

## Updated Financial Review Instructions

### *This new process is effective for the 2020 – 2021 Local PTA Fiscal Year Financial Reviews*

**This is a two-part process!** Part one is the treasurer and president for this financial review period gathering your records and completing the financial management checklist. Part two is your financial review committee reviewing that checklist and completing the actual financial review.

#### **Preparation Instructions for the PTA Treasurer and President:**

Our “audit” process is actually a financial review – and it is not a “pass or fail” process. The purpose is to ensure that our PTAs are following proper financial procedures and are practicing financial responsibility; if they are not, this process helps them get back on track.

PTA treasurer records should be reviewed every year at the end of your fiscal year, which ends on June 30. Your financial review should be complete before your treasurer begins the new year as well. Your treasurer records must also be reviewed when a treasurer leaves office – before the new treasurer takes control of the books.

Your treasurer books should be reviewed by a committee of 3 people (folks that are not authorized to sign checks for this PTA during this financial review period). The current president or treasurer of your PTA may not be on the financial review committee if they were authorized to sign checks during the period being reviewed.

It is great training to have your incoming president and treasurer serve on your financial review committee so they may become familiar with your financial procedures and learn what needs to be improved. Any PTA member that is not a signer may also serve.

Prepare your treasurer book to include all of your financial records for the year:

#### **Treasurer Records:**

- The contact information for the board of directors in office during the time period the financial review will cover.
- **A copy of your:**
  - last financial review (formerly called an audit)
  - bylaws and standing rules (if your PTA has them – must have them beginning July 1, 2021)
  - membership roster
  - current adopted budget
  - IRS 990 (copy of the confirmation email if you file the 990N postcard, or a copy of your 990EZ or 990) for the financial review period
  - insurance policy



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- Checkbook, check register and all cancelled checks (if your bank returns them) and all unused checks.
- Your treasurer records by month, in this order:
  - PTA minutes for all board of directors and general membership meetings
  - Treasurer Report with Budget Report
  - Bank Statement
  - Deposit records and expense records in the order they appear in your bank statement.
- The annual year-end financial report

Once your financial review process is complete for the year, add that financial review to those records and store them. They are a great resource for your incoming officers to help them understand the history of your Local PTA, and your officers should know how to access them when needed. As you set up your book for the new fiscal year, add a copy of your completed financial review.

### Complete the financial management checklist:

Review together every question. These questions allow your unit to completely review your financial management procedures and implement any necessary changes moving forward. If you cannot answer a question, please include an explanation.

Questions? Contact your Field Service Contact, the State Treasurer, or the State Office. You may also email [treasurer@njpta.org](mailto:treasurer@njpta.org) or call the State Office 609-587-0100.

### **For the Financial Review Committee:**

- Follow the "Financial Management Checklist" that was completed by the 2020 – 2021 President and Treasurer. Review for accuracy, if you cannot answer a question or are confused, please contact the treasurer and/or president to try to get an explanation.
- If you have any findings that are not covered in the checklist, add them in the "Additional Comments and Recommendations" section.
- Complete financial numbers in the records, using the last financial review (formerly called audit) as your beginning balance. If you need more space for outstanding checks, continue on the next page – but make sure the total in the last line is the total for all outstanding checks. If you need more space for the number of outstanding deposits, do the same. Make sure all pages of your report are numbered "page X of X".
- You can complete this for each individual bank account or complete one form for all accounts together.



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**Filing Instructions for the PTA Treasurer and President:**

General Membership Adoption:

Your financial review must be adopted by your General Membership. Make sure that you give notice of the meeting to your members according to your bylaws. You may make copies or project it on a screen. The full report must be shared, including the financial checklist, and additional comments and recommendations, and the number spreadsheet on the last page. Your General Membership must vote to adopt your financial review.

Filing Your Financial Review with New Jersey PTA:

After your General Membership have voted, you should upload a copy of your Adopted Financial Review to MemberHub under the Compliance Tab so your future boards always have a copy!