

SAMPLE REPORTS

FINANCIAL MANAGEMENT GUIDE

2017-2018



everychild. one voice.

Maryland PTA, Inc.
5 Central Avenue
Glen Burnie, Maryland 21061
410-760-6221
1-800-707-7972

August 2017

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Statement

**Maryland
PTA**
everychild.onevoice

5 Central Avenue
Glen Burnie, MD 21061
Phone: 1-800-707-7972
Fax Number: 410-760-6344
www.mdpta.org

Date
9/1/2016

To:

Maryland PTA Statement 2016-17

Date Paid: _____
New PTA Members _____
X\$4.25=

NO REFUNDS! ONLY PAY FOR MEMBERSHIPS SOLD!

Account #	Amount Due	Amount Enc.
	\$0.00	

Date	Transaction	Quantity	Rate	Amount	Balance
08/01/2016	Balance forward				0.00

Additional Cards Requested _____
Membership Cards Returned _____

**NO REFUNDS- ONLY PAY FOR MEMBERSHIPS SOLD, NOT THE ENTIRE INVOICE.

Amount Due
\$0.00

PTA CASH VERIFICATION FORM

RECEIVED FROM: _____
EVENT _____

DATE: _____

COINS: pennies _____
nickels _____
dimes _____
quarters _____
other _____

TOTAL \$ _____

CURRENCY: \$ 1.00 _____
\$ 5.00 _____
\$ 10.00 _____
\$ 20.00 _____
other _____

TOTAL \$ _____

CHECKS: _____

TOTAL \$ _____

GRAND TOTAL \$ _____

VERIFICATION:

SIGNATURE _____ DATE _____

SIGNATURE _____ DATE _____

TREASURER'S SIGNATURE _____ DATE _____

SAMPLE DISBURSEMENT REQUEST FORM

DISBURSEMENT REQUEST _____ PTA

Date _____

To the Treasurer:

Pay to the order of _____

Amount: _____ dollars and _____ cents \$ _____

Charge to account: _____ Acct. No. _____

Approved by: _____

Signature

_____ Title

Purpose:

Itemize expenses below:

Total _____

Please staple original receipts to this form prior to forwarding to the treasurer.

Paid by check no. _____

Date: _____

Treasurer: _____

Signature

ADVANCE FORM
ABC PTA
123 Somewhere Street
Somewhere, Maryland 00000

Name: _____ Phone #: (h)

Address: _____ Phone #: (w)

City: _____ Zip: _____ E-mail:

Board Position: _____

Date	Account Number	Description	Amount Requested

Total Request: _____

Certification: I, _____, request the above advance for expenses expected to be incurred while on authorized ABC PTA business. Within thirty (30) days of the completed assignment, I agree to submit the expense reimbursement form, along with original receipts and to refund any unused portion of the advance, or to claim any additional money due. Further, I understand that after thirty (30) days, I must return the entire amount advanced.

