

PTA Audit & Financial Reviews in a nut shell

1857

1) Negroes bought in the summer of 1857

Date	Name	Amount
May 15 th	Betsy	660 00
July 28 th	Anthony	427 00
July 27 th	Amey	410 00
July 30 th	Martha	550 00
July 30 th	William	500 00
July 30 th	Simon	555 00
Aug 2 nd	Stelly	587 50
Aug 23 rd	Sally	650 00
Aug 25 th	Maden & Child	645 00
Sept 23 rd	Miles	710 00
Sept 25 th	Charlott	470 00
Oct 1 st	Jones	700 00
Oct 6 th	Nathan	730 00
Oct 8 th	Adney	525 00
Oct 9 th	Lorax	175 00
Oct 14 th	Henry	675 00
Oct 16 th	George	384 00
Oct 20 th	Maderson	1000 00
		\$ 70353 50

1857

Negroes sold in the fall of 1857

Date	Name	Amount
Nov 15 th	Betsy	850 00
Nov 17 th	Anthony	645 00
Dec 5 th	Amey	550 00
Dec 5 th	Martha	785 00
Jan 26 th	William	770 00
Jan 15 th	Simon	690 00
Nov 24 th	Stelly	742 50
Nov 15 th	Sally	800 00
Oct 21 st	Maden & Child	645 00
Nov 13 th	Miles	950 00
Dec 3 rd	Charlott	650 00
Nov 13 th	Jones	950 00
Nov 27 th	Nathan	750 00
Dec 13 th	Adney	400 00
Dec 13 th	Louisa	950 00
Nov 26 th	Henry	480 00
Nov 26 th	George	1425 00
Dec 27 th	Maderson	\$ 13982 50

Presented by Hillsborough County Council PTA

Course Outline



PTA Audit Overview and Purpose



Who Performs the Audits/Financial Reviews



Preparing for the audit/financial review



Filling out the PTA Annual Audit/Financial Review Form
(steps)



Filing Procedures



Conclusion/Questions

PTA Audit Overview and Purpose

- Overview

- PTA Bylaws indicate when an audit is to be done, its procedure and when it should be reported to the membership
- Record books should be audited at least once per year.
 - They should also be audited if the treasurer resigns, before the new officer assumes his or her duties and at any other time deemed necessary
- The process for selecting/electing individuals to serve on the internal audit committee will also be found in the bylaws
 - Florida bylaws state the Audit must be completed and sent to Florida PTA NLT 31 Aug each year
 - IAW Article VII, Section #5...the treasurer's accounts shall be examined annually by an auditor or an audit committee of not less than 3 members
 - The audit committee shall be appointed by the executive board
 - The committee report will be given at the next regular meeting after the audit is completed

PTA Audit Overview and Purpose

- Purpose

- To meet the Florida PTA and IRS audit compliance requirements as stated in our local unit Bylaws, Article VII, Section 5
- To assure membership that the PTA's resources and funds are being properly accounted for and managed within the regulations established for their use
- It is a statement that shows the treasurer's records are correct and the required records are available
- Provides transparency
- Assists with annual filing of taxes

Who Performs the Audits/Financial Reviews

- Anyone from membership
 - Must be current members
- Appointed by the Executive Board
- Minimum of 3 people
 - No person with check signing authority can participate on the audit committee
- Can be required by your insurance in order to maintain your unit's bond coverage against embezzlement, robbery and theft
- Best practices
 - Consider appointing your committee at your last general meeting and set a date to complete

Preparing for the Audit/Financial Review

- Treasurer preparations
 - Provide the committee with the following (found in Section A of the PTA Annual Audit/Financial Review Form

Section A

To the Audit Committee: Please check the boxes of the financial records provided to you from the Treasurer:

