

Parent Association Financial Affairs

Welcome!

The Office for Family Information and Action (OFIA) has designed this professional development session to provide PA/PTA leaders with information on how to keep track of their financial affairs.

This specific presentation will focus on the role of the Treasurer and PA/PTA financial reporting. All the guidelines in this presentation adhere to Chancellor's Regulation A-660 (CR-A660).

What is a Parent Association?

- Under State Education Law, Section 2590, every New York City public school is required to form a Parent Association.
- All PA/PTA bylaws must comply with the current Chancellor's Regulation A-660.
- The PA/PTA is a school-based membership organization whose activities are expected to be aligned with the educational goals of the school community.
 - While the specific roles of PA/PTAs vary, among their responsibilities are electing parent members to serve on School Leadership Teams and Community Education Councils, conducting outreach to get other parents involved in school life, and supporting school activities like Parent Teacher Conferences, school open house, curriculum nights and other school functions.

What is a Parent Association?

- PA/PTA must attain their own New York State Tax Exempt Number to purchase items exempted from the sales tax.
 - DOE's tax number must not be used by the PA/PTA.
 - Contact the New York State Taxation and Finance for assistance: 1-800-698-2909.
- If a PA/PTA desires to become a 501(c)(3) organization, they must retain their own counsel and must abide with all applicable laws, policies, rules, regulations, bylaws and other requirements.
 - Contact the IRS for assistance: 1-800-829-1040.

PA/PTA Financial Record Keeping: Basic Responsibilities

- PA/PTA must develop its own bylaws, elect officers, and hold regular meetings. A bylaws template can be downloaded from: <http://schools.nyc.gov/parentleadership> (bylaws must be approved by membership).
- PA/PTAs are responsible for their own financial transactions and record-keeping, which includes but is not limited to the maintenance of all records such as receipts for purchases, memos of reimbursement, and bookkeeping records.
- Treasurers are primarily responsible for the maintenance of all records relating to the financial transactions of the organization. The treasurer must ensure that complete and accurate financial records are maintained and updated regularly.

NOTE: PA/PTAs are responsible for any debts they incur. The school, district, or DOE are not responsible for debts incurred by the PA/PTA.

PA/PTA Financial Record Keeping: The Role of the Treasurer

- The Treasurer is responsible for receiving and distributing the money for the PA/PTA. Each PA/PTA's bylaws must state the Treasurer's general duties and responsibilities (see *Robert's Rules of Order – Newly Revised*, p. 161).
- The Treasurer must preserve and safeguard all financial records of the association.
- The Treasurer must prepare and distribute a written report at every executive board and general meeting.
 - This report must include a statement of all transactions, including income /refunds / reimbursements and other expenditures, as well as opening and closing balances for the reporting period.
 - Copies of the PA/PTA Treasurer's report must be given to the principal and posted on the parent bulletin board (if available).

PA/PTA Financial Record Keeping: What are Financial Records?

- Financial records are all records that reflect income, expenditure, refunds and any other financial transaction.

Examples of financial records:

- Bank Statements, ledgers (receipts and disbursements), deposit slips, cancelled checks, voided checks, purchase orders
- Vendor Contracts
- Invoices (paid and outstanding)
- Resolutions
- Receipts
- Checkbooks
- Employer Identification Numbers (EIN)
- Tax Exempt Certificates
- Proposed and Approved Budgets
- Annual Financial Report
- Interim Financial Report
- Treasurer's Report
- Financial Activity Report
- PA/PTA minutes related to the financial transactions

PA/PTA Bank Accounts: Checking Accounts

- PA/PTA funds must be deposited into checking accounts that are opened/established in the name of the association.
- To apply for a banking account the PA/PTA must acquire their own Employee Identification Number (EIN) from the Internal Revenue Services (IRS)*.
 - The EIN must be kept on file with the principal.
- Checks must be signed by two officers. The bylaws must state at least three different officers who will be eligible signatories.
 - Checks may not be written to “petty cash” as the payee. Doing so is a violation of Chancellor’s Regulation A-660.
- The PA/PTA may not use ATM cards or withdrawal slips.

***Contact the IRS at 1-800-629-4933**

PA/PTA Fundraising

- EIN must be obtained prior to conducting any fundraising activities.
- Fundraising activities that involve students and take place during school hours are limited to two per year. However, there are no restrictions on the number of fundraisers held during non-school hours.
 - See Chancellor's Regulation A-610 for additional information.

PA/PTA Fundraising: Revenue

- Activities conducted during school hours that involve the participation of students and staff must be planned with the principal.
 - The principal's written consent is needed if the fundraiser is on school property or involves students.
- Association members must approve fundraising activities during meetings, and the approval must be reflected in the minutes of that meeting.

PA/PTA Fundraising: Revenue

- Proceeds from fundraising must be used to enhance the education, social and cultural programs of the school.
- PA/PTA must deposit all funds received from fundraising in the organization's checking account within one business day. If this is not possible, the association has three days to deposit the funds to the organization's checking account.
- The funds must be secured in a locked location on school grounds.
 - Before securing funds at the school, the PA/PTA needs a record of the funds being secured, which shall include the dollar amount being secured and the signature of the principal.

