of this policy. Each board member, officer, and staff member shall sign and date the policy at the beginning of his or her term of service or employment and each year thereafter. Failure to sign does not nullify the policy.

Each member of the board, officer, and staff member shall annually sign a statement which affirms such person (see Conflict/Whistleblower Form on next page):

- a. Has received a copy of this conflict of interest policy,
- b. Has read and understands the policy,
- c. Has agreed to comply with the policy, and
- d. Understands that the PTA is a constituent organization of the California State PTA as a nonprofit corporation and in order to maintain its federal tax exemption it must engage primarily in activities which accomplish one or more of its tax exempt purposes.

Whistleblower Policy

<http://toolkit.capta.org/running-your-pta/planning-organizing/whistleblower-policy/>

This **Whistleblower Policy** of the California State PTA: (1) encourages directors, officers, staff and volunteers to come forward with credible information on illegal practices or serious violations of adopted policies of the association; (2) specifies that the association will protect the person from retaliation; and (3) identifies where such information can be reported.

1. Encouragement of reporting. The association encourages complaints, reports or inquiries about illegal practices or serious violations of the association's policies, including illegal or improper conduct by the association itself, by its leadership, or by others on its behalf. Appropriate subjects to raise under this policy would include financial improprieties, accounting or audit matters, ethical violations, or other similar illegal or improper practices or policies. Other subjects on which the association has existing complaint mechanisms should be addressed under those mechanisms, such as raising matters of alleged discrimination or harassment via the association's president or the council/district president. This policy is not intended to provide a means of appeal from outcomes in those other mechanisms.

2. Protection from Retaliation. The association prohibits retaliation by or on behalf of the association against employees or volunteers for making good faith complaints, reports or inquiries under this policy or for participating in a review or investigation under this policy. This protection

extends to those whose allegations are made in good faith but prove to be mistaken. The association reserves the right to discipline persons who make bad faith, knowingly false, or vexatious complaints, reports or inquiries or who otherwise abuse this policy.

Where to report. Complaints, reports or inquiries may be made under this policy on a confidential or anonymous basis. They should describe in detail the specific facts demonstrating the basis of the complaints, reports or inquiries. They should be directed to the association president and the council/district PTA president; if the president is implicated in the complaint, report or inquiry, it should be directed to the only to the council/district PTA president. The association or council/district will conduct a prompt, discreet, and objective review or investigation. Officers, volunteers, and staff must recognize that the association may be unable to fully evaluate a vague or general complaint, report, or inquiry that is made anonymously.



CONFLICT/WHISTLEBLOWER FORM ANNUAL QUESTIONNAIRE

UNIT NAME _____

NAME: _____ Telephone: (____) _____

PTA POSITION: _____

Occupation: _____

Name of Employer: _____

Employer's Address: _____

City

State

Zip

1. I have read the California State PTA Conflict of Interest Policy (<http://toolkit.capta.org/running-your-pta/planning-organizing/conflict-of-interest-policy/>): _____ Initial

2. I have read the California State PTA Whistleblower Policy (<http://toolkit.capta.org/running-your-pta/planning-organizing/whistleblower-policy/>): _____ Initial

3. I understand that as a board member, I have a responsibility to review the tax return: _____ Initial

4. Are you currently being compensated by the PTA for services rendered to the organization (whether as a part-time or full-time employee, independent contractor, consultant or otherwise) within the previous 12 months? Yes No

5. Do you anticipate the receipt of compensation from the PTA for the rendering of services as described in question 1 above during the upcoming 12 months? Yes No

6. If any person bearing any of the following relationships to you is currently being compensated by the PTA for services rendered to it as described in question 4 above within the previous 12 months, please list his or her name in the following space and indicate the person's relationship to you by using the relationships designated below (if no such person is being compensated, please print the word "none" in the first space): Yes No

Relationships: brother, sister, ancestor, descendent, spouse, brother-in-law, sister-in-law, son-in-law, daughter-in-law, mother-in-law, father-in-law

Name _____ Relationship _____

7. If any person bearing any relationship to you as described in question 6 above anticipates the receipt from the PTA for the rendering of services to it as described in question 4 above within the next 12 months, please list his or her name in the following space and indicate this person's relationship to you (if no such person anticipates receipt of such compensation, please print the word "none" in the first space).

