

Red flags are indicators or warning signs that should alert board members to potential problems. Understanding these warning signs will better prepare you toward fulfilling your fiduciary responsibility.

- 1) If the treasurer does not bring the books to meetings, even after your board requests them, or is reluctant to show or share the books or consistently cannot answer basic questions about the status of your PTA's finances.
- 2) If the treasurer delays or refuses to surrender the records of the PTA for a financial review or to an incoming treasurer.
- 3) If PTA funds are deposited into anything other than a PTA bank account (e.g., personal bank accounts, school safe, another organizations account, etc.).
- 4) If check signers are being asked to sign blank checks or are being presented with checks made out to "Cash".
- 5) If there is only one elected officer that has access to online banking accounts.
- 6) If your board does not receive regular, monthly treasurer's reports and/or if those reports do not indicate the current balance in any and all bank accounts (including savings, certificate of deposits, and/or investment funds).
- 7) If you know that your PTA is saving up to make a donation for a large purchase to your school or that your PTA was given a grant by an outside organization and you do not see those funds described separately in the treasurer's report.
- 8) If your treasurer's report does not show checks made out to WSPTA for membership dues after receiving invoices for members enrolled.
- 9) If you do not see evidence of filing either of these reports for the past year in the treasurer's reports, permanent records books, or legal documents for your PTA.
- 10) If no one on the executive committee knows whether the local PTA or council is incorporated, whether it is a 501(c)(3) or a 501(c)(4) organization, or when (or if) required forms were filed.
- 11) If you do not see an expenditure for at least general liability insurance in a financial report before November 10.