

Mo Money Mo Problems: Treasurer Training & Best Practices

Tony Rett
Ohio PTA
Secretary Treasurer



PTA's mission is to make every child's potential a reality by engaging and empowering families and communities to advocate for all children.

The Core Values of PTA are:

- Collaboration
- Commitment
- Diversity
- Respect
- Accountability



Mission-Driven Goals

- Every PTA Activity should focus on the PTA mission
- All funds generated by a PTA, including the local portion of dues, should be budgeted for purposes that advance PTA work
- Transparency is key; how PTA funds are raised and spent should be communicated clearly to members and the school community as a whole



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National PTA Headquarters
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Ladies and Gentlemen:

As you know, we serve as legal counsel for the National PTA. You have informed us that, from time to time, school personnel and other government representatives seek to assert control over or direct the use of funds of local PTAs. The purpose of this letter is to describe the structure of local PTAs and to confirm that they represent independent nonprofit entities which are subject to direction only by their state PTA and the National PTA.

The PTA has a tri-level structure: National, state and local. The National PTA is a nonprofit corporation exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code. It has established affiliates in all states to establish and direct local PTAs. Both the National PTA and the state PTAs have established strict procedures for chartering PTAs at the local level. Local PTAs are also nonprofit entities exempt from federal income tax.

Local PTAs are not supporting organizations, clubs or booster groups for any schools. They are separate legal entities which further the PTA mission of providing parents and families with a powerful voice to speak on behalf of children. Local PTAs work in harmony with school personnel, but they are not part of any school and are not subject to direction or control in any manner by school personnel.

We trust this explanation clarifies the status of local PTAs and will prevent misunderstanding in the future.

Sincerely,


Paula Cozzi Goedert
Partner

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The Three Duties of a Board Member

You are a fiduciary. This means you hold and manage money that isn't yours.

- **Duty of Care** - Be an active, informed steward
Attend meetings, review financials before approving, ask questions
- **Duty of Loyalty** - Put the PTA's interests first
Disclose conflicts of interest; no self-dealing or personal benefit
- **Duty of Obedience** - Stay true to the mission and the rules
Follow bylaws, standing rules, the approved budget, and the law



Requirements for Maintaining Your 501(c)(3) Status

- Per the IRS, a PTA must file the appropriate Form 990 every year. There are no exceptions to this requirement. Not filing the Form 990 will place the PTA's tax-exempt status in jeopardy, may result in significant fines and penalties, and will remove your unit from Ohio PTA's group exemption. If you discover your PTA is currently delinquent in filing the appropriate Form 990, contact your state PTA immediately.
- A PTA must be organized and operated exclusively for charitable, educational or scientific purposes (the mission as defined in bylaws).
- A PTA's resources and funds cannot be used for the private benefit of an individual.



Requirements for Maintaining Your 501(c)(3) Status

- A PTA cannot engage in any political activity. The IRS considers political activity working for or against a candidate for public office at any level. Associations that are classified as 501(c)(3) are forbidden to support or campaign against candidates for public office.
- A PTA can only engage in an insubstantial amount of lobbying activity. PTAs are encouraged to advocate on behalf of the needs of their PTAs and their members, so be sure to understand the limitations.
- Upon a PTA's dissolution, its assets must be distributed for one or more of those defined exempt purposes.



Ohio PTA's Group Exemptions and New Rules for 2026

Your PTA's 501(c)(3) status comes from Ohio PTA's group exemption

IRS Revenue Procedure 2026-8, published January 20, 2026

- **Your 990-N receipt is no longer enough** - The IRS says that a copy of a unit's Form 990-N does not satisfy Ohio PTA's supervision duty (§ 4.02(3)). Expect to report finances *and* activities annually through the SOA process.
- **Lose your exemption, lose your place in the group** - A unit that is auto-revoked is ineligible to remain under the group exemption, and reinstatement is the unit's responsibility (§§ 4.05, 8.02)
- **Bylaws Article II–Purpose must match the sample bylaws word for word** - The IRS now requires every unit in a group to carry the same purpose statement (§ 4.03(2))



