

# PTA

# TREASURER'S HANDBOOK



## Wisconsin PTA

Phone 608-244-1455

Web: [www.wisconsinpta.org](http://www.wisconsinpta.org)

E-mail [info@wisconsinpta.org](mailto:info@wisconsinpta.org)



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## Introduction

The Wisconsin PTA recognizes that PTAs must raise a certain amount of money aside from membership dues to carry out their plans for the year. PTAs are reminded, however, that they do not exist to raise money, but rather raise money to meet the goals set for the year and to fulfill the PTA Mission.

All persons handling funds and all persons signing the PTA checks are liable for the use or misuse of the funds of the PTA. Responsible fiscal management is a must in any association. This can be accomplished by following a few simple rules.

### **EACH PTA SHOULD RECOGNIZE THE ROLE OF THE TREASURER IN THE ASSOCIATION. . .**

- The treasurer is the authorized custodian of the funds of the association.
- The treasurer should receive and disburse all monies as prescribed in the local PTA bylaws or as authorized by action of the association.
- The treasurer should issue a receipt for all monies received.
- The treasurer should keep a full account of receipts and expenditures.

Planning and carrying out all budgetary responsibilities require a positive, businesslike attitude. As treasurer, you are an important officer of trust and responsibility in your Local PTA/council and must be accurate, prompt and dependable. It is not enough to be honest; the treasurer must be transparently honest. This booklet is designed to give you the necessary information and tools to clarify the duties and responsibilities of your job.

The trend to having volunteers share a position has been increasing in popularity. Wisconsin PTA **highly recommends** that local units/council **not** do this with the treasurer position. Making two people responsible for the books and for writing checks opens up too many opportunities for mistakes and mix-ups. If it becomes a necessity to have co treasurer, the duties of each **must** be defined in detail in your bylaws.

## 'Quick' Checklist of Treasurer Responsibilities

This is an "at a glance" listing of the Treasurer's responsibilities. All are covered in detail within this handbook

- Oversee the budget process
- Prepare a monthly treasurer's report
- Prepare an annual report
- Attend all PTA meetings
- Handle all monies
- Keep the financial records
- Remit dues for each new member every month during which dues are collected. A minimum of dues for 15 members must be submitted by November 1
- Arrange for a yearly audit and submit a copy to the WI PTA office
- Ensure a yearly federal return is completed and a copy is submitted to the WI PTA office
- Ensure registration for the State of Wisconsin is renewed and the annual report or exemption is filed
- Send copies of all financial reports to Wisconsin PTA

<b>Treasurer's Duties &amp; Responsibilities</b>
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**Upon taking office:**

- Be sure the books have been or are being audited before taking them into your possession and accepting them.
- Check the files and records received from the retiring treasurer. Ask about any missing items at once.
- Familiarize yourself with the duties outlined in your Unit or Council Bylaws and/or Standing Rules.
- Go with the current signatories to change the signatures of the officers authorized to sign checks with the bank.
- Ensure that IRS Form 8822 B change of responsible party has been filed within 60 days.
- Ensure that you have access to all appropriate computer and online programs used by your unit/council. Once you have access and have been trained in their use, delete all former officers from all programs.
- Check on bonding and liability procedures for the Unit/Council.
- Read this Handbook which can be found on the WI PTA website and the financial section of National PTA Leader Kit available on the National PTA website.

**During your term:**

- Keep and maintain a permanent **Treasurer's File** (see page 3)
- Complete a renewal **Registration to Solicit** for the state of Wisconsin, if applicable (see page 17)
- Submit a **Treasurer's Report** (see page 12) at PTA meetings. Be prepared to answer all questions and have financial records available at the meetings.
- File all federal annual reports (see pages 19 – 20) and forward a copy to the WI PTA Office.
- Prepare an Annual **Financial Report** (page 14).
- Stay informed
- Receive monies for all accounts.
- Retain vouchers, receipts, bank statements and canceled checks for seven (7) years.
- Upon receipt of an authorized voucher (see pages 10 & 29), pay all bills by check.
- Keep an accurate and detailed account in a permanent record book or computer file of all monies received and paid out. If using a computer program, there should be a printed file as well.
- Forward to the Wisconsin PTA State Office the State and National portions of membership dues monthly to meet designated deadlines.

**At the end of the year and/or before leaving office the treasurer should complete these duties:**

- Prepare the books for audit and deliver them to the auditor/audit committee. (pages 15 & 32)
- Prepare the annual report (page 14).
- Ensure that the proper IRS Form (see page 19) has been filed and a copy sent to the WI PTA Office.

- Ensure that the license to solicit is renewed and an annual report has been either filed or exempted with the State of Wisconsin (page 17).
- Arrange for transfer of funds to the new treasurer. Change signature cards at the bank so the new treasurer may draw on funds. Arrange for bonding as required by your Unit or Council.
- Enter the new treasurer as an administrator on MemberHub and transfer the WePay account to him/her. Do this will all other financial programs used by your unit/council.
- Deliver all books, papers and correspondence pertaining to the office of treasurer to your successor, explain his/her new duties and answer any questions he/she may have.

### Treasurer's File

The following should be included in the treasurer's file:

1. The budget adopted by the association
2. Current membership list
3. Treasurer's ledgers and all financial records.
4. Records of all money received.
5. Checkbook to disburse funds.
6. Insurance documentation
7. Current copy of this Handbook.
8. Unit/council bylaws and standing rules
9. State and National Bylaws
10. A permanent binder, to be passed on to each incoming treasurer, that includes the following documentation:
  - All audit/financial review reports
  - Ten (10) years' budgets and annual financial reports
  - Permanent IRS information
  - Letter of Employee Identification Number (EIN)
  - Tax exempt verification letters
  - Copies of filed Form 990 and other required forms
  - All correspondence with the IRS.
  - Permanent state tax information including Tax Exempt Status information, ES number and any seller's or gaming permits, if applicable.
  - State Solicitation Registration and Renewal Forms
  - Incorporation papers, if applicable

*Electronic documents need to be retained for the same amount of time as paper documents. Electronic records need to be organized and maintained in a way as to be easily identified and retrieved as evidence of the unit's activities, especially in the event of an audit and must be passed along to the next treasurer.*

It is important to keep your financial records not only to prepare for your audit and answer questions from members, but also to show you comply with tax rules. If an association does not keep required records, it may be unable to show that it qualifies for an exemption and may lose its tax-exempt status if it is called into question.

### Money Handling DO'S & DON'TS

#### DO:

- **Maintain the checking account approved by the executive board, separate from school accounts.**
- All PTA checks must be signed by the officer(s) designed in the unit or council bylaws, never by a school official or employee unless that person is a designated officer.
- Two signatures may be required for all checks and certainly should be required for checks made out for large amounts. PTA may specify in their bylaws who may sign checks and what is considered a large amount.
- Always pay with a PTA check.
- Always get a receipt in order to reimburse.
- Always give a receipt when taking in money.
- Have money counted by at least two people, sign an income report and keep two copies of the report.
- Prepare a budget for adoption at the first meeting.
- Prepare a detailed account of all receipts and expenditures for each executive board and general membership meeting.
- Forward State and National dues monthly.
- Save treasurer's records for seven years.
- Follow your bylaws.
- Deal with the school in same manner as an individual.
- Do not issue block amounts of money
- Require copies of purchase orders or receipts
- Reimburse the school only for items authorized by the PTA through the budget process.
- Though the treasurer is the authorized custodian of the funds of the association, other officers and members may find it necessary to handle funds from time to time. For example: membership chairman and dues or fundraising chair and money from a fundraiser.
  - Arrangements should be made to have the money counted by both the chairman and the treasurer.
  - Activity chairman should submit a detailed report of income, expenses and profit/loss to include with the final activity report.
  - Money collected should be immediately turned over to the treasurer who will issue a receipt for the funds. The treasurer should then bank that money immediately. (It may be necessary to have a night depository bag.) *If it is a continuing project, money should be deposited daily.*
- The Wisconsin PTA suggests all PTA units and councils carry fidelity **bonding insurance** through AIM Insurance Company or some other source.

