

Michigan PTSA Treasurer's Recommendations for Financial Best Practices

The Treasurer should prepare a Financial Statement AND Transaction Report at every meeting.

Every Treasurer should receive a copy of National PTA's Money Matters Guide.

Never sign a check payable to yourself or a spouse. Always leave a paper trail.

Always count money with two or three people together in the same room, and use an approved form.

Instead of using a bank withdrawal slip to obtain cash (for a cash box, for instance); write a check to the PTA or to the Committee Chair.

Never sign a multi-year contract. An existing multi-year contract prohibits the current year's membership from making decisions pertaining to the current year's funds. The President should be the only person authorized to sign a contract

If your bank account has on-line access, do not use this feature to pay bills; write a check instead to leave a paper trail.

If the President & Treasurer are spouses, the President should not be a signer on the bank account.

Have bank statements mailed to the school address or a non-signer's home address.

Consider scanning the monthly bank statement, blacken out the account number, and import the scanned statement into your monthly financial report.

Never write a check that exceeds the approved budget line-item amount. If a chairperson presents a reimbursement request for an amount over the approved budget, reimburse up to the approved amount, say, "Thanks for the donation", and suggest the chair attend the next general meeting to request additional funds.

990 MUST be filed by every unit. The amount dictates which 990 form is to be used. \$50,000 is the new threshold for 990-N for 2009.

Tax-exempt status does not mean sales tax exempt.

The unit must pay sales tax on items it sells if readily consumable. (Just zip the plastic bag closed.)

Raffles require a license, but it's all in the language of the event. The Unit Leaders handbook has a definition.

As long as the school has a movie license, the PTA doesn't need one. Check the National PTA website (PTA.org) for movies.

The EIN and the Tax ID number are the same thing.

Chartering a boy scout troop is NOT recommended; any funds they raise would have to be filtered through the PTA treasury (commingling of funds), liability from a money standpoint as well as a bodily injury standpoint puts the PTA at risk and may conflict with the PTA Mission.

PTAs are advised not to sponsor Band Boosters, Senior All Night Parties, sports teams, school clubs, etc. – commingling of funds, liability, conflicting with PTA's mission.

Offering scholarships to a few selected students should be weighed carefully to ensure that that Objects of PTA are being observed.

In order to be eligible to file a claim in the event of missing funds, many bonding insurance policies have stipulations that require an annual audit AND that the monthly bank statement is reviewed and initialed by a non-signer on the account.