



## When PTA Funds Are Considered School Funds

The Alabama Department of Education has announced the following guidelines for accountability concerning what are school funds and what are PTA funds. Just to make sure there is no confusion all entities of Alabama PTA will implement the following procedures effective July 1, 2008:

- A. Maintain a separate mailing address for PTA/PTSA correspondence. For instance, a post office box (P.O.B)
- B. **No school employee** leads or chairs your fund-raising or maintains the accounting records of your books. For example, a school employee should not be your treasurer, financial secretary, assistant treasurer, or oversee cookie dough, gift-wrap or candy sales.

### Specific Requirements to be viewed as an outside organization

PTAs/PTSAs and any unit chartered by Alabama PTA must:

1. Obtain its own employer identification number (EIN) from the IRS.  
**ACTION:** All local units who are chartered under the umbrella of Alabama PTA have been issued their own EIN from the IRS. Contact the state office if you can not locate your EIN.
2. Provides a report on the annual audit of the organization to the school.  
**ACTION:** PTA bylaws require an annual audit be performed and the results reported at a general membership meeting.
3. The organization makes its financial records available to the school's auditors and authorized school employees upon request.  
**ACTION:** PTA bylaws require treasurer's report be given at every general meeting provide to the principal (who should be present) or their designee a copy.
4. Provides required financial reports.  
**ACTION:** PTAs are required to provide financial reports to all of its paid members.
5. Provides proof of a fidelity bond for the treasurer.  
**ACTION:** All local unit PTAs are encouraged to purchase bonding insurance for **all** their officers and liability insurance to cover their sponsored activities/events. Contact the state office for an application.
6. The organization will not provide any payment or benefit to a school employee (or family member of a school employee) in violation of the State Ethics Law.  
**ACTION:** If you are not sure if the transaction is a violation, please refer to the State Ethics Law or call the State Attorney General's office.

It is imperative that you follow these to maintain "good standing". Failure to follow these guidelines will result in the loss of your charter, non-profit status and other valuable funds. If you have any questions, please contact Alabama PTA at (334) 834-2501.

Reference: Memorandum from Dr. Joseph B. Morton, State Superintendent of Education, to the attention of City and County Superintendents, dated November 7, 2007 entitled: Guidelines for Financial Operations of School Related Organizations