



## TREASURER'S GUIDE

2011-2013

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## General Job Description - Treasurer

1. A treasurer should be well informed on all aspects of PTA. He/she should:
  - a. Attend leadership training that is offered.
  - b. Review the local PTA bylaws.
  - c. Review past treasurer's records and procedure book.
  - d. Be knowledgeable of PTA publications (National and State) that provide information and assistance.
  - e. Be knowledgeable of other treasurer contacts (County and State).
  
2. Responsibilities of the Treasurer
  - a. Maintain all financial records, including a receipt book.
  - b. Give a written Treasurer's Report at executive board meetings and be available to answer questions.
  - c. Give a written Treasurer's Report at general membership meetings and be available to answer questions.
  - d. Remit dues to the State PTA by the 15<sup>th</sup> of each month starting October 15<sup>th</sup>.
  - e. Work with established committees, which include:
    - 1) Budget and Finance
    - 2) Ways and Means
    - 3) Membership
    - 4) Advisory on Finance
  - f. Maintain a procedure book.
  
3. Duty Requirements
  - a. Prepare a year-end compilation for the annual meeting.
  - b. Prepare financial records for the auditing committee.
  - c. File the Annual Report of Audit with the State PTA. – (see page 17, Treasurer and President do not sign)
  - d. File Form 990, 990-EZ, or 990N (a requirement of the IRS).
  - e. File the appropriate Charities Registration Renewal Form – (see page 13)  
NOTE: To register your organization for the first time, you must complete either the CRI-200 or the CRI-150I – see <http://www.njconsumeraffairs.gov/charity/charform.htm>

Finalize your procedure book for the end of the year, and make recommendations for the coming year. If you are leaving the position, ensure that the new treasurer receives all records, as designated in your PTA's bylaws.

## **Best Practices for PTA Treasurers**

1. Any cash received from PTA events, fund raisers and individuals should be counted by at least two people that are not related.
2. Checks and cash received should be deposited in the PTA bank account the same day. Arrange for a night deposit, if necessary. Call your local police for an escort to the bank.
3. Have a receipt book available to provide receipts for cash or checks received.
4. Cash and Checks received at a PTA event should be immediately endorsed with PTA bank account information and "For Deposit Only" and turned over to the treasurer or the president.
5. PTA checks must require two authorized signatures.
6. Do not give signed blank checks to anyone.
7. Any request for reimbursement for PTA expenses requires a voucher form and receipts.
8. There should be an internal audit committee to review the financial records annually.
9. The president or treasurer and any of their relatives should not serve on the internal audit committee.
10. The treasurer should provide a written financial report and be prepared to answer questions at Board meetings.
11. The Local PTA Membership should approve a yearly budget.
12. The Superintendent, Principal and/or School Board cannot direct/require how PTA funds are spent.
13. Equipment (computers, printers, FAX machines, copiers, etc.) donated by the PTA to a local school become property of the school district and therefore may be transferred to any district school.
14. Insure all State and Federal Tax filing forms are filed on time.
15. The Local PTA fiscal year is listed in the local PTA Bylaws and tax returns should be the same.

*Resources: PTA Money Matters Quick Reference Guide, published by National PTA*

# *ABCs FOR TREASURERS*

**A**ttend training sessions offered by County and State PTA.

**B**ecome informed on all aspects of being a treasurer of your PTA.

**C**ategorize expenses to assist with budget preparation of the upcoming year.

**D**eposit all PTA monies received directly into your PTA account, never into your personal account or your school account.

**E**nter all financial transactions immediately into your record books.

**F**orward State and National dues to the State PTA office on stipulated dates.

**G**ive a written copy of the Treasurer's Report to the president and secretary.

**H**ave the financial report ready for executive board and general membership meetings.

**I**ssue a receipt for all monies received.

**J**ustify the issuance of a check by having a motion to do so recorded in the minutes.

**K**eep State and National dues separate when recording and reporting income for your PTA.

**L**et members know your financial status in relationship to the approved budget.

**M**aintain a memo on all checks issued.

**N**ever issue a blank check.

**O**btain receipts when paying PTA bills.

**P**repare all records for the annual audit.

**Q**uestions regarding financial transactions of your PTA should be answered by you – be prepared.

**R**econcile bank statements with another officer.

**S**ubmit a copy of the Annual Report of Audit to the State PTA following your annual audit.

**T**each others about the financial management of PTA funds.

**U**tilize publications that pertain to financial management of a PTA.

**V**erify all expenditures.

**W**hen in doubt on a procedure, contact your County or State for assistance.

**X** is not a signature – PTA requires signatures of two designated officers on all PTA checks (Article VII, Section 5.#d.)

**Y**ou are the sole custodian of the funds of the PTA – proper maintenance and accountability are your responsibilities.

**Z**ipping through the alphabet for a treasurer should be a learning experience. Continue to apply the ABCs as you do your PTA work.

## Guidelines For Treasurers

### Upon Taking Office

1. The treasurer's duties are outlined in Article VII, Section 5, of the local PTA bylaws. Please read and follow.
2. The treasurer is the sole custodian of the funds of the PTA. Therefore, he/she is legally responsible for maintenance of such funds. All PTA monies and other assets, including checking account, receipt book, savings account, and certificates of deposit are the property of the PTA and should be managed with accuracy until passed on to a succeeding Treasurer.
3. Be sure financial records have been audited before you begin a new PTA fiscal year. PTA bylaws mandate that financial records be audited **annually**, even if the same person has been elected to another term as treasurer. (Article VII, Section 5.g., Article VIII, Section 2.d.)
4. Upon assuming office, the treasurer should receive all financial records of the association. Take the time to review all records thoroughly.
5. Immediately after assuming office, update your bank signature cards. It is recommended that three signatures be on file at the bank with **TWO** signatures **always** appearing on checks – the president, treasurer, or the recording secretary (refer to Article VII, Section 5.d.).
6. Make sure the correct EIN (Federal Employer Identification Number), New Jersey Sales Tax Number, and the New Jersey Charities Registration Number are recorded in the front of your check register for quick reference.
7. Check for bonding and liability insurance for the PTA/council. If your PTA does not have this type of insurance we strongly recommend you obtain it.
8. Work with the finance or budget committee to develop a budget for the upcoming PTA year.

### Maintaining Financial Control

1. Financial records of a local PTA should include approved and paid bills, receipts, canceled checks (if returned by bank), bank statements, all other books, procedures, papers, and correspondence pertaining to the position. Financial records should be retained for seven years in the event of an IRS audit or other investigation.
2. All monies received by the treasurer should be deposited in the PTA account as quickly as possible. **Never place money into your personal account or the school account.** If necessary, apply for a night deposit at your bank. If receiving funds from a fundraising event, count the money in the company of the chair or president, and issue a receipt for the amount to be deposited to that chair or president before leaving. **Any time money is turned in, both the person turning in the money and the person receiving the money should sign the receipt.**
3. **Always** pay PTA bills by check. Indicate "Paid in Full" on bill, and record the check number and the date that the check was issued. Record a memo in the checkbook for each expenditure (e.g., State and National Dues, County Dues, Insurance, etc.). It is recommended to use a voucher/check request form, which shows the details of the expense and the budget category charged. A sample "Check Request Form" is provided in the Appendix.

4. All bills paid should be in accordance with your membership-adopted budget. If additional funds beyond the limit of the budget category are needed, permission must be obtained from the general membership.
5. **Never** sign a blank check. Fill in the date, to whom it is made payable and, if necessary, estimate an amount (usually needed in PTA committee circumstances.) The person using the check is responsible for a financial statement, receipts, and for returning unused monies to the PTA. For example, the dance committee was advanced \$200 to hold a dance. Receipts for expenditures show they used \$175. The committee must return \$25 to the PTA.
6. The treasurer should work closely with the chairs of the association, especially the membership chair. Dues received by the treasurer should equal the number of members enrolled. The treasurer should be given a copy of the membership roster.
7. A motion to disburse PTA monies must be recorded in the minutes if it is not in the budget. This is your written notification and reason for writing each check. This is beneficial if the PTA is ever audited by the IRS.
8. Keep the checkbook register up-to-date.
  - a. Reconcile bank statements as soon as they are received. If you have bonding insurance, someone who is not a signature on the account should reconcile the bank statement. You as treasurer can reconcile the statement but a non-signer should conduct the official reconciliation.
  - b. Keep canceled and voided checks with the appropriate bank statement.
  - c. Place any notices received from the bank with the appropriate statement (e.g., insufficient funds notices.).
9. Maintain an accounting system with an accurate record of the expenses and receipt transactions of the PTA. Keep the records up-to-date.
10. Provide a complete written Treasurer's Report at every meeting – executive board and general membership (suggested formats are located in the Appendix.) A signed copy of this report should be given to the president and recording secretary, and one copy should be kept as a permanent record in the Treasurer's Book. An annual report presented at the final meeting of the year should be on file.
11. Provide ALL financial records and related documents to the audit committee. The treasurer may NOT serve on the audit committee but should be available to answer questions of the committee.

