

## FAQ: TREASURER

1. **When should we change signers on the PTA banks accounts?** Go to the bank with at least two outgoing signers as soon as the school year ends and whenever one of your account signers is no longer serving as one of your officers. Bring a signed copy of the minutes from the election meeting with you.
2. **Can PTA members be required to make financial contributions to the PTA?** PTA members cannot be assessed any additional payment or fee aside from membership dues, unless the bylaws so provide. Participation in fundraising events must always be optional. Repeated solicitations can be tiresome and embarrassing. Rewards to individual students on the basis of a parent's financial ability to contribute to the PTA are inappropriate. Volunteer contributions of time, expertise, and investments of human assets are treasured above all else.
3. **Under what circumstances could a PTA provide financial aid for a public responsibility?** PTAs cannot offer long-term financial support of school programs or personnel, due in part to the annual nature of the PTA budget. In emergencies, and with the approval of its membership, a PTA may provide for the pressing needs of children and youth while working to alert the public to its obligations. On occasion, a PTA may initiate and operate a much-needed service for a limited time in order to alert the appropriate public agency to its necessity. As volunteer associations, PTAs *should not* pay or subsidize the salaries of public employees, either directly or indirectly.
4. **What types of advocacy efforts can PTAs pursue?** Much of the legislation, programs and policies protecting the health, education and well-being of children are the results of PTA efforts. PTAs may propose, support or oppose legislation, programs and policies needed to achieve the PTA Purposes, provided that these efforts qualify as "lobbying" under the Internal Revenue Code. That means that they do not use more than 5 percent of the association's annual resources. Analyzing and sharing information about legislation and communicating with legislative or other policy-making bodies about decisions that affect the PTA are not lobbying activities. Partisan political activity, defined as participating or intervening in any local, state or federal campaign, as representative of PTA, for an elected political office, is absolutely forbidden. PTAs advocate on behalf of issues, not individuals.
5. **Do the fiscal year, budget year, and officer year need to coincide?** No. Everyone tries to make the fiscal year, audit year, term of office and budget year, all coincide. The truth of the matter is that they all may not be the same. The checkbook is not tied to a fiscal year or officers' year. The audit doesn't have to coincide with the fiscal year. It coincides with the end of the school year. The treasurer's term of office ends at the close of the school year, as does the term of the other officers. If officers' terms of office are for more than one year, the *annual* audit must still be completed at the end of each school year. At that time the books are closed for audit, the signature cards changed at the bank, and any bills that need to be paid are paid by the new officers under the approved budget. It is important to remember that the bills are the bills of the association, not of a specific set of "officers."
6. **What is corporate sponsorship?** Sponsorship is simply the donation of money, goods or services by a business to a PTA in return for a public acknowledgement of that donation. For example, a company donates money to the PTA to pay for a Parent Involvement Guide. On the back of the book, the PTA prints the company's name as the sponsor.
7. **Where do I find the budget and financial records?** The President and the incoming treasurer should obtain the budget and financial records from the outgoing treasurer. Review those records with your officers and make note of the things that must be done to start the coming school year.
8. **What is a budget?** The budget is an outline of estimated income and expenses for a 12-month period. It should be based upon the local PTA's plan of work for that 12-month period. The budget does not end at the end of the school year, nor upon the election of new officers, but runs until the next budget is adopted, usually at the first general meeting of the year.

9. **Who prepares the budget?** A budget committee is appointed and it prepares the budget. It is composed of the treasurer (who usually serves as chair), the president (past and present, if possible), and committee chairpersons responsible for sources of funds or revenue, as well as other interested board members (especially those with experience in financial matters).
10. **Is attending training and convention a "legitimate" PTA expense?** YES! Attending training is an appropriate PTA budget expense. Verify that your budget allocates sufficient funds for members to attend these important events (e.g., Convention Leadership Training (CLT), PTA Day at the Capitol) during the year. Expenses include registration and lodging.
11. **How and when is the budget adopted?** A new budget is adopted annually at the first general meeting of the school year. The treasurer presents the budget to the board and executive committee for consideration. It must be presented to the PTA membership for approval at the first general meeting of the year. It generally is not necessary to have the budget approved before the end of school in May/June. A majority vote of the members' present is required for adoption.
12. **How are changes made in the budget?** Since the budget is only an estimate of the planned expenditures for the year, it may be necessary to amend it during the year. Amendments require a vote of the members at any regular meeting or at a special meeting called for that purpose. To amend something previously adopted requires prior notice and a majority vote, or a two-thirds vote without prior notice.
13. **How much money do we need to run our PTA?** It is the responsibility of your PTA to raise the amount of money needed to meet its proposed budget. The PTA is an educational organization, not a fundraising organization. Choose wisely the fundraising activities that best meet your PTA's needs. Start by identifying what programs and projects in your plans of work need to be funded. Don't raise money first and then decide how to spend it.
14. **Is it ever okay for PTAs to pay salaries of school personnel?** No. This is a school systems responsibility under all circumstances.
15. **Who can audit the books?** Your unit does not have to hire a CPA to do the audit and generally speaking should not have to pay for an audit. It should be performed by an individual auditor, or a committee of no fewer than three people (Bylaws Article VIII). They can be PTA members from another school or someone in the community familiar with bookkeeping. The key is to have an independent review of the books conducted by people who are familiar with proper PTA financial management. Under no circumstances can an auditor be one of the signers on the bank accounts, or related to one of the signers. You may contact your council, district or the state office for further guidance.
16. **Can our PTA have a debit card or use online banking?** NO. *The use of a debit card and/or online banking does not follow the procedures* as outlined in the bylaws and Guides of the Georgia PTA for payments or receipt of funds. *All payments are to be made by check with two signatures.* These procedures cannot be followed with either debit cards or online payments. And since your bonding insurance is based on your following the proper financial procedures, your bonding insurance would not cover any losses incurred through use of either a debit card or online banking.
17. **What do we do with unspent funds when school ends? Do we have to turn them over to the Principal?** All funds can only be spent as approved in the budget. If they are not spent, then they should be carried over to the following year's budget. The officers cannot just decide how to spend or use up funds at the end of the school year. Also, you should never turn PTA funds over to the school.
18. **Is there a limit on the amount of funds that can be carried over from year to year?** There is no limitation on amounts carried over from year to year; however, it is recommended that you limit fundraising to levels required for budgeted expenses to avoid substantial carry-over amounts.
19. **What does the PTA do for money during the summer?** The budget that is in place for that time period will dictate what is approved and what can be paid. If expenses fall under an approved line item in the budget, they should be paid or reimbursed. If they are not covered by the budget, then they cannot be paid or reimbursed. New officers are responsible for making such decisions during the

