

The five-minute audit for PTAs

A treasurer’s report includes a lot of meaningful information, but how does the PTA know it’s accurate? The unit needs to assign a non-check signer to review the bank statement each month. The most logical choices are the auditor or a member of the audit committee.

Armed with the treasurer’s financial report, minutes and the bank statement the following can be checked:

<u>Treasurer’s Report Nov. 1-Nov. 30:</u>			<u>Bank Statement</u>		
Beginning Balance – Nov. 1			Bank Stmt Beginning Balance		
		\$3,500			\$3,550
Income			Deposits		
Giftwrap	11/1	\$2,400✓	11/05	\$2,400✓	
Memberships	11/14	\$ 300✓	11/15	\$ 300✓	
		<u>\$2,700 ✓</u>			<u>\$2,700✓</u>
Expense			Checks		
CK 100	ABC Co	\$1,299✓	99	\$ 50✓	<i>last treas.rpt</i>
CK 102	Alpha PTA Council	\$ 160	100	\$ 1,299✓	
CK 103	Mary Smith	\$ 250 \$300 ←	103	\$ 300 ←	
		\$2,709 \$1759			<u>\$1,649</u>
Ending Cash Balance			Ending Bank Balance		
		\$3,493 \$4441			<u>\$ 4,601</u>
					<i>CK 102 -160</i>

Call president and treasurer. Looks like Nov. treas.’ report -check #103- needs to be corrected. Could be bank error?

Note: If the bank statement does not include copies of checks, the unit has to obtain copies. Most banks have online access. PTAs can have online access to their bank accounts, but they must decline any access to online payment of bills.

Step 1: Look at the checks. Verify

- Two signatures on every check
- Payee, amount and date match the treasurer’s report
- Purpose of payment is included in the check’s note section

Step 2: Look at the deposits. Verify

- Date and amount match the treasurer’s report
- Deposits have been timely

Step 3: Assure no online payments or withdrawals have been made using a debit/ATM card.

Step 4: Reconcile the bank statement to the treasurer’s report.

Make adjustments for checks that have not cleared and deposits not shown.

Step 5: Contact the treasurer to determine the source of the error(s). Corrections, if required, are included in the next treasurer’s report. Report findings to unit president, treasurer and auditor (if reviewer isn’t the auditor).

Note: the five-minute audit will NOT reveal that the treasurer allocated \$100 collected for Membership Dues to Gift-Wrap Income instead, but it will point out that a \$1,000 deposit showing on the treasurer’s report didn’t actually make it to the bank or that a check cashed by the bank didn’t show up on the treasurer’s report. If this happens, ask more questions and investigate further!

PTA resources include *Toolkit*, Finance section: 5.3 Banking, 5.3.3 Bank Statements, 5.3.6a Check Writing; Forms section: Check Sample.

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