2020 COVID-19 Financial FAQ

We know many of you have questions about your PTA's finances with regards to end of year, transition, budget amendments, donations, audits, and more. As a supplement to the information in the Leadership Resource Guide, the Georgia PTA Finance Team has created this FAQ to help assist you. In addition to this information, please continue to reach out to Council and District leaders for guidance. Need the contact information for your Council and District leadership? Email us with your local unit information and we can connect you with your leaders. Georgia PTA leaders will continue to collaborate with them to help you through this challenging time.

This is new ground for all of us, so if we keep our mission in mind and work as a team, we will get through this stronger on the other side.

How are we collecting signatures when we can’t leave our homes except for necessary items?
For non-check items requiring signatures you can scan or print to pdf documents that need to be signed, have the other party print, sign, scan, and return. For checks requiring two signatures, you need to physically deliver these for final signatures.

Example: You have a check request that needs the President’s approval. Scan the form and email to the Treasure and President. Have the form approved/signed by President, then email it to the Treasurer for processing. Once the check is completely filled out and signed by Treasurer, it is physically delivered/mailed to the President for second signature. We suggest that the Treasurer include a stamped envelope already completed with recipient’s address, so once signed it can be mailed.

How are we handling audit prep? What if our books are at the school what do we do?
Do as much prep as you can now. The Executive Committee can present audit options to the Board of Directors - including potential auditors or forming an audit committee. If a meeting of the Board of Directors (BOD) is not feasible then the Executive Committee (EC) can make the decision. The EC does the work of the association between BOD and General Membership meetings.

An audit needs to be conducted by an independent individual or committee, separate from your PTA/PTSA. For information on forming an audit committee, check the Leadership Resource Guide and reach out to your Council and District leaders.

The report is not due to the Georgia PTA until September 30, so even if you wait until school is back in session, you have several weeks to complete. Please remember to send copies of your
audit to your Council and District leaders, as well. If there is a special situation then reach out to your Council/District leaders for assistance. We understand there will be situations we need to handle on a case-by-case basis.

**Note:** Some school systems are starting to announce limited openings to allow students and parents to enter the school to retrieve items left there. Check with your school to see when you may be able to retrieve items important for your PTA.

**What if I have a summer event that I need to write checks to cover; I thought I couldn’t write checks while the books are at audit?**
You can continue to write checks, as necessary, over the summer. If they fall into the ending fiscal year you will need to make sure these documents are included with the audit paperwork. The incoming treasurer will need to provide the last bank statement and the register of any checks written between the last day of school and the fiscal year end.

The incoming and outgoing treasurers will need to work together so the auditor gets complete documentation of the ending fiscal year.

Our [Leadership Resource Guide (LGR)](https://www.pta.org) states: *The outgoing treasurer can no longer write checks after the end of the school year. The supply of unused checks and deposit tickets should be turned over to the new treasurer along with a copy of the following: check register, most recent bank statement and budget vs. actual receipts and disbursements. It is recommended that expenditures within an adopted budget be limited to those of an emergency nature until the audit is complete.* **Note:** All previous contractual obligations and other PTA invoices constitute “emergency” PTA business.

Given we may have approved events that have had to be postponed until summer because of our current situation, this recommendation may not be in the best interest of your PTA and take it as just that, a recommendation.

**Can the Executive Committee (EC) have conference call meetings more frequently as we try to figure out all these challenges?**
Yes, your EC should be meeting electronically as often as they feel necessary. Local units have many challenges that need to be addressed and the work must continue. Remember you must have quorum to conduct business.