#### DON'T:

- Accept unit account books that have not been audited or are in the process of being audited.
- Deposit PTA funds in a personal account.

- Store money in the homes of PTA officers or members
- Co-mingle funds with the school, district or another association.
- Issue a check without a receipt.
- Give out a signed blank check.
- Pay with cash or out of the cash box at events

### Mismanagement/Theft of PTA Funds

Suspected mismanagement of funds should be handled in a tactful manner. You are encouraged to be sensitive to protect the person's reputation by being discreet in what is said. It is not, however, responsible to disregard the incident. The local unit has the responsibility to be accountable to its membership for all monies.

#### **Procedure to follow when a wrongdoing is suspected:**

1. The people involved should have a private hearing with the local PTA executive committee in order to explain what has happened.
2. If the problem is not resolved during the hearing (restitution), the board should then request an audit of the books, close the bank account, and gather documentation.
3. The local unit should contact the council president and/or region advisor for assistance in resolving the situation. The decision on the situation may be appealed to Wisconsin PTA.
4. It may be necessary to consult legal counsel and/or the bonding company at this point. Some situations can be handled through small claims court; some may require other legal action.
5. **Theft in office 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 at 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 be also held liable.**
  - File a complaint with the local police department.
  - A police investigation will follow.
  - If substantial evidence is found by the police investigation, the person will be charged and arrested.
  - A judge then decides whether a person is released or asked to post bail until the actual trial is held.
  - If the police department finds evidence enough to file criminal charges, the police department and the city attorney's office will pay the cost of the trial.
  - If a local PTA files a civil suit, that local PTA pays the attorney's fees.

*PTA officers should take their fiduciary responsibilities seriously and insist on proper management and reporting of PTA funds. Doing so will help your unit/council avoid problems. The unit should also carry fidelity bonding. In the event of a problem, this will help you recoup any losses.*

## The Budget

### What is a budget?

- A budget is a financial plan that projects income and expenses.
- It will vary according to the needs and plans of the individual unit
- It is a guide and can be amended if necessary.

### How is a budget prepared?

- A budget committee, chaired by the treasurer, develops the budget
- Other members may be defined by your bylaws
- Set the unit's goals and plans for the year
- The budget is then developed based on the unit's goals and anticipated funds
- The previous year's budget and financial reports should be used as guidelines but not as a template
- Committee chairmen may be asked to submit a budget request

### General budget considerations

- The unit's goals and estimated receipts govern the budget.
- Expenditures and carryover must equal beginning balance and income.
- The beginning balance is the money left over from the previous year and must be included in the budget
- Include a carryover line that contains enough money to start the next year.
- You may want to provide a surplus or contingency fund for emergencies.
  - Must be put in a separate savings account.
  - Should not exceed one half of an average year's budget.
- All other funds should be expended the same year they are earned unless you are saving for a predetermined long-term project.
- Analyze income and expenses at regular intervals throughout the year and amend the budget as needed.

### Important items to include in the budget

- State and National Dues are not part of unit's gross income.
- Remember budget allotments for: officers' & chairmen's expenses, newsletter, programs, advocacy/legislation, PTA conventions, training & dinners.

### Presentation of the budget

- The executive board must first approve the budget.
- The budget is then posted for a period of time (the recommendation is 30 days)
- Then it is presented for adoption at first regular meeting in the fall (or the meeting indicated by your bylaws).
- This meeting will need extra time.
- Provide opportunity throughout the year to permit addition allotments or transfers and changes.



- A 2/3 affirmative vote of the general membership present and voting is required on all changes or additions. If previous notice has been given, a majority vote is needed. Both notice and a 2/3 affirmative vote is needed for large amendments. See your bylaws for your unit's amount.
- No PTA funds can be spent without approval of the general membership through the budget.
- Your bylaws may provide for limited expenditures for unbudgeted items. Generally, approval of the executive committee is needed.
- You may wish to put at the top of the budget, "With permission for the executive board to reallocate and/or limit discretionary spending in case of shortfall up to \$\_\_\_\_\_." This will allow the board to move small amounts of money between categories of the budget or reduce budget amounts if there is a shortfall. **It does not authorize new spending.**

### Explanation of budget terms

#### Anticipated Income or Receipts

1. **Cash on Hand, Balance Forward, Carryover from Last Year:** funds left at the end of the previous year. This is your starting cash to use until this year's income starts.
2. **Local Unit Portion of Dues:** the anticipated dues, estimated # of members x local dues.
3. **Ways and Means or Fundraising Projects:** equal the amount necessary to cover anticipated expenses.

#### Anticipated Expenditures or Disbursements

1. **Administrative:** insurance, postage, phone calls, office supplies, copying, auditing
2. **Committee:**
  - Reflections: The National PTA Art Contest
  - Hospitality: name tags, refreshments
  - Legislation: postage for mailings
  - Newsletter: cost of copying, distribution
  - Parent Education: materials, speakers
  - Program: events and services for students and families
3. **Leadership Development:** training, conferences, conventions, subscriptions
4. **Student Activities:** field trips, assemblies
5. **Contributions or Dues:** WI PTA scholarship fund contributions, life memberships, recognition awards
6. **Contingency, Reserve funds or Miscellaneous:** used to cover unforeseen expenditures or circumstances, not overspending. Expenditures from this category must be approved by the general membership.
7. **Allocation to Next Year's Board, Carryover, Balance for Next Year:** reasonable amount allotted for the coming year to meet expenses that come before funds come in.

**Wisconsin PTA  
TREASURER'S HANDBOOK**

**Sample Budget**

\_\_\_\_\_ PTA  
\_\_\_\_\_ (FISCAL YEAR)

BALANCE FORWARD		\$ 450.00
RECEIPTS:		
Membership Dues (local portion)		\$ 900.00
Fall Festival		\$ 500.00
Book Fair		<u>\$1,050.00</u>
	TOTAL	\$2,450.00
TOTAL FORWARD BALANCE AND RECEIPTS		\$2,900.00
EXPENDITURES:		
Administrative		
Postage/Supplies		\$ 200.00
Corresponding Secretary		<u>\$ 50.00</u>
	TOTAL	\$ 250.00
Committee		
Fall Festival		\$ 100.00
Book Fair		\$ 75.00
Programs		\$ 300.00
Newsletter		\$ 500.00
Reflections		\$ 200.00
Hospitality Committee		\$ 150.00
School Referendum Committee		<u>\$ 100.00</u>
	TOTAL	\$1,425.00
Leadership Development		
State Leadership Conference		\$ 150.00
State Legislative Conference		\$ 150.00
State Convention		<u>\$ 300.00</u>
	TOTAL	\$ 600.00
Students Activities		
Assemblies		\$ 200.00
Field Trips		<u>\$ 200.00</u>
	TOTAL	\$ 400.00
Contributions/Dues		
Council Dues		<u>\$ 50.00</u>
	TOTAL	\$ 50.00
Miscellaneous		<u>\$ 50.00</u>
	TOTAL	\$ 50.00
	TOTAL EXPENDITURES	<u>\$2775.00</u>
BEGINNING BALANCE FOR NEXT YEAR		\$ 125.00

**A blank Budget Form is available on the Wisconsin PTA website.**

## Treasurer's Membership Dues & Responsibilities

The treasurer and the membership chairman need to work together as a team. Your cooperation is vital to maintaining your status as a unit in good standing and eligibility for all awards.