SAMPLE ANNUAL FINANCIAL REPORT

_____ School PTA/PTSA ANNUAL FINANCIAL REPORT

	Budgeted	Actual
Balance from Previous year:	610.89	610.89
RECEIPTS:		
1. Membership Dues	2,500.00	2,600.00
2. Donations	5,000.00	5,000.00
3. Fund Raising		
a. Special Events	30,000.00	29,892.00
b. Candy Sale	6,000.00	7,250.00
c. Bookfair	4,000.00	4,500.00
d. Yearbook	2,000.00	1,975.00
4. Project/Program Generated Revenue	<u>720.00</u>	<u>823.50</u>
TOTAL RECEIPTS	50,830.89	52,651.89
DISBURSEMENTS:		
Organizational Expenses:		
10. State & National Dues	812.50	845.00
11. PTA Council Dues	250.00	260.00
12. PTA Publications	150.00	21.75
13. Delegate Expenses	2,000.00	1,950.00
14. Insurance	<u>200.00</u>	<u>179.00</u>
Total Organizational Expenses	3,412.50	3,255.75
Operating Expenses:		
20. Supplies/Postage	250.00	200.00
21. Committees	1,000.00	978.25
22. Newsletter	500.00	500.00
23. Bank Charges	<u>50.00</u>	<u>80.00</u>
Total Operating Expenses	1,800.00	1,758.25
PTA Objectives		
30. Parent Programs	2,000.00	2,000.00
31. Life Membership & Awards	2,500.00	2,427.30
32. Scholarships	2,000.00	1,400.00
33. Cultural Arts	5,000.00	4,850.00
34. Classroom Teachers	3,000.00	3,000.00
35. Student Activities	<u>6,720.00</u>	<u>6,773.50</u>
Total Operating Expenses	21,220.00	20,450.80
Fund Raising Expenses		
40. Special Events	15,000.00	14,946.25
41. Candy Sale	2,400.00	3,387.37
42. Bookfair	2,000.00	2,250.00
43. Yearbook	<u>2,000.00</u>	<u>1,975.00</u>
Total PTA Objectives	21,400.00	22,558.62
Carryover	2,998.39	4,628.47
TOTAL DISBURSEMENTS	50,830.89	52,651.89

SAMPLE TREASURER'S REPORT Board of Directors Meeting
 _____**School PTA/PTSA**
Board of Directors/Executive Committee November 4, 20__

Presented at every meeting

General Account:

Balance, October 7, 20__	958.19
Receipts:	625.81
Disbursements:	445.35
Balance, November 4, 20__	1,138.65

	REPORTING PERIOD	TOTAL TO DATE	BUDGET
RECEIPTS:			
Balance on hand		610.89	610.89
1. Membership Dues	525.00	1,123.50	2,500.00
2. Donations			5,000.00
3. Fundraising			
a. Candy Sale	95.10	95.10	30,000.00
b. Bazaar			6,000.00
c. Bookfair			4,000.00
d. Yearbook			2,000.00
4. Project/Program Generated Revenue	<u>5.71</u>	<u>5.71</u>	<u>720.00</u>
Total	625.81	1,835.20	50,830.89
DISBURSEMENTS:			
Organizational Expenses:			
10. State & National Dues	428.00	428.00	812.50
11. PTA Council Dues		34.20	250.00
12. PTA Publications			150.00
13. Delegate Expenses		36.00	2,000.00
14. Insurance		125.00	200.00
Total	428.00	623.20	3,412.50
Operating Expenses:			
20. Supplies/Postage		38.00	250.00
21. Committees	17.35	35.35	1,000.00
22. Newsletter			500.00
23. Bank Charges			<u>80.00</u>
Total	<u>17.35</u>	<u>73.35</u>	1,800.00
PTA Objectives:			
30. Parent Programs			2,000.00
31. Life Membership/ Awards			2,500.00
32. Scholarships			2,000.00
33. Cultural Arts			5,000.00
34. Classroom Teachers			3,000.00
35. Student Activities			<u>6,720.00</u>
Total			<u>21,220.00</u>
Fund Raising Expenses:			
40. Special Event – Bazaar			15,000.00
41. Candy			2,500.00
42. Bookfair			2,000.00
43. Yearbook			<u>2,000.00</u>
Total			<u>21,400.00</u>
Carryover			2,998.39
Total Disbursements	445.35	696.55	50,830.89

John Q. Jones, Treasurer

SAMPLE TREASURER'S REPORT

_____ School PTA/PTSA
 General Membership Meeting, November 11, 20__
 Treasurer's Report as of November 4, 20__

Presented to the
 General Membership at
 every meeting

Balance, October 7, 20__	958.19
Receipts:	625.81
Disbursements:	445.35
Balance, November 4, 20__	1138.65