### **Administrative Guidelines**

1. Remind all elected officers of the following:
  - a. It is the moral, ethical, and legal obligation of all of the elected officers to ensure that proper financial procedures are being followed.
  - b. PTA funds belong to the membership of the PTA. General membership approves the way the money is raised and the way it is spent.
  - c. Funds should be raised for the purpose(s) defined in the adopted budget. There is no need to raise money that is not needed for PTA work.
  - d. Funds should be raised by the members of the local PTA. **Children should never be involved in any activity that might place them in an unsafe situation.**

- e. All required reports and forms should be filed with the State PTA office, as designated, to stay in good standing.
2. **Request that you, as well as any other person authorized to handle PTA funds, be bonded.** This is for your protection and the protection of the association. A bonding policy should be secured from a reliable insurance company. The policy should cover losses sustained through any fraudulent or dishonest act or acts committed by any elected officer and their successors, or any person in a PTA or council who is authorized by an office to handle PTA or council monies, acting alone or in conspiracy with others.
  3. **Encourage your PTA to purchase liability insurance.** Information is included in the Local PTA Pack given to the President, for two insurance agencies, RV Nuccio and Associates and AIM Insurance. You can also contact other local insurance agencies for quotes.
  4. **Encourage your officers to incorporate your PTA.** Information on incorporation is available in the New Jersey PTA State Handbook: “One Stop Reference” and also at <http://www.state.nj.us/treasury/revenue/>. The Division of Commercial Recording can also be contacted for assistance at (609) 292-9292. Annual online filing requirements apply.
  5. As treasurer, you should ensure that your PTA has applied for the following important items:
    - EIN (Employer Identification Number), sometimes referred to as FEIN, signifying your classification with the IRS.
    - Charities Registration Number for the State of New Jersey, if applicable
    - State Sales Tax Exemption Number (See New Jersey PTA State Handbook)

**NOTE:** Further information regarding these items can be found in “Tax Information for All Local PTAs” in this Guide.

6. You must remember that under the IRS classification, PTA is not a fundraising association. You must file Form 990, 990-EZ, or 990-N. Failure to do so or a late filing may constitute a penalty with the IRS.

**NOTE:** More detailed information can be found in Tax Information for All Local PTAs in this Guide. Please also refer to National PTA’s *PTA Money Matters Quick-Reference Guide*, for additional information.

### **Contents of the Treasurer’s File**

1. A copy of the PTA/council bylaws and standing rules, with the section(s) marked that refer to the authorization of disbursements.
2. A copy of the State or National Bylaws.
3. A copy of the budget, as adopted by the organization. Also keep a copy of any amended budgets.
4. A receipt book to acknowledge money received by the treasurer.
5. A checkbook to disburse funds as authorized.

6. A treasurer's account book in which to keep the financial records of the organization. You may choose to use a computerized accounting program or spreadsheet program.
7. Permanent IRS tax information, including the following:
  - Federal Employer Identification Number (FEIN) or Employer Identification Number (EIN)
  - Copies of filed Forms 990, 990-EZ, or 990-N and other required IRS forms
  - IRS determination letter of tax-exempt status
8. Permanent state tax information, such as state sales tax correspondence, state tax identification number, and reports filed with the State of New Jersey, including but not limited to:
  - Annual Report Filing Form (Incorporated PTAs)
  - Charities Registration Number
  - Copies of filed CRI registration forms (referenced later)
9. An up-to-date roster of the members of the association.
10. A copy of this Treasurer's Guide and National Resources for PTAs: *Money Matters* - Financial Section.
11. A file of the past ten years of audit reports (for historical purposes).
12. A file of the past seven years of cash receipts and petty cash records, bank deposits, invoices, and statements.
13. A file of the past three (3) years of PTA budgets.
14. General correspondence.

***For easy reference, a Record Retention Schedule is provided in the Appendix.***

### **End of Year Treasurer Responsibilities**

1. Ensure all bills and dues have been paid.
2. Balance the books in preparation for the audit.
3. Ensure that the bank statement agrees with the balance in the treasurer's books, taking into consideration any outstanding items.
4. Prepare an annual report covering your term.
5. Prepare any reports required by the government (990s and CRIs).
6. If there is a change of officers, obtain signature cards from the bank, and prepare authorizations as required by the bank so the new treasurer may draw on funds without delay once the audit is completed and the new budget is adopted.

7. File the Annual Report of Audit, as required by the State PTA Bylaws. (A sample of the Annual Report of Audit is provided in the Appendix. Annual Report of Audit forms are provided annually to your president by the State PTA office.)

### **Disposition of PTA Assets**

Upon the dissolution of the organization, after paying or adequately providing for the debts and obligations of the organization, remaining assets shall be distributed to one or more nonprofit funds, foundations, or organizations which have established their tax exempt status under Section 501(c)(3) of the Internal Revenue Code. (Local PTA Bylaws, Article III, h.)

NJPTA is responsible for establishing rules of procedure for dissolving local PTAs under the application provisions of the Internal Revenue Code and State law. Local PTAs contemplating dissolution should be aware of the State PTA rules and their legal implications and are responsible for following them carefully. Any dissolving PTA shall seek counsel from the State PTA before any action is contemplated. This policy is also applicable for cases in which PTAs merge. Disposition guidelines are printed in local PTA bylaws, Article IV, \*\*Section 16, and Article XII, \*\*Section 10.

### **PTA Savings Accounts**

It is not uncommon for PTAs to have small contingency savings accounts for the following reasons:

1. As an efficient management of funds (earn interest until funds are expended).
2. As a reserve to carry on programs during the summer and fall until dues are collected.
3. As an emergency reserve fund.

### **NJPTA Position Statement on Fundraising**

- While the official mission of the PTA bears no mention of fundraising, funds are needed to carry out the local PTA's yearly activities as listed in its budget.
- PTAs should begin each year with specific goals in mind before determining the dollar amount needed from a fundraising event.
- Once a fundraising project has been thoroughly considered, it must be presented to the members at a general membership meeting for a vote to approve the event.

***Children and Youth should not be exploited.***

***Children and Youth should not sell or go door-to-door for PTA.***

***Children and Youth should not be used to collect money for PTA.***

***Children and Youth should not be offered prize incentives, which have been known to cause needless competition among students and encourage inappropriate, unsafe selling and tactics.***

***A PTA's Real Working Capital lies in its Members, not its Treasury.***

**The 3 to 1 Rule**

**When planning the year’s activities, PTAs should use the 3 to 1 Rule: There should be at least 3 non-fundraising projects to every 1 fundraising project.**

PTA funds should always be used for PTA work. It is not appropriate to raise money for PTA activities and then donate it to another organization (NJPTA Bylaws, Article III g.)

Local PTAs play an important role in fundraising to provide school building and grounds improvements, educational programs and social events. We have been a driving force in establishing school lunch programs, after-school programs, immunization programs, school bus safety, TV rating standards and more.

<b>Some Appropriate Uses for PTA Funds</b>	
<u>On a Local Level</u> Speakers Mailings Newsletter Scholarships Safety Programs Health Programs Cultural Programs Project Graduation Library Enrichment Parenting Workshops	<u>On a State and National Level</u> Our Children Magazine Subscriptions Leadership Training NJP-T Bulletin Subscriptions Summer Leadership Conference Annual Legislative Day Legislative Advocacy Training Conventions (State & National) County Council Meetings and Events
<b>Suggested Fundraising Activities</b>	
Sock Hop Plant Sale Book Fair Pizza Sale Art Auction Walk-a-thon Dinner Dance Pot Luck Dinner Application for Grants	Skate Night Flea Market Theatre Trip Fashion Show Silent Auction Bowling Night International Festival Staff a Checkroom Teacher-Parent Sports Event

**Misappropriation of Funds**

If proper financial procedures have been consistently followed, your PTA should not have any problems accounting for all funds. However, if there is money missing or embezzlement is suspected, your PTA’s executive board has a legal responsibility to instigate an investigation and recover the funds. **Failure to take action could make Board members co-conspirators in an illegal act.**

Utmost care should be taken to avoid libelous actions against the suspected person(s) involved, while pursuing the recovery of funds. Immediately conduct a complete and thorough audit. The audit committee must report its finding to the PTA board, not just to the executive committee. Its report should be factual – stating what was found and also stating what remains unresolved.

If funds are missing, the board has the legal obligation to take every reasonable action to recover those funds. Decisions reached must be based on sound business practices. All action taken by the board **must** be “on the record” (recorded in the minutes). Notify the insurance and/or bonding agent. The board must also report the incident, and the actions it took, to the membership. Do not publicly reveal the offender(s) name(s). Please be very cautious, as public or private statements regarding this situation should not be made, regardless of the severity of the situation or its public knowledge.

