

# PTA financial management checklist

Name of PTA/Unit Code \_\_\_\_\_

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

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## PTA financial management checklist, con't.

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

# PTA financial management checklist, con't.

**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

- Has the PTA insurance bill been paid for the next school year? ..... Yes No
- Are copies of all Financial Discrepancy and Incident Reports 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
- Is the state PTA group exemption number on file? ..... Yes No
- New York State PTA Group exemption number is 1258
- Is the IRS letter of ruling on the tax-exempt status (Letter of Determination) of the PTA kept in the permanent records? ..... Yes No
- Has the IRS Form 990, 990-EZ (with Schedule A), or E-Postcard been filed with the IRS? (See page 48 for more information) ..... Yes No
- 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
- Is the New York State Sales Tax exempt number on file (Form ST-119.1) ..... 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.**