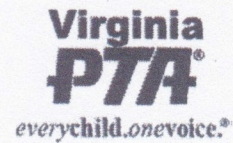


Financial Review/Audit Report for Local PTAs



Name of PTA/PTSA: West Springfield High School (WSHS) PTSA

EIN Number: 54-6114591 Date of Financial Review: January 2, 2021

Financial Review period from July 1, 2019 to November 1, 2020

Presented to PTA executive board on: January 5, 2021 (*date*) and adopted by your General Membership on: January 12, 2021 (*date*).

Date of last financial review: 2017. Last financial review covered the period from July 1, 2016 to June 30, 2017.

PTA District: Northern VA PTA Council: Fairfax County

Signed: _____ Signed: _____
President Treasurer

Signatures should be current president and treasurer in office at time of executive board approval and general membership adoption. The following information is submitted to the Virginia PTA as the annual financial review of this association.

FINANCIAL REVIEW COMMITTEE or AUDITOR: (*a committee of 3 people that are not authorized to sign checks for this PTA during this financial review period OR an experienced auditor*)

The financial records of this PTA are complete or X incomplete. If incomplete, include comments detailing missing documentation and recommendations.

Financial Review Committee:

Signed: Margaret Ewell

Print Name: Margaret Ewell

Financial Review Committee Chair

Phone: 703-317-9447

Signed: Kristina Swatek

Print Name: Kristina Swatek Phone Number:

Financial Review Committee Member

Signed: Kris-Andra Houchins

Print Name: Kris-Andra Houchins Phone Number:

Financial Review Committee Member

Auditor:

Signed: _____

Printed Name: _____

Organization: _____

Address: _____

Phone number: _____

Financial Management Checklist

The purpose of this checklist is to provide general guidance to PTA volunteer leaders in the management of their resources. Stewardship of other people's money is an important part of volunteer activity and requires systematic and ongoing attention.

This is a complete review of the financial management practices of the PTA, and assists the financial review committee/auditor with their inspection of the books and records. **This checklist is kept as part of the adopted financial review report and filed with the permanent financial records.**

Officer Information:

President during financial review period: Chris McFadden
phone: _____

Treasurer during financial review period: Lorraine Moore

phone: _____

Secretary during financial review period: No Secretary
phone: _____

<u>Treasurer's Records:</u>	<u>Treasurer</u>	<u>Financial Review Committee</u>
1. Do the treasurer records include:		
• Contact information for the Executive Board?	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
• Copy of previous financial review/audit?	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
• Copy of the bylaws and standing rules (<i>if applicable</i>)?	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
• Copy of membership roster?	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
• Copy of the adopted budget?	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
• Copy of IRS 990 filing?	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
• Copy of insurance policy?	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
• A copy of the 501c(3) determination letter?	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
• A copy of the sales tax exempt certificate? (<i>if applicable</i>)	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
• A copy of bank signatory paperwork?	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
• Minutes of all meetings? (<i>Board and general membership</i>)	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
• Treasurer reports with budget-to-date information for every meeting?	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
• Bank statements?	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
• Documentation for every expense and all income?	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
The annual year-end report?	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
2. Were the records turned over in a timely manner to the financial review committee?		<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
<p>If no, when were they turned over? They were not turned over.</p> <p>Comments: We had to review boxes with old records and download bank statements from online bank account</p> <p>Recommendation: All PTA records are the property of the PTA and shall be available to the membership.</p>		

<p>3. Where are your treasurer records maintained?</p> <p>Location: Records will be maintained on a PTSA Google Drive going forward. https://drive.google.com/drive/u/0/folders/1B1Z8XRZDb5qqsE6P57doQ9iwVt2-QuY2 Paper records will be maintained at Treasurer Kristina Swatek's residence.</p> <p>Address: 9694 Alexandra Nicole Drive Lorton, VA 22079</p> <p>If possible, your records should be kept at your school in a secure location. Your board needs to know where these books are kept.</p>		
<p>4. Are the current treasurer books held by the treasurer? The treasurer maintains all financial records.</p>	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	

<u>Budget:</u>	<u>Treasurer</u>	<u>Financial Review Committee</u>
<p>1. Was the budget adopted by the general membership? When?</p> <p>If no, Comments: We do not know if a budget was adopted by the General Membership. There are no meeting minutes or budgets in the records or on the PTSA website.</p> <p>Recommendation: The proposed budget is to be prepared by a budget committee, presented to the executive board and then to the general membership for adoption. We are a membership association and this money belongs to our members.</p>	<input type="checkbox"/> Yes <input type="checkbox"/> No _____ (date)	<input type="checkbox"/> Yes <input type="checkbox"/> No
<ul style="list-style-type: none"> • Was the budget prepared by a budget committee? • If no, who prepared the budget? 	<input type="checkbox"/> Yes <input type="checkbox"/> No	