At some point during this process, you might want to contact the State PTA for assistance. Laws vary from locale to locale. Even if a PTA does not wish to file charges, a law enforcement agency may wish to do so. On the other hand, the law enforcement agency may not be interested in pursuing legal actions, and other options may be advised. There are many paths to collection of stolen funds, and this is where legal advice\*\* may be necessary.

\*\*This information is not intended to provide legal advice, but to give direction regarding the decision-making process and issues related to the mishandling of PTA funds. PTA leaders are encouraged to obtain the necessary legal advice pertinent to local laws.

### **Guidelines for Contracts**

Very often, PTAs and councils enter into a variety of contracts. The PTA assumes the responsibility to comply with the terms and conditions of the contract and pays the stated sum. **BEFORE** entering into a contract on behalf of a local PTA, the following points should be considered:

1. Has the general membership authorized the contract?
2. Are all terms and conditions of the contract, including the fine print, understood and agreeable to the local PTA, and can the PTA comply with the terms and conditions?
3. Written agreements are less subject to future misunderstanding; however, it should be noted that if the contract is in writing, any oral understandings or agreements that are not incorporated into the writing will not be enforceable. **When entering into a contract, the person responsible for the agreement should clearly identify that it is the PTA entering into the contract and NOT the individual.** The signature on a written contract should read (Name of) PTA or PTSA or council by (office or title and your name). **If there is any question about the terms or conditions of the contract, the proper time to seek advice is BEFORE you have put your signature on the dotted line. Only the president signs all contracts.**

*Reminder: No one under 18 years of age can legally sign a contract for a PTA (NJ Law)*

### **Handling PTA Dues**

1. An accurate record of dues received by a local PTA must be maintained. State and National dues should be classified separately in your receipts and remitted to the State PTA office as specified. They are not a part of the local PTA’s funds and should not be included in your budget.
2. Make sure that the membership cards received by your local PTA are counted, and that the number of cards received equals the number of cards sent, as recorded by the State PTA (printed on the mailing label of the package). Each local PTA must file a “Membership Card Verification” report within two weeks of receiving membership cards. A copy of this form is included in the Appendix.

3. All membership cards not used or voided must be returned by June 1 to the state office. Local PTAs who have not complied by that date will be reported as “Non-Compliant” and may experience a delay in receiving membership cards for the upcoming school year.
4. Make arrangements with the membership chair for the deposit of dues received by his/her committee. Count and record the amount received in the chair’s presence, and issue a receipt. (This should be done frequently throughout the membership drive. The deposit should not be held by the chair until completion of the drive.)
5. Immediately record into your records the dues received, and deposit the dues into the PTA account as quickly as possible.
6. The State and National portion of dues received should be forwarded to the State PTA office on bylaws- directed dates and should be accompanied by the State PTA-supplied “Dues Remittance Report”. This form should always be completed in full. A copy of this form is included in the Appendix.

***Dues collected from the start of each month must be postmarked by the 15<sup>th</sup> of each month starting October 15<sup>th</sup>.***

7. As treasurer, you should become fully aware of what services are provided to the local PTA by the State and National portions of dues.

## Tax Information For All Local PTAs

### Federal Tax Exemption

All county councils and local PTAs established under NJPTA are listed as a group exemption under Section 501(c)(3) of the Internal Revenue Code. By the guidelines of the Internal Revenue Code, NJPTA and its councils and local PTAs are organized and operated exclusively for charitable and educational purposes.

With a 501(c)(3) classification, councils and local PTAs **must** file a Form 990, 990-EZ, or 990-N “Return of Organization Exempt from Income Tax” by the **fifteenth day of the fifth month after the end of their annual fiscal period**. There is a penalty of \$20 a day, to a maximum of \$10,000, for failure to file Form 990, 990-EZ or 990-N on time.

The Form 990/990-EZ/990-N primarily refers to the revenue and expenses of your PTA. As found on the Form 990/990-EZ/990-N, “income” means gross receipts in all accounts, including: Founder’s Day contributions, scholarships, and fundraising. It does not include start-up cash, transfers, or bounced checks.

**Failure to comply may eliminate your federal tax exemption status under NJPTA.**

Each year the State PTA office supplies the IRS with a listing of PTAs who fall under our group exemption status. The listing includes the president’s name, EIN and 990 filing status. This information is obtained from the Annual Report of New Local PTA Officers and the Annual Report of Audit forms filed in the State PTA office.

<b>NOTE:</b> To obtain forms, refer to the list of “Telephone Numbers for Non-Profits”, located at the back of the Appendix, or download the forms at <a href="http://www.njconsumeraffairs.gov">www.njconsumeraffairs.gov</a> .
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For more information on 990, 990-EZ or 990-N filing, see *2009-2010 PTA Money Matters Quick Reference Guide* from the National PTA or contact the State or County PTA Treasurer.

### Employer Identification Number (EIN)

Each council and local PTA of the NJPTA **must** carry an EIN (sometimes referred to as FEIN) with the federal government. This is not a state tax-exempt number. This is a number that identifies your PTA as a subordinate of NJPTA with the federal government, and it must be used for bank accounts and for filing the IRS Form 990, 990-EZ or 990-N. PTAs must have their own EIN number and may not use the school’s EIN number. Your EIN or FEIN is required on several State PTA-issued forms for local reporting. Please ensure that this number is accurate on all reports. Should you not know, or should you be unable to locate your EIN or FEIN, please contact the State PTA office for assistance.

If it has been verified by the state office that your PTA or council does not have an EIN or FEIN, contact the Internal Revenue Service and request an SS-4 Form (Application for Employer Identification Number). Call the IRS at 1-800-829-1040 to receive a form. A copy of the form and instructions are included in the Appendix. When your PTA has received its EIN or FEIN from the IRS, please forward a copy of the IRS notification to the state PTA office for future reference.

## **New Jersey Sales Tax Exemption (ST-5 Form)**

Each council and local PTA should apply for an exempt organization permit (REG 1E – A) from the New Jersey Sales Tax Bureau: State of New Jersey, Division of Taxation, P. O. Box 269, Trenton, NJ 08695-0269 or download REG 1E – Application for Exempt REG 1E under sales tax forms. The ST-5 form is the form that is sent to the PTAs for their use when purchasing sales tax items. Make copies of this form and keep the original with all your important papers of your organization. This form and exemption is only for your PTA's use and cannot be used by other organizations or individuals.

When filing this form be sure to include a copy of your bylaws. You must also have a "letter of good standing" from the State PTA office, which verifies that your PTA is a subordinate of NJPTA – in good standing with the NJPTA, which entitles tax exemption to your PTA. Do not send the official or a duplicate copy of your bylaws stamped by the state PTA; it will not be returned. To receive a letter of good standing, contact the State PTA office. Refer to the list of Telephone Numbers for Non-Profits. To obtain the form or go to [www.state.nj.us/treasury/taxation](http://www.state.nj.us/treasury/taxation) forms, print and download, sales tax forms go to REG 1E – Application for Exempt

IT IS IMPORTANT THAT YOUR COUNCIL OR PTA MAINTAIN CONTINUOUS FILES OF YOUR TAX-EXEMPT STATUS, YOUR EIN AND YOUR FINANCIAL REPORTS THAT REFLECT YOUR INCOME. WE ARE ALL PERIODICALLY SUBJECT TO FEDERAL REVIEW. **DO NOT LOSE THESE FILES.**

## **990, 990-EZ, 990-N and Schedule A**

Small, tax-exempt organizations whose gross receipts are normally less than \$25,000 are required to file an information form 990-N, Electronic Notice (e-Postcard) for Tax-Exempt Organizations Not Required to File Form 990 or 990-EZ. This requirement applies to tax periods beginning after December 31, 2006. Any organization that fails to meet its annual filing requirement for three consecutive years will have its tax-exempt status revoked.

The IRS website, [www.irs.gov](http://www.irs.gov), has the most current information about this change under the Charities & Non-Profits tab. This tab contains a list of FAQs that are very helpful. PTA leaders should become familiar with this major change and how it will affect our local units.

If your gross receipts are in excess of \$25,000, you **must** completely file Form 990 or 990-EZ, including Schedule A, which is a multi-page form. Contact your local IRS Service Center for the correct forms. (Refer to the Appendix for a list of Telephone Numbers for Non-Profits.)

The Forms **990 and 990-EZ are due the fifteenth day of the fifth month after the close of your fiscal year**. For example, if the PTA's fiscal year-end is June 30, the form is due November 15. The responsibility of filing lies with the PTA's treasurer, whether or not a form is received in the mail.

Penalties will be incurred if you do not file the appropriate form. These penalties are extremely costly to your organization. Even though there is no tax due, you must file the form, late filing fines are \$20 per day up to a maximum of \$10,000. **Local PTAs are being fined**; please make every effort to protect your PTA treasury.

