

SMS PTO

Annual Financial Review

Documents Required: the outgoing treasurer shall present either copies or original documents of the following to the Audit Committee.

- Financial Review Checklist (this document)
- Original Budget for Current Year
- Year End Income / Expense Statement
- Monthly Bank Statements and Monthly Bank Reconciliations
- Tax Return
- Sales Tax Refund Application(s)
- All Financial Records:
 - All check requests including supporting invoices / receipts
 - All deposit records
 - All voided checks
 - Detailed transaction log from Quick Books
- Permanent Files (kept by the secretary and/or treasurer):
 - Sedgfield PTO By-laws that pertain to Audit Committee and Financial Review
 - Sedgfield PTO Policies and Procedures that pertain to Finances, Audit Committee and Financial Review
 - Insurance Policy
 - IRS Letter of Determination for Tax Free Status
 - Articles of Incorporation
 - Signed Code of Conduct for the Board of Directors
 - Signed Conflict of Interest Policy
 - Conflict of Interest Statement
 - Annual Financial Review Checklist from Prior Years
- All Meeting Minutes from the year (including budget that was presented)
- Printout of Transaction Log

Current Financial Summary: to be completed by the outgoing treasurer and verified by Audit Committee:

	Quickbooks Rollforward (inc PayPal)		Wells Fargo Acct
Ending Balance from Prior Year:	\$70,454.79	Checking Balance:	\$24,015.37
Current Year Total Income:	\$129,627.04	Saving Balance:	\$0
Current Year Total Expenses:	\$176,019.42	Total Bank Balance:	\$24,015.37
Current Year Ending Balance:	\$24,062.41	Uncleared Checks	\$30.00
		Bank Bal - Uncleared	\$

What portion of the Year Ending Balance is allocated to designated expense items in the following year?

Description	Description
PTO Reserve \$20,000	\$
Praxis (Training) \$600	\$
SMS Signs/Paint \$1,200-\$3,000	\$
\$	\$
\$	\$
Grand Total:	
	\$21,000 - \$22,600

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Checklist: to be complete by the Audit Committee.

Budget

Yes	No	Review	Supporting Documentation
✓		Budget shows all anticipated sources of income and expense.	Budget
✓		Budget was formally presented and approved by the General Membership	Meeting minutes where budget was presented and approved
✓		There is a procedure to record all monies received	Policies and Procedures
✓		All income was properly recorded and categorized	Income Statement
✓		There is a procedures to report all monies spent	Policies and Procedures
✓		All expenses was properly recorded and categorized	Expense Statement
✓		Sales tax refund is recorded and categorized	Budget vs. Actual Report
✓		There are policies in place to adjust budget as needed during the fiscal year	Policies and Procedures
✓		Regular monthly income / expense reports are given to the Executive Board	Monthly Financial Statement and Meeting Minutes
✓		Budget allows for year end funds remaining to be carried over into the following year	Budget

→ 2nd half of year is in draft form.

Fiscal Controls

Yes	No	Review	Supporting Documentation
✓		PTO monies are kept separate from funds of school, individuals and other organizations	Policies and Procedures
✓		An accounting system is maintained	Quickbooks
✓		Purchases and reimbursements have check request and receipts.	Records
✓		Check requests are made by authorized people; corresponding budget item or adequate description is indicated	Records
✓		Checks are numbered in sequence; any missing or voided checks are recorded	Records
✓		Checks are signed by at least 2 Officers	Records and Policy & Procedures
✓		Cash funds are deposited with signature of at least two board members	Records
✓		Cash funds are secured at all times prior to deposit at bank	Policies and Procedures
✓		Treasurer shall prepare monthly reconciliation of bank statement to accounting system for all bank accounts. Each reconciliation should be reviewed signed by the President or one Co-Presedent.	Bank Statements and Bank Reconciliations

→ Approved by email & see recommendation

Insurance

Yes	No	Review	Supporting Documentation
✓		Insurance policy is in effect to ensure against loss of property	Insurance Policy
✓		Insurance policy is in effect to provide liability coverage for all officers	Insurance Policy

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✓		Insurance policy is in effect to provide bonding for any officer who handles money	Insurance Policy
✓		Copies of insurance policies are maintained in the permanent files	Permanent Files

IRS and Tax

Yes	No	Review	Supporting Documentation
✓		PTO maintains 501c-3 status	Permanent Files
✓		IRS EIN number is on file	Permanent Files
✓		All annual federal (990) and state (if required) tax forms are filed	Copy of tax filing
✓		Sales Tax refund forms are filed semi-annually	Sales tax refund application
✓		Create and send 1099 forms as required	Copies of 1099s

Management

Yes	No	Review	Supporting Documentation
✓		PTO is incorporated as required by the state	Permanent Files
✓		PTO has Code of Conduct signed by leaders	Permanent Files
✓		PTO has Conflict of Interest Policy signed by leaders	
✓		There is a Return Check Policy that is in compliance with all state & local regulations	Policies and Procedures
✓		Financial Review is conducted each year	Permanent Files
✓		Results of Annual Financial Review are presented to the Executive Board, Board of Directors and General Membership	Meeting Minutes
✓		The funds remaining to be carried over into the following year are reasonable	Designated Allocations listed above on this document
✓		The funds remaining to be carried over into the following year have not increased significantly over the last several years	Annual Financial Reviews from last several years
✓		Reasonable effort has been made to act on suggestions in prior Financial Review	Prior Annual Financial Reviews and Financial Policies

Comments / Suggestions / Recommendations (continue on back if needed):

see next page

Audit Conducted by:

Name:

Date:

Comments:

- The Financial Review of 2023-2024 Fiscal Year records was conducted on June 27, 2024. The required records and financial documents were found to be well organized and consistent with prior fiscal years and reviews.
- The Financial Review Committee noted that last year's financial review recommendations were appropriately implemented and reflected in the record provided to the committee. Those changes included using Zelle as primary method for deposits directly into Wells Fargo PTO Bank Account, Bank Reconciliation review and approval by a Co-President and having a monthly Check List printed from QuickBooks.
- The PTO General Membership formally approves the Board in Oct. The incoming PTO Board intends to spend funds over the summer and at the beginning of the new school year in accordance with prior years and with the anticipated Budget.

Recommendations:

- The Financial Review Committee recommends there be a way to tie in the monthly Check List Reports to a complete Full Year QuickBooks report or to Full Year financial reporting (i.e. total expenses) provided to next year's review committee. For purposes of this review, considered appropriate to select a sample of months and verify that population of expenses agreed to the corresponding month on the full year detail.
- As was consistent with prior years and financial reviews, certain recurring payments are considered necessary to continue basic PTO operations (i.e. Insurance, Website Domain, etc). These items are understood to be critical to operations and were paid as normal course of business without attached approval documentation. These expenses were within approved budget and reported in the monthly financials which are presented to the Board at each meeting. The Financial Review Committee recommends these items to have some form of Co-President approval either covered in Policies and Procedures or specifically covered via email or signature approval.