

TREASURER 101

- THE BASICS
- BUDGETS AND POWS
- PAYMENT REQUESTS
- DEPOSITS
- FORMS AND PROCESS



The Basics

Frisco High School PTSA operates under the 501(c)(3) tax-exempt status of the Texas PTA. As a DBA ("doing business as") under Texas PTA, we file our taxes under its EIN.

- Legal name: PTA TX Congress Frisco High School PTSA
- EIN (Tax ID #): 83-2440674

In order to maintain our tax-exempt status, we must always stay in "good standing" with Texas PTA. A majority of our bylaws come from the Texas PTA. As a result, most all of the procedures and rules we have in place are to ensure that we continue to meet their requirements and thus ensure our tax-exempt status.

For accounting and tax purposes, we operate on a CASH basis. This means that we recognize expenses and income as they occur.

- As a tax-exempt association, we are limited on the amount of money we can carry over from each year. If there is a large balance, it is "earmarked" for future expenses.
- We operate on the cash flow we generate during our current year.
 - Our fiscal year runs from July 1st through June 30th.
- We will ensure we have enough of a cash balance to cover summer expenses and startup expenses in the fall.
- However, we rely heavily on the cash flow/income generated from Memberships, Partnerships, and Fundraisers to fund the majority of our spending for the year.

Budgets and POWs

Budgets are binding.

- Per our bylaws, which again keep us in good standing with Texas PTA, we cannot reimburse expenses unless there is enough money left in the budget to cover those expenses.
- Budget changes, known as amendments, are first approved by the PTA Board and then taken to the General Membership for final approval.
- Until the first General Meeting in the fall, we are bound to the Summer Budget that was approved in the spring at that last General Meeting.

Summer Budget

- To cover any expenses that might be incurred during the summer, the Treasurer presents a Summer Budget at the last PTSA board meeting of the year.
 - This factors in the current year's actual expenses and income as well anticipates next year's needs.
 - Amendments reflecting budget line changes will be included.
- The Board votes on the Summer Budget with its amendments.
- At the last General Meeting in the spring, the Summer Budget will then be presented to and voted on by General Membership.
- The Summer Budget is then what each chairperson is held to until the fall.

Plans of Work (POWs)

- At the beginning of each fiscal year in July, we request each chairperson to review past expenses, consider goals for the upcoming year, and then submit a Plan of Work, known as a POW. This is the first step in creating our budget for the year.
 - The POW is an estimate of any income that a position may generate this year as well as an estimate of expenses that will be incurred. The numbers submitted for each line item may differ from those on the Summer Budget.
 - What is submitted on each POW is not guaranteed though. All POWs have to be factored together and plugged into the overall PTA budget.
 - Since income for the year is not yet known, we have to take a conservative approach. As such, some requested expenses may not necessarily be included, or may be reduced, when the Working Budget is proposed.

Working Budget

- The Board will approve the Working Budget at the first meeting of the year. It is developed based on the POWs, and as such, this is when each POW is approved (with or without modifications).
 - Once approved, this gives you the green light to execute your plans and spend your budget as approved.
 - We certainly understand that plans made in July can change by the time of your event.
 - **IMPORTANT:** We do not need board approval if your plans differ from the POW, but **the President has to be informed of those changes.**
 - If there are cost changes (even if your overall budget does not change), the Treasurer needs to be informed as well. We have to be very careful with cash flow while we are waiting for funds from fundraisers, etc. to come in.
- The Budget is not officially adopted until it is voted on by the General Membership at the next General Meeting.
- **IMPORTANT:** We cannot go over budget more than 10% without approval by the General Membership.
 - This is a standard PTA rule, and something we really need to keep in mind as we are submitting/approving Payments Request forms.

- Again, our General Membership approves our budget. Therefore, it is ultimately their call if we can go over that budget they approved!
- If you know you are going to go over budget, please let the President and Treasurer know immediately. We can determine if we need to call a special General Membership meeting for approval of necessary budget amendments.
- If you know that you will not be spending your entire budget, please let the Treasurer know as soon as possible.
 - There are other committees that can make use of those funds, but we must have General approval to do so. Every year we have several committees with excess funds at the end of the year that could have been used by other committees., but as stated above, we have to have General's approval to do so.
- Summary:
 - KNOW YOUR BUDGET!!
 - Please review the financials to make sure the numbers the Treasurer records agree with what you think you have spent for your position.
 - Please also notify the President with any planning changes AND contact both the President and Treasurer if there are cost changes.

Payment Requests (Reimbursements)

No Sales Tax

- Due to our tax-exempt status, we cannot reimburse you for sales tax paid.
- To avoid paying sales tax, use the **Sales & Use Tax Exempt form** for EVERY purchase in which you plan to be reimbursed.
 - Found online on the PTSA website under Current Members / Board – click on FHS PTSA Forms.
 - Sign and date the form before giving it to the merchant.

Submitting Payment Requests

- Use the **Disbursement** form.
 - Found online on the PTSA website under Current Members / Board – click on FHS PTSA Forms.
 - For expenses you have incurred OR if you have a large vendor invoice that needs to be paid directly.
- Please fill out completely.
 - Include receipts, vendor invoices, contracts and/or other supporting documents.
 - You may use one form for multiple budget items.
 - **Amounts cannot include SALES TAX.**
 - Clearly identify what you purchased and the associated budget line.
 - Sign the form.
 - Committee members need to obtain your approval signature BEFORE turning in a form. This ensures you are aware of the expense hitting your budget.

- DO NOT sign the “Approved by PTA Officer” line. This is signed after the form is submitted. Only a member of the Executive Committee may sign it and cannot be the same as the Requester.
- Submit to the Treasurer via email or in person.
 - If by email, please send as a PDF!!!
 - Make a copy of your form for your records.
- Checks are cut in a timely manner.
 - If it is to pay an invoice, please note if the Treasurer is to mail the check direct to the vendor or to return it to you.
 - If you need it quickly, please let the Treasurer know. Coordination of a co-signer can take time.

Deposits

- Use the correct forms:
 - Up to two checks – use the **Deposit Form**.
 - Found online on the PTSA website under Current Members / Board – click on FHS PTSA Forms.
- Please fill out completely.
 - All checks should be listed separately – include name, amount, and check number.
 - Cash and coins should be counted by denominations.
- Forms must be signed by you and one other PTA Board member.
 - The Treasurer cannot sign and is not responsible for securing these signatures.
- Consolidate all monies into **one deposit** if possible.
- Deposits should be submitted to the Treasurer in person unless other arrangements are made. Please coordinate in advance.
- Make a copy of the deposit forms and any accompanying checks for your records.

Forms and Process

Forms

- As noted above, all referenced forms can be found online on the FHS PTSA website under Current Members / Board – click on FHS PTSA Forms.
 - Payment Request
 - Deposit Form
 - Tax Exempt Form
- If you are asked for another type of form, please notify the Treasurer.
 - On occasion some donors have asked for our Form W-9.

Process – AS A REMINDER...

- Payment Requests
 - Email as a PDF or give to the Treasurer in person.

- Checks are cut as soon as possible. If you need a quick turnaround, let the Treasurer know.
- Deposits
 - Hand deliver. Coordinate in advance.
- Budget Issues
 - Communicate with the President if your plans differ from your POW.
 - Communicate with both the President and Treasurer if there are cost changes (even if they do not affect your overall budget).

Thank you very much in advance for your cooperation with all of the above! Please do not ever hesitate to reach out if you have any questions!

FHS PTSA Treasurer
treasurer@friscohighptsa.org

Last updated: August 2023