## **IRS Form 2758**

If a PTA wishes to request an extension of time to file, they should complete and file this form with the IRS before the deadline. Refer to the list of Telephone Numbers for Non-Profits to obtain the form, or download the form at [www.irs.ustreas.gov](http://www.irs.ustreas.gov).

**IRS Form 5790**

The IRS uses this form when the submitted 990 needs clarification or is incomplete. The information requested should be sent to the IRS (along with the copy of the Form 5790 received) within the prescribed time limit indicated on the form. Send your reply by registered mail.

**IRS Form 990T**

This form is used to report unrelated business income. PTAs that engage in extensive fundraising activities (\$1,000 or more in gross receipts) not associated with their primary purposes may become liable to file IRS Form 990T and pay tax on unrelated business income. See National Resources for PTAs: *Money Matters*, for further information.

**CRI FORMS – CHARITIES REGISTRATION**  
(taken from [www.njconsumeraffairs.gov/charity/charfrm.htm](http://www.njconsumeraffairs.gov/charity/charfrm.htm))

Charitable organizations and professional fund raisers based, operating or soliciting within New Jersey must register with the Division of Consumer Affairs Charities Registration Section unless specifically exempted under the provisions of the Charitable Registration and Investigation Act (N.J.S.A. 45:17A-18 et seq.) also known as the "CRI Act."

The CRI Act requires that each registration statement must be submitted with the required registration fee; be signed by two (2) officers of the charity, and include all applicable attachments and additional information pertinent to registration. All registered charities must renew their registration on an annual basis within six months following their fiscal year-end. Extensions of time to file may be requested by charities with gross contributions greater than \$10,000 (see further details below).

**Recent Changes to the CRI Act**

In 2006, the CRI Act was amended to permit charitable organizations receiving annual gross contributions of \$10,000 or less to choose whether or not they wish to maintain a registration with the N.J. Charities Registration Section, but no longer requires them to do so. Charities at this level of gross contribution income who choose to maintain a registration are now required to pay a \$30 registration fee (N.J.A.C. 13:48-2.1(a)(1) and may no longer be granted extensions of time to file (N.J.A.C. 13: 48-3.4(h)).

However, charitable organizations choosing to claim the above new exemption and remain unregistered must register within thirty (30) days of exceeding \$10,000 in gross contributions within any given fiscal year.

The 2006 changes to the CRI Act also changed the threshold for when a charity must provide a certified audit from total gross income of \$100,000 to \$250,000. The certified audit requirement applies to Long Form Registration filers only.

**Initial Registration**

To register your organization for the first time, you must complete either the CRI-200 or the CRI-150I:

~ If your organization raised more than \$25,000 in gross contributions in its last fiscal year, or if it contracted with a professional fund raiser, Form CRI-150I and CRI-150IC (with addendum) must be submitted.

~ If your organization raised less than \$25,000 in gross contributions in its last fiscal year, or if the organization is a bona fide veterans' organization, Form CRI-200 (with addendum) may be used to initially register the organization.

Initial registrations must include copies of the organization's: by-laws, articles of incorporation, IRS determination letter and the most recently filed IRS Form 990. If you are unable to produce any of the initial registration materials, please state the reason in a cover letter to be submitted with your initial registration package.

## **Annual Renewal Registration**

Registered charities must renew their registration on an annual basis. A charity's renewal registration is due within six (6) months after its fiscal year-end.

~ If your organization raised less than \$25,000 in gross contributions or if your organization is a bona fide veterans' organization, Form CRI-200 should be completed, signed and submitted with a copy of the IRS Form 990 for the fiscal year-end being reported (if required by the IRS).

~ If your organization raised more than \$25,000 in gross contributions or if it had contracts with a professional fund raiser, the CRI-300R Long Form Renewal Registration must be completed, signed and submitted with a copy of the IRS Form 990 for the fiscal year-end being reported.

## **Certified Audit Requirement**

If your organization is a Long Form filer, and had received over \$250,000 in total gross revenue during the fiscal year being reported, a certified audit must be prepared and submitted with the initial and/or annual renewal registrations. The certified audit requirement does not apply to Short Form filers.

## **Registration Fees**

Due to recent changes in the CRI Act, charitable organizations that are no longer required to register (N.J.S.A. 45:17A-26c) but choose to do so anyway, must now pay a \$30 registration fee (N.J.A.C. 13:48-2.1(a)1). Registration fees are as follows:

CRI-200 Short Form Filer's Fees:

raising less than \$10,000	= \$30
raising between \$10,001 and \$25,000	= \$30

CRI-150I and CRI-300R Long Form Filer's Fees:

raising between \$25,001 and \$100,000	= \$60
raising between \$100,001 & \$500,000	= \$150
raising more than \$500,000	= \$250

*Please note: registration fees are based on gross contributions, not total gross revenue.*

## **Late Fee**

Registration renewals filed after the due date must include a late fee of \$25. The late fee amount is the same for all filers, regardless of the form being used or the gross contributions being reported.

## **Payment Methods**

Fees may be paid by check or money order only and should be made payable to the "New Jersey Division of Consumer Affairs." Please write the charities registration number on all checks and documents being submitted.

## Registration Due Date

Annual renewal registrations are due six months after the charity's fiscal year-end closing.

## Extension of Time to File the Registration Renewal

Although registration renewals are due six months after the charity's fiscal year-end, charities whose gross contributions exceed \$10,000 may request an extension of time to file. The request should be made using form CRI-400 (if available) or by submitting a letter to the N.J. Charities Registration Section. The request for an extension must include the charity's name, charities registration number, the fiscal year-end for which the extension is being requested and the valid reason for the extension request. The letter (or form CRI-400) must be postmarked by the original due date of the registration renewal and must be accompanied by the registration fee due.

Please note: due to recent changes in the CRI Act, charities whose gross contributions are less than \$10,000 can no longer be granted an extension of time to file and should file their registration renewals by the original due date. If late, the filing should be accompanied by a \$25 late fee.

## Registration Forms

For fiscal year 2006, Charities Registration forms include an addendum. Please be sure to have the newest version of the form you will be using to register or renew. Complete, sign and submit the registration form, the addendum, the fee payment and the necessary attachments.

Please check the Web site again each year to be certain you are using the most up-to-date registration form available. For your convenience, the following registration forms (with addenda) may be downloaded.

- Short Form Registration Requirements [N.J.S.A. 45:17A-25 Short Form Registration](#). *For organizations whose Gross Contributions do not exceed \$25,000 for the completed fiscal year being reported.*

[Form CRI-200 Short Form Registration/Verification Statement](#) *(for initial & renewal registrations)*

- Long Form Registration Requirements [N.J.S.A. 45:17A-24 Long Form Registration Statement](#). *For organizations whose gross contributions exceed \$25,000 and/or used a paid professional fund raiser for the completed fiscal year being reported.*

[Form CRI-150I Long Form Initial Registration Statement](#)

[Form CRI-300R Long Form Renewal Registration Statement](#)

- For paid professional fund raisers [N.J.S.A 45:17A-27 Registration of Fund Raising Counsel, Independent Paid Fund Raiser](#)

[Form CRI-500P Professional Fund Raiser/Counsel Initial Registration Statement](#)

[Form CRI-500PR Professional Fund Raiser/Counsel Renewal Registration Statement](#)

[Form CCO-500 Commercial Co-Venturer Charitable Sale Promotion](#)

## Incorporation Information

The New Jersey PTA encourages all local PTAs to seek incorporation. The following was prepared by the New Jersey PTA attorney in answer to requests for information regarding incorporation.

A PTA Should Incorporate for the Following Reasons:

- A. A corporation is an entity separate and apart from its members and officers. It may hold title to corporate property. It is the proper party to sue and be sued upon contracts made by it.
- B. A corporation is responsible for its tortuous acts. In the absence of negligence on the part of a member, he or she cannot be held liable for the tortuous acts of the corporation.

### Example

Assuming that the corporation has rented a restaurant or a meeting hall and someone at the affair is injured, either by accident or from food poisoning, the corporation may or may not be held responsible, depending on whether or not it was negligent, but the officers or members cannot be held responsible unless they negligently caused or contributed to the accident or injury.

- C. A corporation may be responsible for its ultra virus or illegal acts. An ultra virus act is an act committed by a corporation that is not with its express or implied powers. A member of the corporation may not be held liable for an ultra virus or illegal act unless he or she authorized said act or participated in it.

A suggestion: Whenever a corporation enters into a contract, the contract should be signed in the following manner:

\_\_\_\_\_ PTA, Inc.

BY \_\_\_\_\_

Attest: \_\_\_\_\_ (name of officer & position)

\_\_\_\_\_ (secretary or other officers)

A corporation not for pecuniary profit is obliged to file an annual report and pay a yearly fee to the Secretary of State, Corporation Division, Trenton, NJ. You will receive a reminder from the State of New Jersey that this report is due. It is strongly recommended that the services of an attorney be engaged for the purpose of incorporation. (The initial cost to obtain Incorporation is payable to the NJ State Department.)