summer relative to the budget in place at that time. Only new officers may sign checks after the end of the school year.

20. **Can the outgoing officers commit how funds will be spent in the next budget year?** No. A new budget is approved every 12 months based on the recommendations of the budget committee. Future boards are not obligated to use funds as designated by the previous administration.
21. **Can the Principal tell the PTA how to spend the PTA's funds or what fundraisers to do?**  
No. Only the PTA membership decides how PTA funds will be raised and spent.
22. **With the reduction in the state's funding for education and local school system budget challenges, shouldn't PTA offer to fill the gaps ... by buying books, desks, equipment and even paying salaries?** No. More now than ever PTAs need to advocate securing adequate funding for education and for all children. PTA is not there to buy the basics, nor create inequities from one school to another.
23. **Why should our PTA be incorporated?** By incorporating a PTA legally insulates or protects its officers and volunteers from being personally liable or responsible for a PTA's debts or obligations. All PTAs are strongly encouraged to incorporate.
24. **Does our PTA need insurance, and if so, what kind?** YES. Georgia PTA strongly encourages each PTA to have fidelity bonding insurance to cover all individuals handling funds and PTA assets. General liability coverage is also recommended to protect PTA members in case they are held legally liable for bodily injury or property damage resulting from a covered event (for example, if someone gets hurt at your fall festival and sues). Similarly, directors' and officers' insurance provides protection if an officer/director is sued for failure, or alleged failure, to live up to their responsibilities and duties assumed in their PTA position. Property insurance covers fixed assets, inventory, and other property owned by a PTA, such as a storage unit, its fundraiser orders pending delivery, etc. During the summer, Georgia PTA will send information to you about available insurance policies.
25. **Whose responsibility is it to file appropriate IRS forms?** According to the local unit PTA bylaws, the active or current treasurer is required to prepare IRS forms. These forms are generally due five months and 15 days after the end of your fiscal year. Check your bylaws for the exact dates of your fiscal year.
26. **Can our PTA do raffles or play Bingo?** PTAs interested in conducting a raffle must check with the local school administration to ensure such an activity does not violate any existing policies or rules. The PTA must apply for a license with the **sheriff of the county where the PTA is located**. The PTA must also verify, with state and local authorities, the number of raffles an association may hold on an annual basis.
27. PTAs interested in conducting Bingo may do Recreational Bingo, a.k.a. Free Bingo, as many times per year as they wish. Recreational Bingo is defined as a Bingo game for which your PTA does not charge participants to play and does not award cash prizes, nor prizes worth more than \$15 per game. **No license is required.**
28. If your PTA is interested in holding an annual **Bingo fundraiser where participants will be charged to play, the PTA may apply for a one time per year Bingo permit through the Georgia Bureau of Investigations (GBI)**. This permit will only be issued once per school or PTA and only once per calendar year! Your PTA must apply for the permit by letter on school letterhead signed by the Principal and PTA President. The permit must be posted in the location where you hold the bingo. The GBI will send you instructions along with your one-time permit. Allow at least two weeks to receive the permit.  
☐ Keep in mind the three P's: *Pay – Play – Prizes*. If you Pay to Play for Prizes, the GBI considers it gambling and therefore illegal, so be sure that you follow the proper procedures!

Copies of the current version of bingo related forms, rules and other related documents are now available on the GBI's webpage <http://gbi.georgia.gov>. Click your mouse on Services, then click on BINGO, and then on Forms and Regulations. Phone: 404-244-2600. Fax: 404-270-8529.

29. **How soon may we file our IRS 990N postcard?** The 990N can be filed immediately after the close of your fiscal year and must be filed no later than the fifteenth day of the 5<sup>th</sup> month, following the close of the fiscal year (e.g. Fiscal year ends June 30<sup>th</sup> the 990N must be filed by November 15<sup>th</sup>).