

Best Practices for PTA Financial Management

Federal & State Regulations

- PTA is a nonprofit corporation with a federal Employer Identification Number (EIN) and has tax-exempt status with the Internal Revenue Service (IRS).
- PTA is a nonprofit corporation registered with the Washington State Secretary of State and has a Unified Business Identifier (UBI) number.
- PTA has designated the Washington State PTA as the registered agent for both the IRS and the Secretary of State Corporate Division.
- All required forms are filed with both state and federal governments accurately and on time.

Keeping the PTA Healthy

- A budget is developed that reflects the goals and objectives of the PTA.
- The budget is approved in the spring for the following fiscal year (July 1 to June 30).
- Adequate insurance is purchased.
- Written, detailed, monthly financial reports are provided to the entire board of directors.
- The board carefully reviews each financial report and bank statement.
- An annual financial report is prepared.
- Financial reviews are conducted annually. A mid-year financial review is recommended.
- The PTA maintains records of the organization as prescribed by the Records Retention Timetable.
- Elected officers and the board of directors attend the PTA and the Law workshop each year.
- PTA remains in good standing by complying with the requirements of the Standards of Affiliation.

Proper Handling of PTA Funds

- Only PTA members handle PTA funds.
- Money is always counted by at least two PTA members.
- Receipts are written for all cash received by the PTA.
- PTA funds are deposited only into authorized PTA bank accounts.
- A list of all checks included in each deposit is made and kept with the deposit receipt.

- PTA funds are kept separate from personal, school district, ASB, or any other funds.
- A board member who is not a signer on the account routinely reviews, signs and dates the bank statements before they are sent to the treasurer.
- Monthly bank statements are reconciled promptly after being received by the treasurer.
- No PTA checks are ever signed without payee and amount filled in.
- PTA checks and contracts are signed by two elected officers (not of the same household), one of whom is the president of the PTA.
- PTA expenditures are documented with a receipt or invoice.
- Cash is never used for expenditures.
- Membership dues are submitted accurately and promptly to the WSPTA office and council (if applicable).