TREASURER 201

PREVENTING THEFT IN YOUR PTA

VIRGINIA PTA

JUNE 2026

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Preventing Theft in Your PTA

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Understanding Theft

What is the Difference?

Theft → The action or crime of stealing

Fraud → Wrongful or criminal deception intended to result in financial or personal gain

Embezzlement → To steal or misappropriate money placed in one’s trust or under one’s control

Common PTA/Volunteer Org Fraud Scenarios

- Cash skimming from events
- Deposits not made in full
- Personal purchases using PTA funds
- Duplicate reimbursements
- Fake invoices or vendors
- Unauthorized online payment transfers
- Check tampering
- Missing fundraiser proceeds
- Cash back from a debit card purchase
- Venmo/Cash App misuse

Story Time

The Fraud Diamond

1. Incentive/Pressure

4. Rationalization

2. Opportunity

3. Capability

The Impact of Fraud

- Damage to PTA reputation & community trust
- Loss of funds intended for students and programs
- Stress and conflict among volunteers
- Difficulty recruiting future volunteers
- Potential legal and insurance consequences

Warning Signs

Warning Signs of Theft

- Delayed or missing treasurer reports
- Cash receipts showing a later deposit date
- Missing supporting documents
- Lots of corrections to the checkbook register
- Checks written out of sequence
- Missing money on a Friday, replaced on Monday

Warning Signs of Theft (cont.)

- Signatories that are related to one another
- Checks made out to “Cash”
- Large, pre-signed or bouncing checks
- Not following internal controls
- Avoiding or delaying the annual financial review

Warning Signs of Theft (cont.)

- Volunteer refuses oversight
- Defensive behavior about records
- Reluctance to share passwords or accounts
- One person handling everything
- Sudden lifestyle changes

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The Fraud Diamond

1. Incentive/Pressure

FRAUD DIAMOND

Break the Cycle!!

2. ~~Opportunity~~

3. Capability

4. Rationalization

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Safeguards

Banking & Payment Controls

- Two authorized signers on all checks
- Set up 3 signers on bank accounts so that the payee is not signing their own check
- Never sign blank checks
- Require executive board approval for expenses
- Monthly bank statement review by non-signer
- Separate duties whenever possible
- Use online banking alerts
- Limit debit card use
- Avoid ATM withdrawals

Cash Handling Best Practices

- Always have two unrelated people count cash
- Use cash count forms
- Issue receipts when possible
- Make deposits promptly
- Never take cash home
- Reconcile fundraiser sales to deposits
- Use tamper-evident bags if available

Electronic Payment Risks

Risks

- Shared passwords
- Weak passwords
- Unauthorized transfers
- Missing transaction documentation
- Personal accounts used for PTA funds

Prevention

- Use PTA-owned accounts only
- Change passwords during officer transitions
- Enable multi-factor authentication
- Reconcile payment apps monthly
- Require documentation for all transfers

Financial Transparency

Share Financial Information Regularly

- Monthly treasurer reports
- Budget-to-actual comparisons
- Executive board review
- Membership approval of major expenses
- Annual financial review

Good Documentation Includes

- Receipts
- Invoices
- Approval records
- Deposit records
- Meeting minutes
- And more!

Segregation of Duties

Task		Different Person
1. Collect Cash	→	Volunteer Team
2. Count Cash	→	Two Counters
3. Make Deposits	→	Treasurer/Authorized Volunteer
4. Approve Expenses	→	Executive Board
5. Reconcile Bank Accounts	→	Non-signing reviewer

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PTA Financial Review - *Audits Protect Everyone*

Purpose

- Verify financial accuracy
- Confirm procedures are followed
- Identify weaknesses before problems occur

Review should include:

- Bank statements
- Check registers
- Receipts and invoices
- Deposit records
- Tax filings
- Treasurer reports

THE TREASURER JOB – FOR EVERYBODY

Create a Culture of Accountability

Encourage:

- Questions without fear
- Written procedures
- Shared responsibility
- Proper training
- Ethical leadership

Avoid:

- “We’ve always done it this way”
- Blind trust without verification
- Informal undocumented practices

Officer Transition Risks

Transition Checklist

- Complete a financial review
- Change bank signers as soon as the financial review is complete
- Transfer all records and passwords
- Update payment platforms
- Verify account access
- Inventory PTA property

What To Do If Fraud Is Suspected

Respond Carefully and Professionally

Do:

- Preserve records and documentation
- Limit access to accounts if necessary
- Notify PTA leadership
- Follow PTA policies and bylaws
- Contact council/state PTA as appropriate
- Consult law enforcement or legal counsel if advised
- Contact your insurance company

Do Not

- Conduct public accusations
- Discuss suspicions casually
- Destroy records
- Attempt independent investigations without guidance

The Potential Repercussions

Why Theft might not be reported:

- Negative Publicity
- Avoid embarrassing the offender and family
- Fear of the offender

The Downside of not reporting:

- Sets a precedent for additional theft
- Creates an environment that encourages theft
- Loss of credibility for your PTA
- May void your bonding insurance

Insurance – What to Know

- Call them – they can answer any questions you have about your policy!
- Fidelity Bond: protects the cash of the PTA unit against theft
- Who should be covered under this policy? Anyone in your PTA who has access to or handles the money
- How else should a PTA handle its fidelity bond policy? Cover the position, not the person. Inform your insurer of any people changes during your year.

Case Study Activity

Spot the Red Flags

Scenario

- A PTA president and treasurer are close friends. The treasurer keeps the checkbook at home, uses a debit card for quick purchases, and delays financial reports because they are "too busy." Fundraiser deposits are sometimes made several days later.

Discussion Questions

- What risks do you notice?
- What controls are missing?
- What actions should the board take?

Resources

PTA Best Practices Checklist

Financial Controls

- ❑Two people count cash
- ❑Monthly bank reconciliation review
- ❑Budget approved by membership
- ❑Receipts required for reimbursements
- ❑Annual financial review completed
- ❑No blank checks signed
- ❑Passwords updated annually
- ❑Financial reports shared monthly
- ❑Segregation of duties implemented
- ❑Cash deposits made promptly

Questions?

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Your County Council of PTA

www.pta.org National PTA website and

www.ptakit.org Back-to-School Kit