	Reporting Period	Total To Date	Budget
<u>RECEIPTS:</u>			
Balance on Hand		610.89	610.89
1. Membership Dues	525.00	1,123.50	2,500.00
2. Donations	0.00	0.00	5,000.00
3. Fund Raising	95.10	95.10	42,000.00
4. Project/Program Generated Revenue	<u>5.71</u>	<u>5.71</u>	<u>720.00</u>
TOTAL RECEIPTS	625.71	1,835.20	50,830.89
<u>DISBURSEMENTS:</u>			
10. Organizational Expenses:	428.00	623.20	3,412.50
20. Operating Expenses:	17.35	73.35	1,800.00
30. PTA Objective	0.00	0.00	21,200.00
40. Fund Raising Expenses	0.00	0.00	21,400.00
Carryover			<u>2,998.39</u>
TOTAL DISBURSEMENTS	445.35	716.55	50,830.89

John Q. Jones, Treasurer

(A copy of the treasurer's report should be presented to each member at the General Membership meeting. A feasible way of doing this is to copy the treasurer's report onto the reverse side of the printed agenda that is distributed to the members as they enter the meeting place. In most instances, the secretary can easily copy the minutes of the last General meeting, with the treasurer's report below it, onto the reverse side of the printed General Membership meeting agenda. This gives each member a copy of the agenda, a copy of the minutes, and a copy of the treasurer's report, on only one sheet of paper. Presentation of the treasurer's report can be done electronically with copies upon request.)

Treasurer Responsibilities

Daily/Monthly

- Keep detailed written and/or electronic records
- Collect and count all monies received
- Pay all bills promptly
- Prepare and make bank deposits
- Balance Check Book, Bank statement signed by President, Treasurer, and 1 other non-signatory Board Member
- Prepare the Financial Statements for Board meetings
- Mail membership dues to State and Council if applicable

July

- By July 1: Verify liability, bonding, and directors and officers insurance has been paid
- Establish a budget committee and prepare budget for upcoming fiscal year
- Prepare the annual financial report (final report of the year showing status as of 30 June)
- Obtain and begin preparation of IRS forms and accompanying schedules
- Ensure the PTA's financial review is conducted

August

- Present Report of the Financial Review to Board of Directors. Mail a copy to Maryland PTA.
- Look for Membership Cards and verify amount with membership chair

September

- Present annual financial report and the financial review report to general membership
- Present budget to general membership for adoption

October

- By October 31: Send copies of the annual financial and the financial review reports to Maryland PTA

November

- By November 15: File IRS Return of Organizations Exempt from Income Tax Form 990N/990EZ/990:
 - o Gross income <\$50,000: Electronically file IRS Form 990N
 - o Gross income \$50,000 – \$199,999: File IRS Form 990EZ and Schedules
 - o Gross income >= \$200,000: File IRS Form 990 and Schedules
- Send a copy of the IRS Form 990N/990EZ/990 to Maryland PTA

December

- Call IRS Forms and Request 1099-Misc. for any personnel paid over \$600 in the previous Calendar Year
- Call IRS Forms and Request 1096. (This is a transmittal form for the 1099's)
- By December 31: File Maryland Secretary of State Charities Division Annual Update of Registration form including:
 - o Gross income \$25,000 – \$49,999: Secretary of State Charities Division Form COF-85
 - o Gross income >=\$50,000: A copy of the IRS Form 990EZ/990 that was filed by 15 November
 - o Other documentation required by Annual Update of Registration form
- Send a copy of the Annual Update of Registration package to Maryland PTA

January

- By January 31: Mail 1099-MISC as required to payees paid >\$599 the previous calendar year

February

- By February 28: Mail 1096 to IRS & State of Maryland for every 1099-MISC mailed out in January
- Access the Personal Property Return online - due April 15

March

April

- By April 15: Mail Personal Property Forms

May

- Check Budget and make final amendments

June

- Prepare books for financial review
- By 30 June: Pay liability, bonding, and directors and officers Insurance
- By 30 June: Return unissued (including damaged) membership cards to Maryland PTA

