



## PTA Financial Management Checklist

Name of PTA \_\_\_\_\_ Name of Treasurer \_\_\_\_\_

Street Address \_\_\_\_\_ Name of President \_\_\_\_\_

City/State/ZIP \_\_\_\_\_ Fiscal Period/Year \_\_\_\_\_

### Purpose

This checklist is designed to provide general guidance to PTA volunteer leaders in the management of their resources. Most of the fiscal planning and control items are appropriate for PTAs at the local, council, district, region, or state level. Stewardship of other people's money is an important part of volunteer activity and requires systematic and ongoing attention.

### Directions

At least annually, possibly at the time of the financial review, a complete review of financial management practices should be completed. The following checklist provides an outline and written record for this annual financial management checkup. The completed checklist should be filed with the annual audit and kept with the permanent financial records.

### I. Budgeting

The PTA budget is a financial guide. It is a statement showing a plan for obtaining funds and for allocating those funds to meet the needs and commitments of the PTA's annual activities.

- Is a budget committee preparing the preliminary budget? ..... Yes / No
- Is the preliminary budget based on all necessary information (membership estimates, other sources of income, expense needs, current financial conditions, knowledge of the previous year's income and expenses, etc.)? ..... Yes / No
- Does the budget show all sources of income, totaled and balanced, against all total expense categories? ..... Yes / No



- Has the budget been formally adopted by the appropriate body (i.e., general membership, board, convention delegates)? ..... Yes / No
  
- Have appropriate and necessary methods been put in place to implement the budget?  
..... Yes / No
  - Is there a method to record and report monies received? ..... Yes / No
  - Is there a method to record and report monies spent? ..... Yes / No
  - Is there a method to record and report monies committed but not yet spent?.... Yes / No
  - Is there a method to move funds from checking to savings accounts, and vice versa?  
..... Yes / No
  - Are policies in place to permit changes to budget line items as needed during the fiscal year? ..... Yes / No
  - Are regular monthly financial reports, such as revenue and expense status, budget comparisons, fund balances, etc., made to the appropriate body (e.g., executive committee, board)? ..... Yes / No
  
- Are provisions made for a complete audit of PTA funds at the close of the fiscal year? ... Yes / No
  - By an outside accountant or certified public accountant? ..... Yes / No  
or by elected/selected PTA audit committee? ..... Yes/ No
  - Are completed audit reports summarizing cash received and cash spent verified and signed? ..... Yes / No
  - Are these reports communicated to the appropriate body (i.e., membership, board, convention delegates)? ..... Yes / No
  - Has a copy of the audit been filed with the state PTA office, if required? ..... Yes / No  
(Each state PTA must send a copy of its state audit to the National PTA headquarters.)



## II. Financial Controls

Financial reporting, accounting, and internal controls permit PTAs to provide to members the necessary accountability for funds. This section calls attention to several topics regarding needed stewardship of PTA funds.

- Are all PTA monies kept separate from school, personal, or other organizations' funds?...Yes / No
- Is an accounting system with an accurate record of the expense and receipt transactions of the PTA maintained? ..... Yes / No
- Are the state and national portions of membership dues and required information sent to the appropriate PTA office on time? ..... Yes / No
- Are purchase requisitions (vouchers, purchase orders, or warrants) required to initiate expenditures? ..... Yes / No
  - Are the purchase orders signed by the authorized people? ..... Yes / No
  - Are purchase orders checked against the budget authorizations? ..... Yes / No
  - Are purchase orders matched against orders and invoices prior to payment of claims? ..... Yes / No
  - Is there a time limit for requesting reimbursement for valid claims? ..... Yes / No
  - Are authorized claims paid in a timely manner? ..... Yes / No
- Is there a policy that prohibits the signing of blank checks? ..... Yes / No
  - Are all checks signed by at least two authorized people? ..... Yes / No
  - Are checks numbered in sequence and any missing checks researched? ..... Yes / No
- Are all bank signatory cards up-to-date with at least three signatures that have been approved by the board? ..... Yes / No
- Are at least two people involved in the processes of keeping financial records, depositing revenue, issuing checks, and handling cash? ..... Yes / No



- Are all funds deposited in a timely manner? ..... Yes / No
- Are bank reconciliations performed each month by individuals other than those who are authorized to sign checks? ..... Yes / No
- Are checking accounts (or, where applicable, savings or investment accounts) maintained to ensure full earnings on PTA funds? ..... Yes / No
- Does your PTA have any salaried staff? ..... Yes / No
  - If salaried staff are employed, are appropriate amounts for state and federal taxes, Social Security, etc., withheld? ..... Yes / No
  - Are the withheld monies and the employer contribution to Social Security forwarded to the appropriate government agencies as required? ..... Yes / No
  - Are quarterly reports filed as required and within the proper deadlines? ..... Yes / No

**If your PTA has chosen to use credit cards after weighing the risks -**

- **Do internal controls exist to prevent or limit fraud?**
- **Is there a limit on the card?**
- **Is the statement reviewed by a non-card holder monthly?**

**III. Insurance**

Insurance or risk management includes procuring, managing, and protecting PTA volunteers and PTA property and resources. PTAs should evaluate their risk exposure and implement insurance programs in areas of property, liability, fidelity bonds, and directors and officers, consistent with applicable state laws.

- Are insurance policies in force to protect PTA against loss of property (buildings, equipment, records, etc.) by reason of fire, theft, or other casualty? ..... Yes / No
- Are liability insurance policies in effect to protect PTA officers and members, schoolchildren, or other third parties where PTA projects or activities may result in an accident? ..... Yes / No



- Are the treasurer and all others authorized to handle PTA funds covered by a fidelity bond in the amount determined by the board? ..... Yes / No
- Are copies of all current insurance policies maintained with the permanent PTA records? ..... Yes / No

#### IV. IRS and Tax Forms

While PTAs are frequently exempt from federal and state taxes, there remain obligations to file appropriate requests for exemption and to report financial transactions.

- ....Is the association exempt from federal income tax under the IRC, Section 501(c)(3)?...Yes / No or Section 501(c)(4)?..... Yes / No
- If yes, is the exemption part of a state PTA blanket exemption? ..... Yes / No or part of a state PTA group exemption? ..... Yes / No or an individual exemption? ..... Yes / No
- If there is no blanket, group, or individual exemption, has the PTA filed IRS Form 1023 to apply for its own Letter of Tax Exemption? ..... Yes / No
- Is the IRS letter of ruling on the tax-exempt status of the PTA kept in the permanent records and, if required, is a copy filed with the state PTA? .....Yes / No
- Has the IRS Form 990, 990-EZ, or E-Postcard been filed with the IRS? ..... Yes / No and been sent to the state PTA office? ..... Yes / No (State PTAs must forward a copy of their IRS Form 990 to the National PTA headquarters.)
- Has an IRS Employer Identification Number been secured, and is it on file in the state PTA office? ..... Yes / No
  - If not, has the PTA filed IRS Form SS-4 (Application for Employer Identification Number)? ..... Yes / No
- Since not all states exempt PTAs from state sales taxes, are appropriate sales tax reports filed as needed? ..... Yes / No
- Is the PTA incorporated? ..... Yes / No



- If the PTA is incorporated, has an annual corporate report been filed with the state government, as required? ..... Yes / No
- Does the annual report reflect current officers and/or a registered corporate agent? ..... Yes / No

**This checklist should be completed annually, and any outstanding issues should be resolved or corrected.**

**File this checklist with the annual audit and keep it with the permanent financial records.**