The PTA Treasurer

- Is the authorized custodian, elected by the members, to have charge of the funds of the PTA organization
- Receives and disburses all monies prescribed in the unit bylaws
- Sees that all authorized bills are promptly paid
- Gives a financial accounting at regular intervals (meetings)
- Must maintain accurate financial records
- Must adhere to standard financial procedures when keeping records to insure audits/financial reviews can be properly conducted
- Must be bonded



Before Taking Office

- Be sure the books have undergone a financial review before accepting them
- Check all files and records received from the retiring treasurer. Ask about any missing records immediately
- Secure the signatures of new officers authorized to sign checks and file them with the bank
- Become familiar with the duties of the treasurer as outlined in the bylaws



Section 5. The treasurer shall:

- a. *Have custody of the funds and maintain a full and accurate account of the receipts and disbursements belonging to this local PTA/PTSA;
- b. *Make disbursements as authorized by the President, Board, or membership in accordance with the budget adopted yearly by this local PTA/PTSA;
- c. Have checks signed by two account signatories, who are not immediate family members, the treasurer and one other officer;
- d. In the event of an electronic payment, obtain a voucher or requisition form signed by two account signatories, who are not immediate family members, the treasurer and one other officer, before making the electronic payment;
- e. *Provide a financial statement at each meeting;
- f. *Submit to the Ohio PTA an annual report of the financial condition of the association;
- g. *Submit the books annually or upon change of officer for a financial review;
- h. *Have this PTA/PTSA bonded for a sum equivalent to the average gross receipts of this association during a year;
- i. *Submit the Ohio PTA and National PTA portion of the dues to Ohio PTA monthly with the first payment no later than November 30;
- j. *Perform duties prescribed by these bylaws, standing rules, and the parliamentary authority adopted by this PTA/PTSA;
- k. *File a 990 form annually with the IRS;
- l. *Have this unit maintain appropriate liability insurance.



Before Taking Office

- Become Familiar with your Resources
- Both National and Ohio PTA provide an abundance of resource material
- Participate in live training opportunities (workshops, conferences, etc.)
- Take advantage of the handbooks, webinars/e-learning courses, website content, and more



Before Taking Office

Ohio PTA Resources (ohiopta.org, “PTA Resources”, password= ONTOUR25-26):

- Legal and Financial Handbook
- Incoming Officers Guide
- PTA Fundraising Handbook
- Trainings, Workshops, Zoom Webinars

National PTA Resources (pta.org, “Local Leader Kit/Finance”):

- Financial Management content divided into different topics
- Finance Quick Reference Guide
- Videos and E-Learning: Effective Non-profit Management, Local PTA Budget Basics, Local PTA 501c3 Compliance Basics, Preventing Theft in your PTA

And much more!



Treasurer's Duties

- Complete the Financial “Required Indicators” for the Standards of Affiliation
 - Submit IRS Form 990, 990N or 990EZ (Nov. 15)
<https://www.irs.gov/> or <https://www.file990.org/>
 - File with the Ohio Attorney General (Nov. 15)
<https://charitableregistration.ohioago.gov/>
 - Ensure Completion of a Financial Review (Nov. 30)
 - Secure Bonding Insurance Coverage (Nov. 30)



Treasurer's Duties

- Keep an accurate and detailed account, in a permanent book or file, of all monies received and disbursed
- Receive all monies for all accounts – always issue receipts
- Deposit all monies in approved accounts
- Pay all bills by check (not cash) – two signatures



Treasurer's Duties

- Work with the membership chairman and secretary to maintain an accurate listing of the membership
- Remit initial membership dues to Ohio PTA via Givebacks by Nov. 30 (SOA Required Indicator). State dues payments for memberships are payable directly to the state PTA via ACH through Givebacks (serviced by Stripe)
- Forward Ohio and National portion of membership dues to the Ohio PTA via Givebacks monthly as applicable



Treasurer's Duties

- Preserve all check requests (vouchers), receipts, bank statements, and canceled checks and submit all of these to the audit/financial review committee in preparation for the financial review
- Maintain the permanent file of canceled checks, paid bills, etc. for the required number of years (see [records retention schedule](#))



Principles of PTA Financial Management

- Must have a properly approved budget
- Must be bonded
- All funds are administered by the treasurer
- Never sign a blank check
- Cash is never used
- Funds are deposited in authorized PTA bank accounts
- Keep PTA funds separate from school funds