WEBSITES

To Register as a Charitable Organization for the Maryland Charitable Solicitations Act or Report Annually

<http://www.sos.maryland.gov/pages/forms.aspx>

Click on Category: Charitable Registration Forms and Instructions

Select appropriate form (download and save forms before completing)

Annual Update of Registration and Form

Initial Registration Instruction and Form (COR-92)

Exempt Organization Fund Raising Notice Instructions and Form

Form COF- 85 Instructions and Form

State Department of Assessments and Taxation — Incorporation, Personal Property, and Sales & Use Tax

Data Search

<http://dat.maryland.gov/Pages/default.aspx>

Click on Search the Business Entity Data Base (left side)

Click on Business Entity Information (center section)

Charter Record Search

Use either Name Search or Department ID Search

View your general information, personal property filings or your incorporation status.

Personal Property Return Form

<http://dat.maryland.gov/Pages/default.aspx>

Click on Forms & Applications (Banner)

Click on Business Personal Property

Select Form 1 – Personal Property Return or use the “Online Filing of Personal Property Returns is Here” banner in the center section

Sales & Use Tax - for information on 2013 law and application for a sales tax exemption

<http://www.marylandtaxes.com>

Left side under Maryland Taxes/Business Taxpayers, select Tax Information

Select Sales & Use Tax

IRS

www.irs.gov

Click Forms & Pubs (Top ribbon)

Click Current or Prior Forms and Pubs

Find – type 990-EZ - Search

Locate Form 990-EZ

Select Form 990-EZ for the year in which your fiscal year begins

To file the 990-N, www.irs.gov/990

To View Information on Non-Profits

www.guidestar.org

Sign in or Create an Account (Free Sign Up)

Search GuideStar (top right) or click on Advanced Search

Enter required information (Using an EIN is the quickest route)

Gives access to Summary, Financials, Missions and Programs, Board of Directors, & 990s

Free or Discounted Accounting Software

www.techsoup.org

SAMPLE CATEGORICAL BUDGET FOR BOARD OF DIRECTORS

School PTA/PTSA PROPOSED BUDGET

	Budgeted	Actual	Proposed
Balance from Previous year:	610.89	610.89	4,628.47
RECEIPTS:			
1. Membership Dues	2,500.00	2,600.00	3,000.00
2. Donations	5,000.00	5,000.00	5,000.00
3. Fund Raising			
a. Special Events	30,000.00	29,892.50	30,000.00
b. Candy Sale	6,000.00	7,250.00	7,500.00
c. Bookfair	4,000.00	4,500.00	5,000.00
d. Yearbook	2,000.00	1,975.00	2,000.00
4. Project/Program Generated Revenue	<u>720.00</u>	<u>823.50</u>	<u>870.00</u>
TOTAL RECEIPTS	50,830.89	52,651.89	57,998.47
DISBURSEMENTS:			
Organizational Expenses:			
10. State & National Dues	812.50	845.00	975.00
11. PTA Council Dues	250.00	260.00	300.00
12. PTA Publications	150.00	21.75	50.00
13. Delegate Expenses	2,000.00	1,950.00	2,000.00
14. Insurance	<u>200.00</u>	<u>179.00</u>	<u>200.00</u>
Total Organizational Expenses	3,412.50	2,255.75	3,525.00
Operating Expenses:			
20. Supplies/Postage	250.00	200.00	250.00
21. Committees	1,000.00	978.25	1,000.00
22. Newsletter	500.00	500.00	500.00
23. Bank Charges/Fees	<u>50.00</u>	<u>80.00</u>	<u>80.00</u>
Total Operating Expenses	1,800.00	1,758.25	1,830.00
PTA Objectives: (Program Services)			
30. Parent Programs	2,000.00	2,000.00	2,000.00
31. Life Membership & Awards	2,500.00	2,427.30	2,500.00
32. Scholarships	2,000.00	1,400.00	1,500.00
33. Cultural Arts	5,000.00	4,850.00	5,000.00
34. Classroom Teachers	3,000.00	3,000.00	3,000.00
35. Student Activities	6,720.00	6,773.50	6,870.00
36. Summer Contingency	0.00	0.00	3,000.00
37. Appreciation	<u>0.00</u>	<u>0.00</u>	<u>2,000.00</u>
Total PTA Objectives (Program Services)	21,200.00	20450.80	25,890.00
Fund Raising Expenses:			
40. Special Events	15,000.00	14,946.25	16,000.00
41. Candy Sale	2,400.00	3,387.37	3,400.00
42. Bookfair	2,000.00	2,500.00	2,500.00
43. Yearbook	<u>2,000.00</u>	<u>1,975.00</u>	<u>2,000.00</u>
Total Fund Raising Expenses	21,400.00	22,558.62	23,900.00
Carryover	2,998.39	4,628.47	2,873.47
TOTAL DISBURSEMENTS	50,830.89	52,651.89	57,998.47

