

FINANCIAL RESPONSIBILITY OF BOARD MEMBERS

PRINCIPLES OF FINANCIAL MANAGEMENT

- \$ Never sign a blank check.
- \$ Never record state or national portions of membership dues as unit income.
- \$ Never deposit association funds in a personal/school account (commingling).
- \$ Always issue a receipt for cash received.
- \$ Ensure record keeping is complete and accurate; leave paper trail for auditor.
- \$ Conduct audits 2 times per year.

TAKING OFFICE

- \$ Receive financial records, procedure book, bylaws, and resources.
- \$ Obtain necessary supplies.
- \$ Attend training: council, district, state, and national.

When setting up the treasurer's books at the beginning of the year, set up the books from an auditor's perspective. The auditor should sit down with other financial officers and explain what is needed for an audit. This makes everyone's job easier.

BUDGET

- \$ Develop the budget via committee process.
- \$ Ensure the budget represents the PTA's planned activities and operating expenses.
- \$ Use budget as a guideline.
- \$ Obtain approval of the membership.
- \$ Keep executive board members advised of budget amounts.
- \$ Use only unit portion of membership money in budget.

BANKING

- \$ Use only bank authorized by executive board.
- \$ Use school address for statements.
- \$ Reconcile statements monthly.
- \$ Investigate checks that don't clear.
- \$ Obtain membership approval on all payments.
- \$ Keep thorough records.
- \$ Use cash verification form.
- \$ Deposit money immediately.
- \$ Give itemized bills, sales slips, receipts to treasurer for payment by check.
- \$ Do not pay bills with cash.

MISMANAGEMENT OF FUNDS

- \$ Look for signs of mismanagement.
- \$ Do not make any implicit, explicit, oral or written statements or accusations.
- \$ Audit all accounts.
- \$ File a complaint with local law enforcement.
- \$ Take due process steps to remove from office: Bylaws, Article VI, Section 11.
- \$ Do not offer to let individual repay (May be compounding).
- \$ Keep confidential.

FUND RAISING

- \$ Remember, PTA is not a fund raising organization.
- \$ Follow the 3 to 1 rule: 3 non-fund raisers to 1 fund raiser.
- \$ Do not exploit children.

CONTRACTS

- \$ Ensure that all activities are approved in advance by the membership.
- \$ Obtain the contract in writing
- \$ DO NOT SIGN a contract unless you understand conditions.
- \$ DO NOT SIGN A CONTRACT, if the PTA is made responsible for injury/damages.

INSURANCE

- \$ Obtain and review the *Insurance and Loss Prevention Guide*
- \$ Pay required insurance premium timely.
- \$ Understand the insurance coverage.

RESOURCES

- \$ California State PTA *Toolkit, Finance Section*
- \$ National PTA's *Annual Resources, Money Matters* and *Quick-Reference Guide, Money Matters*