Principles of PTA Financial Management

- Issue receipts for monies received
- At least two people should count the money and sign the receipt
- Maintain complete and accurate record keeping
- Ensure that a financial review of all financial records is conducted according to bylaws
- Reconcile bank accounts monthly; question unexplained reconciling items
- Someone independent of the check processing should receive the unopened bank statement and review the activity before passing it on to the person responsible for the reconciliation



Principles of PTA Financial Management

- Provide appropriate system access; everyone should have system access to perform their duties, but system access should be limited to what they need to do their job
- Establish dual administrators for all online accounts whenever possible
- Put policies and procedures for financial management in writing; train all PTA board members on these processes and ensure these procedures are followed consistently; review policies and procedures annually



Contents of the Treasurer's File

- A copy of the PTA bylaws and standing rules with treasurer's responsibilities highlighted
- A copy of the budget as adopted by the association
- Receipt book
- Checkbook
- Treasurer's account book, ledger or copies of financial records in electronic format as needed



Contents of the Treasurer's File

Permanent IRS tax information:

- IRS determination letter of tax-exempt status
- Employer Identification Number (EIN)
- Copies of filed form 990, 990-N or 990-EZ
- Additional IRS forms as needed



Contents of the Treasurer's File

- OAG Charitable Registration Documents
- Current membership roster (Givebacks)
- Ohio PTA and National PTA financial resource materials
- Documents as outlined in Records Retention Schedule
- Any general correspondence dealing with financial matters



The Budget

The budget is an outline of estimated annual income and expenses

It is voted on and approved by the membership



Developing the Budget

The Budget Committee

- May be elected or appointed (see your bylaws)
- Usually consist of 3-5 members, one of whom is the treasurer who also acts as the chair



Developing the Budget

- Effective budgets include consideration of stated goals and planned activities as well as the financial means to achieve these goals
- Study the previous year's budget and annual report for information pertinent to a new budget
- Ask chairmen to submit budget requests and recommendations



Developing the Budget

- Determine the projected financial requirements
- Take into consideration the funds needed for programs, projects and leadership development (a legitimate PTA expense)
- Budgets cover only a one-year period of time



Approving the Budget

After the budget has been drafted:

- It should be presented to the PTA executive committee/board for consideration
- It should then be presented to the PTA membership, item-by-item, for approval
- The budget is presented at a general meeting where a quorum is determined to be present. A majority vote of the members present and voting is required for adoption



Amending the Budget

- The budget is only an estimate of planned expenditures for the year so it may need amending periodically
- The budget may be amended at any regular meeting of the association or special meeting called for that purpose
- To amend something previously adopted takes a 2/3 vote or, with previous notice, a majority vote



Approval of Expenditures

- The adoption of the budget authorizes the treasurer to pay for routine expenses covered in the budget, according to the local PTA bylaws
- All expenditures must be reported to the executive committee/board and included in the regular report of the treasurer to the membership
- Additional expenditures not provided for in the budget must be approved by the membership; changes in the budget, including income and expenditures, must be presented as amendments to the budget



Treasurer's Report

- Should be given according to bylaws requirements
- Should indicate what period of the fiscal year the report covers
- Should indicate the date it was prepared and by whom
- Should not be adopted but is filed for audit/financial review
- Becomes part of the meeting minutes



Treasurer's Report

Submit a report at regular meetings including:

- Total balance on hand at the beginning of the month
- Report all receipts and expenditures
- Report state and national portion of dues
- Report any special funds such as scholarships
- Balance on hand in each fund and total balance on hand at the end of the month



Treasurer's Annual Report

- At the close of the fiscal year, the treasurer should prepare an annual report covering the entire fiscal year
- Report is for information purposes only
- The treasurer's annual financial report and the financial review committee report are filed after the association has formally adopted the financial review committee's report (usually the first meeting of the new school term)



Banking

- All PTAs are required to provide the bank with an IRS Employer Identification Number (EIN)
- EINs are on record at the Ohio PTA office
- Do not use the school's tax exempt number
- Additional forms may be required



Bonding Insurance

- A fidelity bond covers losses sustained by a PTA through fraud or dishonesty committed by an employee, elected officer or any person authorized by an officer to handle PTA funds
- A fidelity bond is in the best interest of the PTA and should be secured from a reliable insurance company, in an amount to be determined by your board
- The cost of this insurance should be covered by the PTA
- Bonding insurance is a stipulation in bylaws as well as a required indicator in the SOA