To become incorporated in New Jersey, your organization needs to file a certificate of incorporation (and pay the fee) with the New Jersey Division of Revenue, Corporate Filing Unit. One method for incorporating in New Jersey is to file (with the \$75 fee) the Public Records Filing for New Business Entity form, which is in the New Jersey Complete Business Registration Package available from the Division of Revenue (If you use the form and plan on applying for IRC Section 501(c)(3) status with the IRS, the following guidelines should help you satisfy IRS requirements:

1. In the item labeled "Type of Business Entity" insert "NP";
2. In the item labeled "Business Purpose" include the 501(c)(3) purpose wording required by the IRS (see Chapter 3 of IRS Publication 557);
3. In the item labeled "Stock" make no entry;
4. In the item labeled "Management" list at least three trustees;
5. Directly below the item labeled "Additional Entity- Specific Information" insert "see attached 501(c)(3) requirements." On the attachment include the IRS-required restrictions such as those found in the Fifth Article of Draft A of the Sample Articles of Organization in IRS Publication 557 (see also detailed information in Chapter 3 of IRS Publication 557);
6. Below the item labeled "Domestic Non-Profit Corporations (Title 15A)" under "The method of distribution" check the box for "As set forth herein" and include the 501(c)(3) dissolution wording required by the IRS (see Chapter 3 of IRS Publication 557, particularly the Sample Articles of Organization, Draft A, Sixth Article).

## **Understanding Your PTA Budget**

### **What is a Budget?**

A budget is a guide. It is a statement showing a plan for obtaining funds and for apportionment of these funds.

A budget, as adopted, serves as a financial guide for the year.

### **Who Prepares a Budget?**

A budget committee prepares a budget to meet the needs of a PTA's yearly activities. The committee may include the treasurer, past treasurer, membership chair, ways and means chair, past president and president.

### **How is the Budget Prepared?**

Consider the amount of money on hand.

Refer to previous year's receipts and expenditures, and determine the budget accordingly.

Review the current budget to determine if there are ongoing expenses (awards, scholarships) that should be included.

Consider the cost of new programs and projects. Be sure to consider increased costs in postage, supplies, etc.

Compare past budgets.

Provide sufficient funds to function during the summer and until dues are collected.

Based upon past records, the committee might suggest successful fundraisers.

Include money for anticipated expenses for committees, conferences, workshops, subscriptions, and publications.

### **Who Adopts the Budget?**

A local PTA budget is presented to the executive board for review, and then to the general membership for adoption.

After the budget is adopted, bills within the budgeted amounts can be paid by the treasurer as authorized by the organization. Motions should be recorded in the minutes concerning movement of monies.

### **How Can the Budget be Changed?**

When there is an additional expense or a change in an allocated expenditure, the budget may be amended by the general membership of the PTA.

For your convenience, a sample budget is included in the Appendix.

The following list of PTA activities **MUST** be placed in the PTA's budget:

1. Administration: Necessary expenses of the officers of the association – record books, postage, telephone, stationery, duplicating, and office supplies.
2. Committee Activities and Programs: Speakers' expenses, equipment rentals, telephone expenses, etc.
3. PTA Newsletter.
4. Publications and Educational Materials: Subscriptions, such as the New Jersey Parent-Teacher, and Our Children and National PTA Kits.
5. Leadership Training: Participation in county council and NJPTA-sponsored training programs, conferences, and convention, providing for delegates' expenses.
6. Contributions: NJPTA Founder's Day gift, NJPTA Building and Site Fund donations, and County Council scholarship funds, if applicable.
7. Hospitality: A time to meet members, exchange ideas, and generate a feeling of belonging and working for the same cause(s).
8. Special Projects: Only projects approved by the executive board and the membership.
9. Awards and Insignia: President and Past President Pins, Life Memberships, certificates, etc.

**REMEMBER: PARENT EDUCATION IS STILL OUR MOST IMPORTANT BUSINESS**

## **AUDIT OF THE TREASURER'S RECORDS**

The audit (or financial review) involves an examination of the financial transactions of the PTA and the procedures used to conduct those transactions. The treasurer's books must be audited annually or any time a new person assumes the position of treasurer. The appointment of an auditing committee is a required item in the bylaws, Article VII, Section 5.g.

### **The PTA Audit**

The PTA (or council) bylaws indicate the procedure for selecting the individuals (or may indicate that a professional firm be retained) to conduct the audit. The audit may be carried out by elected officers, **(other than the treasurer or president, or any of their relatives, or other signature on the account)**, members of the executive board, a committee, or a professional firm. The treasurer, while not a part of the audit committee, should be available to answer any questions.

### **The Purpose of an Audit**

1. The certify the accuracy of the books and records of the financial officer, and
2. To assure the membership that the association's resources/funds are being managed in a businesslike manner within the regulations established for their use.

### **Preparation for an Audit**

Financial records should be put in order for the auditing process shortly before the end of the term of office. The outgoing treasurer cannot pay bills after the books are closed for the audit. Upon assuming office, the incoming treasurer may deposit funds into the PTA bank account before the audit is completed. During the audit process, it is recommended that expenditures within an adopted budget be limited to those of an emergency nature. The audit should be completed as quickly as possible.

The treasurer shall deliver the following to the audit committee:

- Copy of the last audit report
- Checkbook and canceled checks
- Bank statements and duplicate deposit receipts
- Treasurer's book or ledger
- Check request forms and receipts or invoices paid
- Copies of board, executive committee, and organization minutes, which would include an adopted budget, as well as any amendments that were approved during the year.
- Current bylaws and standing rules
- Copies of the monthly financial reports
- Copy of the Annual Treasurer's Report
- Any other information requested by the auditor.

## Procedure for the Audit

1. Start the audit with the records posted after the last audit. Check to see if the amount shown on the bank statement corresponds to the starting balance recorded in the checkbook and ledger.
2. Reconcile each month's bank statement with the canceled checks. Also make sure that every check written is substantiated with a check request (a written authorization for expenditure) or a bill of some kind that shows the reason for disbursement.
3. Verify that all income and expenditures are allocated into the same categories that constitute the approved budget.
4. Ensure that State and National portions of the membership dues have been kept separate from other receipts and that the dues have been forwarded to the State PTA office.
5. Ensure that money collected for a specific purpose (special projects, Founder's Day gift, scholarship funds, council dues, etc.) has been properly disbursed.
6. Reconcile each deposit slip with bank statements and checkbook entries. Make sure addition and subtraction figures are correct in all entries.
7. Check all cash receipt slips issued and verify proper entry into ledger.
8. Check each month's ledger entries for accuracy, and cross-check against checks issued and receipts posted. Cross-reference checkbook stubs with checks issued.
9. If a check was issued and no check request can be substantiated, research to see if it was an approved budgeted item, such as council dues.
10. Check treasurer's reports and annual report for accuracy.
11. After any errors have been corrected by the treasurer, and you are satisfied that the financial accounts are correct, draw a line across the ledger where the audit concludes, and sign and date the ledger using a different color ink: "Examined and found correct. (Names), (Date)."
12. If all is in order, the auditor or audit committee should prepare a statement, and each member of the committee or the auditor should sign it. A sample statement might read, "the audit committee has examined the records of the treasurer of \_\_\_\_\_ PTA for the period of (time covered) and have found them to be correct. Balance on hand \$ \_\_\_\_\_ (signatures of the committee)."
13. In the event that adequate records are not available to conduct a proper accounting of the PTA's funds, a report of that nature must be submitted by the audit committee.
14. The audit report must be officially adopted by the organization and must be included in a completed annual report covering the organization's entire fiscal year. If the report reflects that additional information and verification is needed, it should be provided by the treasurer.
15. If the validity of the audit report is questioned, an independent auditor should be engaged.

A sample audit checklist has been provided in the Appendix.

# TREASURER'S GUIDE

# APPENDIX

## APPENDIX –CONTENTS

### GENERAL

- Glossary of Financial Terms
- Contact Information for Non-Profits
- PTA Liability/Bonding Insurance Forms
- Record Retention Schedule

### SAMPLE PTA FORMS/REPORTS

- Sample Check Request Form
- Sample Treasurer's Report
- Suggested Auditor's Report Form
- Sample Audit Checklist
- Annual Audit Report
- Membership Dues Payment Schedule
- Sample Budget

# **GENERAL**



## **GLOSSARY OF FINANCIAL TERMS**

**Allowance:** Funds that may be allocated in the budget to the president of a PTA. However, the Internal Revenue Service defines an “officer’s allowance” as miscellaneous income which must be declared by the recipient as part of the total taxable income. (See Reimbursable Expense.)

**Audit:** An official examination by an auditor or audit committee of financial records (of a PTA, council, or district) for a specific time period as stated in the bylaws; the audit report of findings must be in writing and must be presented to the general membership.