Adopted by Association: _____ (date)

SAMPLE CATEGORICAL BUDGET (For General Membership Approval)

_____ School PTA/PTSA

PROPOSED BUDGET

	Budgeted Previous Year	Actual Previous Year	Proposed Current Year
Balance from Previous year:	610.89	610.89	4,628.47
<u>RECEIPTS:</u>			
1. Membership Dues	2,500.00	2,600.00	3,000.00
2. Donations	5,000.00	5,000.00	5,000.00
3. Fund Raising	42,000.00	43,617.50	44,500.00
4. Project/Program Generated Revenue	<u>720.00</u>	<u>823.50</u>	<u>870.00</u>
TOTAL RECEIPTS	50,830.89	52,651.89	57,998.47
<u>DISBURSEMENTS:</u>			
10. Organizational Expenses:	3,412.50	2,255.75	3,525.00
20. Operating Expenses:	1,800.00	1,758.25	1,830.00
30. PTA Objectives	21,200.00	20450.80	25,890.00
40. Fund Raising Expenses	21,400.00	22,558.62	23,900.00
Carryover	<u>2,998.39</u>	<u>4,628.47</u>	<u>2,873.47</u>
TOTAL DISBURSEMENTS	50,830.89	52,651.89	57,998.47

Adopted by Association: _____(date)

PTA Unit Name: _____ National PTA: _____

County: _____

FINANCIAL REVIEW REPORT FORMAT

Book Balance

Balance on hand as of _____ \$ _____
(Date of last review)

Receipts _____ \$ _____
(From last review to date of review)

Total Cash (Balance on hand plus receipts) \$ _____

Disbursements _____ \$ _____
(From last review to date of review)

Balance on hand as of _____ \$ _____
(Date)

Bank Balance

Last bank statement balance of the review period \$ _____

Deposits not yet credited by bank \$ _____

Total Checks outstanding \$ _____

Adjusted Balance in checking account _____ \$ _____
(Date)

NOTE: Balance on hand at the end of the fiscal year must equal Adjusted Balance in the checking account.

Attach a copy of Annual Report - actual expenditures compared to the approved budget showing all line items and approved adjustments)

I have examined the books of the treasurer, bank statements, secretary's minutes, disbursement request, annual report and receipts of _____ PTA and find them to be correct.

Signature of Reviewer

Signature of Reviewer

Signature of Reviewer

Date

Date

Date

To: ABC Elementary School PTA
From: Name of Reviewer
Re: Financial Review Report for 2009-2010
Date: July 16, 2010

I have reviewed ABC Elementary School PTAs financial information provided and arrived at the following conclusions:

A brief summary of the time frame July 1, 2009 through June 30, 2010.

Balance as of July 1, 2009	\$ 610.89
Receipts	\$52,041.00
Disbursements	\$48,023.42
Balance as of June 30, 2010	\$ 4,628.47

The July 1, 2009 balance forward was taken from the previous audit done by me.