### Membership lists

Membership lists are stored in MemberHub and are reported to Wisconsin PTA through that program. The membership chairman and secretary should keep a printed list of all members.

### Collecting Dues

Members may either pay their dues online with a credit or debit card or pay by giving cash or a check to the unit. Members that pay online will automatically be added to your membership list in MemberHub. Those that pay by cash or check will need to be added either by the member, a designated officer or the membership chair. WePay will send you a notice whenever money is deposited. This notice should be printed for your records. You can find a breakdown of individual payments in the Store Admin section of MemberHub in the Orders tab. The export CVS button in the top right corner will give you all details of the payments. This detail should be printed for your records and attached to the payment notice.

### Payment

Payments for membership dues are made through MemberHub as ACH transfers. You should check MemberHub monthly for dues that need to be paid and transmit them to Wisconsin PTA. MemberHub will automatically calculate the amount owed based on the unpaid members in your membership list. There is a \$1 fee for each ACH transfer. This fee enables PTA to use MemberHub at no additional cost.

*Remember, you have collected these dues on behalf of WI PTA and NPTA and they are not considered part of your unit's income.*

### Important:

The first remittance is due no later than **November 1<sup>st</sup>**, both to fulfill the basic requirement for all membership and achievement awards (see below), Reflections entries and for representation through voting delegates at the Wisconsin PTA Convention.

### Membership awards

To qualify for one or more of the various State membership awards, your PTA/PTSA must submit dues and proper financial forms by the indicated deadlines. Please check with the membership chair for details. The requirements for any award is that your officer list is current in MemberHub, the first installment of unit dues and your audit must be received in the WI PTA Office on, or before, November 1, a copy of your 990N or EZ be submitted by December 15 and your bylaws must be up-to-date.

### Associate business memberships

- Business members will also pay through MemberHub and be included in your membership list with the designation of business member. Those that pay by check or cash will need to be entered as with individual members.

- Upon receipt of a contribution from an associate business member, the membership chairman will complete the required form for submission to the State Office.
- Half of the business membership stays with the unit and half goes to Wisconsin PTA. \$5.25 of the state PTA's share will be included by MemberHub in the calculation of dues owed by the unit.
- Please check the form for accuracy and remit it and one-half of the total contribution minus \$5.25, to Wisconsin PTA in the form of a check. You cannot transmit this portion through MemberHub as an ACH.
  - Example: a business joins your PTA at the \$50 level. \$25 will stay with your local unit. \$5.25 will be transferred to WI PTA through your membership list in MemberHub and you will send \$19.75 to WI PTA along with the remittance form.
- Again, the half of the contribution sent to WI PTA is not considered part of your unit's income.

## **Financial Procedures**

### **Vouchers**

Customarily a unit uses a voucher system for its expenditures. A general voucher is a written authorization for its expenditures. Vouchers should be verified by the president or another designated approval authority (not the treasurer). Checks are then written for the purposes authorized by the vouchers. Keep all receipts and attach them to the voucher (see page 28 for a sample voucher.)

### **Receipt Report**

When monies are taken in they should be counted by two people who then sign a receipt report. When the deposit is made, the deposit receipt should be attached to the receipt report (see page 29 for a sample receipt report.) A copy of the receipt report should be kept by the committee chair or other designated officer.

### **Request for Funds**

Whenever someone requests funds not in the initial budget, a request for funds form should be used. The request should detail how the money will be spent, who will benefit and itemize expenses. It can also list your guidelines for deciding how to spend money and should state your unit's goals and the PTA Mission (see page 30 for a sample request for funds.)

### **Bank Reconciliation**

*If you have bonding insurance, you will be required to have your bank statement reconciliation audited monthly. This is most easily done by bringing the reconciled statement to your monthly meeting to be checked and signed by another officer who does not have signing authorization.*

### **Opening Bank Accounts or Changing Signatures on Accounts**

Due to banking regulations, when changing signatures on accounts all incoming and outgoing signatories must go to the bank together and should bring the minutes of the meeting when the new signatories were elected. The minutes also need to state which people are being taken off the account and which officers will be the new signatories. These minutes need to be physically signed by an officer, usually the secretary. When opening new accounts, the signatories need to go to the bank together, bringing both the minutes where elected and a copy of

the unit's bylaws. Per federal banking regulations, all account signers must give the following personal information:

- Legal Name
- Date of Birth
- Address (Residential or Business Street Address)
- Social Security Number (SSN) [For non-U.S. persons without a SSN, their Foreign Passport Number and Country of Issuance or similar identification may be used]
- Title
- Percentage of Equity (this is obviously zero for non-profit organizations)

### Electronic Banking

Units may take advantage of technology by using electronic banking; however, units must realize that in order to protect the finances of the unit and members *all* the internal controls used for conventional banking must still be in place plus a few additional controls need to be used. Full details can be found in "[Electronic Commerce](#)" in the [Financial Section of the PTA Leader Kit](#). A few important points:

- The same financial procedures and internal controls are to be followed as for off line banking and record keeping
- The treasurer must still use a check register
- The monthly statement must be reconciled, printed and then reviewed and signed by someone without signing privileges
- All purchases must still be authorized using a voucher before the purchase
- The unit must set up segregation of duties:
  - Two account administrators (signers)
  - An account reviewer who has access to view accounts, but not enter information
  - A different person than the account reviewer without signing privileges to authorize credit/debit card purchases
- **The use of debit cards is highly discouraged.** If a debit card is used, the local unit bylaws procedure for debit cards must be followed. See your bylaws for full details. The procedure in brief:
  - Only the treasurer may use a debit card
  - Its use must be approved by the current executive board before the card is issued
  - At the end of the treasurer's term, the card must be surrendered, deactivated and destroyed
  - Debit card transactions must be held to the same procedures as check transactions
  - A written debit card policy must be approved by the membership at the beginning of each term

**Treasurer's Report - Monthly**

A treasurer's report consisting of income and expenditures is reported at each PTA meeting (both board and association). The report should start with the balance on hand at the end of the last report and end with the current balance. Note that this is not a transaction log. The income and expenditures are summarized by budget category, not date or check number. At a minimum, make copies for the president, secretary, auditor and the treasurer's file. A blank treasurer's report is available on the Wisconsin PTA website.

<b>Treasurer's Report for XYZ PTA</b>		
		_____ (date) Ending Date
<b>Balance on Hand</b> (Date)		\$ 502.38
<b>Receipts</b>		
Membership – 48 at .25 (local portion)		\$ 12.00
Spaghetti Dinner		\$ 530.00
Book Fair		<u>\$ 43.19</u>
	<b>TOTAL Receipts</b>	<u>\$ 585.19</u>
<b>TOTAL Receipts and Beginning Balance</b>		\$1,087.57
<b>Disbursements</b>		
<b>Administrative</b>		
President's Expenses		\$ 15.00
New Checks		<u>\$ 8.00</u>
	TOTAL	\$ 23.00
<b>Committee</b>		
Spaghetti Dinner Groceries		\$ 161.91
Cafeteria Help		\$ 18.00
Book Fair		<u>\$ 43.19</u>
	TOTAL	\$ 223.10
<b>Student Activities</b>		
Field Trip		<u>\$ 19.53</u>
	TOTAL	\$ 19.53
<b>Contributions/Dues</b>		
Honorary Life Award		\$ 35.00
Council Dues		<u>\$ 50.40</u>
	TOTAL	<u>\$ 85.40</u>
	<b>TOTAL Disbursements</b>	\$ 351.03
<b>Balance on Hand</b> (Date)		\$ 736.54
Receipts not of this Local Unit (State & National Dues)		\$ 96.00
Disbursements not of this Local Unit		\$ 96.00

After the report is read at a regular meeting, it should not be adopted, but filed after the treasurer answers any questions.

