

Beginning of the Year Finance Checklist for Treasurers

For a PTA/PTSA's financial health, here are the things that should be on your list now:

- Understand your job** – take time now to review your job description in your unit's bylaws and the [California State PTA Toolkit](#) and meet with your predecessor to learn best practices and uncover areas needing improvement.
- Update check signers** – call the bank to determine which documents your bank requires to remove past and add current check signers.
- Audit** – make sure the audit is complete before you begin work. Please contact your council or out of council mentor if your audit is not done to determine what help you might need.
Next steps for the audit:
 1. auditor presents to Executive Board,
 2. auditor presents to the Association at the first meeting,
 3. work on any suggestions made by the auditor.
- End of the year Annual Financial Report** – make sure the end of the year financial statement is complete – you will need this to file taxes and RRF-1.
- File taxes** – IRS and California Franchise Tax Board (FTB) tax filings are due November 15. If gross receipts are \$50,000 or less, electronically file the 990N for the IRS and the 199N for the FTB. For instructions and links to the forms, visit [IRS](#) and [FTB](#) websites.

Remember: there is no penalty for filing early;
IRS rule: a PTA/PTSA will automatically lose its tax-exempt status for not filing for three consecutive years – so, FILE NOW!
FTB rule: every unit must have filed for 2010, 2011, 2012, 2013, 2014 and 2015 (current year) or they will lose California tax exempt status.
- File RRF-1** – Due November 15, the RRF-1 (Registration Renewal Fee) is a form required by the California Attorney General's Office requesting the most current financial information from all nonprofits. A fee may be required. To find out more, visit the Attorney General's website: <http://oag.ca.gov/charities>. Click links for the [RRF-1 form](#) and [Instructions for filing](#)
- Budget** – work with your budget committee to create the budget – the guideline for how your PTA/PTSA is going to earn and spend its money. Approve programs and fundraisers before approving budget. Once approved by the Executive Board, present to the Association for adoption at the first meeting. Remember that approval of budget is NOT authorization to spend; Executive Board needs to authorize plans and expenditures.
- Raffles** – Planning a raffle? Register with the Attorney General's office prior to conducting raffle-related activities, including selling raffle tickets. Visit the Attorney General's website, <http://oag.ca.gov/charities/raffles>. Click links for Raffle [Checklist](#) and CT-NRP-1 [Form](#). Annually, complete a single aggregate report of all your raffles to the Attorney General's Office. Use form [CT-NRP-2](#); due October 1.
- Submit Per Capita** – At least monthly, send membership dues through channels.
- Send copies through channels** – Sixth District PTA wants to see:
 1. annual financial statement,
 2. adopted year-end audit,
 3. approved budget, and
 4. copies of tax forms (IRS and FTB) and RRF-1.

Vocabulary

Acronyms and language you will hear/read often in PTA. Good to know:

- In Council/Out of Council (OOC) –**
 - Sixth District includes eight (8) PTA councils; Cupertino-Fremont-Sunnyvale, Evergreen, Los Altos-Mountain View, Milpitas Unified, North Valley, Palo Alto, San Jose Unified, and Santa Clara. Make sure you know how to contact your Council treasurer and president – these people are your first point of contact if you need help. To see a list of Sixth District councils, go to <http://capta6.org/councils/>
 - If your PTA is not in a council, it is Out-of-Council (OOC) and reports directly to Sixth District. There are out-of-council units in Santa Clara, Santa Cruz and Monterey County.
 - Check your bylaws cover sheet if you are unsure whether or not your unit is in a council.
- Per capita** – the portion of membership dues not belonging to your PTA/PTSA
- Send** - Except for checks, send means either electronically or snail-mail
- Through channels** – send requested copies/checks/information to someone who will use the information and pass it on to District and or CA PTA. If your PTA is in a council – send to your COUNCIL. Everyone else, please send to Sixth District PTA.

Frequently Asked Questions

Q. Where do I find the entity numbers needed to file taxes and the RRF-1?

A. Look in your bylaws, ARTICLE XIII or XIV – FISCAL YEAR AND IDENTIFICATION NUMBERS

Q. Does PTA recommend any online accounting systems?

A. Yes! PTAEZ Accounting Online generates financial reports customized for PTA, strengthens financial controls and procedures, ensures a smooth transition of records from year-to-year, and helps you prepare for tax filings. PTAEZ Accounting Online is available at a low annual subscription price. Learn more at www.PTAEZ.com.

Q. What motions should I make at the first Association meeting?

A. Plan to make five motions:

1. Once the plans for the year have been presented. Motion may be made by any board member: "I move to adopt the programs as presented".
2. "I move to adopt the fundraisers as presented"
3. After the budget is presented, the Association needs to adopt it. Say: "**I move to adopt the 2016-2017 budget as presented**".
4. The Association needs to release funds for programs and events that will occur between now and the next Association meeting. Say: "**I move to release <insert events and amounts**". State each budget line item and amount separately. No, you cannot release the whole budget at once.
5. Ratify the checks written since last Association meeting. Say: "**I move to ratify checks, check number ___ to check number ___, in the total amount of \$____.**" This motion is to ratify the bills/checks that you have already written. Provide a printed list of all checks written since the last meeting showing who was paid, what the payment was for, the amount, the check number and the date.

Questions? Comments? Contact:

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