The summary includes check numbers 1353 through 1502 written during the fiscal year.

I used the bank statements, disbursement forms, treasurer's reports, computer ledger, and receipts that were provided to determine the above figures.

It was recommended in the last 2 audits to use the check book as another form of checks and balances. The check book again was not provided to verify.

Check numbers 1354, 1392, 1414, 1437, 1452, 1472, and 1477 were listed as voided and do not appear on the bank statements. Check number 1374 is listed on ledger as being voided, however there are receipts and a disbursement form for this check in the amount of \$50.00 to Sally Jones. Receipts only total \$43.98. The check was not included in the above figures and has not cleared the bank if written.

Check numbers 1343, 1349, 1351, and 1352 from the previous audit have all cleared.

Deposits listed on computer ledger match bank statements. Only carbon copies of slips were provided, except for two, they were the actual bank receipts.

Check numbers 1356, 1402, 1498, 1499, 1500, 1501 and 1502, totaling \$1,463.20 are still outstanding.

Check numbers 1410, 1441, 1445, 1447, 1448, 1449, 1456, 1458, 1492, 1493, 1495, 1497, 1501 had no disbursement request forms.

Check numbers 1356, 1384, 1389, 1398, 1402, 1404, 1405, 1419, 1420, 1422, 1442, 1446, and 1479 have disbursement forms but no receipts. All checks must have a receipt before payment is made.

Check number 1500 only one receipt, missing a receipt for the \$4.00 parking fee.

Check number 1465, noticed payment to bus company. If the PTA was completely sponsoring this event, did you check with the insurance company to ensure that you were covered in case of emergency? This is a yellow item and requires that you have a copy of the bus company's insurance certificate with you as an addition to their insurance. I highly recommend that you gift the money to the school and have them pay for buses.

Check number 1459, there is no disbursement form or receipt, check was written for \$338.56, to Robin Single for hot dogs, food and supplies on 3/26/08, again no check should be written without a receipt.

Check number 1387 had a hand-written receipt. This is not acceptable; there must be an original receipt for all checks written.

Check number 1362, on receipt was again hand written. This is not acceptable.

Check numbers 1457, 1430, and 1411 were written to pay for T-shirts, and fundraiser. I did not notice a check written to the state for sales and use tax. We are not exempt from sales and use taxes and they must be collected and remitted to the state.

Check numbers 1359, 1360, 1365, 1366, 1367, 1368, 1369, 1370, 1370, 1372, 1374, 1380, 1381, 1382, 1396, 1397, 1399, 1400, 1406, 1407, 1409 all have receipts that are more than the amount of the check written. These checks are for teacher reimbursements and there is a minimum of \$50.00.

Check number 1476 was written for \$420.24 and was paid to reimburse for phone bills. I have a concern because bills are dated from January 2007 through May 2007. This is over 2 years old; there is no mention in the minutes provided that a motion was made to approve this expense. This is not common business practice. The PTA needs to put into place a maximum time limit on bills. I would recommend that all bills need to be presented before the end of the fiscal year.

Check number 1497 written for \$216.20, again was for phone bills. These bills are dated March 2006 through May 2006. These are more than 3 years old. Again, nothing to show that this amount was approved.

Based on the receipts of the PTA, it is necessary for you to file a federal tax form 990EZ, which was due November 15, 2010. It is also necessary to register with the Secretary of State as a Charitable Organization; this form was due by December 31, 2010.

In my opinion the financial summary reported above represents the financial condition of the ABC Elementary School PTA.

Respectfully,

Signature of Reviewer

SAMPLE GRANT AGREEMENT

_____ PTA hereby gives to the _____ School a monetary grant in the amount of _____ Dollars (\$) by check number _____.

This grant is for the sole and express purpose of:

It is agreed, that the grant funds will be spent for the stated purpose on or before: _____ or the funds will be refunded to the PTA. Any unused or unexpended funds will be refunded to the PTA. The School will provide a complete accounting of the expenditure of the grant funds to the PTA.