Liability Insurance

- PTAs should consider their need for liability insurance when there are projects or activities that may result in potential hazards for PTA members, students or other third parties
- Commercial general liability insurance provides coverage for your legal liability arising from bodily injury, personal injury, advertising injury and property damage to others arising out of your activities
- Do not assume that your school district liability insurance extends to PTAs or their activities



Fundraising Receipts and Expenditures

- Deposit the monies as collected
- Chair of the activity is responsible for seeing that the treasurer receives the monies in a timely manner
- At least two persons should count money and sign a statement verifying the amount
- A receipt should be given to the chair
- Never deposit PTA funds in anyone's personal bank account
- The treasurer should be given itemized bills, sales slips, etc. from the fund-raising activity to pay by check
- A detailed report should be written for every fund-raising activity



Vouchers/Requests for Payment

- A voucher/request for payment should include the following information:
 - Date
 - Check number issued if applicable
 - Amount to be paid
 - Budget line item(s)
 - Signature(s) of the signatories authorizing payment
- Original receipts must be attached to voucher before payment is made
- Records are available to the financial review committee



PTA Funds vs. Public Monies

- PTA funds should not be deposited in any account other than the PTA account
- All monies deposited into a PTA account will be considered PTA funds by the IRS
- A PTA should never deposit school funds in its account
- If the PTA sponsors a project or program in cooperation with the school, all funds should be accounted for and separated prior to the immediate deposit of the PTA portion into the PTA bank account



Sales Tax

- Ohio PTA and its affiliated local PTA units and councils are exempt from paying sales tax on items purchased by the PTA
- Ohio PTA and its affiliated units and councils are exempt from collecting sales tax on items sold by the PTA if they abide by the limitations outlined by the Ohio Department of Taxation (Ohio Revised Code, Section 5739.02)
- Sales tax exemption forms (STEC B) are available from the Ohio Department of taxation website at www.tax.ohio.gov
- When seeking exemption from paying sales tax, it is suggested that you pay for the items with a PTA check



Electronic Payment Methods

- What are they?
- What to look for in a platform?
- What to avoid?



Electronic Payment Methods

- Peer-to-peer platforms
 - Venmo, Zelle, Cash App, etc.
 - Typically used to transfer money from one individual to another, from point A to point B
- Small-to-medium businesses
 - PayPal, Square, Stripe, etc.
 - Designed more to collect from groups and communities; more business-friendly



Electronic Payment Methods

Things to consider when choosing a platform:

- Does it support non-profits?
- Is there a process for tracking and reporting information?
- Is there a process for providing tax receipts?
- Are there limitations on the amount of money collected within a certain time frame?
- Is there a way to ensure a seamless transition of the account from year-to-year?



Electronic Payment Methods

Ideal features to look for in a platform:

- Look for a platform that lets users click and pay; users should NOT need to create an account or download an app to pay
- Find a platform that lets you collect unlimited payments and forms
- Look for a platform that has easy-to-use payment and information tracking, ideally that can be viewed online or downloaded
- Look for a platform that can be easily transferred to incoming PTA board members
- Find a platform that allows for both online and point-of-sale payments
- Look for a platform with low fees, payment method optionality, and the ability to pass fees on to the payer



Electronic Payment Methods

Best practices for electronic payment methods:

- Provide appropriate system access; everyone should have system access to perform their duties, but system access should be limited to what they need to do their job
- Establish dual administrators for all online accounts whenever possible. Have two-factor authentication.
- Maintain a detailed and accurate account of all transactions; maintain all confirmation and reconciling documentation
- Reconcile accounts at least monthly; question unexplained reconciling items
- Put policies and procedures for financial management in writing; train all PTA board members on these processes and ensure these procedures are followed consistently; review policies and procedures annually



Upon Leaving Office

- Arrange for the transfer of all records, reports, logins/passwords, and files to the incoming treasurer
- Be available to answer questions and provide guidance to the incoming treasurer
- Submit IRS Form 990, 990N or 990EZ
- File with the Ohio Attorney General
- Deadline for both is November 15



Thank you!!!

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