Name _____ Relationship _____

8. Are you a director, an officer, an employee or an owner in any business or entity which has done business within the previous 12 months with the California State PTA, or currently is, or is contemplating doing business with the business? Yes No

If yes, please explain type of business, type(s) of transaction(s), relationship:

Date: _____, 20____ Signature _____

2327 L Street, Sacramento, CA 95816-5014 916.440.1985 • FAX 916.440.1986 • info@capta.org • www.capta.org

FINANCIAL RED FLAGS



- Unapproved annual budget and/or calendar of events
- Board unfamiliar with payment authorization procedure
- Receipts not attached to Payment Authorization/Request for Reimbursement Form(s)
- Fundraising projects that benefit a board member financially (Conflict of Interest)
- Lack of documentation of fundraiser income and expenses
- Only one person counting money; no cash verification sheets
- Only one person signing checks; only one person on bank signature card
- Signing blank checks
- Late payment of bills
- Bank statements sent to officer's house rather than the school
- Bank statements not reviewed by a non-check signer
- No treasurer's reports at executive board or association meetings
- Reports are given orally with written information to be provided "later"
- Organization not meeting Federal and California filing requirements and deadlines
- Audits not performed as scheduled
- Failure to provide a year-end audit on request

FINANCIAL SITUATIONS TO AVOID

- President writes the checks because the treasurer has no experience, is unavailable, etc.
- Funding projects without going through the approval process required by PTA
- School staff member as treasurer or president
- Paying for salaries for ongoing staff positions (encumbering future boards)
- Lack of/incomplete minutes, particularly in matters involving use of funds; no motions releasing funds or approving expenses
- Banks that do not return processed checks or make copies available

FINANCIAL RESOURCES

LONG BEACH COUNCIL PTA: <https://longbeachcouncilpta.org/>

33rd DISTRICT PTA: www.33rdpta.org

Email: pta33rd@aol.com

CALIFORNIA STATE PTA:

Toolkit: <http://toolkit.capta.org/>

Website: www.capta.org

Tax Filing Support Specialist: taxinfo@capta.org

Letter of Determination: LOD@capta.org

Federal and State Tax Forms: <https://capta.org/pta-leaders/services/tax-filing-support-center>

ATTORNEY GENERAL: www.ag.ca.gov

RRF-1 and CT-TR-1 Forms <https://oag.ca.gov/charities>

Non-Profit Raffle Program: www.oag.ca.gov/charities

Unit Status Verification: <http://rct.doj.ca.gov/verification>

CA SECRETARY OF STATE: <https://www.sos.ca.gov/>

CA FRANCHISE TAX BOARD: <https://www.ftb.ca.gov/>

INTERNAL REVENUE SERVICE: www.irs.gov

Unit Status Verification: <http://apps.irs.gov/app/eos>

Glossary of Financial Terms

Definitions and/or explanation of terms that financial officers and chairmen may encounter:

- **Approval by Membership** – The requirement that all expenditures, programs and projects, including those specified in the budget, must obtain approval and/or ratification by the membership. All approval of expenditures, programs and projects MUST be recorded in the minutes.
- **Authorization for Payment** – An authorization for payment documents approval to pay bills for services or supplies, or reimbursement to a member for expenses. After approval by the association, the completed authorization for payment permits the treasurer to write checks. All bills, receipts and invoices should be attached to approved authorization.
- **Bylaws** – Specific rules of operation for the orderly conduct of business adopted by vote of the members. All PTA bylaws have certain specified, starred sections in common which cannot be changed. Any change in bylaws requires approval of the state parliamentarian, a 30-day prior notice and a two-thirds vote of the membership.
- **Cash Verification Form** – A form to document receipt of coins, currency and checks from membership, fundraisers, and donations, which protects and safeguards volunteers' handling of PTA funds.
- **Carry-over Funds** – These funds represent the amount which is set aside to begin operations at the beginning of the next PTA fiscal year, prior to the onset of fundraising activities.
- **Certificate of Insurance** – A document issued by the insurance broker certifying that an insurance policy covering general liability is in force. A Certificate of Insurance is included in the *Insurance and Loss Prevention Guide* mailed to all unit, council, and district PTAs in good standing. A copy may be obtained by contacting the California State PTA insurance broker.
- **Channels** – The formal communication route through the association to ensure that each level within the association is informed. In PTA, the channel is from the unit to the council (if in council) or from the unit to the district PTA (when there is no council), from the council to the district PTA, and from the district PTA to the California State PTA.
- **Commingled Funds** – Funds from two organizations deposited together. Because a unit is a 501(c)(3) nonprofit association, it must comply with all Internal Revenue Service (IRS) requirements, regulations and laws. The IRS considers all funds in PTA accounts to belong to the association regardless of source. A PTA must handle only those funds over which it has full control and the total amount must be declared as gross income to the PTA. All funds in the PTA account must have association approval for disbursement.
- **Contract** – A legally enforceable agreement between two or more persons or organizations. Contracts must be approved by the PTA membership before being signed by two elected officers, one of whom must be the president.
- **Contributions** – Donations of money, property, or services received by the PTA from individuals or businesses. PTAs must follow Internal Revenue Service guidelines for receipts for contributions.
- **Embezzlement** – Stealing of money entrusted into one's care by means of fraud for one's own use.
- **Facilities Use Permit** – A permit required by most school districts that when approved authorizes the PTA to use school site facilities.