- | | |
|---|--|
| <input type="checkbox"/> Copy of last annual audit report (as of June 30 previous year) | <input type="checkbox"/> If any were conducted, copies of any interim audits that were conducted during the year |
| <input type="checkbox"/> All Bank Statements (including PayPal, Stripe, Square, Venmo, CashApp, etc.) | <input type="checkbox"/> Treasurer's reports from ALL PTA/PTSA meetings including final general membership Annual Meeting |
| <input type="checkbox"/> Checkbook register with running balance (handwritten, excel, QuickBooks, etc.) Checkbook | <input type="checkbox"/> Copy of Final Approved budget and all amendments (voted upon and approved by the membership at a general meeting) |
| <input type="checkbox"/> Cancelled checks | <input type="checkbox"/> Minutes of all board, executive committee and association meetings. |
| <input type="checkbox"/> Copies of ALL credit card statements (if applicable) | <input type="checkbox"/> A current copy of "Annual Financial Review (PTA Audit)" from Florida PTA Kit of Materials, Section 3, Dollars and Sense |
| <input type="checkbox"/> All Deposit Receipts/Records | <input type="checkbox"/> Bylaws - Current copy of your bylaws, Stamped Approved by FPTA |
| <input type="checkbox"/> All Cash Verification Forms and Receipts | <input type="checkbox"/> Filed copy of IRS Form 990, 990EZ or 990N "accepted" confirmation from previous tax year. |
| <input type="checkbox"/> All Check Request Forms with receipts/bills attached | |
| <input type="checkbox"/> Pre-Approval & Authorization Forms for credit, debit, and EFT expenses Receipts of bills paid or itemized statements | |
| <input type="checkbox"/> Treasurer's Ledger Book (Excel Spreadsheet, QuickBooks, etc.) | |

Audit/Financial Review Procedures

The committee will follow Section B of the PTA Annual Audit/Financial Review Form and answer the questions. Ensure the outgoing treasurer signs the bottom of page 1

Section B

1. Does amount shown on first bank statement (adjusted for outstanding checks and deposits) correspond to the starting balance recorded in checkbook register, ledger, treasurer's report and ending balance of audit from previous annual audit? Y N
2. Were bank statements reconciled monthly by the treasurer? Y N
3. Were bank statements signed by another person not authorized to sign checks or related to a check signer? Y N
4. Did all checks written contain two signatures (President, Treasurer or other Elected Official / bank signatory)? Y N
5. Were all checks properly recorded in checkbook register, ledger and with treasurer reports? Y N
6. Were all bank charges and interest recorded in checkbook register, ledger and treasurer reports? Y N
7. Did the PTA purchase insurance? Y N
8. Were all check requests and reimbursement authorizations approved by the president or designee and contain receipts? Y N
9. Did the PTA get pre-approval for all payments made via electronic funds transfer (EFT), credit card, and/or debit card? Y N
10. Did the PTA Purchase or Receive Gift Cards/Gift Certificates? Y N
11. Were Gift Cards/Gift Certificates documented properly? (if applicable) Y N
12. Did the PTA use Cash Verification Forms or Cash Count Sheet? Y N
13. Were all funds received and counted by two persons and verified by the treasurer? Y N
14. Did funds received match deposits recorded in the checkbook register ledger and treasurer reports? Y N
15. Was income spent according to the approved/amended budget? Y N
16. Did the general membership meeting minutes also include budget approval? Y N
17. Did the general membership meeting minutes also include a motion and vote for approval of all budget amendments? Y N
18. _____ # of memberships sold _____ # of membership dues paid to the state - Do they match? Y N

Audit/Financial Review Procedures cont...

- Determine if State and National portion of membership dues have been accounted for and paid monthly
 - Has invoice from Hillsborough County Council PTA been paid?
- Confirm the monies collected for a specific purpose have been disbursed
- Review the treasurer reports for accuracy
- Do they have insurance
- Are gift cards used?

Sample Report

Next we will look at how to accomplish the first part of the Annual Audit/Financial Review

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PTA ANNUAL AUDIT/FINANCIAL REVIEW FORM (Page 2 of 2)

Date of Audit: _____ 8 Digit Local PTA Unit ID

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PTA/PTSA Name: _____ County: _____

Dates covered by this Audit/Fiscal Year: **July 1, 20** _____ **to June 30, 20** _____

Check numbers covered by this audit: Beginning check # _____ Ending check # _____

