



Chancellor's Parent Advisory Council (CPAC)

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PA/PTA Financial Best Practices

All PA/PTA financial transactions must be carried on as transparently as possible. Err on the side of transparency and redundancy. Always leave a paper trail. Read Chancellor's Regulations A-660.

PAs and PTAs are responsible for their own financial affairs.

- Decisions regarding the use of PA/PTA funds belong to the parents.
- Neither principals nor staff can dictate how PA/PTA funds are spent, although we encourage collaboration.
- Parent coordinators may not handle PA/PTA funds.
- The general membership of a PA/PTA must be involved in the planning of all fundraising efforts and the expenditure of funds. Membership approval must be reflected in the minutes of the meeting.
- Neither PA/PTA presidents nor their Executive Boards make fundraising or expenditure decisions alone, with the exception of emergency expenditures as defined in the PA/PTA bylaws.
- PAs and PTAs should present a proposed budget to the general membership for approval no later than the June general membership meeting.

PA/PTAs must obtain their own EIN from the IRS to open their bank account and conduct fundraising activities.

PA/PTAs must obtain their own New York State Tax Exemption Number for the purpose of purchasing items on a tax-exempt basis.

All PAs and PTAs must maintain a checking account.

- Depositing funds
 - Bylaws must establish a process for counting, securing, and depositing funds received. Usually at least two parents should count cash received through a fundraiser.
 - PA/PTAs must make every effort to deposit all cash received from a fundraising activity within one business day, but in any event, no longer than three business days.
 - All PA/PTA funds must be deposited into the checking account.
- Maintaining the checkbook
 - PA/PTAs must use a check book that provides a stub or carbon copy of each check.
 - No checks should be presigned.
 - Checks cannot be made out to "cash."
 - The treasurer should keep a running balance in the checkbook, with all deposits and checks clearly recorded.

- The treasurer should complete a monthly reconciliation of the PA/PTA checkbook and the monthly bank statement.
- Signatories on the bank account
 - The PA/PTA bylaws must designate three members of the Executive Board as signatories on the PA/PTA bank account.
 - All checks must be signed by two members of the Executive Board.
 - No two signers on a check can be related by blood or marriage.
 - Signatories cannot sign checks made out to themselves or relatives.
 - The treasurer should write and sign all checks (when possible), except those made out to the treasurer.

PAs and PTAs CANNOT use ATM cards, debit cards, or withdrawals slips.

Fundraising

- All fundraising activities must comply with Chancellor's Regulation A-650 (on Flea Markets), A-610 (on Fundraising Activities and Collection of Money from Students), and A-812 (on the Sale of Nutritious and Non-Nutritious Food).
- PA/PTA fundraising activities involving students during instructional hours are restricted to 2 per year.
- There are no restrictions on the number of fundraising activities during non-instructional hours.
- The principal's written consent is only required when the fundraising activity is held during school hours or on school property.
- Receipts must be given to parents who make cash donations – part of the paper trail.

Reports by the Treasurer

- At every monthly PA/PTA meeting, the treasurer must provide the membership with a Treasurer's report that includes a statement of all transactions, including income, refunds, reimbursements and other expenditures, and opening and closing balances for the reporting period. This report should be in writing.
- An Interim PA/PTA Financial Report must be prepared by the PA/PTA and submitted to the principal by January 31st of each school year.
- An Annual PA/PTA Financial Report must be prepared by the PA/PTA and submitted to the principal by June 30th of each school year.

PA/PTAs must keep all financial records for a period of 6 years.

- Leave a paper trail! Financial records must include interim and annual financial reports, bank statements, checkbook ledgers, deposit slips, minutes approving financial actions, and invoices. If applicable, cancelled or voided checks, vendor contracts, inventory lists of purchased or donated items, copies or records of tax exempt forms submitted for purchases, and any other records reflecting income, expenditures or any financial transactions must also be maintained.
- PA/PTA financial records must be available for inspection by members upon written request and reasonable notice, and at a mutually agreeable time. (See CR A-660 for details)
- We encourage PAs and PTAs to conduct periodic internal audits. (See CR A-660 for details)