**Treasurer's Report - Budget Comparison/Year to Date**

Another helpful report for the treasurer to present at meetings is the **Budget Comparison or Year to Date Budget**. This document lists the adopted or amended budget and the actual year to date amounts for each budget line. This document is useful to keep track of overages and shortages and will help in making the decision of whether to amend the budget. A blank budget comparison can be found on the Wisconsin PTA website.

<b>Budget Comparison for XYZ PTA</b>		
_____ (FISCAL YEAR)		
_____ (DATE)		
<b>BALANCE FORWARD</b>	\$ 450.00	
	<u>Budget</u>	<u>Actual</u>
<b>RECEIPTS:</b>		
Membership Dues (local portion)	\$ 900.00	\$ 850.00
Fall Festival	\$ 500.00	\$ 560.00
Book Fair	<u>\$1,050.00</u>	<u>\$ 1,200.00</u>
TOTAL	\$2,450.00	\$2,610.00
<b>TOTAL FORWARD BALANCE AND RECEIPTS</b>	\$2,900.00	\$3,060.00
<b>EXPENDITURES:</b>		
<b>Administrative</b>		
Postage/Supplies	\$ 200.00	\$ 75.00
Corresponding Secretary	<u>\$ 50.00</u>	<u>25.00</u>
TOTAL	\$ 250.00	\$ 100.00
<b>Committee</b>		
Fall Festival	\$ 100.00	\$ 100.00
Book Fair	\$ 75.00	80.00
Programs	\$ 300.00	130.00
Newsletter	\$ 500.00	250.00
Reflections	\$ 200.00	0.00
Hospitality Committee	\$ 150.00	60.00
School Referendum Committee	<u>\$ 100.00</u>	<u>75.00</u>
TOTAL	\$1,425.00	\$ 650.00
<b>Leadership Development</b>		
State Leadership Conference	\$ 150.00	\$ 130.00
State Legislative Conference	\$ 150.00	0.00
State Convention	<u>\$ 300.00</u>	<u>0.00</u>
TOTAL	\$ 600.00	\$ 130.00
<b>Student Activities</b>		
Assemblies	\$ 200.00	\$ 125.00
Field Trips	<u>\$ 200.00</u>	<u>\$ 175.00</u>
TOTAL	\$ 400.00	\$ 300.00
<b>Contributions/Dues</b>		
Council Dues	<u>\$ 50.00</u>	<u>\$ 50.00</u>
TOTAL	\$ 50.00	\$ 50.00
<b>Miscellaneous</b>		
TOTAL	<u>\$ 50.00</u>	<u>\$ 5.00</u>
<b>TOTAL EXPENDITURES</b>	\$2,775.00	\$1,235.00
<b>BALANCE FOR NEXT YEAR</b>	\$ 125.00	

**Annual Financial Report**

At the close of the fiscal year, a financial report must be made. This report becomes official after the audit is completed and the audit report is adopted. The annual report and the auditor's report are then filed with the secretary's minutes and a copy is placed in the treasurer's permanent binder. The annual report is a listing of all receipts and expenditures for the year for each budget category. The report should list gross amounts, not your profits for each line. A blank sample annual report is posted on WI PTA's website.

<b>Annual Report for XYZ PTA</b>		
(Date)		
<b>Balance from Previous Year</b>	\$ 480.00	
<b>Actual Receipts</b>		
Local Membership Dues	\$ 270.00	
Ways & Means (Gross amount)	\$ <u>1,800.00</u>	
<b>TOTAL Receipts &amp; Balance</b>		\$2,550.00
<b>Disbursements</b>		
<b>Administrative</b>		
President's Expenses	\$ 175.00	
Officer's & Chairperson's Expenses	75.00	
Printing	50.00	
Postage	100.00	
Office Supplies	122.00	
Volunteer Recognition	<u>15.00</u>	
TOTAL	\$ 537.00	
<b>Committee</b>		
Program	\$ 150.00	
Hospitality	60.00	
6 <sup>th</sup> Grade Recognition	100.00	
Newsletter	250.00	
Teachers' Luncheon	50.00	
Parent Education	75.00	
Ways & Means Expenses	<u>50.00</u>	
TOTAL	\$ 735.00	
<b>Leadership Development</b>		
Convention	\$ 200.00	
Leadership Conference	<u>100.00</u>	
TOTAL	\$ 300.00	
<b>Student Activities</b>		
Field Trips	\$ <u>350.00</u>	
TOTAL	\$ 350.00	
<b>Contributions/Dues</b>		
Council Dues	\$ 35.00	
Scholarships	<u>100.00</u>	
TOTAL	\$ 135.00	
<b>Miscellaneous</b>	\$ <u>48.00</u>	
<b>TOTAL Disbursements</b>		\$ 2,105.00
<b>Carryover for Next Year</b>		\$ 445.00
<b>Receipts not Belonging to this Unit</b>		
State and National Dues	\$ 300.00	
<b>Disbursement of Money not Belonging to this Unit</b>		
State and National Dues	\$ 300.00	



1. **WI PTA Financial Review and Bank Statement Reconciliation Procedures**
2. **Treasurer's Report-Financial Review**
3. The purpose of a financial review is to be sure that receipts have been properly accounted for and expenditures have been made as authorized in the minutes and conforming to the unit/council Bylaws, standing rules and budget limitations. A financial review is required every year. Bonding insurance requires a yearly audit in order to pay any claims. A financial review committee or an outside auditor may do the financial review. Your Bylaws dictate who may do the financial review and how that person is selected. Anyone participating in the financial review may not be an officer who has check signing authority. Non-signer members of the year being reviewed must not be a relative or reside with a signer. The Treasurer will deliver to the CPA or financial review committee:
  4. Checkbook and canceled checks or check duplicates
  5. Bank statements
  6. Treasurer's ledger book or computer printout
  7. Itemized statements of bills paid or receipts
  8. Vouchers if a voucher system is used
  9. Any other materials requested by the CPA or financial review committee
10. **Financial Review (Audit) Procedure:**
  - Check that the amount shown on the first month's bank statement corresponds to the starting balance recorded in the checkbook and ledger
  - Reconcile monthly each month's bank statements with the canceled checks. Make sure each check has a voucher, bill, or receipt showing reason for disbursement
  - Make certain that State and National portions of the membership dues have been kept separate from other receipts and that all funds have been sent in MemberHub
  - Make sure that money collected for a specific purpose has been so disbursed
  - Check each deposit slip with the back book entries and checkbook entries
  - Check that all cash receipt slips issued and compare with proper entry in the ledger
  - Check ledger entries for error and compare with checks issued and receipts posted
  - If a check was issued and no voucher can be substantiated, check to see if it was an approved budgeted item, such as Council Dues
  - Check treasurer's reports and annual report for accuracy
  - After any errors have been corrected by the treasurer and you are satisfied that the financial accounts are correct, draw a line across the ledger where the audit concludes and sign and date the ledger: "Examined and found correct (Name and Date)"
  - Prepare a statement and each member of the committee or CPA should sign it
  - The financial review is presented along with the annual report at and Executive Board meeting and the first general meeting of the year
  - Upload a copy to MemberHub by November 1. If the financial review is not received by November 1 a reminder letter will be sent. Failure to submit your financial review will make the unit ineligible for participation in programs, may result in a State Financial Review, and loss of further services from the State PTA
  - Copies should also be given to the Secretary, President, and Treasurer. Check your bylaws for further details.

