PTA

fiscal year ________

anticipated revenue based on 800 members

receipts
Membership Dues
(800 Members at $3.00—local portion only) ..............................................$2,400
Fundraising (or any means used for making money)
Fall Festival .........................................................2,600
Local Corporate Sponsors ..........................................................950
Balance Brought Forward from Previous Year ...................................550

total receipts ..................................................................................$6,500

expenditures
Leadership Development ..................................................................$1,500
Membership Promotion ...................................................................700
Programs ..........................................................................................1,000
Reflections .......................................................................................500
District/Council Conferences .........................................................300
State PTA and National PTA Conventions .....................................500
Newsletter and Publicity .................................................................200
Bulletins/Our Children ..................................................................200
Officers' Reimbursement (telephone, tolls, stamps, etc.) ...............200
Chair's Reimbursement (telephone, tolls, stamps, etc.) ..................150
Past President's Pin .........................................................................40
Council Dues ..................................................................................50
Scholarship .....................................................................................200
Bonding/Liability Insurance ..........................................................300
Supplies ..........................................................................................200
Mailing Permit ...............................................................................60
Postage ...........................................................................................400

total expenditures .............................................................................$6,500

(Leave a balance of sufficient funds to get the new PTA year off to a good start. Monies will be needed for workshops, state conventions, etc.)

total .................................................................................................$6,500

Adopted by Association ................................................................. (date)
bank accounts
All PTAs having bank accounts are required to provide the bank with an IRS Employer Identification Number (EIN). (Do not use any individual’s Social Security number.) The EIN (or FEIN) is assigned to a PTA unit during the chartering process when the unit is created. When chartering, the unit fills out the SS-4 form and sends it to NYS PTA. NYS PTA then coordinates the submission of the form to the IRS. This is done so the each new PTA unity falls under the NYS PTA 501(c)(3) tax exempt umbrella status. The PTA unit’s EIN/FEIN can be found on page one of the unit bylaws.

savings accounts
In planning the budget, it is not uncommon for PTAs to have small contingency savings accounts for the following reasons:

- Efficient management of funds (funds earn interest until they are expended)
- Reserve to carry on programs during the summer and fall until dues are collected
- Money to finance unexpected but approved projects or programs

emergency reserve fund
The emergency reserve fund is considered an integral part of each PTA’s planning and budgeting process. The emergency reserve fund is intended to serve as a means to retain financial stability in the event of an unforeseen development such as unplanned expenses arising from a project or an unexpected increase in inflation.

As a rule, a healthy reserve is between one-half to one year’s average expenditures.

handling fundraising receipts and expenditures
When a PTA is planning a fundraising activity that will involve large amounts of money, the treasurer should arrange to deposit the money in the bank as soon after the conclusion of the project as possible. The chair of the activity should be responsible for seeing that the treasurer receives all revenue immediately after completion of the activity. The treasurer and another person should count the monies received, and both should sign a statement verifying the amount. A receipt should be given to the chair for the entire amount. Even if the project is a continuing one, the money should be deposited daily in the PTA’s bank account.

Night deposits and 24-hour banking can and should be used as needed. When necessary, the treasurer should contact local police authorities beforehand and ask for an escort to the bank. If the treasurer contacts the bank about the night deposit in advance, the treasurer will be given a lock bag to place in the night depository. Never deposit any money in anyone’s personal account or in the school account, and never leave the money in the school building or in someone’s home.

Some banks will also give PTAs a “Deposit Only” ATM card. This is an option in place of the night deposit bag. For additional information about using “Deposit Only” cards, visit: [www.ptakit.org/Finance/Electronic-Commerce/Use-of-ATM-Debit-Gift-or-Deposit-Only-Cards.aspx](http://www.ptakit.org/Finance/Electronic-Commerce/Use-of-ATM-Debit-Gift-or-Deposit-Only-Cards.aspx).

All checks that are to be deposited should be marked “For Deposit Only to the {unit name} PTA, Account # ” and signed by the treasurer with his or her title. A stamp with this information may be secured at the time the account is opened. Duplicate deposit slips should be made so that the treasurer will have a copy to retain for the record.

Event chairs and at least one other member should count the monies received together before giving it to the treasurer for deposit.
To keep accurate records, the treasurer should be given itemized bills, sales slips, etc., from the fundraising activity to pay by check. **These expenses should never be paid with the cash from the activity.**

Within a few days of the conclusion of the activity, the treasurer or fundraising chair should complete a detailed report of all receipts and expenditures and the profit from the project. That report should be presented to the board/executive committee and the membership at the meeting following the activity.

**check request (voucher) system**
A PTA may use a general check request (voucher) system for its expenditures. The check request should include the following information: date, brief description, amount to be paid, and budget line item(s), with the signature of the president authorizing payment. A check request, with receipts attached, should be prepared for each check to be written.