**What if a key officer (e.g. the treasurer) leaves at the end of the school year, how do we access funds and write checks over the summer? We won't have minutes to give others access.**
If the PTA/PTSA has an electronic general meeting for elections, then there will be minutes from the meeting to take to the bank to change signers on the account once the school year ends.
If the PTA/PTSA decides to wait until school resumes to hold a general meeting, then officers continue in their role until the election. If an officer resigns, the Executive Committee (EC) and Board of Directors (BOD) have two options:

1. Additional bank signers can be added to the account if the EC feels one back-up is not enough. This will be documented in the EC meeting minutes which can be used at the bank to add signers.
2. The BOD can also meet to vote to fill the vacancy created by the resignation. Refer to your bylaws and the Leadership Resource Guide on how to fill an officer/board vacancy.

How do we prepare a budget if the treasurer leaves at the end of school year?
The outgoing treasurer should prepare end of year reports, budget-versus-actuals, and even a preliminary draft budget. This will give the new treasurer a starting point. It is the responsibility of the newly elected treasurer to finalize the draft budget that will go to the Board of Directors for approval and then the General Membership for adoption.

What if the PTA/PTSA chooses to wait to have a General Meeting until school resumes, who does the budget and when is it presented?
A budget year is approval date to approval date, so if the budget was approved September 10th then your goal is to have the next budget approved within this same time frame.

Usually after the new treasurer is elected (April/May) there is a transition between the officers and a draft budget is created. This budget is not official until the General Membership votes on it. If the previous year treasurer stays in place until an election can happen next school year, then they will work under the draft budget. Once the new treasurer is elected, they take the draft and finalize it (with Board approval) to present at a General Membership meeting. This will mean two General Membership meetings in the first few months of the school year.

It is important to consider that membership is estimated to decrease due to COVID-19. National PTA projects up to 30% decrease, but you know your members better than anyone. Talk to your Executive Committee and Board of Directors to determine a realistic membership number and fundraiser income moving forward.

The PTSA planned to have a graduation event for the seniors, it is now postponed until July, do we need do anything?
If this was approved in the current year’s budget then you don’t have to do anything, as long as the event takes place prior to the next budget approval. Where this gets tricky is when the event takes place after the fiscal year end. The books need to be closed at fiscal year end and go to audit. In this case the money allocated for the event will be part of your carry over. In order to spend on the event, the expenditure of funds will need to be accounted for in the 2020/2021 fiscal year’s budget.
Is it OK to have more carry over money than we expected?
The IRS doesn’t dictate how much carryover is allowable. The individual PTA/PTSA determines the appropriate carry over for their situation. Some PTAs do training over the summer and need to account for those costs and some schools have membership drives at meet and greet and have membership startup costs. It is fair to say the parents/students that contributed want to see that money spent during the year given. We usually advise not to carry over large amounts but to look at the costs you will need to cover until income starts in the school year. With this said, many end of the year events were cancelled so you’ll have extra funds in your carry over balances. There is nothing to be done about this. Carry this money over and put the funds to great use the following year. Some of you are already planning on some creative ways to give back. Also, keep in mind (as mentioned above) membership may decrease so plan accordingly.

If we cancelled events that we collected money for does it need to be refunded?
Yes, if the PTA/PTSA collected money for a specific event then the funds are restricted and need to be refunded. For example, if you collected $5.00 per student for a 5th grade ice cream party then you will need to refund the money. You can offer a donation option with the refund request; in case the member doesn’t want the $5.00 back. Then the funds are no longer restricted. This is only if you collected money from an outside source (e.g. member) for a specific event or purpose. This does not apply to membership dues or general fundraising, nor does it apply to events planned as part of the PTA’s general budget.

How are we handling refunds for End of Year events that were large scale? I can’t write 200 refund checks!
It is not realistic to write check refunds for large scale events if the primary payment method was electronic. The PTA/PTSA can refund the way it was paid. If electronically collected, then refund with the same method (e.g. We Pay, Square, PayPal). Print paperwork showing each reimbursement, if you have a large number of refunds, do screen shots of pages with multiple reimbursements. The treasurer and president have to sign off on each reimbursement. Then attach one check request form to the screen shot pages. The check request form will need a detailed explanation of the process.