1. **BOOK BALANCE ON HAND** (as of last audit on June 30th of previous year).....\$ _____
2. **RECEIPTS/INCOME** received since last audit.....\$ _____
3. **TOTAL CASH** (add Line 1 and Line 2 together for Total Cash)\$ _____
4. **EXPENSES/DISBURSEMENTS** (must include outstanding checks).....\$ _____
5. **BOOK BALANCE ON HAND** as of June 30, 20 _____ (subtract Line 4 from Line 3).....\$ _____ ★
6. **TOTAL ACCOUNT/BANK STATEMENT BALANCE** as of June 30, 20 _____.....\$ _____
7. **OUTSTANDING CHECKS** (write total amount of outstanding checks).....\$ _____

Date of Check	Check #	Amount of Transaction

8. **Balance in Checking Account** (Subtract Line 7 from Line 6).....\$ _____ ★

★ **Reconciliation Note:** Line 5 and Line 8 must be the same to balance the PTA books to bank. If Line 5 and Line 8 are not equal, your audit report is not reconciled. Re-check outstanding checks and deposits.

Filling out the PTA Annual Audit/Financial Review Form (Step 1)

- Print copies of the blank report to use as worksheets
- Audit period will begin on the day after the end date of the last audit (#A)
- Audit period will end on one of the following: (#B)
 - Last date of the fiscal year – June 30
 - Date of audit if treasurer is leaving office
- **1. Book Balance on Hand** is equal to ending balance of last audit (#1)

Dates covered by this Audit/Fiscal Year: July 1, 20 A to June 30, 20 B
Check numbers covered by this audit: Beginning check # C Ending check # D

1. **BOOK BALANCE ON HAND** (as of last audit on June 30th of previous year).....\$ 1

Filling out the PTA Annual Audit/Financial Review Form (Step 2)

Dates covered by this Audit/Fiscal Year:

July 1, 20 A to June 30, 20 B

Check numbers covered by this audit:

Beginning check # C Ending check # D

1. **BOOK BALANCE ON HAND** (*as of last audit on June 30th of previous year*).....\$ 1

- List only the checks written during the period of the audit (1st check written **#C** and the last check written **#D** before the date listed in item **#B** (covered dates))
- Book Balance on Hand – this amount (**Line #1**) **MUST MATCH** the amount in the checkbook as of the ending date of this audit!

Filling out the PTA Annual Audit/Financial Review Form (Step 3)

1. BOOK BALANCE ON HAND (<i>as of last audit on June 30th of previous year</i>).....\$	<u>1</u>
2. RECEIPTS/INCOME <i>received since last audit</i>\$	<u>2</u>
3. TOTAL CASH (<i>add Line 1 and Line 2 together for Total Cash</i>)	<u>3</u>

Add up receipts and disbursements

- 2. Receipts/Income
 - Add up all deposits, interest, voided checks that have been re-entered, and any positive adjustments - place that amount on line 2
- 3. Total Cash
 - Add the amounts listed on lines 1 and 2 and place that amount at line #3

This is your total cash for the school year

Filling out the PTA Annual Audit/Financial Review Form (Step 4)

3. TOTAL CASH (add Line 1 and Line 2 together for Total Cash)	\$	<u>3</u>
4. EXPENSES/DISBURSEMENTS (must include outstanding checks).....	\$	<u>4</u>
5. BOOK BALANCE ON HAND as of June 30, 20 <u> </u> (subtract Line 4 from Line 3).....	\$	<u>5</u> ★

Disbursements

- Add all disbursements listed in the checkbook registry/ledger including:
 - All checks written
 - All electronic payments
 - Any voided checks that were subtracted from the checkbook balance
 - Any negative adjustments to the account
- Record total checkbook disbursements on line 4
- Subtract disbursements (#4) from Total Cash line #3 and record result as Book Balance on Hand (line #5) as of the end of the fiscal year

Filling out the PTA Annual Audit/Financial Review Form (Step 5)

5. **BOOK BALANCE ON HAND** as of June 30, 20 ___ (subtract Line 4 from Line 3).....\$ 5 ★

6. **TOTAL ACCOUNT/BANK STATEMENT BALANCE** as of June 30, 20 ___.....\$ 6

7. **OUTSTANDING CHECKS** (write total amount of outstanding checks).....\$ 7

Date of Check	Check #	Amount of Transaction

8. **Balance in Checking Account** (Subtract Line 7 from Line 6).....\$ 8 ★

★ *Reconciliation Note: Line 5 and Line 8 must be the same to balance the PTA books to bank. If Line 5 and Line 8 are not equal, your audit report is not reconciled. Re-check outstanding checks and deposits.*