**Budget:** Estimate of income and expenses for an established period of time; the budget must be approved by the membership of the body. Budgets provide the functions of planning and control to guide the association in carrying out its mission.

**Commercial Co-venturing:** A new form of fundraising. Commonly, a business will advertise a cooperative fundraising effort in which money is paid to the business for a product or service and a portion of that money is forwarded, as a gift, to a particular charitable cause. PTA must remain passive (no active promotion, sale, or marketing of products or services) in order not to violate its noncommercial policy. Revenue may, in some cases, be taxed as unrelated business income.

**Commingled Funds:** Monies belonging to organizations or groups other than PTA and deposited into PTA bank accounts. The Internal Revenue Service considers all funds in PTA accounts to be PTA funds (regardless of source), and the total amount must be declared as gross income and must have association approval for disbursement. (NJPTA does not recommend this course of action.)

**Compensation:** Remuneration whether by salary, fee, or reimbursement.

**Comprehensive General Liability Insurance:** A policy of insurance that provides for the defense and protection against judgment of the PTA for legal liability caused by negligence, or alleged negligence, which results in bodily injury, property damage, or personal injury.

**Contract:** A legally enforceable agreement between two or more persons or organizations. Contracts entered into by a PTA must be signed by the President.

**Employer Identification Number (EIN or FEIN):** A number is issued by the IRS for identification of all tax-related business of individual associations. The individual PTAs are responsible for filing IRS Forms SS-4 to obtain an employer identification number. This number must be given when opening a bank account.

**Fidelity Bond Insurance:** Bonding insurance protects the group’s capital against dishonesty, destruction, or disappearance.

**Gross Income:** The total amount of receipts before any deductions are taken or expenses paid out. For the purpose of completing IRS Form 990/990EZ/990N and Schedule A, the following exceptions apply: State and National portion of dues and refunds or bounced checks.

**Reimbursable Expense:** (Out-of-pocket expense) An expense line item in the budget adopted by the association. Reimbursement is made upon submission of an expense statement and/or receipt(s). (See **Allowance**)

**Unrelated Business Income of Tax Exempt Organizations:** The basic principle that establishes exemption from income taxes is that an organization is exempt only its primary purpose is to engage in the type of activity for which it claims exemption. PTA's exemption is based on its primary purposes as "charitable, educational." Complete information on "Unrelated Business Income" may be found in Publication 598 available from the Internal Revenue Service. A non-profit exempt organization (a PTA) may lose its tax exemption under Section 501(c)(3) of the Internal Revenue Code if, according to Treasury Regulations, more than an insubstantial portion of its activities is not furtherance of its exempt purpose.

**Volunteer:** Rendering of services without compensation.

## CONTACT INFORMATION FOR NEW JERSEY NON-PROFITS

Agency	Telephone Number	Information Provided
Charities Registration Section Division of Consumer Affairs 124 Halsey Street Newark, NJ 07101	*(Hotline) *(800) 242-5846 (973) 504-6262 (973) 504-6215 <a href="http://www.state.nj.us/lps/ca/charity/charfrm.htm">http://www.state.nj.us/lps/ca/charity/charfrm.htm</a>	CRI
Division of Commercial Recording – NJ Dept. of State	(609) 292-9292  <a href="http://www.state.nj.us/treasury/revenue/">http://www.state.nj.us/treasury/revenue/</a>	Incorporation Records, Filing of Annual Incorporation Reports
Internal Revenue Service	(877) 829-5500 (General #) (703) 368-9694 (Fax) (800) 829-4933 (EIN questions)  <a href="http://www.irs.gov">www.irs.gov</a>	IRS Exemption Letters 501(c)(3), etc., Determination Employer ID # (EIN)
Internal Revenue Service	(800) 829-3676  <a href="http://www.irs.ustreas.gov">www.irs.ustreas.gov</a>	To Request Tax Forms (990, 990-N, 990-EZ, Schedule A)
Insurance: RV Nuccio & Assoc AIM Insurance	(800) 364-2433 (800) 876-4044	Insurance (Bonding)  <a href="http://www.rvnuccio.com">www.rvnuccio.com</a> <a href="http://www.aim-companies.com">www.aim-companies.com</a>
Legalized Games of Chance 124 Halsey Street Newark, NJ 07101	*(Main Number) *(973) 273-8000 (973) 373-8015 (973) 648-2710  <a href="http://www.njconsumeraffairs.gov/lgccc.htm">http://www.njconsumeraffairs.gov/lgccc.htm</a>	Games of Chance Raffles Licensing & Regulations
New Jersey Division of Revenue (Tax withholding, registration, changes, etc.)	(800) 323-4400 (609) 588-4500 (609) 588-2200  <a href="http://www.state.nj.us/treasury/revenue/">http://www.state.nj.us/treasury/revenue/</a>	To Request Forms Tax Fax Hotline
NJ Division of Taxation	(609) 292-5994 (609) 984-5739  <a href="http://www.state.nj.us/treasury/taxation/exemption.shtml">http://www.state.nj.us/treasury/taxation/exemption.shtml</a>	ST-5 Sales Tax Exemption Certification
Center for Nonprofit Corporations Accountants for the Public Interest	(732) 227-0800 <a href="http://www.njnonprofits.org">www.njnonprofits.org</a>  (732) 249-7565	Help for Non-Profits

**NJPTA OFFICE: 8 Quakerbridge Plaza, Suite F, Mercerville, NJ 08619**  
**(609) 587-0100, (609) 587-0500 (fax), [njptaoffice@njpta.org](mailto:njptaoffice@njpta.org) [www.njpta.org](http://www.njpta.org)**



# Application For Insurance

Please check the coverage desired and complete the bottom of the application.

- General Liability Coverage & Commercial Crime & Fidelity (Bond) Coverage:** Cost: \$150
  - \$1 million per occurrence General Liability and \$25,000 Fidelity (Bond) Coverage
- Accident Medical (Medical Coverage):**
  - \$10,000 - Cost: \$95       \$25,000 - Cost: \$105       \$50,000 - Cost: \$120
- Property Coverage (Business Personal Property):**
  - \$10,000 coverage - Cost: \$105
- Officers Liability (Non-Profit Professional Liability):** \$1,000,000 per occurrence - Cost: \$55

Total Cost: \_\_\_\_\_

**Requirements of Bond (Commercial Crime & Fidelity) Coverage:**

**Coverage is voided if these requirements are not followed.**

1. The PTA must conduct an annual review of the books by a Review Committee or qualified accountant.
2. The monthly bank statement must be initialed and reviewed by someone who does not have authorization to sign checks.

- I acknowledge I can access my policy online** ([www.aim-companies.com](http://www.aim-companies.com))
- Have you had any claims in the last three years?**     No     Yes (If yes, please explain below:)

\_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_

PTA Name \_\_\_\_\_ County \_\_\_\_\_

Mailing Address \_\_\_\_\_

City/State/Zip \_\_\_\_\_

Council \_\_\_\_\_ School District \_\_\_\_\_

Contact Phone (\_\_\_\_\_) \_\_\_\_\_ Date \_\_\_\_\_

Contact Email \_\_\_\_\_

Any Officer's Name \_\_\_\_\_

Signature **\*\*\*REQUIRED\*\*\*** \_\_\_\_\_

(By signing above, all terms of this application are agreed upon)  
 If full payment is not received, coverage will be issued in the order listed above

*Make Checks Payable to: AIM*  
 PO Box 674051 • Dallas, TX 75267-4051  
 Phone: 800-876-4044 • Fax: 214-360-0802 • Email: [aim@aim-companies.com](mailto:aim@aim-companies.com)  
[www.aim-companies.com](http://www.aim-companies.com)

**PTA UNIT  
 INSURANCE PROGRAM  
 ENROLLMENT FORM**

R.V. Nuccio & Associates, Inc. provides the only A+ rated and **Admitted** insurance program in America specifically designed for a local PTA Unit. This program is underwritten by the Fireman's Fund, one of our nation's oldest and most respected **Admitted** insurance companies. This insurance program was originally established back in 1952.

**LIABILITY PLUS**

The best, broadest and most secure General Liability insurance protection available to PTA Units nationally, with limits of \$1,000,000/\$2,000,000 Per Occurrence/Annual Aggregate for each participating local PTA Unit.

Annual Cost **\$65.00**

I am selecting **Liability Plus**

**BONDING PLUS**

The best, broadest and most secure Crime insurance protection available to PTA Units nationally including:

- Employee/Volunteer Dishonesty \$10,000 Limit
- Forgery or Alteration \$10,000 Limit
- Theft, Disappearance and Destruction of Money and Securities
  - Loss Inside the Premises \$ 2,500 Limit
  - Loss Outside the Premises \$ 2,500 Limit

Annual Cost **\$64.00**

I am selecting **Bonding Plus**

**Required Accounting Procedures**

1. There will be dual unrelated signatures required on all outgoing checks.
2. There will be no pre-signing of blank checks (fill out the "payable to" line).
3. There will be a monthly bank reconciliation (re-balancing of the checkbook) performed by an organization officer other than that officer (usually the Treasurer normally responsible for banking functions (this forces discovery of deposits which should have been made but had not been made).
4.  I agree that no coverage will be provided unless we install and maintain the required accounting procedures at inception and throughout the coverage period.

