



Financial Best Practices

Insurance

The MS PTA strongly encourages **all units** to purchase **bonding and liability insurance**. Many PTA/PTSA units across the country use AIM, 800.876.4044, www.aim-companies.com.

Checks

The PTA's checking account should require **TWO** signatures on all checks. Why? It limits the potential for honest errors, fraud or abuse by providing a system of checks and balances.

THREE elected officers should have signature rights, usually the president, the treasurer and one more person. Why? Suppose the PTA needs to reimburse the president, but only the president and the treasurer may sign the checks. How may the president sign a check made payable to herself?

When reordering checks, ask for two signature lines. Order duplicate checks or after both people have signed a check, if possible copy the check before sending it.

It is best for the checking account to reflect the local unit's post office box address or the school's address, not someone's home address. Open the account using the unit's EIN from the IRS. (Do not use the school district's EIN or someone's personal social security number.)

Counting Money

At least **TWO** people should count money. Again this is a procedure to protect against honest mistakes, fraud or abuse. This means at least two people should count every piece of money. For instance, persons A & B might count the "paper money" and persons C & D count the change or persons A & B might count all the money.

Night Drop Bag

For a small one-time fee (around \$35) your unit may purchase a drop bag from the bank. Why do this? A drop bag lets you make a deposit at night or on weekends. (Be sure someone follows you to the bank.) It is very **unwise** to take PTA funds home or to leave them at the school overnight or over the weekend.

Where does a PTA get mail? (Required by Jackson Public Schools; recommended for others.)

The PTA is separate from the school and needs its own mailing address, so a post office box is recommended. Units with post office boxes should have financial statements sent to the post office box, so be sure the bank uses the PTA's post office box address. **Mail should NOT be sent to a PTA officer's home or work address.**

Audit Books Yearly

Every year three people who do NOT have signature rights should audit the books. These three people must **NOT** be related to people who do have signature rights. This should be done at the end of the school year before the books are handed over to the new treasurer.

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