If paid by check or cash, then you will need to refund with a check. If for the same event you can put multiple refunds on one check request, just explain it clearly on the form.

Our governance documents are written to ensure Transparency (the more documentation the better), Check and Balances (sign off by two parties, preferably Treasurer and President), and Accountability (we did it this way and why).

Teacher appreciation was missed but we still want to do something for them, can we email gift cards?
Yes, but make sure you stay within the IRS recommendations of gift cards. Per the IRS, the key factor in determining if it is a gift- is it de minimis in its frequency and value.
If giving to school employees, make sure the gift cards can’t be construed as payment. Keep the value low (under $25 is recommended) and document the gift card is a true gift associated with a onetime event, such as end of the year teacher appreciation. Keep a gift card accountability log so the intent of the use is clear.

**Our Unit/Council is unable to do our monthly reconciliation of the checkbook and we’re worried about our insurance coverage. What should we do?**

Unfortunately, this requirement is part of the AIM insurance policy so we aren’t able to waive it. We suggest that your unit/council make sure to go back and review any months that they were not able to reconcile as soon as they have the ability to do so. They could also look for a way to do this electronically, signed scanned documents will suffice until originals can be collected.

**What do I do about bills sent to school?**

You will need to follow up electronically to make sure bills are not missed. The treasurer should have a list of association bills and look at last year’s financials. Insurance will be one of these you don’t want to miss, check or call your provider and start the process early.

**Do we have to sign our forms and pay like normal?**

Yes, complete check requests, get approval and have the treasurer process payment. Scanned documents are permitted until originals can be collected with the exception of checks. All checks will still need two original signatures. Physical delivery through the mail to acquire the second signature is permitted (your PTA can also utilize some other method of physical delivery). Our members understand there will be delays during this time.

**Can we present financial documents at virtual meetings?**

Yes, you can present anything you would normally present at an in-person meeting, like a treasurer’s report or audit. You can even present the preliminary budget for the next school year.

**Can we approve bills that need to be paid at a virtual Executive Committee, Board of Directors, and/or General Membership electronic meeting?**

Yes, just like a regular meeting, you can transact business as usual.

**We are worried because our spring fundraisers are cancelled. How will we be able to support our students next year with less funds?**

Next year will be different, but we as leaders will continue to work together to find creative ways to support our members and students.
Can we donate funds to other charities, or families we know need financial help?
Under federal law, PTAs, with approval of the general membership, may donate to other 501(c)(3) organizations that have similar missions.
A public charity can only collect money to support individuals and families if the organization is set up to do so. PTAs are not organized for this purpose and we must align with our mission.

PTAs may share information about benefits/fundraisers being held for individuals or families in need, or local charities who are assisting those in need, or community-based projects. PTAs may encourage individuals to personally donate.

PTAs may sponsor a food/diaper/necessity drive or solicit donations of those items to be given to a local food bank. “Necessities” could include personal protective equipment (PPE) for local hospitals and medical facilities if that’s a need in your area.

No deposits may be made to the PTA account on behalf of another organization or family in need.

What do we do with items that may have been donated for an event or fundraiser (like silent auction items)?
If donations were solicited for a specific event you now cannot have, contact the donors to inquire if they can be used for a different event in the future. They may choose to donate the item to the PTA, or they may request it be returned.

Do we need to vote to cancel events, even though we can’t hold them due to school closures and COVID-19 restrictions?
No, right now schools are closed. You don’t need permission or a vote to cancel an event when school is closed, but your Board should inform your members, school, and community.

We held a fundraiser (for example a chocolate sale), and right now the company is storing the items (chocolate) people already purchased. What do we do?
If there is a safe way to deliver the items that is not an added expense, try to deliver.

Ask if the company will ship the chocolate directly to the buyer for no or very low cost? Can your school district deliver the chocolate when they are delivering student meals?

If there is not a safe way to deliver, then inform your families that their order is on hold with the company, and they will receive it as soon as practical once social distancing restrictions have been lifted.