\_\_\_\_\_  
 Name of Officer completing this application

\_\_\_\_\_  
 Title of Officer completing this application

**DIRECTORS & OFFICERS LIABILITY PLUS**

The best, broadest and most secure D&O insurance protection available to PTA Units nationally. Directors & Officers Liability picks up where Fidelity Plus leaves off and provides management malpractice/breach of duty insurance for the Directors and Officers of the local PTA Unit. A \$1,000,000 Per Occurrence/Annual Aggregate Limit is provided for each participating PTA Unit.

Annual Cost **\$50.00**

I am selecting **D&O Liability Plus**

**ACCIDENT MEDICAL PLUS**

The best, broadest and most secure Volunteer Medical Expense insurance protection available to PTA Units nationally.

- Accidental Death Benefit \$ 5,000 Limit
- Accidental Dismemberment Benefit \$ 5,000 Limit
- Accident Medical Expense Benefit (higher limits avail.) \$10,000 Limit
- Dental Maximum (each tooth/each accident) \$ 250 Limit

Annual Cost **\$98.00**

I am selecting **Accident Medical Plus**

**PROPERTY PLUS**

The best, broadest and most secure business personal property insurance protection available to PTA Units nationally. Business Property Plus protects PTA's business personal property from loss due to fire, lightning, windstorm, theft, earthquake, flood, vandalism, and other perils. Limit \$10,000/\$500 Deductible. Call for higher limits.

Annual Cost **\$100.00**

I am selecting **Property Plus**

**GENERAL PTA UNIT INFORMATION**

PTA Unit Name: \_\_\_\_\_  
 PTA Unit Contact Name: \_\_\_\_\_  
 PTA Unit Contact Address: \_\_\_\_\_  
 PTA Unit Contact Phone: \_\_\_\_\_  
 PTA Unit Contact E-Mail: \_\_\_\_\_  
 PTA Unit School Name: \_\_\_\_\_  
 PTA Unit School Address: \_\_\_\_\_  
 PTA Unit School Phone: \_\_\_\_\_

**EFFECTIVE DATE**

Upon what date do you want your coverage to be effective? This date should match your expiring Liability/Bonding/Directors & Officers Liability/Accident Medical/Property coverage (if any)

\_\_\_\_\_  
mm/dd/yy

**INSTRUCTIONS TO PURCHASE ON LINE**

01. Go to our website at rvnuccio.com and elect PTA from the drop down menu of insurance coverages.
02. From the 'Select PTA State' drop down menu, select your PTA state.
03. Click on the "Instant Quote" button. **HIGHER LIMITS ARE AVAILABLE ON LINE**
04. In the popup window select "Direct Customer".
05. Complete your quotation and proceed through the on line screen. Once you log in you will be guided through a series of screens and will have the ability to purchase by credit card or by check. Once you purchased a policy **Additional Insured Certificates can be issued by you 24/7 online free of charge.**  
**Purchasing by Credit Card:** When you purchase by credit card your documents will be available immediately.  
**Purchasing by Check:** When you purchase by check your quote letter is available to print and mail in with your check. Final documents are emailed and available via on line once payment is received.

**INSTRUCTIONS TO PURCHASE BY MAIL**

01. Make payment check payable to R.V. Nuccio & Associates, Inc.
02. Send the following documents:
  - a. **Both** pages of the **completed** Enrollment Form; and
  - b. Your **signed** check for the exact correct amount to:  
 R.V. Nuccio & Associates, Inc.  
 10148 Riverside Drive  
 Toluca Lake CA 91602
03. For questions, call R.V. Nuccio & Associates, Inc. at 1-800-567-2685. Coverage is not in force until the application has been accepted and a Certificate of Insurance has been issued by R.V. Nuccio & Associates, Inc.
04. R.V. Nuccio & Associates, Inc. reserves the right to accept or reject any application for insurance.
05. Coverage information is presented in summary format. It is not all inclusive, nor does it alter or waive any of the actual policy language, deductibles or limits. Read your Policy, Coverage Summary and Loss Control Guide on line.

For more information about each coverage please read the Coverage Summary or the Policy available online at [www.rvnuccio.com](http://www.rvnuccio.com) or, contact us at 1 (800) 567-2685.

## Records Retention Schedule

It is very important that certain records be retained. It helps to develop a records retention policy. Listed on this page are items that should be reviewed on a periodic basis and kept in a safe place.

Accounts payable records .....	7 years
Annual audit reports .....	Permanently
Articles of Incorporation.....	Permanently
Bank reconciliations .....	1 year
Bylaws, including all amendments .....	Permanently
Cash receipt records .....	7 years
Checks (canceled) (see exception, next line).....	7 years
Checks (canceled) for important payments, i.e., taxes, special contracts, etc. (checks should be filed with the papers pertaining to the transaction) .....	Permanently
Contracts and leases (expired) .....	7 years
Contracts and leases still in effect.....	Permanently
Corporation reports filed with the secretary of state .....	Permanently
Correspondence with customers or vendors .....	1 year
Correspondence (general) .....	3 years
Correspondence (legal).....	Permanently
Duplicate deposit slips.....	1 year
Employee records (post-termination), if applicable .....	3 years
Employment applications, if applicable.....	3 years
Equipment owned by the PTA.....	Permanently
Financial statements (year-end) and budgets .....	10 years
Grant award letters of agreement.....	10 years
Insurance records, accident reports, claims, policies, certificates .....	Permanently
Inventories (products and materials) .....	7 years
Invoices .....	7 years
Journals.....	Permanently
Minute books of directors and committees .....	Permanently
PTA charter .....	Permanently

**SAMPLE CHECK REQUEST FORM**

Requested by: \_\_\_\_\_

Date \_\_\_\_\_

(Signature)

Amount: \$ \_\_\_\_\_

Payable to: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Reason for Check: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Budget Category: \_\_\_\_\_

Authorized by (President's signature) \_\_\_\_\_

Check # \_\_\_\_\_

Date: \_\_\_\_\_

Account charged \_\_\_\_\_

***This expense voucher must be submitted to the Treasurer within 30 days of the expense and must have receipts, invoices, or order forms attached.***

**SAMPLE**

**SAMPLE TREASURER'S REPORT**

Your School PTA  
General Membership Meeting December 30, 20XX

**Balance on hand as of October 20XX** \$1,100.00

**Income**

Dues 30 members @\$1.00 \$130.00

Bazaar \$150.00

**Total Income** \$ 280.00  
\$1,280.00

**Expenditures**

Postage, Publications and Subscriptions \$159.00

Hospitality \$ 50.00

Convention Delegate Registration \$ 71.00

**Total Expenditures** \$ 280.00

**Balance on hand December 30, 20XX** \$1,000.00

\_\_\_\_\_  
Treasurer's Signature

---

Your School PTA  
Executive Board Meeting March 15, 20XX

**Balance on hand February 15, 20XX** \$1,100.00

**Income**

Dues 30 members @ \$1.00 (local portion) \$ 30.00

Book Sale \$150.00

**Total Income** \$ 180.00  
\$1,280.00

**Expenditures**

Check #1110 Stamps \$ 9.00

Check #1111 Dance Committee \$200.00

Check #1112 Hospitality \$ 25.00

Check #1113 NJPTA Subscriptions \$ 15.00

Check #1114 Program Expense \$ 10.00

**Total Expenditures** \$ 259.00

**Balance on hand as of March 15, 20XX** \$1,021.00

\_\_\_\_\_  
Treasurer's Signature

**SUGGESTED AUDITOR'S REPORT FORM**  
 (This format may be used for checking and savings account)

Name of PTA \_\_\_\_\_

Date \_\_\_\_\_

Balance on hand (date of last audit) \$ \_\_\_\_\_

**Add** Receipts (from last audit to date of current audit) \$ \_\_\_\_\_

TOTAL CASH \$ \_\_\_\_\_

**Less** Disbursements (from last audit to date of current audit) ( \_\_\_\_\_ )

Balance on Hand (date of audit) \$ \_\_\_\_\_\*

Latest Bank Statement Balance – Date \_\_\_\_\_ \$ \_\_\_\_\_

**Add** – deposits in transit  
 (List)

Checks Outstanding – (list)