### **Annual Financial Review**

The purpose of a financial review is to be sure that receipts have been properly accounted for and expenditures have been made as authorized in the minutes and conforming to the unit/council Bylaws, standing rules and budget limitations. A financial review is required every year. Bonding insurance requires a yearly audit in order to pay any claims. A financial review committee or an outside auditor may do the financial review. Your Bylaws dictate who may do the financial review and how that person is selected. Anyone participating in the financial review may not be an officer who has check signing authority. Non-signer members of the year being reviewed must not be a relative or reside with a signer. The Treasurer will deliver to the CPA or financial review committee:

- Checkbook and canceled checks or check duplicates
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- Itemized statements of bills paid or receipts
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- Any other materials requested by the CPA or financial review committee

### **Financial Review (Audit) Procedure:**

1. Check that the amount shown on the first month's bank statement corresponds to the starting balance recorded in the checkbook and ledger
2. Reconcile monthly each month's bank statements with the canceled checks. Make sure each check has a voucher, bill, or receipt showing reason for disbursement
3. Make certain that State and National portions of the membership dues have been kept separate from other receipts and that all funds have been sent in MemberHub
4. Make sure that money collected for a specific purpose has been so disbursed
5. Check each deposit slip with the back book entries and checkbook entries
6. Check that all cash receipt slips issued and compare with proper entry in the ledger
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14. Copies should also be given to the Secretary, President, and Treasurer. Check your bylaws for further details.

## Tax Id Numbers & WI Sales Tax Exemption

### Tax Identification Numbers

Each unit must have two types of tax identification numbers.

- Federal Identification Number (EIN)
  - Identifies you to the IRS as a non-profit
  - Is required for your checking and savings accounts
- Wisconsin State Tax Exemption Number (ES).
  - Allows you to make purchases without paying sales tax
  - Exempts you from collecting and paying sales tax on any taxable items you sell

**Your PTA should have EIN and ES numbers on file in the treasurer's permanent file.** If your unit does not have these numbers, contact the Wisconsin PTA Office for assistance.

### Wisconsin Sales Tax Exemption

PTAs are exempt from sales tax provided these criteria are met.

1. The PTA is not engaged in a business. Both standards must be exceeded before you are considered to be engaged in a business.
  - A sale of taxable property, services or events during which money is exchanged occurs on less than 75 days during the calendar year.
  - Receipts for the calendar year are \$50,000 or less.
2. Entertainment is not involved at an event for which admission is charged.
  - The entertainment is paid \$10,000 or more.
  - Access to the event is restricted to those who pay a fee, a donation or must make a purchase.
3. The association is not otherwise required to have a seller's permit.
  - If you follow the first two criteria, you do not need a seller's permit.

Please see <http://www.revenue.wi.gov/pubs/pb206.pdf> for further details.

Permits are also needed for raffles and bingo games and are available through the WI Gaming Commission (see page 26).

## Wisconsin Registration to Solicit Contributions

### IMPORTANT:

All 501(c)3 charities that have contribution income over \$25,000 must register with the State of Wisconsin in order to solicit contributions. You can check online at <https://www.wdfr.org/ice/berg/Registration/Search.aspx> to see if your unit is registered. You must register in all states where you solicit donations.

**Definitions:**

- **“Solicit”** means to ask in any form for a contribution to be used to benefit a nonprofit association. This includes all fundraising activities with the PTA name on it.
- **“Contribution”** means a grant or pledge of money or property of any value for a charitable purpose.
  - Excluded from contributions are: income from interest payments, raffles and bingo, government grants, donations of used clothing and household goods, fees or dues.
  - Your contribution income is your gross income after subtracting the above exclusions and adding the value of donated items.

**Initial Registration**

- If your contributions for the coming year will be less than \$25,000, you do not have to register, but if your contribution income ever exceeds \$25,000, you must register within 30 days.
- If your contributions will be over \$25,000 you must fill out a Registration Statement Form 296 and send it in with the fee indicated, your charter, bylaws, articles of incorporation (if applicable) and proof of tax exemption (see Federal Tax Exemption Section on next page).
- If your unit was in existence the year prior to initial registration, you must file a report for that year (see below).
- Once you've registered, the State of Wisconsin will send you an annual renewal notice. The renewal fee is due by August 1, after that date a late fee is applied. If you do not renew by October 1, your license is revoked and you will need to reregister.

**Annual Reporting**

- If you are registered and your contributions were under \$25,000, you may file an exemption form #1943 which must be notarized. Unregistered units do not need to file an exemption.
- You may also file an exemption if your contributions were under \$50,000 and you solicited in only one county.
- If your contributions were \$25,000 to \$50,000 and you solicited in more than one county you must file an annual report using form #308.
- If your contributions were over \$50,000, you must file an annual report using your 990EZ and supplemental form #1952.
- All reports are due 1 year after the close of your fiscal year.
- All forms and detailed instructions can be found at <http://www.wdfi.org/CharitableOrganizations/forms.htm> .
- Send a copy of yours state forms to the WI PTA office.

**Federal Tax Exemption**

Wisconsin PTA and all its affiliates are tax exempt under Section 501(c)3 of the Internal Revenue Code as a non-profit educational association. Most Wisconsin PTA units are covered under a group exemption. Our group exemption # is 2257. Each unit has an individual EIN (Employer Identification Number) but does not receive a Letter of Determination of Tax Exemption.

## Wisconsin PTA TREASURER'S HANDBOOK

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To verify your tax exemption, a donor may look up Wisconsin PTA in the IRS database, which is a listing of tax-exempt associations, and then contact WI PTA to verify that your unit is in the group exemption. You may also supply the donor with a copy WI PTA's Letter of Determination (mailed to all units in July 2007) and a letter of good standing verification from Wisconsin PTA. Contact the Wisconsin PTA office if you need help with this.

Several PTA units had their tax exemption revoked by the IRS for not filing an annual report for 3 years. These units had to apply for reinstatement and are no longer under the Wisconsin PTA group exemption. These units have a letter of determination and should use that letter to verify their tax-exempt status.

Along with benefits of a tax-exempt association, there are limitations which include:

- Legislative Activity: PTAs may not spend more than an insubstantial share of their budget on lobbying.
- PTA may not support or campaign against candidates for public office.
- Unrelated Business Income (UBI) is subject to taxation or limitation. This rule is quite complex and each situation is evaluated by the IRS on an individual basis. We cannot give you legal advice, but will explain the basics here. If you are unsure of whether you have UBI, please seek professional advice or contact the IRS (see pg. 27).
  - The PTA must take an active part in the business. It must produce income, but not necessarily profit.
  - The business is regularly carried on. Once-a-year fundraisers are not regularly carried on. **If you hold fundraisers several times a year, they may be considered UBI and subject to income tax.**
  - Income is unrelated to the association's purpose. The fundraising activity or merchandise must be related to the purpose, not the use of the funds generated.
  - Advertising is *always* UBI. Advertising includes qualitative statements and/or merchandise and pricing and is different from acknowledgments. See Sponsorships (page 25). If income from advertising exceeds \$1,000, it must be reported as UBI using form 990T.
  - Exemptions to UBI
    - Activity is done once or twice a year
    - At least 85% of the work is done by volunteers
    - Activity is for the convenience of members (after school store)
    - Sales of donated or low-cost merchandise (\$5 or less)
    - Sponsorships
    - Bingo income
    - ***Abiding by one exemption will not save you from abuse of another***
- 501(c)3 associations are prohibited from allowing more than an insubstantial amount of benefits to go to individuals or associations. This is to ensure that tax exempt entities serve a public interest, not a private one.
- PTA's may not allow any part of their net earnings to inure to a member. This means that transacting your business may not benefit a member. This does not include reasonable payment for services rendered or paying the fair market value for goods. The prohibition against inuring benefits is absolute; therefore, any amount is grounds for loss of tax-exempt status.

## Filing a Tax Return

### Who needs to file?

Everyone!!!

### What is the purpose in filing?

The purpose of the return is to ensure that you are operating as a nonprofit association. The IRS is interested in HOW you make and spend your money, not HOW MUCH income you have.

