

The treasurer is an elected officer and the authorized custodian of all funds of the local PTA. Some responsibilities of the office are specified in the unit bylaws and others are established by district PTA and California State PTA procedures. The treasurer's duties also include keeping records and preparing reports to comply with local, state and federal laws.

The outgoing treasurer cannot pay bills after the end of their term when the books are closed for audit. Upon assuming office, the incoming treasurer may pay authorized bills and deposit funds in the PTA bank account before the audit is completed.

### WHAT TO DO

- Attend training workshops given by the California State PTA and/or district PTA. Council treasurer may be contacted to assist unit PTAs with financial matters.
  - Become familiar with ethics of money raising and secure copies of financial resource information: *California State PTA Toolkit*, Finance Section, and National PTA's *Quick-Reference Guide*, *Money Matters*. Copies of California State PTA publications can be obtained from the unit president or from the California State PTA *List of PTA Materials*, Introduction section.
  - Obtain hard copy of financial records and materials such as supplies, ledger, checkbook, tax records, and procedure book from predecessor.
    - If the previous PTA treasurer utilized a computer program to maintain the financial records, identify how those files have been saved, how the computer files will be transferred, and if a computer program will continue to be used.
    - These should include the standardized PTA treasurer's book (ledger). (Treasurer's book may be ordered through the *List of PTA Materials*, Introduction section.)
  - File new signature cards for PTA account at bank approved by executive board. Require two signatures on all checks. Authorized signers SHALL NOT be related by blood or marriage or reside in the same household and shall only be those officers as authorized in the bylaws.
  - Serve on and meet with budget committee appointed by president-elect as soon as committee appointment is made. It is important to meet as early as possible to establish goals, identify projects, and develop the budget for the upcoming term. The treasurer is designated the budget committee chairman.
    - Develop a carefully considered budget as a financial guide for the year.
    - Budget membership income reflecting only the local portion of membership dues. The portions of membership dues for council, district PTA, state and National PTA are transitory funds.
  - Present the proposed budget to the executive board for suggestions.
  - Have the executive board recommend adoption of the budget to the association at the first regular meeting of the year. The association may amend the budget before voting on adoption.
  - Issue a receipt for all monies received and, if there is no financial secretary, deposit all monies promptly in the unit PTA bank account.
  - Pay by check all bills duly authorized. The budget is not an authorization to pay bills. Bills must be presented to the association or to the executive board for payment or ratification according to procedures specified in unit bylaws.
  - Transfer funds, such as membership dues, freewill offerings and insurance premiums, must be sent no later than due dates to the council or district PTA. No authorization is needed for these payments. Transfer of these funds must be noted in the next treasurer's report.
  - Comply with all due dates set by council and district PTA (if out of council) for remittance of monies and forwarding of reports, allowing for the timely receipt by council or district PTA (if out of council) through channels. Channels are the formal communication route through an organization to ensure that each level within the organization is informed. In PTA, the channel is from the unit to the council (when within a 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 state.
- Forward through channels:
- Council/district/State/National PTA portions of membership dues;
  - Full amount of Founders Day freewill offerings;
  - Comprehensive General Liability, Directors and Officers Liability, Bonding, and Workers' Compensation insurance premiums;
  - Workers' Compensation Annual Payroll Report. An annual payroll report from each unit is mandatory whether or not anyone was hired. Keep a record of hours of service for which anyone has been paid by the unit. (This does not include payments to the school district for school personnel services.)
  - Copies of government reporting forms, as required. (e.g., IRS 990/990EZ and any employee and/or independent contractor report forms.
  - Keep in **ink** (no erasures or whiteout) an accurate and detailed account in the permanent treasurer's book (ledger) of all monies received and disbursed; the number of members; the amount of dues collected from members; and amount of membership dues remitted through channels to the California State PTA.

- Amend notations by drawing a single line through the number to be changed. Note the changed amount above or in the margin.
- Keep treasurer's book (ledger) and checkbook up to date, with current balance shown in checkbook at all times.
  - Reconcile bank statement immediately upon receipt.
  - It is strongly recommended for the protection of the unit PTA, that the auditor or another elected officer who does not sign PTA checks also reconcile monthly bank statements in addition to the treasurer.
  - Watch for checks that do not clear within a reasonable time and investigate.
- Submit written reports for each bank account at regular meetings of the executive board and the association. Following the sample in the *California State PTA Toolkit*, Forms, include in each report:
  - the total balance on hand at the beginning of the period covered by the report;
  - listing separately, amounts credited to the general fund and any special fund;
  - receipts and disbursements detailed as to origin and recipient and corresponding to budget line items;
  - the total balance on hand and the ending of the period as of the date of report;
  - signature of person preparing report and date prepared.
- Prepare an annual financial report following the sample in the *California State PTA Toolkit*, Forms, and covering the current fiscal year to include:
  - name of unit, names of council and district PTA, and IRS Employment Identification Number (EIN);
  - balance on hand at the beginning of the fiscal year;
  - receipts and disbursements listed according to budget line items and separated by general or any special transient funds;
  - total balance on hand at the ending of the fiscal year; and
  - signature of person preparing report and date prepared.
- Check amount of gross receipts to determine if a tax return is required. Refer to the *California State PTA Toolkit*, Finance section for current regulations and instructions concerning tax reporting requirements.
- Make all financial records, as detailed in the *California State PTA Toolkit*, Finance section, available for audit at the times specified in the *Bylaws for Local PTA/PTSA Units*. Books must be audited mid-year and fiscal year end and at any time a financial officer or check signer resigns or is terminated, before the new officer assumes the duties, and whenever deemed necessary.
- Comply with State Board of Equalization sales tax requirements. Unit PTAs are considered consumers rather than retailers and are not required to hold sales tax permits or to

collect, report or pay sales tax on fundraising activities.

**Units pay sales tax at the time of purchase.**

- Keep all financial records as stipulated in *California State PTA Toolkit*, Records Retention Schedule. The treasurer's book (ledger) and other specific records are to be retained as permanent records.

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