

Audit Report Instructions



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

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 must be audited every year at the end of your fiscal year (check your bylaws – many are July 1 – June 30). Your audit should be complete before your treasurer begins the new year as well. Your treasurer records must also be audited when a treasurer leaves office – before the new treasurer takes control of the books.

Your treasurer books may be audited by a committee of 3 people (folks that are not authorized to sign checks for this PTA during this audit period) OR an experienced auditor. The current president or treasurer of your PTA may not be on the auditing committee if they were authorized to sign checks during the period being audited.

It is great training to have your incoming president and treasurer serve on your audit 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, to include:

Treasurer Records:

- Contact information for the executive board in office during the time period the audit will cover
- A copy of your:
 - last audit
 - bylaws and standing rules (if your PTA has them)
 - 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 audit period
 - insurance policy
 - 501c(3) determination letter
 - sales tax exemption certificate (if applicable)
- Checkbook, check register and all cancelled checks (if your bank returns them)
- Your treasurer records by month, in this order:
 - PTA minutes for all executive board 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 (see “Sample Annual Report”)

Treasurer records should be kept for seven (7) years. It is good practice to keep these original documents together for reference:

- audits
- bylaws and standing rules (if your PTA has them)
- membership rosters
- adopted budgets
- IRS 990 (copy of the confirmation email if you file the 990N postcard, or a copy of your 990EZ or 990) for the audit period
- insurance policies
- 501c(3) determination letters
- sales tax exemption certificates (if applicable)
- bank signatory paperwork (showing who is authorized to sign checks)

You may keep your records in a binder, a file box, or a filing cabinet – whatever works best for your unit. Once your audit process is complete for the year, add that audit to those records and store them. They are a great resource for your incoming officers to help them understand the history of your unit, 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 audit.

Complete the financial management checklist starting on page 2:

Review together, answering every question in the “treasurer” column. 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 District Director or your Council. They may offer training or an “audit swap” opportunity. You may also email treasurer@vapta.org or call our office at 804-264-1234.

For the Audit Committee or Auditor:

Using the “Audit Report for Local PTAs”:

- Follow the “Financial Management Checklist” that starts on page 2. Indicate “yes” or “no” to each question in the Audit Committee column. If you cannot answer a question, 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 page 8 with the financial numbers in the records, using the last 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” (if you complete electronically, the document will automatically number new pages).

- Complete page 1, indicating if the records of this PTA are complete or incomplete. If incomplete, this PTA will be contacted with training and support to ensure that proper financial procedures are put in place.

Filing Instructions for the PTA Treasurer and President:

Executive Board Review:

Once you have received the “Audit Report for Local PTAs”, your next step is to present it to your Executive Board for review. The full report must be shared, including the financial checklist, and additional comments and recommendations, and the number spreadsheet on the last page.

General Membership Adoption:

Once reviewed by your Executive Board, your audit 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 audit.

Filing Your Audit with Virginia PTA:

After your Executive Board and General Membership have voted, complete page 1 with those dates. The president and treasurer that are in office at the time of those meetings then sign page 1. You may scan your entire audit (including all pages of the audit report and any additional information from the audit committee or auditor) and email it to liaison@vapta.org.

Due Date:

Your audit is due to Virginia PTA within 15 days of your General Membership adopting it. **Your original adopted audit report is then filed with your financial records.** Add a copy to your book for this year’s records and a copy to your books for the next year. You are now ready for your new PTA year!