Glossary of Financial Terms (Continued)

- **Fiscal Year** – The financial accounting period established by the PTA, and identified in the *Bylaws for Local PTA/PTSA Units*, Article XIV, Section 1, as a time for the association to close its financial books and records for the past 12-month period. The IRS is notified of the fiscal year at the time of organization when IRS Form SS-4 is submitted.
- **Founders Day Freewill Offering** – A freewill offering commemorating the founders of PTA. Contributions are forwarded through channels to the California State PTA and set aside in a special fund for leadership services. The contributions are considered as “funds not belonging to the unit, council, or district” and are not included as income in the budget.
- **Gifts to Individuals** – A personal gift to a PTA member or school staff. Gifts to individuals cannot be paid for with PTA funds. Personal gifts include gift cards, gifts for baby showers, secretary’s day, bereavements, weddings, or birthdays. If the unit wishes to recognize an individual, donations must be collected as freewill offerings and the money maintained separately from PTA funds.
- **Gifts to Schools** – Gifts to the school that benefit the largest number of students possible. Be sure to check with the school district before purchasing any materials for the school. Gifts should be in the form of a donation, presented and accepted by the school board at a school board meeting, and recorded in the school board minutes. Always use a fiduciary agreement.
- **Good Standing** – The term applies to units, councils and districts that have met all requirements specified in the bylaws, which includes remittance of insurance premiums and membership per capita to the California State PTA by the established due dates.
- **Grants** – A specific set of dollars given by businesses, foundations, and corporations to an organization to perform specific functions. Projects for which PTA is seeking grants must promote the Purposes of the PTA and be relevant to the goals of PTA.
- **Gross Receipts** – The total amount of receipts before any deductions are taken or expenses are paid. For the purpose of completing the *IRS Form 990*, monies forwarded through channels to the California State PTA office are not considered gross receipts. This includes membership per capita, Founders Day freewill offerings, and insurance premiums.
- **Hold Harmless Agreement** – An agreement in which the signing party assumes responsibility for all acts and all liability for any injuries that occur related to an event. PTA **MUST NOT SIGN A HOLD HARMLESS AGREEMENT**. California State PTA insurance does not cover vendors, concessionaires, or service providers; these entities must provide Evidence of Insurance to each PTA unless annual Evidence of Insurance has been filed with the California State PTA Insurance Broker. A Hold Harmless Agreement may be found in the *Insurance and Loss Prevention Guide*.
- **Membership Per Capita** – The amount of money that must be forwarded through channels for each membership received in the unit in order to be considered a unit in good standing by the California State PTA.
- **Minutes** – The permanent legal record of all action taken by the association and the executive board. All financial reports become a part of the minutes.
- **Noncommercial Policy** – A policy requiring that the name PTA, a registered service mark, or the names of PTA officers shall not be used in conjunction with the commercial activities of other organizations including, but not limited to, the promotion of their goods and services.
- **Ratification** – The approval by the membership of an action taken by the PTA executive board as specified in *Bylaws for Local PTA/PTSA Units*, Article VIII, Section 2c.

Glossary of Financial Terms (Continued)

- **Reconciliation of Funds** – The process of bringing into agreement the bank balance as shown on the bank statement, the checkbook ledger, and the check register. The purpose is to ensure that the bank records and the association's financial records are correct, to identify outstanding checks, and to determine the actual balance against which future checks may be drawn.
- **Reimbursement of Expenses** – Allowable out-of-pocket officers' expenses shown as a line item on the budget adopted by the association are reimbursable. Reimbursement is made upon the submission of an expense statement and/or receipts.
- **Sales Tax** – A tax imposed on the purchase of products. Units are considered consumers by the California State Board of Equalization and they are not required to charge sales tax on merchandise sold. Units do pay sales tax on the price of merchandise purchased for resale or use.
- **Scrip** – A coupon which may be redeemed in lieu of using cash at the store that issued the scrip. Scrip is purchased, usually from grocery stores, in large amounts for a discount off the face value. The PTA sells the scrip at the full value, raising funds for the unit. Many companies now offer electronic e-scrip.
- **Scholarships** – Funds to assist students in furthering their educational objectives. The scholarship program, including the amount and number of scholarships to be awarded, must be approved by the membership.
- **Sponsorship** – Financial support received from a business. The law permits a PTA to receive corporate sponsorship income tax free, if the sponsorship is linked to a specific event and the event is held once per year. The PTA gives the corporate sponsor an acknowledgment of thanks in return for the sponsorship.
- **Unallocated Reserve Funds** – The amount remaining after making allocations for budgeted programs and activities, and may be used to cover any unexpected or unplanned expenses in the current fiscal year. The association must adopt a budget amendment to transfer funds from Unallocated Reserves to a specific budget category prior to disbursing funds.