<ul style="list-style-type: none"> • Is the budget based on knowledge of last year's income/expenses, current financial conditions, expense needs etc.? 	<input type="checkbox"/> Yes <input type="checkbox"/> No	
<ul style="list-style-type: none"> • Does the budget show all sources of income, totaled and balanced, against all total expense categories? 	<input type="checkbox"/> Yes <input type="checkbox"/> No	
<ul style="list-style-type: none"> • Was the budget reviewed by the Board before general membership adoption? 	<input type="checkbox"/> Yes <input type="checkbox"/> No	
<p>2. Was a budget report presented at every PTA board/general membership meeting?</p> <p>If no, Comments: We do not know; there are no meeting minutes and no records left. There was no information on the PTSA website.</p> <p>Recommendation: A budget report showing income and expenses in each budget line should be presented at every PTA Board/general membership meeting.</p>	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No

3. Is a copy of the adopted financial review/audit report sent to the state office each year?	<input type="checkbox"/> Yes <input type="checkbox"/> No	
The State PTA does not have copies of WSHS audits past 2017.		
4. Are there any irregularities in the budgeted amounts to actual expenses/income? If yes, Comments: We have no budget, no ledger/expenditures or documentation to analyze whether there were irregularities in budgeted vs. actual expenditures or income. Recommendation: any budget amendment over \$300 must be approved by your general membership.		<input type="checkbox"/> Yes <input type="checkbox"/> No

<u>Treasurer's Reports:</u>	<u>Treasurer</u>	<u>Financial Review Committee</u>
1. Was a detailed, written treasurer's report presented at every PTA board/general membership meeting? If no, Comments: We have no knowledge of whether a Treasurer's report was presented due to lack of documentation and meeting minutes. Recommendation: A treasurer's report detailing income and expenses and reconciled to the bank statement must be presented at every PTA board/general membership meeting.	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No
<ul style="list-style-type: none"> • Were the reports clear, concise and easily understood? • Did the reports show, in detail, the source(s) of all income and expenses? 	<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Yes <input type="checkbox"/> No
2. Did the treasurer prepare an annual or year-end detailed, written report?	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
3. Do the canceled checks and the entries in the checkbook and the treasurer's reports all agree? N/A NOTE: The Previous PTSA went to electronic bill pay in May 2019, prior to this audit period.		<input type="checkbox"/> Yes <input type="checkbox"/> No
4. Do the deposit slips and the entries in the income ledger and the treasurer's reports all agree? NOTE: The Previous PTSA went to electronic bill pay in May 2019, prior to this audit period.		<input type="checkbox"/> Yes <input type="checkbox"/> No
5. Have all financial obligations of the PTA been paid in full?		<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No

<u>Bank Reconciliation:</u>	<u>Treasurer</u>	<u>Financial Review Committee</u>
1. Were the bank statements reconciled every month? If no, when were they reconciled? Comments: We believe so; there were highlighted bank statements with comments in the records left.	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No

Recommendation: Bank statements must be reconciled every month.		
2. Are bank reconciliations verified each month by individuals that are not authorized to sign checks? If no, were they verified in any months? Comments: Recommendation: Bank statements must be opened by a non-signer and must be verified against the treasurer's report every month.	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
3. Did the year-end financial report reconcile with the final bank statement? We did not find any year-end financial reports in the documentation left.	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No

<u>Financial Procedures and Controls:</u>	<u>Treasurer</u>	<u>Financial Review Committee</u>
1. Are all PTA monies kept separate from school, personal or other organization's funds?	<input type="checkbox"/> Yes <input type="checkbox"/> No	
2. Are the state and national portions of membership dues sent to the Virginia PTA state office before November 1st? If no, Comments: We are unsure about 2019. However, in 2020, membership dues were not sent because our PTSA lost standing and we had no membership. It was reconstituted in November 2020. Recommendation: Membership funds belonging to Virginia and National PTA are transfer funds and should be remitted to Virginia PTA.	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
<ul style="list-style-type: none"> Do the deposit records for membership match the membership numbers? If no, Comments: We have no membership records from 2019-2020. Recommendation: membership funds belonging to Virginia and National PTA should be remitted to Virginia PTA and are not included in your PTA budget.		<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
What was the PTA's total membership count for the year? We have no membership records from 2019-2020.	_____	
PTA membership dues are \$5.00 per member for the 2019-2020 school year.	<i>complete section</i>	
What was the date and dollar amount of dues sent to Virginia PTA? ○ Date: _____ Amount: _____ ○ Date: _____ Amount: _____ ○ Date: _____ Amount: _____	<i>complete section</i>	