### What form do I use?

Small tax-exempt associations whose gross receipts are normally less than \$50,000 are required to file an information form 990-N, Electronic Notice (e-Postcard) for Tax-Exempt Associations Not Required to File Form 990 or 990-EZ. This form is in electronic format only.

Units with gross receipts over \$50,000 should file 990EZ and also need to file Schedule A and possibly Schedules B & G depending on the unit's circumstances. If the unit has more than \$1,000 in unrelated business income, you must also file Form 990T.

**Any association that fails to meet its annual filing requirement for three consecutive years will have its tax-exempt status revoked. The unit will need to reapply for an exemption and pay an application fee. Failure to have your exemption reinstated will result in owing income and sales tax.** For more information, visit <http://www.pta.org/members/content.cfm?ItemNumber=2430>.

### What is meant by gross receipts?

Gross receipts are all the monies that go into your account during the course of the year, excluding only State and National PTA dues.

### When do I file?

PTA's fiscal year ends on June 30 and tax returns are due November 15 or 5 months and 15 days after the end of your fiscal year. You can view the fiscal year the IRS has on file for your unit when you file your 990N. If June 30 is not listed, you should contact the IRS to correct your fiscal year to July 1 – June 30. If you need a time extension, file Form 2758 before the November 15 deadline. A copy of the return must be sent to the Wisconsin PTA Office.

### Where can I get more information?

Visit National PTA's website at <http://www.pta.org/members/content.cfm?ItemNumber=2433>

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**IMPORTANT:**

According to the IRS, the most common confusion about the 990 & 990EZ is in the revenue reporting section, most notably what should be reported as a contribution.

On the 990EZ:

**Line 1** is for contributions, which includes non-government grants, donations, but also includes the "profit" amount from your special fundraising events.

**Line 2** is for program services, events that are not for fundraising, such as family dinners where families just pay to cover the costs of their dinner.

**Line 3** is for LOCAL dues; do not include State and National due; dues under \$75 go on line 1

**Line 4** is for interest

**Line 5** is one PTAs will generally not have

**Line 6** is for special fundraising events. This is where most of your fundraising will be recorded. *However, the amount over the value of the merchandise or service that was sold should go on line 1.* This is generally your profit amount. This is the amount the purchaser could report as a donation; therefore, it is a contribution. Occasionally, your entire profit will not go on line 1. If you receive a discount on the merchandise and sell it at a price higher than its regular price, only the amount above the regular price goes on line 1. Example: an item normally sells for \$5. The store sells it to you for \$4 and you sell it for \$6 (\$1 above its value). You sell 20. Your gross income is \$120 (\$6x20). \$100 (\$5x20) goes on line 6a; \$20(\$1x20) goes on line 1. Line 6B (expenses) would be \$80(\$4x20), leaving 6c (net income) at 20.

**Line 7** is for sales of inventory. This translates into income from a PTA or school store or spirit wear if you keep inventory on hand throughout the year.

**Other Reporting Responsibilities**

- Whenever the responsible party changes, form 8822 B needs to be filed within 60 days. The responsible party is either the president or treasurer and must be someone with the authority to disburse funds.
- Upon request a tax-exempt association must make available for public inspection its application for exemption and any supporting documents and letters of determination.
- Upon request a tax-exempt association must make available for public inspection its annual report (990EZ) and all its supporting documents. This includes Schedule A and form 990T (unrelated business income tax), but not Schedule B (major contributors).
- A Quid Pro Quo contribution is one that is made by a donor in exchange for goods or services. If the payment is more than \$75, the exempt association must provide a written disclosure that:
  - Informs the donor that the amount of the donations that is deductible is the amount which exceeds the fair market value of the goods or services
  - Gives a good faith estimate of the fair market value of the goods or services.
  - If a disclosure is not given, there is a penalty of \$10 per contribution, not to exceed \$5,000 per fundraising event.
- Cash or non-cash donations do not require a disclosure; however, the donor must have proof of the donation in order to deduct it on their return. Therefore, you may want to give a written statement for large donations. You must include the association's name, date, amount of cash contribution, a description of a non-cash contribution, state that no goods or services were exchanged or give the fair market value of those goods or services.

## Insurance

There are several types of insurance coverage available. Your unit will need to decide which types are applicable to your situation.

- **Liability Insurance:** Generally, the school district liability insurance does not extend to PTAs.
- **Accident Medical Insurance:** Provides additional medical coverage and covers activities excluded from Liability Insurance.
- **Bonding Insurance:** Wisconsin PTA recommends all units get bonding insurance. Misuse of funds is not uncommon in nonprofit associations.
- **Property Insurance:** Covers property owned by your unit, including fundraising merchandise while it's in your possession
- **Officer's Liability Insurance:** Protects officers from accusations of misrepresenting or mismanaging PTA.

Please see the Leadership page on the Wisconsin PTA website for more details.

## Incorporation

Your unit may want to consider becoming incorporated as a non-stock corporation. Becoming incorporated protects the use of your PTA's name and offers protection for your officers' private assets in case of a lawsuit. Contact the Wisconsin Department of Financial Institutions for information (see page 27).

## A Practical Guide to Fundraising

### Introduction

- Local units are independent associations with own EIN number. The school district, school, state or national PTAs cannot dictate the activity of the local unit.
- While fund raising is a legitimate activity for PTAs, it should never be the primary focus. PTAs raise money to run programs, not program to raise money.
- The budget you prepare should be an outline of estimated income and expenses, based on your PTAs annual and long-term goals, not by funding shortfalls.
- PTAs are increasingly asked to raise funds for projects and programs that have traditionally been a part of the school budget. These gaps in school funding are a major challenge for PTAs and their role as fund-raisers threatens to overshadow all other PTA programs
- Before approving proposals for material aid to the school or community, a PTA should consider whether the proposed equipment or service is a public responsibility.
- If it is an emergency, PTAs may provide for the pressing needs of children and youth while they work to alert the public to its obligations.
- PTA funds should always be used to further PTA's educational mission.
- In the end, each PTA must decide how to best allocate their money



- **Remember that fundraising is not a primary function of PTA and that funds are raised to carry out PTA work. If you do not have a program that needs further funding, you should not be raising more money!**
- One easy rule to use when planning your budget is the *3-to-1 rule*. By this measure, for every fundraising activity planned during a school year, there should be at least 3 non-fundraising projects aimed at helping parents or children or advocating for school improvement.
- The real treasury in any PTA is the members' energy, resourcefulness and determination to promote the well-being of children and youth. Some PTA units are able to do excellent work with no financial resources other than dues

#### **Reasons for not being the school's fundraising company:**

- Anything you buy becomes district property and can be used anywhere they want
- You can be held liable for the equipment
- Issues with who will maintain or replace equipment are common
- Masks school funding problems
- Undermines efforts for school funding reform
- Creates inequities between schools, which fuels arguments against funding reform
- Takes time, energy and manpower away from furthering your mission
- Parents tire of fundraising quickly
- Constantly have to justify what you are doing
- PTA loses value
  - People can't see the purpose
  - People don't join/support fundraising associations
  - Volunteerism declines
  - You're viewed as a bank roll, not valued as partners in education

#### **How to help the school with the money crunch:**

- Advocate for funding reform
- Fund programs to free up money the school can use to buy things
- Help the school run a fund campaign or fundraising event
  - Walk a thon, knowledge a thon, golf outing, pancake breakfast, etc
  - PTA not listed as a sponsor, but is thanked if you recruit volunteers or provide refreshments
  - Money goes directly into district account
- Help the school find community sponsors
- Suggest the district set up a support foundation
- Encourage the school to have a fundraising committee
- Help to engage all parents in learning
  - Parent involvement can raise student academic achievement so substantially that schools would need to increase spending by more than \$1000 per pupil to gain the same results as with parent involvement. (Houtenville A. & Conway K. 2008)

## PTA Noncommercial Policy

PTA fundraising should be carried out within the framework of National PTA policies. Any form of fundraising that may be detrimental to character building should never be undertaken by a PTA.

