



FIDUCIARY DUTIES OF BPTA VOLUNTEERS

This section of the NYS PTA Resource Guide has been adapted from the National PTA Money Matters Quick-Reference Guide 2012. Additions have been made based on New York State laws and regulations as well as NYS PTA policy and procedure. Many other additions have been made based on the input of PTA members throughout New York.

Briarcliff PTA board members have a fiduciary responsibility to the association, to act in its best interest at all times. Fiduciary is defined as “designating a person who holds something in trust for another” and “valuable because of trust.” These duties include:

Duties of Trust

1. Duty of care – A board member (director) must discharge his or her duties with care and prudence. A director doesn’t always have the be right, but he or she must act with common sense and informed judgment. A director should act in good faith using “the degree of diligence, care and skill” which prudent people would use in similar positions and under similar circumstances.
2. Duty of loyalty – A director has a duty to give undivided loyalty to the association. Decisions must promote the association’s purpose. Any signs of conflict of interest must be avoided. If a conflict arises, it should be reported immediately, and the director may be required to prove that the transaction is fair and reasonable and in the best interest of the association. Any possible conflict should be discussed and resolved before a director is to be elected to the board.
3. Duty of obedience – A director has a duty to follow the organization’s governing documents: the articles of incorporation and its bylaws. A director also has a duty to comply with state and federal laws that relate to not-for-profit associations.

The fiduciary obligations of the board members involve core principles that have remained essentially unchanged for many years. Generally, board members of not-for-profit associations such as the PTA are free to make their own decisions with respect to corporate actions, and board members will not be held liable under the law for any failures so long as the decisions were made in good faith, with due care and without self-dealing. Self-dealing rules are generally defined as prohibiting any direct or indirect financial transaction between and organization and virtually all persons closely related to the organization.

All board members should be mindful of their responsibility to conduct the association’s activities according to its purposes and ensuring that its assets are not wasted or used for private benefit. This extends to the use of membership lists, which are assets of the PTA, and the class lists that belong to the school district, that should not be used for the dissemination of private viewpoints.

Handling Money, Fundraising Receipts and Expenditures

Occasionally it may be necessary to handle PTA money, such as dues from membership enrollment or returns from a fundraising project. Two people should always count the money and both should sign the receipt verifying the amount. All monies collected should be given to the treasurer without delay.

When the PTA is planning a fundraising activity that will involve large amounts of money, the chair of the activity should be responsible for seeing that the treasurer receives the revenue immediately after completion of the activity. The treasurer and another person should count the monies received, and both should sign the statement verifying the

amount. A receipt should be given to the chair for the entire amount. Even if the project is a continuing one, the money should be deposited in the PTA's bank account.

Never deposit any money in anyone's personal account or in the school account, and never leave the money in the school building or in someone's home. Reasonable attempts will be made to hand off the funds to the PTA treasurer the day of the event. If that is not possible, prior arrangements must be made between chairperson and treasurer to agree on a place/time for funds transfer. In no case should funds be held any longer than 24 hours.

To keep accurate records, the treasurer should be given itemized bills, sales slips, etc from the fundraising activity to pay by check. Within a few days of the conclusion of the activity, the treasurer, fundraising chair or person in charge of the activity should complete a detailed report of all receipts and expenditures and the profit from the project. That report should be presented to the board/executive committee and the membership at the meeting following the activity.

Check Request (Voucher) System

A PTA may use a general check request (voucher) system for its expenditures. The check request should include: date, brief description, amount to be paid and budget line item(s) with two signatures authorizing payment. Every expenditure needs at a minimum two signatures: the person requesting the funds as well as the PTA treasurer or school chairs. A check request, with receipts attached, should be prepared for each check written. Only original invoices should be approved for payment. A signed contract is required for use with all vendors and must be signed by one of the BPTA co-presidents.

PTA Funds vs. Private Monies

Because the PTA is a private organization, PTA funds should be deposited only in the PTA account, not in a personal account, a school account or any other organization or group's account. All money deposited in a PTA account will be considered PTA funds by the IRS and must be reported as such. A PTA should never deposit school or school related money in its account.

If a PTA sponsors a project or program in cooperation with the school, all funds should be accounted for and separated prior to the immediate deposit of the PTA portion into the PTA bank account.

A PTA is a separate legal entity and not a school organization. It is imperative that this distinction is clear. PTAs do not share their EIN numbers, their sales tax exemption or their banking details with schools, principals, or school districts.

I have been advised of the fiduciary duties and guidelines of the Briarcliff PTA Executive Board.

I understand that Committee Chairs and Co-Chairs are required to be current members of the BPTA.

Signature _____

Date _____

Print Name _____