What was the amount of dues paid to Council, if applicable? ○ Date: _____ Amount: _____	complete section	
3. Was there a proper invoice or receipt for each expenditure? If no, Comments: Limited documentation was left by previous board. We have some invoices and receipts, but not for each expenditure. Recommendation: There must be a receipt or invoice for every check written. If there is no receipt, no check should be written.	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
<ul style="list-style-type: none"> Was every expense checked against the budget before authorization? 	<input type="checkbox"/> Yes <input type="checkbox"/> No	
<ul style="list-style-type: none"> Were receipts and invoices matched against the request before payment? 	<input type="checkbox"/> Yes <input type="checkbox"/> No	
<ul style="list-style-type: none"> Is there a time limit for reimbursements? 		
4. Is there a policy that prohibits the signing of blank checks? Are all checks signed by at least two authorized people? If no, how often were they only signed by one person? Comments: We do not see a policy about check signing from previous board. Previous board used Bill pay; therefore two authorized people did not sign. Recommendation: all checks must be signed by 2 people.	<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
<ul style="list-style-type: none"> Was the check register kept current? 	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
<ul style="list-style-type: none"> Are all checks used in sequential order? 	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
<ul style="list-style-type: none"> Are all checks accounted for, including voided checks? 	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Were there any checks written to "cash" or cash withdrawals? If yes, list: Amount: _____ Date: _____ Check #: _____ Amount: _____ Date: _____ Check #: _____ Amount: _____ Date: _____ Check #: _____ Comments: Recommendation: NEVER write a check to "cash". There is no record of how your PTAs funds were spent.	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
5. Is signatory paperwork up-to-date with at least three (3) signatures?	<input type="checkbox"/> Yes <input type="checkbox"/> No	
Does the PTA/PTSA have checking account? With which bank? Atlantic Union, Springfield VA	<input type="checkbox"/> Yes <input type="checkbox"/> No	
Does the PTA/PTSA have a savings account? With which bank? None	<input type="checkbox"/> Yes <input type="checkbox"/> No	
Does the PTA/PTSA have any certificates of deposit? With which bank? None	<input type="checkbox"/> Yes <input type="checkbox"/> No	

Does the PTA/PTSA have a debit card? If yes, Comments: Recommendation: Virginia PTA strongly advises units not to hold debit cards as they can be easily misused.	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
6. Are at least two people involved in the processes of depositing funds and handling cash? If no, how often did only one-person count? Comments: There were no policies left regarding handling of cash. Recommendation: A deposit reconciliation form must be used for every cash deposit, with two people counting the funds every time. A “cash counting sheet for event” may also be used (National PTA).	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Were all funds deposited promptly ? (within the next business day) If no, how much time lapsed? Comments: There was only one deposit during the audit period. Recommendation: PTA funds should never be taken home with you and should be deposited the same day they are received or the next business day.	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Was all income properly allocated into the appropriate budget line?	<input type="checkbox"/> Yes <input type="checkbox"/> No	

<u>Insurance:</u>	<u>Treasurer</u>	<u>Financial Review Committee</u>
1. Are insurance policies in force to protect the PTA against loss of property by reason of fire, theft or other casualty?	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
2. Are liability policies in effect to protect PTA officers and members, schoolchildren or other third parties where PTA projects or activities may result in an accident?	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
3. Are the treasurer and all others authorized to handle PTA funds covered by a fidelity bond in the amount determined by the board?	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No

<u>Internal Revenue Service (IRS) and Tax Forms:</u>	<u>Treasurer</u>	<u>Financial Review Committee</u>
1. What is the PTA/PTSA’s Employer Identification Number (EIN)? 54-6114591		
2. A copy of the letter from Virginia PTA verifying your PTA as a subordinate of the Virginia PTA with our 501c(3) Determination Letter and your Sales Tax Exemption Certificate are in your permanent files.	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
3. Has the IRS form 990, 990-EZ or E-Postcard been filed with the IRS?	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Has it been forwarded to Virginia PTA? (the e-mail confirmation may be forwarded for the E-Postcard)	<input type="checkbox"/> Yes <input type="checkbox"/> No	

The Financial Review began with an inventory of all the documentation on hand. The only relevant documentation for the financial review found were the current Bylaws (in effect through April 2021), bank statements, and limited invoices and receipts. No meeting minutes, monthly Treasurer reports, annual financial reports, previous year audits, membership rosters, PTSA policies, or a financial ledger were present. The current President and Treasurer made attempts to obtain these documents from the previous President and Treasurer; but these individuals advised the current officers that all documentation was in the boxes provided. Also, please note, the 2019-2020 Treasurer did not complete this Financial Review Checklist for this review.