The information below provides guidance regarding fundraising based on the six rules of non-commercialism from National PTA as well as information from the PTA's financial management guide in the PTA Leader Kit. PTAs need to be aware of the risks involved in soliciting or accepting commercial contributions to finance, or assist in financing, projects. Such contributions may create obligations that violate the noncommercial policy of PTA—a policy designed to protect PTAs from exploitation. Every PTA leader should be familiar with and understand the noncommercial policy.

1. PTAs are prohibited under federal law from engaging in substantial business activities that are unrelated to their tax-exempt purposes, which are legally defined as educational and charitable.
2. PTAs should not endorse products, companies or foundations.
3. PTAs should not sell or lend mailing lists.
4. PTAs may accept and acknowledge contributions of sponsors of PTA programs.
5. PTA may accept advertising as long as it stays within postal regulations and does not jeopardize the objects and nonprofit status of PTA.
6. PTAs should familiarize themselves with local, state and federal laws and requirements regarding licensing and liability before sponsoring or conducting public events.

### Following is a partial list of some quality uses of funds:

Leadership Training	PTA Publications
Council and Region Functions	Legislative Conference
Leadership Workshops	Wisconsin PTA Convention
Programs, Speakers	Administrative Expenses
Newsletter Expenses	Officers' & Chairmen's Expenses
Workshops	Cultural Arts Programs
Enrichment Programs	Family Activities
Safety Programs	Parent Education

- ▶ PTAs should not provide equipment such as computers, audiovisual materials, playground equipment, curricular materials or salaries for school employees. As a general rule, equipment should be supplied through tax monies.
- ▶ Also, PTAs are tax exempt for educational purposes, therefore, PTA funds should not be used for school staff and building equipment such as curtains, microwaves, picnic benches, typewriters for secretarial use, computers used by secretarial staff, equipment, or furniture used in teacher lounges.
- ▶ A PTA renders a greater service by securing public support for education and other community needs rather than by making gifts to the school. Each individual unit should check with its local school board for the district's gift-giving policies and procedures.
- ▶ PTA funds should not be used to finance the work of other associations

## Standards for Fundraising

The unit should aim for one or two well-planned annual fundraising projects that will raise the funds needed to finance the year's activities. The fundraising event should have educational, social, or recreational value.

The following questions should be used as guides in selecting and planning a money-raising project that will be both successful and worthy of the PTA:

- **Children should never be exploited or take part in fundraisers.**
- Is the fundraising activity related to the PTA Mission?
- Does it adhere to the PTA Mission and the Purposes of the PTA?
- Does it conform to the noncommercial, nonsectarian, and nonpartisan policies set forth in the PTA bylaws?
- Does it not overburden your volunteers or school staff?
- Does it only involve children and youth as an outgrowth of regular schoolwork or as a constructive use of leisure time?
- Will it create goodwill for the PTA?
- Is the activity a positive example for children and youth?
- Will it provide the revenue needed meet your goals?
- Did the fundraising committee provide a budget of expenditures, as required by the PTA's bylaws and standing rules? For example: the cost of materials, advertising for the event, etc.
- Do the state and local governments require the PTA to collect and remit sales tax?
- Are special permits needed, such as special licenses or health permits?
- Is the liability of the PTA and its members protected through sufficient insurance or otherwise?
- Did the president sign the contracts for vendors and/or manufacturers? If selling products, does the contract cover who is responsible for spoiled or damaged goods? For unclaimed goods?
- Is the PTA using volunteers, or does it have to pay or contract with workers?
- Have procedures been established to safeguard the handling of products and the money?
- What are the costs for using a facility? How long is the event going to be held? Are there special requirements or restrictions for using the facility? Are fire laws and safety precautions strictly observed? Is it accessible to people with disabilities?
- Is it an infrequent or ongoing activity? Be aware that unrelated business activities could result in some federal or state income taxation on the income earned or, in the extreme, the loss of your tax-exempt status.
- Does it comply with all health and safety regulations?
- Is it inexpensive, involve many members and fun?
- Does it compete with or distract from school lunch or nutrition programs?
- The anticipation of a successful fundraiser should not cloud the judgment of the PTA or allow the PTA to be exploited by those outside who may have something to gain privately.
- Project organizers must take care not to improperly obligate their PTA when soliciting or accepting commercial contributions to help finance a project.
- And finally: Are there local, state or federal laws that apply? Is care taken to see that no law is violated?

## Planning a Fundraising Activity

1. Create a committee to oversee the program. The committee should include the project chair, the unit treasurer and any sub-committee chairs needed (publicity, telephone, distribution etc.)
2. When selecting a program, consider your supplier carefully. Be sure you understand the contract, additional costs (for example, freight on the merchandise), lead-time for delivery, up-front payment needed, guarantee on the product etc. Ask for, and be sure to check, local references.
3. Also, consider the product you will be selling. Is it priced appropriately? Will members support selling the item? Is it something that will be useful to your customers? What is your profit margin? PTA suggests you receive at least 40% profit and not less than 30%.
4. Will adult PTA members do most of the fundraising? It is recommended that you do NOT send merchandise home with children. You should also NOT ask young children to go door-to-door to solicit sales.
5. The committee should present plans for the proposed project to the association for approval of the project as well as agreement to pay any bills associated with the program.
6. After approval, the committee chair should make outlines of the duties involved and assign responsibilities to each sub-chair.
7. Work with school officials and community members to set a date and place it on the school master calendar. Reserve facilities if needed and obtain any permits needed.
8. During the event, have the money counted by both the chair and the treasurer. Issue receipts for all money received and deposit the money in the PTA bank account.
9. Prepare a final accounting report for the members and to file for audit.

## Corporate Sponsorship

Corporate sponsorship is a form of fundraising that has become more common among local PTA units. When considering a corporate relationship, remember that the PTA name or logo may not be used to promote or endorse a commercial entity or its goods and services. A commercial entity may, however, sponsor or promote PTA activities.

In return for sponsorship, a PTA may thank the sponsor for its contribution in writing or on posters, banners or other media. The written acknowledgement should NOT make a qualitative judgment on the sponsor or product, and it cannot request or urge people to patronize the sponsor. **If these rules are not followed, the contribution will be subject to federal income tax.**

Forms of acknowledgment may be:

- Sponsor's logo, slogan or statement that does not compare or provide qualifying descriptions
- Sponsor's locations, telephone numbers and web address
- Neutral descriptions of the sponsor's product line
- Association's logo and message on a sponsor's product
- Association's and sponsor's logo on material developed jointly

For additional information on fundraising, consult the PTA web site at [www.pta.org](http://www.pta.org).