PA/PTA Fundraising: Fundraising Activity Report

- The executive board must prepare a Fundraising Activity Report after each fundraiser.
 - The Fundraising Activity Report must include the total amount of funds received and the related expenses.
 - The Fundraising Activity must describe the program goals for which the funds will be used as support .
- The report must be distributed to the members at the next meeting.
- A copy of the report must be provided to the principal no more than five school days after the fundraiser.
 - Financial Activity Reports may be found at <http://schools.nyc.gov/parentleadership>

PA/PTA Fundraising: Fundraising Activity Report



Fundraising Activity Report

PA: MUST BE FILED WITH THE PRINCIPAL
PC: MUST BE FILED WITH THE SUPERINTENDENT

Please check and complete only one:

- PA School Name: _____ District or Borough: _____
 PC District or Borough: _____

This report must be completed no more than five school days after the conclusion of *each* fundraising activity.

Fundraising Activity Title: _____ Fundraising Activity Date: _____

Briefly describe the fundraising activity:

Fundraising Activity Profit

Total Gross Income – Total Expenses (including all vendor payments) = Fundraising Activity Profit

Total Gross Income*:	-	Total Expenses*:	=	Fundraising Activity Profit
\$		\$		\$

Describe the program goals the funds will be used to support:

Date Fundraising Activity Report was distributed to Members:	
Date Fundraising Activity Report was distributed to the Principal/Superintendent:	
Prepared By (print):	
President Signature:	Date:
Treasurer Signature:	Date:

* Detailed financial records documenting all income and expenses related to fundraising activities are maintained by the PA or PC. PA and PC

PA/PTA Budget Process: Bylaws

- The organization's budget process must be included in the bylaws. The bylaws template developed by OFIA outlines the following practices which—at minimum—must be followed by the PA/PTA:
 - The counting and handling of any cash, checks, or money orders received by the PA, must be completed by at least 2 PA members. These PA members cannot be related by blood or marriage. Funds must be counted in the school on the same day of receipt. The PA's financial records must display the total amount of funds and the signatures of the PA members who participated in counting the funds.
 - No parent or staff member shall collect fundraiser proceeds from any student without written approval from the principal.
 - All funds shall be deposited in the bank account by authorized executive board members within 24 hours of receipt, whenever possible. No funds shall be kept in a member's home but shall be secured and locked in the school. PA funds must be taken to the bank for deposit by at least 2 authorized members.
 - Documentation related to every transaction must be **maintained at the school** (e.g., cancelled checks, deposit receipts, purchase orders, PA minutes related to the financial transactions, etc.)

PA/PTA Budget Process: Proposed Budgets

Steps To Preparing A Proposed PA Budget

1. The outgoing PA/PTA executive board or the budget committee must review the current budget, annual financial status, accounting, expenditures and outstanding bills and create a proposed budget for the following school year in May.
2. The general members must approve the budget by June.
3. Once approved, it must be filed with the principal.
4. The incoming executive board must review the projected budget in September; any amendments may be addressed during the September meeting.

PA/ PTA Financial Transactions: Membership Approval

- PA/PTA members must approve all the expenditures of funds during a regularly scheduled meeting where a quorum is achieved.
 - The approval must be included in the meeting minutes.
- The bylaws must state the process that allows the executive board to authorize emergency expenditures.
 - It must address what constitutes an emergency expenditure, the maximum dollar amount that may be allocated, and a timeline for reporting this to the members.
 - The members must vote on whether the emergency expenditure was an appropriate use of funds during the next meeting.

PA/PTA Financial Transactions: Restrictions on Expenditures

- All funds received must be itemized/specified in the Fundraising Activity Report and must be used for the designated function.
- Contributions to candidates for CEC, CCES, CCHS or CCELL membership, political parties, political groups or sectarian groups are prohibited.
- PA/PTA donated funds cannot be used for the school to hire teachers who instruct core subjects such as Math, Science, English and History.

PA/PTA Financial Transactions: Out- of- Pocket Expenditures

- Out-of-pocket expenses will be reimbursed only if the PA/PTA member submits receipts.
 - Reimbursements must be made only by check payable to the member.
- Reimbursements must be approved by the members.
 - If possible, membership approval should be obtained prior to making these expenses.
- The bylaws should define out-of- pocket expenses and the maximum sum the members can be reimbursed.

PA/PTA Financial Record Keeping: Interim and Annual Financial Reports

- Interim Financial Report must be prepared, shared with the membership and submitted to the principal by January 31st.
- Annual PA/PTA Financial Report must be prepared, shared with the membership and submitted to the principal by June 30th.
- Interim and Annual Reports may be found at <http://schools.nyc.gov/parentleadership>.

