

# Transition Period

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The Treasurer's term of office begins on July 1, but he or she should start "transitioning" right after being elected to serve. Both the outgoing and incoming officers are responsible for an effective and efficient transition between fiscal years.

According to Article VIII, Section 3 of "Local PTA/PTSA Bylaws," during the transition period between their election and June 30, the incoming officers shall meet as needed to coordinate with the outgoing officers, prepare for their term of office, formulate their tentative plans and proposed budget, schedule their calendar, coordinate with the principal, and, if applicable, select commissioner and committee chairs and shall attend the Utah PTA convention in May. The incoming officers shall assume no financial responsibilities nor obligations until July 1.

## The Outgoing Treasurer is Responsible For...

Preparing a **Year-end Financial Report** and seeing that an **Annual Financial Reconciliation (AFR)** of that statement and the related records is completed.

- The books should be closed **no later than June 30**. No transactions should occur between the time the books are closed for AFR, which will be **no later than June 30**, and the time the incoming Treasurer begins making transactions, which will be **no earlier than July 1**.
- Both the **financial statement and the AFR report** are to be submitted **to the new executive committee and to the council no later than August 1**. Each council will set its own procedures for submission of these reports, possibly involving transition training before or during the transition period and/or small group meetings with outgoing and incoming Presidents and Treasurers.
- The financial statement and AFR should be presented for adoption at the first general membership meeting of the new school year.

Preparing a **Sales Tax Refund Request form** for the period January 1 to June 30. This form is due **to the Council by August 1** (unless the unit only submits for a refund once a year - by February 1).

Preparing the applicable IRS filing—either **Form 990EZ and related schedules**, if required, or **Form 990N**.

- All PTAs in Utah are required to make an annual filing with the IRS.
- For fiscal year 2016-2017 PTAs that have gross receipts (all funds received from all sources, except dues forwarded to Utah PTA and National PTA, including gross income from fundraisers) that are "normally more than \$50,000" are required to file Form 990EZ (including the applicable schedules).
- All other PTA units (local, council, and region) will file Form 990N, also known as the e-Postcard.
- A PTA can, of course, complete its filing any time following the completion of the AFR after July 1. Utah PTA recommends that Form 990N be filed by **August 1** and requests that Form 990EZ be submitted to Utah PTA by **September 1**.

- Form 990EZ and related schedules are available at [www.irs.gov](http://www.irs.gov). Completed forms should be **mailed to Utah PTA** – not directly to the IRS.
- Form 990N (the e-Postcard) is filed electronically at <http://epostcard.form990.org>. Only basic information is required on the form. A copy of the accepted 990N from the IRS needs to be given to your Region Treasurer.

## An Incoming Treasurer’s Checklist: Have I ...

- ... received the training I need to fulfill my responsibilities as Treasurer? Utah PTA’s Leadership Convention is held in May. Council and/or regions will schedule post-convention training and/or field service training subsequent to the convention.
- ... made note of the **duties of the Treasurer and other financial requirements per the PTA bylaws**? The bylaws should be reviewed by the executive committee at the beginning of each year. The Treasurer should keep a copy of the bylaws in the current year’s financial file and/or binder.
- ... begun my responsibilities as **chair of the budget committee**? Sources of information to create the proposed budget include needs assessments, input from each commissioner and/or chairperson, and prior years’ financial records. Once the proposed budget is approved by the board, it must be approved by the membership at the first general membership meeting (prior to September 15).
- ... taken **custody of the checkbook by July 1** and the prior year’s financial records by August 1. The incoming Treasurer can begin writing checks and making deposits on July 1, even if the AFR has not been completed. Expenditures should be limited to those of a routine or emergency nature until the budget is approved by the general membership.
- ... had the **signature card** at the bank changed, effective July 1. At least three unrelated, elected officers should be authorized to sign on the account: the Treasurer, the President, and generally the Secretary and/or the President-elect. (Note: The bank may require an outgoing officer to initiate this change.)
- ... set up a **current year’s financial file and/or binder**?
- ... made sure that a **ten-year file** and a **permanent file** of financial records are retained and stored in a safe place, at the school if possible? (To find what is included in these files, see page 23)