

# PTA AUDIT / FINANCIAL REVIEW FORM (PAGE 1 OF 3)



**Purpose:** To remain in compliance with the bylaws, be in good standing and to verify funds raised and spent by the unit.

**Instructions:**

- The Board of Directors must select an auditor or auditing committee no later than two weeks prior to the end of the school year. Refer to Bylaws, Article VII, Section 4.
- The treasurer shall submit to the auditor(s) all financial records and forms listed below.
- Local units and councils should scan and email the audit/financial review form to [audit990@georgiapta.org](mailto:audit990@georgiapta.org) or mail to Georgia PTA, 114 Baker St. NE, Atlanta, GA 30308-3366. Audits must be sent in by the last business day in September. You must also send a copy to your local council, if applicable, or to your district Director if there is no council.

Date <u>2/10/2019</u>		PTA Local Unit ID# <u>28543</u>	
District <u>10</u>	Council <u>Atlanta</u>	PTA Name <u>Maynard H Jackson High School PTA</u>	
Contact Person <u>Isis Dukes</u>		PTA Position <u>Treasurer</u>	
Address		City	
State	Zip	Email	
Cell Phone		Home Phone	

**Auditor/Auditing Committee: Please complete all sections.**

Year 20\_\_ - 20\_\_

PTA, please mark PTA boxes in Section A for documents you are providing.

**Section A: Please check all Financial records provided**

PTA	Auditor	
	<input checked="" type="checkbox"/>	Checkbook register (a listing of all checks)
	<input checked="" type="checkbox"/>	All bank statements
	<input checked="" type="checkbox"/>	All funds verification forms and deposit slips
	<input checked="" type="checkbox"/>	All check request forms with receipts/bills attached
	<input checked="" type="checkbox"/>	All treasurer's reports
	<input checked="" type="checkbox"/>	Adopted budget and approved amendments
	<input checked="" type="checkbox"/>	Copies of all minutes (board, executive and general)
	<input checked="" type="checkbox"/>	Copy of local unit bylaws

PTA	Auditor	
	<input checked="" type="checkbox"/>	General ledger report (list of all receipts/disbursements)
	<input checked="" type="checkbox"/>	The annual financial report (profit and loss statement)
	<input checked="" type="checkbox"/>	Cancelled checks or bank images from bank statement
	<input checked="" type="checkbox"/>	Copy of insurance
	<input checked="" type="checkbox"/>	All treasurer's reports
	<input checked="" type="checkbox"/>	Itemized statements and receipts of bills paid <u>yes</u>
	<input checked="" type="checkbox"/>	Copy of last year's audit report and 990 or 990N <u>no</u>
	<input checked="" type="checkbox"/>	Copy of the final bank statement for the last audit period

**Section B: To be completed by the Auditor ONLY**

Y N

- a. Does the amount shown on the first bank statement (adjusted for outstanding checks and deposits) correspond to the starting balance recorded in the checkbook register, ledger, treasurer's reports and ending balance of the last audit?
- b. Were the bank statements reconciled monthly by the treasurer and signed by the president and another person not authorized to sign checks or related to the signers?
- c. Did all the checks written contain two (2) signatures? President, treasurer or one another elected officer?
- d. Were all checks properly recorded in the checkbook register, ledger or treasurer's reports?
- e. Were all bank charges and interest recorded in the checkbook register, ledger and treasurer's reports?
- f. Did the PTA purchase insurance? Not in special audit period.
- g. Were all authorizations approved by the president or their designee and contain receipts?
- h. Did the PTA make payments by a PTA credit or debit card?
- i. Did the PTA use the Funds Verification Forms?
- j. Were all funds received counted by two persons with the treasurer being the third counter?
- k. Did the funds received match the deposits recorded in the checkbook register, ledger and treasurer's reports?
- l. If the PTA accepts payment by credit/debit cards (e.g. PayPal) are those funds reconciled and posted in the register?
- m. Did you receive a copy of the approved/amended budget?
- n. Was the income spent according to the approved/amended budget?
- o. Did the general meeting minutes contain budget approval?
- p. Did the general meeting minutes include all budget amendments?
- q. Did the general meeting minutes include the audit report approval?
- r. Do the membership numbers match? \_\_\_\_\_ # of memberships collected? \_\_\_\_\_ # of membership dues submitted to the state?

