

## WATCH THE MONEY!



Yes, it can happen to you!

Whenever dealing with money, there are certain steps that should be taken. These steps will not only protect your PTA, but also you. The Illinois PTA has heard of several instances where PTAs have missing money issues. In most of these cases, these problems could have been avoided if basic safeguards were instituted. While we hope that everyone has fun doing PTA work, all Officers and Chairman must understand that they all have certain fiduciary duties that cannot be neglected. You must remember that as leaders of your PTA you have a duty to make sure that all of the funds that are collected are used to promote the PTA Mission.

First, we strongly recommend that all chairmen take the *PTA: Road to Success, Money Matters 101* and *Money Matters 201* Courses. All of these courses can be offered in your area. Our feedback on these courses reveals how much the participants enjoyed the course, because they learned so much! These courses contain a lot of information that will help protect your PTA and yourselves.

Also, make sure your bylaws are up-to-date and every chairman and officer has a copy and an understanding of them. Many of the items in the bylaws come directly from the IRS requirements for 501(c)(3) organizations. Others are there based on the state PTA's experiences for the last 100 years.

When it comes to money, the systems that need to be in place should be based on the concept that you cannot trust people. While the vast majority of people are trustworthy and would never do anything wrong, you never know when someone in a moment of weakness does something they should not. You don't always know what is going on in people's private lives. You don't know if they are in financial difficulty. You don't know if they have a gambling problem.

There are some easy steps you can take to protect your PTA and you!

- 1) During a fund raising event, always make sure there are at least two (2) people who are collecting the money.
- 2) At the end of the event, there should be at least two (2) people counting the money, preferably in the presence of others. They should immediately fill out a form that states how much was brought in and for what event (see the sample Deposit Voucher in the "Tips for Treasurers"). This form should be signed by the two people who counted the money.
- 3) All of the cash and checks should be taken directly to the bank by either the Chairman or the Treasurer. We have had cases, where the person has stopped at home for a moment and came out to find the funds gone! Also, your bonding

insurance only covers the Chairman and the Officers if money is lost. Yes, that means you should have bonding insurance!

- 4) No one should ever take cash and then write one personal check to deposit. You have no way of verifying that the correct amount is being deposited.
- 5) Always have checks and balances in place. This is one reason why there are supposed to be two (2) signatures on checks! You want to make sure the money is going where it should.
- 6) Similarly, make sure that any reimbursements have two (2) sets of eyes in the process to make sure it is appropriate to reimburse the individual.
- 7) All expenses should be paid by PTA check not from cash receipts taken at an event.
- 8) An audit should be done at least once a year at the end of the fiscal year but also whenever a signatory on the account changes or the treasurer changes.
- 9) The treasurer should always bring the books to each meeting so anyone can take a look at them and they should give a report to communicate the present financial status of the PTA.
- 10) National PTA is now recommending that bank statements go to someone who is not a signatory on the account but who is familiar with how the PTA funds are to be spent.

You need to remember that you are basically running a non-profit business. You have an obligation to make sure that the money is used appropriately both towards the budget that was approved by the membership and towards the PTA Mission.

Please review the National PTA materials included in the Local Unit Packet: “Preventing Theft in your PTA”, “Theft Warning Signs”, and “What to Do If You Suspect Theft in Your PTA” for additional guidelines.

If you have any questions, please feel contact the Illinois PTA Treasurer, your District or Region Director or the state PTA office.