

Just Elected Treasurer - Now What?

The Treasurer is an elected position on the Executive Board for the Parent Teacher Association (PTA). The term of the position runs from the fiscal year of July 1 to June 30, with overlapping audit responsibilities into the next fiscal year.

Treasurers have tremendous responsibilities and have been entrusted to care for the financial well-being of their PTA. Treasurers are responsible for creating and maintaining the annual budget; ensuring the PTA has the necessary insurance; sending the IRS tax exempt form to Florida PTA; ensuring the PTA is complying with all IRS and state department of revenue regulations; maintaining all of the financial records of the PTA including maintaining a general ledger, managing accounts payable, maintaining valid documentation of all accounts payable and monies received, accurately reporting the financial data to the board and the entire membership, completing year-end financials, preparing all materials for the year-end audit, and preparing and filing any necessary IRS forms, just to name a few!

So where can you turn to get information on just what you should and should not be doing? Fortunately, there are several sources of information to assist you in completing your duties.

National PTA publishes Money Matters and Florida PTA publishes Dollars & Sense. These publications are sent to the president, but are also available from their websites at www.pta.org and www.floridapta.org. You also have all of the information contained on this website.

Additionally, HCC PTA also offers trainings throughout the year and over the summer, Florida PTA offers leadership training at Innisbrook in Tarpon Springs. If possible, plan to attend all training opportunities as PTA policies and IRS rules can and do change.

Accounting Method

The cash accounting method is the preferred method of accounting by most PTAs. In cash accounting, income is earned when it is received (deposited) and expenses are deducted when the payment is made. As such, neither income nor expenses are accrued from one fiscal year to the next, but must be recorded at the time they happen, even if the particular income or expense was arranged in a previous fiscal year. Any outstanding checks at the end of the year should be noted in the year-end financials and accounted for out of the carryover balance.

Procedure Book

The Treasurer should maintain a procedure manual separate from the annual financial records. The procedure manual should contain all of the general documents and informational guidelines the Treasurer needs to perform his/her duties. It is very important that this book contain all current and historical information and that the information be revised as needed. This book is passed from Treasurer to Treasurer and is vital to the continued success of your PTA/PTSA.

Annual Financial Records

The annual financial records binder should contain all the general fiscal information for the school year. (Depending on the volume of financial transactions that your PTA conducts throughout the year, your annual financial records may need to be stored in two or more binders.) At the beginning of the year, you should clearly mark on the spine of the binder the date of the financial period and the date for retention of the records. In keeping with IRS guidelines, all financial documentation must be retained for a minimum of seven years. The documents in this book will be subject to the year-end review (audit), and after the review, the book should be kept in the PTA room (or other central filing area).

First Steps

Below is a list of some of the things that must be taken care of right away:

Your Bylaws require that an annual audit be done. The audit must be completed before a new treasurer can write any checks (including checks for summer or interim contingency) but you can and should promptly make any deposits. Even if you were treasurer last year, an audit must be done before you can start the new year.

You will want to change the signatures on the bank account(s). This usually requires that you take a copy of the minutes from your General Meeting where your new officers were elected. You should have three people on the account, as all checks must be signed by two of them. Individuals authorized to sign checks should not be related to each other.

You will need to get with the budget committee to prepare the budget for board and membership approval. Every PTA is required to have an approved budget, and you can only raise and spend money in accordance with that approved budget.

Be sure to send in the Internal Revenue Exempt From Income Tax form to the Florida PTA.

Ensure you have the necessary insurance.

Learn, learn, learn all you can about your new position.