After the check is generated, either enter the check number on the check request or attach a check stub. The invoice should be stamped “paid.” Only original invoices should be approved for payment.

These records will then be available to assist the audit committee in the completion of its work at the end of the PTA fiscal year.

**electronic banking**
PTAs are interested in using various forms of electronic banking such as online statements, electronic deposits and bill-pay. Banks continue to add/increase fees for all accounts, including those for nonprofits. They may offer reduced or eliminated fees if account holders switch to online services. First – online (paperless) statements – go for it. Save the fees. Make sure you modify your PTA procedures to have statements printed for monthly reconciliation. You may also not automatically get front and back copies of canceled checks, or you may have to get them one at a time if needed. Be sure to check how long the statements are available online.

Second – electronic deposits and bill-pay – these are a little harder. National PTA is currently developing guidelines and we at New York State PTA are researching procedural options that will provide the checks and balances/protections units have through the dual-signature process. For additional information about using online banking, refer to the National PTA Back to School Kit, Finance section at [ptakit.org](http://ptakit.org).

**ATM cards**
New York State and National PTA continue to recommend that PTAs do not use ATM cards for purchases. They are too hard to control. It is like handling cash. PTAs may however obtain “Deposit Only” ATM cards for use in place of night deposit bags. For additional information about using ATM or “Deposit Only” cards,

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**PTAs are encouraged to use their New York State sales tax exempt forms (ST.119.1) for all purchases. The New York State sales tax exempt number is on page 1 of your bylaws.**

credit cards – is your unit ready?

When we are ready to send our kids off to college, we have the discussion about the responsibility and management of a credit card. We give them a card for emergencies like running out of gas or car repairs (Dorm’s pizza parties are not!). Having the card helps teach the student money management and helps them on the path toward building a good credit history. The new card has a very low limit to reduce risk – to the student and the credit card company. Many students get a card with only a $500 initial limit.

Many units have asked about the use of credit cards for PTA. Most retailers will not accept the New York State Tax-Exempt form unless the PTA name is on the check or credit card being used (they do not have to). With today’s busy schedules, it is getting harder and harder to get two officers with check signing ability to do all of the purchasing for all unit activities. Some feel it is too hard to ask for an advance, cash the check, and then pay cash when making PTA purchases.

The question – is your PTA ready for a credit card? If you think so, ask the following questions before you start:

* Does your unit have a budget in place?
* Does your unit have good money handling procedures in place (voucher system, two money counters)? Are the procedures written down?
* Are deposits done immediately after money is collected at events?
* Are there always two signatures on all PTA checks?
* Does the unit treasurer provide regular reports at meetings?
* Are the treasurer reports and bank statements reconciled by non-check signers?
* Was a 990-N or 990-EZ filed for the unit last year?
* Was an audit committee formed and an audit done on last year’s books?
* Can the treasurer produce copies of the current and last year’s budget, tax returns and audit reports?

If you answered no to any of the above questions, then you have to ask if your unit has sufficient controls in place to add the risks of using a credit card.

If you answered yes to all of the questions, then you may be ready. Before proceeding:

* Make sure the unit as a whole supports the move to get a credit card; is the unit willing to accept the additional risk? Have a vote.
* Start with a very low credit limit, such as $500-$600.
* Make sure you use the unit FEIN when applying, not the SSN of an officer or member.
* Use the address of the school, not the home address of an officer or member.
* Amend your unit procedures to specify how credit card statements are reconciled monthly.
* Like check purchases, pre-approve credit card purchases.
* Like check signers, limit the members designated to use the card.

Lastly, a reminder that the PTA insurance has a $250 deductible for any claims for financial loss related to mismanagement of funds. This is for cash, checking account or credit cards.

For additional information about credit cards, visit: www.ptakit.org/Finance/Electronic-Commerce/Using-Credit-Cards-for-Bill-Payments.aspx.

credit references

New York State PTA does not provide credit references to local PTA units.

PTA funds vs. public monies

Because a PTA is a private association, PTA funds should be deposited only in the PTA account, not in a personal account, a school account, or any other organization’s or group’s account. All money deposited in a PTA account will be considered PTA funds by the IRS and must be reported as such. A PTA should never deposit school or school-related money (such as clubs or field trips) in its account.

If a PTA sponsors a project or program in cooperation with the school, all funds should be accounted for and separated prior to the immediate deposit of the PTA portion into the PTA bank account.

A PTA is a separate legal entity and not a school organization (SO). It is imperative that this distinction is clear. PTAs do not share their EIN numbers, their NYS Sales Tax Exempt Number, or their banking details with schools, principals or school districts.