**Please contact and return the completed audit to the new incoming treasurer. The outgoing treasurer needs to sign the audit form before handing over to the auditor/audit committee.**

Outgoing Treasurer's Signature \_\_\_\_\_ Date \_\_\_\_\_

Outgoing Treasurer's Daytime Phone \_\_\_\_\_ Email \_\_\_\_\_

Incoming Treasurer's Name Isis Dukes Daytime Phone \_\_\_\_\_ Email \_\_\_\_\_

**PTA AUDIT/FINANCIAL REVIEW FORM (PAGE 2 of 3)**



Year 20 18 - 20 19 Special Midyear Audit  
 Date 2/10/2019  
 PTA Name Maynard H Jackson High School PTSA PTA LU ID # 28543  
 Council Atlanta (District 10) District 10  
 Dates covered by this audit/financial review from: 7/01/2018 to: 01/31/2019

- 1. Balance on Hand (From Date of Last Audit)..... \$ 9,296.96
- 2. Receipts (From last audit to date of audit)..... \$ 22,102.60
- 3. Total Cash (add 1 and 2 together)..... \$ 31,399.56
- 4. Disbursements (From last audit to date of audit)..... \$ 14,446.81
- 5. Balance on Hand (Date of Audit, subtract line 4 from line 3)..... \$ 16,952.71
- 6. Bank Statement Balance as of 01/31/2019 (date) ..... \$ 16,952.71

7. Checks Outstanding (List check number and amount)

Check #	Amount	Check #	Amount
<u>5010</u>	<u>\$101.25</u>	_____	_____
<u>5011</u>	<u>\$236.00</u>	_____	_____
<u>5009</u>	<u>\$246.66</u>	_____	_____

- 8. Total Outstanding Checks..... \$ 583.91
  - 9. Balance in Checking Account (Subtract line 8 from line 6)..... \$ 16,368.80
- Note: Amounts on line 5 and 9 should be the same.

**Only one line can be checked, if there are any findings (even minor) line 2 must be checked:**

- 1.  I (We) have audited the books and find them to be correct.
- 2.  I (We) have audited the books and found the following problems and/or make these suggestions. Problems/suggestions must be noted on page 3 of the audit form.
- 3.  I (We) have audited the books and found significant problems that must be reported to the district PTA immediately for assistance. Please document finding on page 3 of the audit form.

<u>[Signature]</u> Auditor/Reviewer Signature	<u>[Signature]</u> Auditor/Reviewer Signature	<u>[Signature]</u> Auditor/Reviewer Signature
<u>Andrea Knight</u> Auditor/Reviewer Printed Name	<u>Shannon Sanders</u> Auditor/Reviewer Printed Name	<u>Myron Polster</u> Auditor/Reviewer Printed Name
_____ Auditor/Reviewer Phone Number	_____ Auditor/Reviewer Phone Number	_____ Auditor/Reviewer Phone Number
_____ Outgoing President's Signature (mandatory)	_____ Outgoing Treasurer's Signature (mandatory)	_____ Date

The auditor/auditing committee report must be in writing and submitted with the audit. If the auditor/committee finds there are not adequate records or inappropriate accounting procedures used, this information should be noted.

Note: A copy of the Financial Review/Audit must be submitted to Georgia PTA by the last business day in September. Once the appropriate 990 is filed with the IRS, please submit the IRS filing verification form and appropriate documents to Georgia PTA.

**PTA AUDIT/FINANCIAL REVIEW FORM (PAGE 3 of 3)**



Year 20 18 - 20 19 Special

Date 2/10/2019

PTA Name Maynard H Jackson Jr High School PTSA LU ID # 28543

Council Atlanta District 10

**This page must be completed if any of the following occur:**

- Any of the required documents from section A are not provided.
- Any of the boxes in section B are marked with a no.  
"Exception: letter h. Did the PTA make payments by a PTA credit or debit card? Should be no, if yes, it must be noted."
- If line 2 or 3 are marked on page 2.