**A Basic Checklist for Contracts & Agreement**

- Get it in writing (and read every word: if you don't understand it, ask someone who does)
- Names, addresses and legal status of parties
- Nature of relationship (who is doing what for whom?)
- Statement of consideration (how much will this cost?)
- Description of duties and obligations of parties
- Conditions and stipulations (does anything have to happen before the contract goes into effect: how do I cancel?)
- Term of contract (when will this happen and how long does the contract last?)
- Integration of contract (are there related documents that this affects or replaces?)
- Enforcement (what happens if they don't perform?)
- Date of contract
- Authorized Signatures (Needs to be signed by president of the association, may need to be witnessed and or notarized)
- Make copies for President, Treasurer and Event /Fundraising chair

**Resources**

**Wisconsin PTA Office**

2601 W. Moorland Road  
New Berlin, WI 53151  
608-244-1455  
[info@wisconsinpta.org](mailto:info@wisconsinpta.org)  
[www.wisconsinpta.org](http://www.wisconsinpta.org)

**National PTA**

1250 North Pitt Street  
Alexandria, VA 22314  
800-307-4182  
[info@pta.org](mailto:info@pta.org)  
[www.pta.org](http://www.pta.org)

**IRS Charities and Non-profits**

877-829-5500  
[www.irs.gov/charities](http://www.irs.gov/charities)

**IRS Online Workshop for Exempt Associations**

[www.stayexempt.org](http://www.stayexempt.org)

**WI Department of Income, Sales and Excise**

**Tax**

PO Box 8949  
Madison, WI 53708-8949  
608-266-2776

[www.revenue.wi.gov](http://www.revenue.wi.gov)

Informational brochure:

[www.revenue.wi.gov/pubs/pb206.pdf](http://www.revenue.wi.gov/pubs/pb206.pdf)

Application:

[www.revenue.wi.gov/DORForms/s-103.pdf](http://www.revenue.wi.gov/DORForms/s-103.pdf)

**WI Department of Financial Institutions:**

201 W. Washington Ave  
Suite 500  
Madison WI 53703  
[www.wdfi.org](http://www.wdfi.org)

**Registration to Solicit Funds**

608-267-1711  
Fax 608-267-6889

Send forms to:

DFI – Licensed Financial Services  
PO Box 7876  
Madison WI 53707-7876

Forms & instructions:

<http://www.wdfi.org/CharitableOrganizations/forms.htm>

**Incorporation information and applications:**

Department of Financial Institutions  
PO Box 7846  
Madison, WI 53707  
608-261-9555

**Raffle/Bingo information and applications:**

State of Wisconsin Gaming Commission  
Bingo 608-270-2530  
Raffle 608-270-2552

<https://doa.wi.gov/Pages/LicensesHearings/Office-of-Charitable-Gaming.aspx>

Resources:

National PTA, PTA Leaders Kit, Financial Section  
“A Practical Guide to Fundraising for PTAs”  
Local Unit Bylaws/Standing Rules  
Wisconsin PTA Leadership Handbook  
Wisconsin PTA Bylaws

### Retaining PTA Records

- Articles of Incorporation - Permanently
- Annual Audit Reports – Permanently
- Annual Financial Reports – 10 Years
- Bank Reconciliation's - 1 Year
- Budgets – 10 Years
- Bylaws, including all amendments- Permanently
- Cash Receipt Records - 7 Years
- Checks, cancelled - 7 Years (checks for important payments, i.e. taxes, special contracts, etc., should be filed with the papers pertaining to the transaction and kept permanently)
- Contracts and Leases - 7 Years
- Correspondence with vendors - 7 Years
- Correspondence (general) - 3 Years
- Correspondence (legal) -Permanently
- Duplicate Deposit Slips - 1 Year
- Equipment Owned by PTA- Permanently
- Grant Award Letters of Agreement- 10 Years
- Insurance Policies- 3 Years
- Insurance Records, Accident Reports, Claims, Policies, Certificates - Permanently
- Invoices - 7 Years
- Journals - Permanently
- Minute Books of Directors & Committees - Permanently
- PTA Charter - Permanently
- Petty Cash Vouchers - 3 Years
- Sales Records - Permanently
- Standing Rules - Permanently
- Tax-exempt Status Documents & Returns - Permanently
- Vouchers for Payments to Vendors, Officers, etc. - 7 years
- Wisconsin Registration to Solicit Certificate - Permanently

### “Fill-in” Forms

The following forms are included for your use. They are also on the Wisconsin PTA Website at:

[www.wisconsinpta.org](http://www.wisconsinpta.org)

- Voucher
- Receipt Report
- Request for Funds
- Audit Report

\_\_\_\_\_ PTA  
**VOUCHER**

Committee: \_\_\_\_\_

Chairperson's Name: \_\_\_\_\_

Itemized Purchases:

- |          |          |
|----------|----------|
| 1. _____ | \$ _____ |
| 2. _____ | \$ _____ |
| 3. _____ | \$ _____ |
| 4. _____ | \$ _____ |
| 5. _____ | \$ _____ |

**Total:** \$ \_\_\_\_\_

Make check payable to: \_\_\_\_\_

Chairperson's Signature: \_\_\_\_\_

Treasurer's Signature: \_\_\_\_\_

President's Signature: \_\_\_\_\_

Date Paid: \_\_\_\_\_

Check Number: \_\_\_\_\_

**Original receipts must be attached for payment.**



\_\_\_\_\_ **PTA**  
**Receipt Report**

Event/Committee Name \_\_\_\_\_

Change for event: (check # \_\_\_\_\_ date \_\_\_\_\_)

Coins \$ \_\_\_\_\_

Currency \$ \_\_\_\_\_

**Total Change** \$ \_\_\_\_\_

Receipts (including beginning change):

Coins: \$ \_\_\_\_\_

Currency: \$ \_\_\_\_\_

Checks: \$ \_\_\_\_\_

**Total to be deposited** \$ \_\_\_\_\_

**Minus beginning change** \$ \_\_\_\_\_

**Event/Committee Total** \$ \_\_\_\_\_

Committee Signature: \_\_\_\_\_

Treasurer's Signature: \_\_\_\_\_

Date Deposited: \_\_\_\_\_

# Request for Funds

\_\_\_\_\_ PTA

Person requesting funds: \_\_\_\_\_

Program to be funded: \_\_\_\_\_ Date needed: \_\_\_\_\_

Program description, include people who will benefit and how it fits the PTA Purpose (see below:

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## Itemized Expenses:

Item:

Amount:

_____	\$ _____
_____	\$ _____
_____	\$ _____
_____	\$ _____
Total Requested:	\$ _____

## The PTA Mission

To make every child's potential a reality by engaging and empowering families and the community to advocate for all children.

## WI PTA Statement of Financial Review

Please upload a copy to MemberHub by November 1 of each year. Permanently keep a copy of the financial review on file in the association's treasurer's file. Either a CPA or a minimum of 3 non-account signers are required to perform a financial review. (\*Non-signers of the year being reviewed must not be a relative or reside with a signer.)

Name of Unit: \_\_\_\_\_ City: \_\_\_\_\_

Council: \_\_\_\_\_ Region: \_\_\_\_\_

Email to contact in case of questions: \_\_\_\_\_

**Please use a separate financial review form for each account.**

Beginning Balance on Hand as of \_\_\_\_\_ (enter date of last Financial Review) A. \$ \_\_\_\_\_

Receipts: \_\_\_\_\_ to \_\_\_\_\_ (dates) B. \$ \_\_\_\_\_

Total Cash (A+B=C) C. \$ \_\_\_\_\_

Disbursements (from last financial review to date of financial review) D. \$ \_\_\_\_\_

Balance on Hand (as of the date of financial review) (C-D=E) E. \$ \_\_\_\_\_

Latest Bank Statement Balance F. \$ \_\_\_\_\_

**Checks Outstanding: (Use the back of this form if necessary)**

Date	Check Number	Amount

Total Checks Outstanding G. \$ \_\_\_\_\_

Outstanding Deposits Total H. \$ \_\_\_\_\_

Account Balance (F-G+H=I) (must equal E) I. \$ \_\_\_\_\_

Date of Financial Review: \_\_\_\_\_

I have examined the books of the treasurer of \_\_\_\_\_ PTA and find them to be correct.

**Auditor's names and signatures (CPA or 3 non account signers required):**

\_\_\_\_\_  
(Printed Name)                      (Printed Name)                      (Printed Name)

\_\_\_\_\_  
(Signature)                              (Signature)                              (Signature)