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# BASIC FISCAL MANAGEMENT PROCEDURES

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PTAs must have money to operate. They do not exist to raise money but rather raise money to exist. Without realizing the problems inherent in the management of an organization's finances, some PTA members or officers have found themselves in embarrassing situations. These embarrassments can be avoided by following some basic fiscal management procedures.

Each PTA should recognize the role of the treasurer in the organization. The PTA treasurer is the authorized custodian of the funds of the association. He/she should receive and disburse all monies as prescribed in the local bylaws or as authorized by action of the association. The treasurer should issue a receipt for all monies received. He/she should keep a full account of receipts and expenditures.

Occasionally, it may be necessary for other officers or members to handle money (for example, dues from membership enrollment or revenue from a fund-raising project). In these cases, great care should be taken to count and record monies received. Money thus collected should be turned over to the treasurer without delay, and the treasurer should bank that money immediately. PTA money should not be stored in the homes of PTA officers or members. If large sums are handled by the treasurer, it is advisable to bond him/her as a protection both to the treasurer and to the association.

Local PTAs should maintain one checking account with one checkbook. Two signatures should be required for all checks. None of those signing checks may be related by blood or marriage, nor reside in the same household. The checking account should be maintained in the bank approved by the executive committee of the association. Association monies should not be deposited in the personal account of any officer nor commingled with school accounts.

Always remember these simple DOs and DON'Ts for sound PTA financial management:

## DO

- Become familiar with National PTA's *2008–2009 Money Matters Quick-Reference Guide*.
- Always pay with a PTA check.
- Have three (3) people count money.
- Have bank statement addressed to the president and mailed to the school. (School address stays permanent.) The president should review the statement before giving it to the treasurer for prompt reconciliation.
- Raise money for a purpose and spend it for that purpose.
- Prepare a budget and present it at the first general meeting of your PTA.
- Prepare a financial statement for each board and general membership meeting.
- Remit national and state dues promptly each month to the Utah PTA office.
- Have books audited at close of fiscal year by an auditor or an audit committee.
- Retain financial records for 10 years (including financial statements, deposit slips, budgets, bank statements, canceled checks, and original receipts).
- Retain audit reports, IRS documents and correspondence, and minutes permanently.

## DON'T

- Ever, ever give anyone a blank check with signatures.
- Ever have a petty cash account.
- Accept books that have not been audited.
- Deposit association funds in a personal account.
- Store PTA funds at a home or at the school overnight.
- Comingle funds.
- Ever have an ATM card.
- Ever have a PTA credit card.

The treasurer is the legally responsible, authorized custodian, elected by the members to have charge of the funds of the PTA unit. It is essential that the president, who bears full responsibility for the total affairs of the PTA unit, work closely with the treasurer at all times and have a complete understanding of all financial matters. All persons signing on a PTA checking account are liable for the use or misuse of those funds—use them wisely.

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***These guidelines should be followed when it has been discovered that money has been mismanaged or embezzled:***

1. When mismanagement of funds is suspected, the PTA line of communication should be followed in informing and receiving direction and assistance. The local PTA should contact the council. The council in turn will contact the region, and the region will make contact with the Utah PTA treasurer. If for some reason assistance cannot be obtained through the line of communication, contact the Utah PTA treasurer directly.
2. When any wrongdoing is suspected, the person involved should have a hearing with the local executive committee and make an explanation of what has happened. If the hearing is unsatisfactory for either party, the decision may be appealed up the line of communication. Once wrongdoing is suspected, hearings should take place in a timely manner.
3. The PTA officers have a responsibility to the membership for all PTA monies. The PTA also has the responsibility to be a professional organization. The PTA officers are highly encouraged to try to protect the person's reputation by using discretion in what is said and done, especially in the preliminary stages of an investigation. It is not responsible, however, to disregard the incident.
4. If the results of the hearing warrant further action, the executive committee should request that an audit be done, if appropriate, and documentation gathered. They should also carefully consider whether it might be appropriate to file a police report and/or to close the bank account. If an outside investigation is warranted, the police will become involved.
5. Theft of money is breaking the law and should be handled as a serious offense. Embezzlement is the same as ordinary theft. The charges are criminal and, if deemed appropriate, are filed at the police department.

Less than \$300 is a class B misdemeanor

\$300 to \$1000 is a class A misdemeanor

\$1000 to \$5000 is a third-degree felony

\$5000 or more is a second-degree felony

6. According to the local PTA bylaws (Article VI, Section 7b), a person who fails to perform the duties of his office should be removed from office. It is the responsibility of the local executive committee to meet and declare the office or position vacant. All resignations must be made in writing to the president. The local executive committee is to elect a replacement to fill any vacancy.

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**We have read and understood the Basic Fiscal Management Procedures.**

Region \_\_\_\_\_ Council (if applicable) \_\_\_\_\_

Local PTA \_\_\_\_\_

President \_\_\_\_\_

(Name)

(Signature)

Treasurer \_\_\_\_\_

(Name)

(Signature)

**All other elected PTA officers' signatures:**

\_\_\_\_\_  
(Name) (Title) (Signature)

\_\_\_\_\_  
(Name) (Title) (Signature)

\_\_\_\_\_  
(Name) (Title) (Signature)

\_\_\_\_\_  
(Name) (Title) (Signature)

\_\_\_\_\_  
(Name) (Title) (Signature)

\_\_\_\_\_  
(Name) (Title) (Signature)

\_\_\_\_\_  
(Name) (Title) (Signature)

**Fundraising chairs' signatures:**

\_\_\_\_\_  
(Name) (Signature)

\_\_\_\_\_  
(Name) (Signature)

*Each local unit shall obtain the appropriate signatures on this form, make a copy of the form for all signers, and submit the signed original to the council president/treasurer by October 1. Completion of the form is reported to the region director/treasurer and to Utah PTA via the Council Money Handling Form.*