*See attached.*

## Exceptions for Special Audit for Maynard H. Jackson High School PTSA

- Bank statements were not signed by president and another person not authorized to sign checks or related to signers. The outgoing treasurer reported bank statements were entered into an online Quickbooks account that was reviewed periodically by the accountant paid by PTA.
- Checks written through early December were signed only by the treasurer. The outgoing treasurer reports she was the only authorized signer on the account. Checks written after the treasurer reports the president was added as an authorized signer do contain double signatures. Check numbers for the checks signed only by the treasurer and budget categories: 3051 (school store); 3055 (school store); 3058 (school store); 3059 (hospitality); 2080 (hospitality); 3081 (grants); 5004 (school store); 5005 (membership); 5003 (disbursement of class of 2019 funds); 5001 (hospitality).
- PTA chapter did not purchase insurance during the special audit period. From records it appears premiums are due in April.
- Two checks were written without a check request form:
  - Directly to the Center for Civil and Human Rights in response to a board approved disbursement out of the grants line item.
  - Directly to a senior class parent with supporting email exchanges.
- Only two check request forms contained all three signatures (requester, president/approver and treasurer). Most remaining forms were signed by requester and treasurer.
- All but one funds verification forms for cash collected were signed by two people. An officer other than the treasurer collected the cash for the insufficiently signed form. A few funds verification forms for checks were not signed by two people.
- According to the Georgia PTA form, deposits are to be made within 24 hours of receipt. The committee felt this was an onerous requirement PTA imposes on local chapters. However, the committee noted some excessive delays in deposits being made. Deposits on January 10, 2019 included cash with verification form dated 9/14, a check written on 9/27 with verification form dated 12/10, a check written on 11/02 with a verification form dated 12/19. It's unclear the date the outgoing treasurer received all records necessary for the deposit.
- Records for all deposits included copies of the bank receipt with the exception of two of four deposits made on 11/28.
- Income and expenses generally were in keeping with the approved budget with exceptions. The committee confirmed \$14,446.81 in disbursements since the last audit plus \$583.91 in outstanding checks for total disbursements made plus

pending disbursements of \$15,030.72. The committee disbursements by budget category were:

- \$1,556.25 to Georgia PTA (budget \$1,200.00).
- \$ 246.66 accountant (budget \$350.00)
- \$ 936.66 class of 2019 (budget \$631.00)
- \$ 236.00 class of 2020 (budget \$236.00)
- \$ 204.00 enrichment grants (budget \$3,500.00)
- \$ 728.93 hospitality (budget \$800.00)
- \$8,759.50 school store (budget \$6,000.00)
- \$1,481.38 fundraising (budget \$1,800.00)
- \$ 500.00 sunshine project (budget \$2,000.00)
- \$ 311.12 supplies (budget \$150.00)
- \$ 59.94 printing (budget \$200 prior to 01/19 amendment; \$0 after)
- Expenses not in accord with the budget:
  - The PTA unit paid its PTA dues to Georgia PTA without amending its budget to approve an increase in the line item for Georgia PTA dues.
  - Without amending its budget, the PTSA expended \$9,286.05 (\$3,268.05 over the budgeted amount). The executive committee was consulted prior to the expense being incurred and indicated their support. It seems executive committee intended to present a budget amendment at the December membership meeting but the amendment was not presented.
  - The 2018-19 PTA budget allocated \$631.00 to be distributed to the class of 2019 because prior PTA boards reported the class had raised those funds in prior budget cycles. Class parents received \$936.94 without board or membership approval of the additional \$305.94. The treasurer records contain emails from class parents detailing \$305.94 raised for the class via participation in a PTA cheesecake sale in a prior year fundraiser.
  - The membership chair was reimbursed \$54.44 for reams of paper to incentive teacher memberships. That expense was recorded by the treasurer under the Georgia PTA dues category. The disbursement was in excess of the Georgia PTA dues line item at the time it was made. The committee recharacterized it for our report as supplies. It also exceeded the budget for that line item. It would have been in accord with budget if it had been under a different category.
  - The bank debited \$256.68 was autodebited from the account when double signature checks were ordered. This exceed the supplies budget (\$150.)
- From bank statements, the committee can determine funds are regularly transferred from PayPal and Square to the PTA bank account. The committee also reviewed printed reports from PayPal and Square that enabled the