CK# \_\_\_\_\_ Amt. \_\_\_\_\_

CK# \_\_\_\_\_ Amt. \_\_\_\_\_

CK# \_\_\_\_\_ Amt. \_\_\_\_\_

**Less** – Total Checks Outstanding \$ ( \_\_\_\_\_ )

Adjusted Bank Balance (date of current audit) \$ \*\*\*

\*\*\*These Totals Should Agree

We have examined the books of the treasurer of \_\_\_\_\_ PTA and find them to be (choose one of the following to complete the statement)

\_\_\_\_\_ Correct

\_\_\_\_\_ Incomplete

\_\_\_\_\_ Substantially correct with the following adjustments: \_\_\_\_\_

\_\_\_\_\_ Incorrect

Date Audit Completed \_\_\_\_\_

Signatures \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

**SAMPLE AUDIT CHECKLIST**

Does the PTA/council have its IRS Employer Identification Number (EIN)?  
#\_\_ - \_\_\_\_ - \_\_\_\_ \_\_Yes \_\_No

Does the PTA/council have liability and bonding insurance? \_\_Yes \_\_No

**INCOME**

Was all of the income properly allocated and categorized in accordance with the budget? \_\_Yes \_\_No

**EXPENDITURES**

Were all expenditures properly allocated and categorized in accordance with the budget? \_\_Yes \_\_No

Is there a proper bill or voucher for each expenditure? \_\_Yes \_\_No

Was each expenditure a part of the budget? \_\_Yes \_\_No

**GOVERNMENT REQUIREMENTS**

Did the PTA/council receive more than \$25,000 in grant income? \_\_Yes \_\_No

If yes, did the PTA/council file a Form 990, 990N, or 990-E? with the IRS? \_\_Yes \_\_No

Did the PTA/council file a CRI-200 or CRI-300 form with the State of New Jersey? \_\_Yes \_\_No

**CHECKS/BANKING**

Were all checks properly signed by authorized PTA officers? \_\_Yes \_\_No

Are all checks sequentially numbered? \_\_Yes \_\_No

Are all checks accounted for? \_\_Yes \_\_No

Were all bank statements properly reconciled by the treasurer on a monthly basis? \_\_Yes \_\_No

**BUDGET/REPORTS**

Is there an approved motion in the minutes for the budget? \_\_Yes \_\_No

Did the treasurer submit regular written financial reports? \_\_Yes \_\_No

Were the financial records maintained in an orderly manner? \_\_Yes \_\_No

**EXPLAIN ALL "NO" RESPONSES.**

Audited on \_\_\_\_\_  
Balance on hand: \$ \_\_\_\_\_

By: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Audit Committee Recommendations: (Include a detailed list)

Attach the final bank reconciliation and the final treasurer's report to this checklist.

# REPORT of the ANNUAL AUDIT 2010-2011 School Year

Please e-mail, mail or fax this report to the NJPTA Office after your annual audit has been completed. You can complete this form electronically (it will calculate ending balance) or you can print it to complete it. Sign and mail or fax.

All lines must be completed and the report is to be signed by (at least) three committee members.  
The President and/or Treasurer CANNOT be members of the Audit Committee.

To retain "Good Standing" status, local PTAs MUST file this form with NJPTA each year (as per Local PTA Bylaws, Article XII, Section 2c).

*New Jersey PTA, 8 Quakerbridge Plaza, Suite F, Mercerville, NJ 08619; FAX: (609) 587-0500*

**We have have performed an annual audit of the books of the PTA named below and found them to be accurate. This audit includes all transactions from the fiscal year as listed in our bylaws \*\* Article XIV:**

Start of Fiscal Year  THROUGH End of Fiscal Year

Local PTA Name  Local PTA #

County

2010/11 Treasurer's Name  Day Phone

Address  FAX

City  Zip Code

**Federal EIN (SS-4)**  *(contact Internal Revenue Service 1-877-829-5500)*

**NJ Charities Reg. #**  *(contact Div. of Consumer Affairs 1-800-242-5846)*

Beginning Balance *(balance brought forward from previous year)*

Total Gross Receipts  +

Less Expenses for Current Year  -

Ending Balance to be Carried Forward to Next Year  =

990/990-EZ/990-N Date Filed

Date Audit Completed

SAMPLE

Remember: the IRS requires you to file annually a 990 on the 15th day of the 5th month after the end of your fiscal year regardless of total gross receipts. If your total gross receipts are under \$25,000, you will need to file a 990-N form electronically. Visit the IRS Website [www.irs.gov](http://www.irs.gov) for 990/990-EZ forms or to file the 990-N electronically, or call the IRS at (800) 829-3676 for more information.

Committee Names/Signatures

PRINT NAME

SIGNATURE

**THREE SIGNATURES ARE REQUIRED**  
***Your signature certifies that you have reviewed the accuracy of the books and records of the above named PTA/PTSA.***  
***The President and/or the Treasurer's signatures are NOT acceptable.***


# 2011 - 2012 PTA MEMBERSHIP DUES PAYMENT SCHEDULE

*This form can be completed electronically (calculating dues amount) and/or printed to complete.  
Form must be submitted even if there are no dues to submit.*

Mail this form and with CHECK, PAYABLE TO

PLEASE REMIT FORM/PAYMENTS BY THE **15th of EVERY MONTH** for previous month's collected dues. Circle payment month below.

New Jersey PTA  
8 Quakerbridge Plaza, Suite F  
Mercerville, NJ 08619

September	October	November	December
January	February	March	April
May	June	July	August

Your cancelled check will be your receipt. **\*\*Please use Enrollment Breakdown Report to submit unused/voided cards, not this form\*\***

Always give EACH INDIVIDUAL MEMBER one (1) membership card as a receipt for their dues. National PTA and New Jersey PTA do not recognize "Family Membership."

Local PTA #

Local PTA Name

County

**TREASURER**

Day Phone  Evening Phone

Address

FAX

City  Zip Code

E-Mail

**MEMBERSHIP**

Day Phone  Evening Phone

Address

FAX

City  Zip Code

E-Mail

Please enter the number of members carefully. If you are completing this form electronically, the total dues payment will be calculated for you automatically. **NO REFUNDS OR CREDITS WILL BE ISSUED!**

**NEW Members Enrolled (since last scheduled payment)**

**Total Dues Payment: \$4.00 per member (\$2.25 National PTA Dues/\$1.75 New Jersey PTA Dues)**  **\$0.00**



**REMEMBER...** Submit a payment only for the amount of cards you have physically sold! Do not submit a payment for cards "in advance" of actual sale. Your statement will reflect outstanding cards until payment and/or returns are received at the State office. All dues payments to the NJPTA office require a completed Membership Dues Payment Schedule Form. Payments cannot be processed without this form and may otherwise be returned to the attention of your President.

**Unused and/or voided cards are to be returned by June 1, 2012 using the blue Enrollment Breakdown and Unused Membership Cards Report, NOT this form.**

**Office Use Only**

Check #

Date Received

Account Balance

Amount Received

MS ACCESS

# SAMPLE BUDGET

BUDGET OF \_\_\_\_\_ (NAME OF PTA/PTSA)

YOUR FISCAL YEAR \_\_\_\_\_

WORKING CAPITAL (balance from previous year)	\$1,000.00
<b>RECEIPTS (Income)</b>	
Membership Dues (local portion only)	900.00
<u>Fund Raising – List (Shown as gross receipts – before</u>	
Deductions for expenses)	
Book Fair	500.00
Bazaar	1,000.00
Fall Festival	2,000.00
Miscellaneous Receipts	200.00
Interest (Savings, CDs, etc.)	100.00
<b>TOTAL RECEIPTS</b>	<b>\$5,700.00</b>
<b>EXPENSES- List each separately</b>	
Officers' Reimbursement (telephone, mileage, tolls, postage)	50.00
Chairmen Reimbursement (same as above)	50.00
Stationary	30.00
Office Supplies	25.00
Printing	100.00
Programs (Speakers, equipment, etc.)	1,000.00
Cultural Arts	400.00
Publications & Educational materials (State & National)	200.00
Subscriptions (Our Children, NJPT, newsletter)	60.00
Leadership Training	100.00
Conventions (State & National)	300.00
Council Dues	25.00
Awards, Recognition & Insignia	150.00
Contributions (Teacher's Day, PTA Bldg & Site, Scholarships)	100.00
Insurance and Bonding	85.00
Incorporation Fee	15.00
CRI Filing Fee	60.00
Fund Raising Expenses – List each Event	
Fall Festival	1,200.00
Bazaar	700.00
Book Fair	250.00
<b>TOTAL EXPENSES</b>	<b>\$4,900.00</b>
<b>UNALLOCATED RESERVES*</b>	<b>800.00</b>
<b>TOTAL</b>	<b>\$5,700.00</b>

\*Leave a balance of sufficient funds to get the new PTA year off to a good start until your first fundraiser.

\*\*State & National Dues may be shown for informational purposes. They are not included in your budget, but still need to be remitted to the NJPTA.

Executive Board Approved \_\_\_\_\_

General

Membership Adopted \_\_\_\_\_

Date

Date