- The balance from the last bank statement is placed on line #6
- On line #7 all outstanding checks will be listed (if you need additional room you can list on a separate sheet) – total of all outstanding checks will then go on line 7
- Line 5 and Line 8 both have an * these lines MUST MATCH!! Line 8 MUST MATCH what is in your checking account!! If these do not match, the books are not balanced and you must review your deposits and expenses

Filling out the PTA Annual Audit/Financial Review Form (Step 6)

If receipts reported on line 2 is greater than or equal to \$50,000, and **your average gross receipts for the past (3) years are greater than \$50,000**, YOU MUST COMPLETE THIS SECTION below to calculate the Gross Income and Total Expenses to be used on your IRS Form 990EZ or 990 (long form).

9. Total Members Paid for this Fiscal Year	<u>E</u>	x	<u>\$ 3.50</u>	= (Payments made to FPTA)	\$	<u>9</u>
10. Subtract line 9 from line 2 to calculate Gross Receipts used for IRS reporting on Form 990					\$	<u>10</u>
11. Subtract line 9 from line 4 to calculate Total Expenses used for IRS reporting on Form 990					\$	<u>11</u>

This audit must be completed before filing the IRS 990. Please provide a copy of this audit to the person preparing your Form 990.

- In Block E you will place the number of members who have paid due during the audit period
- Follow the instructions for line 10 and 11 (these are the amounts that will be used on your IRS Form 990)

Filling out the PTA Annual Audit/Financial Review Form (Step 7)

This is the last step the audit committee will need to accomplish.

They will check the appropriate box and all 3 members of the committee will sign

PLEASE CHECK ONE:

I (We) have audited the books and find them to be correct.

I (We) have audited the books and found the following problems and or/make these suggestions.

I (We) have audited the books and found significant problems that must be reported to Florida PTA immediately for assistance.

AUDIT COMMENTS REQUIRED: If the audit committee finds missing funds, inadequate records, or if standard best practices and accounting procedures are not used, please attach detailed findings and recommendations.

I (We) have attached our findings/recommendations to this form.

<hr/> Auditor 1 /Reviewer Signature <input type="checkbox"/> Professional Auditor or CPA <hr/>	<hr/> Auditor 2 /Reviewer Signature <hr/>	<hr/> Auditor 3 /Reviewer Signature <hr/>
<hr/> Printed Name Auditor 1/Reviewer	<hr/> Printed Name Auditor 2/Reviewer	<hr/> Printed Name Auditor 3/Reviewer
<hr/> Current President's Signature	<hr/> Current Treasurer's Signature	<hr/> Date

FLORIDA PTA COMPLIANCE: (1) A copy of the signed and dated **Audit Report** must be submitted to Florida PTA annually (2) **ALL ORIGINAL SIGNATURES ARE REQUIRED ON PAGE 2 (Florida PTA does NOT accept electronic signatures.)** (3) Once the appropriate 990 is filed with the IRS, on or before November 15, you are required to forward an "accepted" copy of the 990N or a complete signed and dated copy of the 990EZ or 990 Long Form to Florida PTA. Include copies of all 990EZ and 990 Schedules.

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Filing Procedures

Once you have the completed and signed audit back:

- You (the treasurer) are required to either email, fax or mail a copy of the completed, signed and dated copy of the audit report to Florida PTA no later than August 31st each year
 - Email: audit@floridapta.org
 - FAX: 407-240-9577
 - Mail a copy: Florida PTA, 1747 Orlando Central Parkway, Orlando FL 32809
- You are also required to upload the completed audit into Memberhub under the compliance tab and ensure a copy of the audit is also sent to treasurer@hccptapta.org

This audit must be completed before you can file the IRS 990 which is due November 15th each year. You do not have to wait until then, once your audit is done, you have the information you need to complete your IRS form 990!!

You do not need Florida PTA to confirm or approve the audit before filing your 990

Conclusion/Questions

- Congratulations! You have completed your unit's Audit!
- Don't forget to start your IRS Form 990 once the audit has been completed and sent to Florida PTA!!
- For assistance in conducting your unit audit, Contact Hillsborough County Council Treasurer at
 - treasurer@hccptapsa.org

- Questions???