

Building Council Treasurer Checklist

District Parent Council

Updated September 2021

I. Treasurer Role

- Manage council budget. *
- Distribute council funds.
- Present financial reports for monthly council meetings.
- Develop annual budget with executive council members.
- Oversee deposits and utilization of cash boxes for council/school activities.
- Complete association filings (Form BCS/CD-2000) State of Michigan's Annual Corporate Information Return & Form 990-N (e-Postcard) Federal Informational Return for Non-Profit Corps.
- Other duties as assigned by association bylaws and council.

*Budget – a good rule of thumb for the June 30th year-end account balance is that the ending balance should not be less than 1 year's operating expenses. For example, if your council's actual annual expenses amounted to \$8,500, then your year-end combined checking and savings balance should equal \$8,500.

II. Annual Filings & Taxes (CSCL/CD)

1. Form CSCL/CD – State of Michigan

- This informational "return" is due every October 1st. There is a fee of \$20 that must be submitted with your completed form.
- Form CSCL/CD must be filed within 2 years of the due date or your organization will be "dissolved" by the State of Michigan.
- This is important to know because banks review the state's database to see if you are current. If you are not in compliance, then the bank will not allow you to open an account or even update your bank signature cards until you are in full compliance with the State.

2. Methods of Filing & Payments

- You may pay by credit card (VISA/MC) online at www.michigan.gov/fileonline
- Or mail in the form (with check) to: State of Michigan (LARA), P O BOX 30767, Lansing, MI, 48909.
- Or deliver in person to: 2501 Woodlake Circle, Okemos.

III. Annual Filings/Taxes (990-N)

1. Annual Electronic Filing Requirement for Small Exempt Organizations — Form 990-N (e-Postcard)

- **Who Must File:** Most small tax-exempt organizations whose annual gross receipts are normally \$50,000 or less are required to electronically submit Form 990-N, also known as the e-Postcard, unless they choose to file a complete Form 990 or Form 990-EZ instead. It appears that “gross receipts” includes not only donations and raised funds, but also grants awarded to parent council groups.
- **Due Date of the e-Postcard:** The e-Postcard is due every year by the 15th day of the 5th month after the close of your tax year. For example, if your tax year ended on December 31, the e-Postcard is due May 15 of the following year. If the due date falls on a Saturday, Sunday, or legal holiday, the due date is the next business day. You cannot file the e-Postcard until after your tax year ends.
- **How to File:** Use this link to file the e-Postcard <http://epostcard.form990.org>. When you access the system, you will leave the IRS site and file the e-Postcard with the IRS through the Urban Institute. The form must be completed and filed electronically. There is no paper form. The e-Postcard is easy to complete. All you need is eight items of basic information about your organization.
- **Late Filing:** If you do not file your e-Postcard on time, the IRS will send you a reminder notice. There is no penalty assessment for late filing the e-Postcard, but an organization that fails to file required e-Postcards (or information returns – Forms 990 or 990-EZ) for three consecutive years will automatically lose its tax-exempt status. The revocation of the organization’s tax-exempt status will not take place until the filing due date of the third year.
- **Donation Receipts:** Remember that tax receipts are legally required for donations of \$250 or more. The donors cancelled check serves as a valid receipt for their tax records.

IV. Internal Cash Control Recommendations

1. Cash

- When cash is received it should be deposited within 3 days of receipt.
- Determine origin of cash/checks coming into your organization (donations, book fair, etc.) then make sure that at least two people are involved with the collection/recording of cash and selling of products. For example – tables that are set up at a carnival to sell tickets should always have more than one person selling the tickets and receiving cash/checks.

2. Checks/Banking Activity

- At least 2 executive officers should have check signing authority.
- The check book should be maintained and locked up by the Treasurer.
- Incoming checks should be endorsed “for deposit only” with council account number recorded on the back.
- Avoid making checks out to petty cash or cash.
- The treasurer, co-treasurer or president should receive the unopened bank statements and copies of checks in order to review them prior to the preparation of the monthly bank reconciliation.
- Monthly bank reconciliations should be completed by the Treasurer as soon as possible (preferably within 10 days of receiving the statement).
- All check numbers must be accounted for.

3. Accounts Payable

- Processed/paid invoices should be marked paid with the corresponding check number recorded on invoice.
- The President or Vice President should authorize/sign off on all invoices and contracts.

V. Internal Control Checklist

1. Do you require two signatures on every check?
2. Is the checkbook kept under lock and key?
3. Do you use high quality check stock that would be difficult to scan?
4. Do you have written internal controls?
5. Have you updated the authorized signers/signature cards with your bank?
6. Do you limit who has access to cash?
7. Do you have adequate separation of duties in place? The key is to minimize the number of people who handle cash – especially before it is deposited.
8. Do you deposit cash or checks as soon as they are received by your parent council?
9. Do you have a clear paper trail (receipts, etc.), that fully supports all transactions?
10. Do you lock up cash and/or checks in a secure location prior to deposit?
11. Do you change banking passwords and update signature cards when officers leave or new officers join the council?
12. Does the Treasurer present accurate financials reports for your monthly parent council meetings? If not, then this needs to be addressed.
13. Do you track and understand any budget deficits or variances? Can the Treasurer explain the reason for the discrepancy at the council meetings?
14. At school events, do you provide each cashier with a separate cash drawer?
15. Can you account for every check?
16. Are bank statements reconciled monthly against the checkbook?
17. Do you have more than one set of eyes reviewing the checkbook and bank statements on a monthly basis?
18. Do you have anyone in the organization that has control over the whole cash process? No single person should have complete control over the entire cash process.

Now is a good time to evaluate your system of internal controls and correct whatever deficiencies currently exist.