

# PTA Financial Review/Audit Committee Report Form

Fiscal Year: \_\_\_\_\_, 20\_\_\_\_ to \_\_\_\_\_, 20\_\_\_\_

for Account # \_\_\_\_\_ which is a  Checking  Savings  Other (check \_\_\_\_\_)

Signers on this account 1) \_\_\_\_\_ 2) \_\_\_\_\_ 3) \_\_\_\_\_

PTA Unit Name \_\_\_\_\_ Council \_\_\_\_\_ Region \_\_\_\_\_

- |   |        |
|---|--------|
| 1. Beginning account balance<br>(should agree with prior year Fiscal Year-End (FYE) balance - line 5) | \$     |
| 2. Add: receipts (deposits) during current fiscal year  | (+) \$ |
| 3. Subtotal (add line 1 & 2 together)   | = \$   |
| 4. Subtract: Disbursements (expenses) during current fiscal year                                      | (-) \$ |
| 5. Balance on hand at end of fiscal year (subtract line 4 from line 3)                                | = \$   |

**\*\*\* Reconciliation to Bank Statement Balance \*\*\***

- |  |        |
|--|--------|
| 6. Balance per Bank Statement as of FYE (Date: _____ ) | \$     |
| 7. Subtract: total outstanding checks                  | (-) \$ |
| 8. Add: total outstanding deposits                     | (+) \$ |
| 9. Balance on hand (should match line 5)               | = \$   |

NOTE: Amounts on line 5 and line 9 should be the same.

Date of Audit \_\_\_\_\_

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

- correct
- substantially correct with the following adjustments:
  
- incorrect (please attach a separate report to explain any discrepancies)
- incomplete (please attach a separate report to explain any incomplete records)

Audit Committee Member

Audit Committee Member

Audit Committee Member

President's Signature

Treasurer's Signature

Date

Email or mail the completed Financial Review form, annual Treasurer's report, and year-end Bank statement to the Colorado PTA office within 90 days of your fiscal year-end. The report should be read by a member of the Financial Review Committee or the Secretary at the first general membership meeting of the new school year.

## FINANCIAL REVIEW

A financial review involves examining financial records and transactions to ensure that receipts and disbursements have been properly accounted for, authorized and recorded, in compliance with PTA bylaws, standing rules and budget limitations.

A financial review is typically conducted by an internal financial review committee, consisting of at least two PTA members. This committee should not include anyone with signature authority over the PTA's bank account or any relatives to a person with signature authority.

Check with your bylaws for any additional requirements.

Financial records should be put in order for the financial review at the end of the fiscal year, and/or anytime there is a change in Treasurers. The financial review should be completed as soon as possible after the end of the fiscal year.

### 10 STEPS FOR CONDUCTING A FINANCIAL REVIEW

#### **Step 1: Recruit an internal financial review committee.**

Your financial review committee should not include anyone with check signing authority.

#### **Step 2: The Treasurer should provide the committee with the financial records including:**

A copy of the last financial review report

Checkbook and canceled checks

Bank statements and deposit receipts

Treasurer's book or ledger

The annual treasurer's report

Itemized statements and receipts of bills paid

Check requests

Copies of board, executive committee, and association minutes that would include an adopted budget, as well as any amendments that were approved during the year

Current bylaws and standing rules

Any other information requested by the Audit committee

### **Step 3: Explore the records posted after the last audit or financial review.**

Check to see if the amount shown on the bank statement corresponds to the starting balance recorded in the checkbook and ledger.

### **Step 4: Complete a sample test of transactions.**

The size of this sample should be based on the size of the association. If mistakes are found, the sample should be broadened to take in more transactions. It may be necessary to review all the transactions of a PTA. You should consider retaining the services of an external auditor if there are numerous errors or concerns regarding accuracy.

- Monthly bank reconciliation conducted by a non-signer on the accounts
- Unexplained reconciling items
- Unusual endorsements on checks
- A match of check endorsements to payees
- Disbursements not supported by invoices or other documentation
- Blank checks secured in a safe place
- Deposit ticket dates timely with dates received by bank
- Timeliness of deposits based on known dates of events
- All invoices paid by check and not cash
- Actual expenses were approved in the budget adopted by the members or noted in the PTA general membership meeting minutes

### **Step 5: Ensure accurate disbursements.**

Make certain that money collected for a specific purpose (special projects, gifts, scholarship funds, council dues, etc.) has been so disbursed. This includes keeping state and national portions of the membership dues separate from other receipts and forwarding to the Colorado PTA office.

### **Step 6: Check the Treasurer's reports and annual report for accuracy**

### **Step 7: Collaborate with the Treasurer to correct errors.**

If errors or discrepancies are discovered during the financial review, the Treasurer should correct the errors before the Financial Review Form is completed.

### **Step 8: Prepare the financial review results.**

The financial review committee must submit a report signed by the President, Treasurer, and financial review committee members documenting their review and sharing results. The financial committee should select one of four possible conclusions on the Financial Review Form:

- a. **Correct.** The records were in good order, and all receipts and disbursements were substantiated and in accordance with approved budget.)

- b. Substantially correct with the following adjustments.** Records were in good order, maybe a few missing receipts, or minor discrepancies, or account adjustments. The adjustments/ exceptions should be listed, or noted on a separate report attached to the Financial Review Form.
- c. Incorrect.** Unreconciled differences between treasurer's records and bank statements were noted during the review. The financial committee should attach a detailed report of the differences noted to the financial review form.
- d. Incomplete.** The treasurer didn't supply sufficient records for the financial review committee to determine the accuracy of the records. A separate report detailing all missing records, unsubstantiated transactions, and any other exceptions (lack of minutes, lack of approval for expenditures, non-compliance of bylaws, etc.) should be attached to the financial review form.

#### **Step 9. Submit the Financial Review Report to the membership.**

The financial review must be officially adopted by the local PTA and must include an annual Treasurer's report covering the association's entire fiscal year. If the report states that additional information and verification is needed, the requested information should be provided by the Treasurer.

#### **Step 10. Contact Colorado PTA if questions remain.**

If the validity of the financial review is questioned, the Colorado PTA may be contacted for information or assistance.

### AUDIT COMMITTEE REVIEW FORM

Please use this form for your [Audit Committee Review](#).

Upload the completed Financial Review form, annual Treasurer's report, and year end bank statement to Givebacks (MemberHub) within 90 days of your fiscal year-end.

The report should be read by a member of the Financial Review Committee or Secretary at the first general membership meeting of the new school year.