committee to determine PayPal and Square revenue as of the dates of the reports had been transferred to the PTSA bank account. From Quickbooks reports, the committee can determine those PayPal and Square deposits are regularly entered into Quickbooks. The committee did not have independent access to Paypal or Square to fully verify.

- Membership meeting minutes include budget approval and approval of a budget amendment. Membership meeting minutes do not record that quorum was reached. Some audit committee members were present at those membership meetings and do have personal knowledge that attendance exceeded the 15 member quorum requirement and that the school maintains sign in sheets that document attendance exceeded 15.
- The special audit committee is working from a draft audit for the prior year that has not yet been adopted by the board or the membership.
- The treasurer has not maintained an independent count of membership numbers. The PTA's bylaws do not list that as a duty of the treasurer. The PTA's membership committee chair is a member of this audit committee. She reports dues are remitted to Georgia PTA based on membership committee records. She and the outgoing treasurer coordinate to ensure the treasurer's general receipts for membership proceeds matched the treasurer's records of funds paid by members.

### **Recommendations to this PTSA**

Given the complex process of managing funds in accordance with PTA forms and process, it would be helpful to build in more formal transition. We identify the following windows where transition could be supported.

- Prepare a document that lists where the treasurer will need login credentials (ex: bank, Quickbooks, Square and PayPal). Designate which officers should have access. Set timing for mandatory password changes.
- Ensure nominating committee is aware of the cooperation and record keeping requirements for president (or co-presidents), secretary and treasurer.
- During or upon adjournment of the annual election meeting in April:
  - Seek volunteers for the audit committee.
  - Discuss the process in general terms with the incoming president (or co-presidents), secretary and treasurer and remind those officers they will need to be added to the bank account by July 1.
  - Recommend to the incoming president (or co-presidents) and treasurer that they meet to discuss schedules and determine where and when they can regularly meet to sign documents and whether it would be helpful for

the president (or co-presidents) to formally designate to another board member the right to approve check request forms.

- Schedule a board meeting between the April elections and the end of school to formally appoint audit committee members and discuss financial transitions. During the meeting, encourage outgoing officers to speak directly with newly elected officers regarding details of cash verification forms, check request forms, double signatures and budget amendment.
- By August explain to the incoming president (or co-presidents) the importance of sending proposed agendas to the board to make it more likely all planned budget amendments are presented at membership meetings.
- By August, explain to all board members volunteers might wait more than a month to be reimbursed for necessary expenses fully supported by the board because of the need to obtain membership approval for budget amendments.
- By August, require check signing officers and invite all new board members to attend a formal training on PTA financial management rules.

### **Recommendations to Georgia PTA**

The audit committee recommends the Georgia PTA update its requirements. The committee sees benefit in maintenance of paper records. However, the reliance on paper and physical signatures seems an imposition on the time of volunteers with PTA chapters that exceeds the benefits. For example, at this time, to be reimbursed for an expense approved under the budget, a volunteer cannot simply email receipts with copies to the president and treasurer. Instead, there is a paper form that requires the requester, president and treasurer all physically sign. The committee hopes Georgia PTA will update to permit email authorization or alternatively provide through its website an e-signature check request process. The committee would like a similar update for cash verification forms. In regards to cash verification for check deposits, the committee is unsure why the Georgia PTA would require two signatures to verify the amount of a check. The committee would also suggest an evaluation of the requirement to initial physical copies of bank statements.