

Alabama PTA Audit Procedure (Financial Review)

National PTA requires all State PTAs to file an Audit Report (Financial Review) by November 30. Alabama PTA should conduct an audit of the PTA books immediately following the close of the fiscal year (June 30).

A financial review involves following financial transactions through records to be sure that receipts have been properly accounted for and expenditures made as authorized in meeting minutes and in conformity with PTA bylaws, standing rules, and budget limitations.

Record keeping should be reviewed at least once a year. Books should also be reviewed if a financial officer resigns, before the new officer assumes his/her duties, and at any other time deemed necessary.

The process for selecting an Audit Committee: The President shall appoint at least 3 PTA board members to review the financials. The President, Treasurer, and no one authorized to sign checks may not serve on this committee. The Audit report will be presented at a general meeting of the membership at the Annual Convention and adopted by the general membership.

The purpose of a financial review

- To certify the accuracy of the books and records of the financial officer; and
- To assure the membership that the association's resources/ funds are being managed in a businesslike manner within the regulations established for their use.

Preparation for a financial review

Financial records should be put in order for the reviewing process after the end of the fiscal year (June 30) prior to the audit committee meeting. The outgoing treasurer cannot pay bills after the books are closed for an audit. Upon assuming office, the incoming treasurer may deposit funds in the Alabama PTA bank account. During the review process it is recommended that expenditures within an adopted budget be limited to those of an emergency nature. A financial review should be completed as quickly as possible.

Checklist:

____ A copy of the year end financial report (Ending June 30) and a General Ledger for the fiscal year. (July 1-June 30)

____ Bank statements and cancelled checks (or copies that are provided with statements)

____ Statements and receipts for bills paid

____ Adopted budget

____ Current Form 990

____ Meeting minutes for the fiscal year (July 1-June 30)

____ Current bylaws and standing rules

____ Any other information requested by the audit committee

Conducting the Audit (Financial Review)

____ Review the General Ledger provided by the Treasurer

____ *Flag any expenditures or deposits that seem irregular. Make copies or pull originals out and compile in a folder.

____ Verify that bank reconciliations are done monthly their accuracy.

____ Verify that all checks have two signatures.

____ Confirm that no checks were made payable to "cash"

____ Make sure that the Alabama PTA and National PTA portions of dues are accurately recorded.

____ Confirm that money collected for a designated purpose was spent only for that purpose.

____ Confirm that the budget was adopted by the Executive Committee, the Board of Directors, and the General Membership.

*Submit the list of questions to the Treasurer. This may be in the form of an email. If the matter is not clearly settled, contact the President to work out what additional steps need to be taken.

Audit Report

Once questions have been addressed to the satisfaction of the Committee, a member of the Audit Committee makes a report to the Board of Directors within 10 days. This may be in the form of an email. The Audit report should be adopted by the Board. A copy of the report will be sent to National PTA immediately upon adoption.

Sample Audit Report: Submit this report to the Alabama PTA President and a copy to the Alabama PTA Treasurer

The Audit Committee of Alabama PTA; Committee member name, Committee member name, Committee member name; met Date in Location.

The Audit Committee had the following questions:
(Explain what the transaction was and how it was irregular)

Transactions: *(there is no limit to your questions)*

- 1.
- 2.
- 3.
- 4.
- 5.

Transaction

1. ____ was answered to our satisfaction ____ was corrected ____ was not answered to our satisfaction.

2. ____ was answered to our satisfaction ____ was corrected ____ was not answered to our satisfaction.

3. ____ was answered to our satisfaction ____ was corrected ____ was not answered to our satisfaction.

4. ____ was answered to our satisfaction ____ was corrected ____ was not answered to our satisfaction.

5. ____ was answered to our satisfaction ____ was corrected ____ was not answered to our satisfaction.

We have examined the books of Alabama PTA for the fiscal year 2016-2017 and find them to be:

____ Correct ____ Substantially Correct ____ Incomplete ____ Incorrect

Signatures

Name:

Name:

Name:

Name:

Date: _____