PA/PTA Record Keeping: Interim and Annual Financial Reports



Interim PA Financial Report

MUST BE FILED WITH THE PRINCIPAL BY JANUARY 31ST

School Name: _____ District or Borough: _____

INCOME	
Income Source	Amount
Beginning Balance as of 7/1/20__	\$
Membership Dues	\$
List below all other sources of income. List each fundraising activity separately. Include all gifts and contributions received. ¹ Amounts listed must be gross receipts, not profits.	
<i>e.g., Candy Sale, Picture Sale, Flower Sale, Green Market, etc.</i>	\$
	\$
	\$
	\$
	\$



Annual PA Financial Report

MUST BE FILED WITH THE PRINCIPAL BY JUNE 30TH

School Name: _____ District or Borough: _____

INCOME	
Income Source	Amount
Beginning Balance as of 7/1/20__	\$
Membership Dues	\$
List below all other sources of income. List each fundraising activity separately. Include all gifts and contributions received. ¹ Amounts listed must be gross receipts, not profits.	
<i>e.g., Candy Sale, Picture Sale, Flower Sale, Green Market, etc.</i>	\$
	\$
	\$
	\$
	\$

PA/PTA Financial Record Keeping: Record Retention

- All PA/PTA records must be kept for 6 years.
- PA/PTA must store records in the school. The school must provide a locked location for the storage of PA/PTA records.
- It is vital to secure these records because internal audits will be conducted by PA/PTA committees.
- If possible, the principal should designate a file cabinet, a room, or other space for PA/PTA use.

PA/PTA Financial Record Keeping: Process for Requesting a Review of the PA/PTA's Records

- A **written request** from the PA/PTA member, identifying the items to be reviewed, should be submitted to the executive board.
- The PA/PTA executive board shall provide copies of the requested items within a reasonable amount of time.
- Financial records must be reviewed in the presence of the executive board members not affiliated with the request.
- A review sheet that lists the assessed documents must be signed by all the members present.

PA/PTA Financial Records Keeping: June Transfer of Records

- Outgoing executive board members are required to arrange for the orderly transfer of records to the incoming executive board members.
- The outgoing treasurer must assist the incoming executive board with the June transfer of PA/PTA financial records by explaining the details and history of all programs and expenses documented for the school year.
- If there are outstanding debts, the outgoing treasurer must explain the reason the debts were not paid and provide the incoming executive board all the related documentation of invoices and correspondence.

PA/PTA Corrective and Disciplinary Action: PA/PTA Audits

- If a PA/PTA member believes that the association is engaging or has engaged in irregular financial practices, the member has a right to request an audit of the financial records.
- An external audit conducted by OFIA or a designee of the Chancellor may be appropriate when a grievance is filed or serious allegations are raised.
- If an audit of a PA/PTA's financial records reveals financial discrepancies or wrongdoing, the auditor or audit committee must forward a statement to OFIA.

PA/PTA Corrective and Disciplinary Action: Inappropriate Financial Practices

- The Chancellor or OFIA may order corrective or disciplinary action to address financial discrepancies or wrongdoing.
- OFIA may recommend specific action and suspend fundraising activities of a PA/PTA, where a member or members have been found responsible for inappropriate financial practices, including recklessness or a failure to safeguard PA/PTA funds.
 - A PA/PTA member found responsible for financial discrepancies or wrongdoing may be removed from PA/PTA office and prohibited from subsequently serving on any local, district or citywide parent organization.
- Allegations of criminal wrongdoing on the part of a PA/PTA member must be reported to OFIA and the police.



Best Practice Tips!

- Use binders to store documents.
- Record each transaction as it occurs in the ledgers.
- Maintain a duplicated pre-numbered receipt book.
- Receipts must be provided to anyone who pays or offers a cash donation to a PA/PTA.
- Limit financial records to authorized personnel only.

Information and Resources:

<http://schools.nyc.gov/offices/ofea/parentleadership/>

The screenshot shows a web browser window with the title "Parent Leadership - Family Engagement and Advocacy - New York City Department of Education - Network Technologies". The address bar shows the URL <http://schools.nyc.gov/offices/ofea/parentleadership/>. The page content includes a search bar, a navigation menu on the left, and a main content area with the following sections:

- Department of Education**
Joel I. Klein, Chancellor
- Family Engagement and Advocacy**
 - Parent Leadership**
 - Message from Chancellor Joel I. Klein
 - As we all know, our students are more likely to succeed in school when their parents promote their learning outside of the classroom. Becoming an active partner in your child's education, both at home and at school, is critical to raising his or her achievement. In New York City, we are committed to making it as easy as possible for parents to get involved and we offer a variety of opportunities to participate. This page provides information about different parent organizations, plus tools you can use to stay on top of your child's progress and make the best choices for his or her future.
 - PAs & Presidents' Councils**
 - What are PAs & Presidents' Councils?

At the bottom of the main content area, there are five icons representing different resources: Forms & Resources, Submit Grievance, Calendar, Training & Information, and Laws & Regulations.

Questions

THANK YOU