The School agrees to maintain the above-described property at _____ for a period of not less than _____ years from the date of purchase.

Date: _____

PTA Officer

Date: _____

PTA Officer

Principal

* * * * *

SAMPLE HOLD HARMLESS AGREEMENT

The _____ PTA presents to the _____ School the following described equipment:

The School hereby agrees to:

- 1. Accept ownership of the above-described equipment.
- 2. Accept responsibility for the installation, operation and maintenance of the above-described equipment.
- 3. Hold the PTA harmless from any claim or lawsuit arising from damages caused by or from the use of said equipment.
- 4. Keep the above-described equipment at _____ for a period of not less than _____ years.

Date: _____

PTA Officer

Date: _____

PTA Officer

Principal

(The hold harmless agreement should be dated and signed by the school principal, and two elected PTA officers.)

MISSING FUNDS and/or EMBEZZLEMENT OF PTA FUNDS

As a member of the board of directors of an association (including a PTA local unit or council), it is the individual responsibility of each board member to make sure the association is operating in a fiscally, financially, and legally sound manner.

When an individual becomes a board member, either through election or appointment, that person becomes legally obligated to prudently, properly and responsibly conduct him/herself (as an individual), and to be sure the association conducts itself in a manner so that the best interests of the association and its members are protected and preserved.

If an individual, as a member of a board, fails to exercise reasonable caution and care, that person is left open, not only to criticism from his/her peers, but to potential personal liability for financial losses or damages resulting from failure to exercise reasonable care during the term as a board member.

This is known as a "FIDUCIARY RESPONSIBILITY".

Theft is breaking the law and should be handled as a serious offense. Embezzlement is the same as ordinary theft. The charges are criminal and need to be filed with the police department. It is important to know that it is the responsibility of any PTA leader who suspects embezzlement or fraud to report it to the proper authorities, otherwise, they may also be held liable. If the police department finds evidence enough to file criminal charges, the police department or the governmental attorney's office will pay the cost of the trial.

If a civil suit is filed by a local PTA, the attorney's fees are paid by that local PTA. (In general, a suit is any civil action brought before a court of law. Criminal prosecutions are not spoken of as suits.)

DO NOT make any public or private statements, seek the advice of the school district, or take any action without the approval of the Board of Directors.

PTAs can do little about the motive and rationalization involved with fraud but can made fraud more unlikely by removing the opportunity.

PREVENTION

- Demand complete written treasurer's reports showing expenditures since the last report and comparison with budgeted amounts.
- Bank statements should be sent to the school address. The president should review and sign the statement before delivering to the treasurer.
- Resolve each bank statement and have an officer without signature authority compare the resolved bank statement with the treasurer's report.
- Establish, in writing, the process and individuals authorized to handle PTA funds.

- Implement cash control policies.
- Deposit PTA funds in the PTA bank account immediately upon receipt.
- Use bank accounts requiring two signatures.
- NEVER sign a blank check.
- Disbursement request forms should be used with approval signatures and receipts in the amount of the check attached.
- Pay all bills by check - cash is never used.
- Establish a two signature - two receipt process for the exchange or transfer of funds within the PTA.
- Conduct an annual review of the books.

MISSING FUNDS

Occasionally, a PTA discovers (or suspects) that some funds are missing. When this occurs:

IMMEDIATELY CONDUCT A COMPLETE AND THOROUGH AUDIT.

- This is the most basic, yet most important step. Until the PTA can prove that funds are missing or have been mishandled - there is no proof that funds are missing, no proof of wrongdoing exists, and therefore, no allegations can be made.
- The auditor or financial review committee is a committee that "investigates and reports". During its investigation, it can interview people as well as examine the financial records and other related documents of the association.
- The audit committee must report its findings to the PTA board of directors/executive board. Its report to the board should be factual - stating what was found and also stating what remains unresolved.