The review of documentation also ascertained that the All-Nigh Grad Party committee, which previously had been part of the WSHS PTSA and constituted a large part of income and expenditures, separated from the WSHS PTSA during the 2019-2020 school year. They have obtained their own EIN and opened their own bank account. However, there is no formal documentation regarding formal separation date and there were limited records in the documentation left. Therefore, this review did cover the All Nigh Grad party (ANGP) to the extent that they were included in the transactions reviewed in Bank Statements and documentation on hand. They were not included in recommendations as they are no longer part of the PTSA.

All Bank Statements were reviewed, including deposits and withdrawals to identify any unusual transactions. All transactions appeared to fall within normal PTSA and ANGP activities and limits and the limited invoices and receipts we found supported the expenditures. There were no approved budgets nor published schedules of events (and due to COVID-19, all events beginning in March 2020 – November 1, 2020 were cancelled) to compare expenditures and deposits against.

With that, the Financial Review is complete. Below are our recommendations to the current Board for financial policies to put in place to ensure the PTSA has a clean financial review for 2020-2021 school year.

RECOMMENDATIONS

1. All PTA records are the property of the PTA and must be available to the membership upon request. Records must be maintained and organized for continuity to pass on to the next board. Where possible, electronic copies and storage as well as paper copies are encouraged.
2. The proposed budget is to be prepared by a budget committee, presented to the executive board and then to the general membership for adoption. We are a membership association and this money belongs to our members.
3. A budget report showing income and expenses in each budget line should be presented at every PTA Board/general membership meeting.
4. Any budget amendment over \$300 must be approved by your general membership.
5. A treasurer's report detailing income and expenses and reconciled to the bank statement must be presented at every PTA board/general membership meeting.
6. Bank statements must be reconciled every month.
7. Membership funds belonging to Virginia and National PTA are transfer funds and should be remitted to Virginia PTA.
8. All checks **must** be signed by 2 people

9. Develop policy regarding use of online banking/bill and two-person sign off
10. Develop policy regarding use of debit card and two-person sign off
11. There **must** be a receipt or invoice for every check written. If there is no receipt, no check should be written.
12. Treasurer will create income and expense vouchers
13. **NEVER** write a check to "cash". There is no record of how your PTAs funds were spent.
14. A deposit reconciliation form must be used for every cash deposit, with two people counting the funds every time. A "cash counting sheet for event" may also be used (National PTA).
15. PTA funds should never be taken home with you and should be deposited the same day they are received or the next business day.
16. Treasurer will create an income and expenditure ledger to track income and expenses and use to create annual financial reports.

Financial Review Report for: WSHS PTSA.

EIN: 54-6114591 Date of financial review: January 2, 2021.

Financial review period from July 1, 2019 to November 1, 2020.

Last financial review period from: 2017. Ending balance: Unknown.

1. Beginning Balance (Should match prior financial review/audit "Ending Balance")	\$ 7,811.77
2. Receipts (<i>Total of all deposits and credits</i>)	\$ 4,468.95
3. Add line 1 and line 2:	\$ 12,280.72
4. Expenses (<i>Total of all checks written and debits</i>)	\$ 1247.93
5. Subtract line 4 from line 3 for "ENDING BALANCE" (<i>Should match check register</i>) TREASURER'S RECORDS	\$ 11,032.79

OUTSTANDING CHECKS AND DEPOSITS:

6. Balance on Last Bank Statement:		\$ 11,032.79
Outstanding Checks:		
Check #	Payable to:	Amount
Total outstanding checks:		\$ 0
7. Subtract total for Outstanding Checks from Line 6.		\$ 11,032.79
Outstanding Deposits		
Source of Deposit	Amount	
TOTAL OUTSTANDING DEPOSITS:	\$ 0	
8. Add total Outstanding Deposits to Line 7.		\$ 11,032.79
9. Enter amount in line 8 to verify "ENDING BALANCE" <i>Should match check register and amount in Line 5.</i> BANK RECORDS		\$ 11,032.79