THE BOARD OF DIRECTORS MUST ACT ON THE REPORT.

- If funds are missing, the board has the legal obligation to take every reasonable action to recover those funds. It must recognize that recovery of the funds may not be possible in some instances.
- The first concern has to be for the welfare of the child.
- The second concern is defamation of character. Do not publicize the alleged misappropriation. Limit this knowledge to the smallest group of people who have to know. Ask for a "face to face" meeting in a private space in a public place. Present the evidence and ask for the money to be returned.
- The board of directors/executive board must meet and agree on the action to take. Decisions must be based on sound business practices.

- All action taken by the board must be "on the record" - that is, recorded in the board's minutes.
- Notify the insurance and/or bonding agent.
- It may be necessary to consult legal counsel at this point. Some situations can be handled through Small Claims Court; some may require other legal action.

THE BOARD MUST REPORT THE INCIDENT AND THE ACTIONS IT TOOK TO THE MEMBERSHIP.

- The funds of the PTA belong to the membership, and as caretaker of those funds, the board is obligated to report to the members any wrongdoing involving those funds.
- You may advise the principal/school district; however, this is PTA business and must be dealt with by the association.
- Public or private statements should not be made, regardless of the severity of the situation or its public knowledge.
- It is very likely that, at some point in this process, the Maryland PTA will be contacted for assistance. It is recommended that all contacts regarding missing funds be referred to the president.
- Laws vary from locale to locale. Even if a PTA does not wish to file charges, a law enforcement agency may wish to do so. On the other hand, the law enforcement agency may not be interested in pursuing legal actions and other options may be advised. There are many paths to collection of stolen funds and this is where legal advice* may be necessary.

*This information is not intended to provide legal advice but to give direction regarding the decision-making process and issues related to the mishandling of PTA funds. PTA leaders are encouraged to obtain the necessary legal advice pertinent to local laws.

STATE OF MARYLAND

COMPTROLLER OF THE TREASURY RETAIL SALES TAX DIVISION

SUGGESTED FORM FOR
BLANKET CERTIFICATE OF RESALE

Date _____

This is to certify that all material, merchandise, or goods purchased by the undersigned
from the _____ Company

(Address)

after _____ is purchased for the following purpose:
(Date)

- () Resale as tangible personal property
- () To be incorporated as a material or part of other tangible personal property to be produced for sale by manufacturing, assembling, processing or refining.

This certificate shall be considered a part of each order which we shall give provided such order bears our Maryland Sales Tax Registration Number.

Purchaser's Name _____

Purchaser's Address _____

Signature _____

Title _____

Purchaser's Maryland Sales Tax Registration Number

Financial Review/Audit Report

PTA Unit Name: _____ National PTA: _____

County: _____

Book Balance

Balance on hand as of _____	\$ _____
(Date of last review)	
Receipts _____	\$ _____
(From last review to date of review)	
Total Cash (Balance on hand plus Receipts)	\$ _____
Disbursements _____	\$ _____
(From last review to date of review)	
Balance on hand as of _____	\$ _____
(Date)	

Bank Balance

Last bank statement balance of the review period	\$ _____
Deposits not yet credited by bank	\$ _____
Total Checks outstanding	\$ _____
Adjusted Balance in checking account _____	\$ _____
(Date)	

NOTE: Balance on hand at the end of the fiscal year must equal Adjusted Balance in the checking account.

Attach a copy of Annual Report – actual expenditures compared to the approved budget showing all line items and approved adjustments.

I have examined the books of the treasurer, bank statements, secretary’s minutes, disbursement requests, annual report and receipts of _____ PTA and find them to be correct

_____ Signature of Reviewer	_____ Signature of Reviewer	_____ Signature of Reviewer
_____ Date	_____ Date	_____ Date