

## MONEY MATTERS GUIDELINES FOR PARENT GROUPS AND TREASURERS

### Who is responsible for funds?

All Parent Council (PC)/Parent Teacher Association (PTA)/Parent Staff Association (PSA) committee members are responsible for the management of funds. The Treasurer has the important role in helping everyone to carry out these duties properly. The Treasurer may be a parent or, if no-one volunteers for the role, someone may be co-opted to the role. If your group employs a Clerk, they could also be Treasurer. Remember, co-opted members do not have a vote.

### The main duties of the Treasurer are

- to keep accurate financial records
- to present a written financial report and evidence of bank balances at each Parent Council/PTA/PSA meeting. a verbal report is not sufficient
- liaising with the bank and holding the cheque book or online banking details
- ensuring the proper counting and banking of money/online payments and making approved payments
- paying agreed expenses
- providing and accounting for cash floats at events
- preparing the annual accounts and arranging for an independent person ('examiner') to check and sign them off before presenting them at the AGM.

### Managing the finances

- The accounts should be updated monthly by the Treasurer and at least one other bank account signatory
- The accounts can be produced in several ways:
  - in a cashbook
  - using a spreadsheet
  - using book-keeping or accounting software.
- The method chosen will depend on the amount of money the group holds and the experience of the Treasurer. Whichever method is

chosen, it is important to have a system which will be easy to pass on and be used by future Treasurers

- If using spreadsheets or software, remember to make regular backups
- The accounts should always be available to any parent who asks to see them
- Connect has a guide to [Using a Spreadsheet for Parent Group Accounts](#) and a [spreadsheet template](#) in this document.

## Income

- All money received by your group must be recorded
- It is a good idea to use headings as this will make it easier to produce reports for the committee and for the AGM. Headings could include
  - local authority money
  - individual donations
  - individual events, eg, Christmas fair, race night, etc.
  - school uniform shop
  - 200 club
  - bank interest.
- Keep a record of what was raised and of expenditure for each event, eg home baking, tombola, bouncy castle, catering. This allows your committee to decide whether to run the activity again.

## Expenditure

- All payments made from the account must be recorded.
- A receipt should be required for all payments. If this is not possible, then the Treasurer and recipient should sign a petty cash receipt. If meeting face-to face is not possible then an online form could be used. Reimburse expenses promptly.
- Headings can also be used for expenditure, such as:
  - Connect membership/extra insurance fees
  - stationery
  - committee expenses (eg, travel)
  - license fees
  - refreshments
  - online video meeting account upgrade.
- It is good practice to pay bills when they are due as this saves time and

paperwork.

## Donations to the school

- All donations gifted by the PC/PTA/PSA to the school should be recorded.
- It is the decision of a PC/PTA/PSA how to spend any fundraising money. This should be done in consultation with the school/headteacher/parents/pupils and recorded in the minutes at a committee meeting.
- The school is also accountable for spending money gifted by the PC/PTA/PSA. If the money is donated for a specific purpose, it must be spent as agreed. The Treasurer should ask for evidence eg invoices, receipts from the school showing the money has been spent on the items it was intended for.
- Ask that all donations made by the PC/PTA/PSA appear on the school's annual accounts.

## Managing cash at events

- It is good practice to have a cash float for each activity/stall and try to have the same amount of money for every float. Keep a record of this. Remember to get coin bags from the bank.
- Keep some money aside for last minute purchases and to pay expenses to helpers. Helpers must have receipts and payments should be carefully recorded.
- Tell all stall/activity holders they must keep their float and takings separate from other stalls.
- When there are lots of stalls/activities, it is a good idea to remove and count the money during the event and keep a running total of the takings.
- Ensure cash is never left unattended.
- Make sure at least two people agree to help you count the money during and at the end of the event – they should not be close friends or family members. Coins should be bagged, and notes bundled.
- Record the takings on a sheet, with the date and time of the event (and which activity it relates to). Ask the other people who have helped count the cash to sign the takings sheet and arrange for it to be kept in a safe

place eg the school safe. It is important to have a record of takings as the membership-linked insurance will not cover unverified amounts. Bank the money straight away, if this is not possible, put it in the school safe. If it is not possible to either bank the money or store it in the school safe, the Connect membership-linked insurance includes cover for splitting up and keeping money **at home** up to certain limits: if you have to do this; check out the Summary of Cover and Insurance FAQs which can be found at <https://connect.scot/resources/connect-members-pack-2022-2023>

- <https://connect.scot/resources/connect-membership-pack-2021-2022> Make sure you are accompanied at all times by at least one person aged over 16 when you carry large amounts of cash. There are additional requirements in the Summary of Cover for amounts over £7,500
- When the Treasurer presents the bank statement at the next PC meeting this will evidence that the takings have been banked.

### Managing income from online payments and apps

Some parent groups use card readers, card payment processors or apps to accept payment for event tickets and for items on sale. Card readers, card payment processors and apps should be operated by at least two authorised signatories working together. Keep detailed and accurate records of payments received and ensure this agrees with the bank statement. To find out more about online payments refer to [Fundraising Payment Methods](#) in this document.

### Banking

One person should not have control over signing cheques, purchasing items and funds transfers. Cheques should have at least two signatories, and for online banking require at least two signatories to authorise / confirm online payments. Some online banks offer dual authority bank accounts so that signoff is always by two people. If your bank does not offer this, think about how payments are authorised so there is a paper trail (or an email trail) to show payments have been signed off by at least two signatories. It can take some time to change signatory, so it can be a good idea to have more than two people set up for digital banking. This avoids your group having problems while you set up a new signatory.

Ensure that there is password protection on computer systems and that unattended computers use automatic time locks. Change passwords at least every 90 days.

Your membership linked insurance does not cover losses occurring through phishing, hacking, or other forms of cybercrime. Be vigilant around cyber security. You can find useful advice about suspicious emails, phone calls and texts at <https://www.ncsc.gov.uk/guidance/suspicious-email-actions> Also note that transactions for the PC/PTA/PSA conducted through a personal account are not covered by Connect's membership-linked insurance so never use parent group members' individual bank accounts.

The bank statement should be presented at each Parent Council meeting along with the updated accounts. As previously noted, the Treasurer should present a written financial report and evidence of bank balances at each Parent Council/PTA/PSA meeting. a verbal report is not sufficient

### Annual accounts and AGMs

The Treasurer is responsible for organising an annual review of the accounts by an independent examiner. This does not have to be done by an accountant but should be done by someone who is good with numbers, eg, someone who works in a bank or building society, or the Treasurer of another group in your community, eg local Girl Guides Treasurer. However, this person should not be a member of the PC/committee or a relative of a PC/committee member. (There are different requirements for groups with charitable status.)

The following checks are the kind of review the independent examiner might do. However, they will have their own methods and must satisfy themselves that the accounts are accurate. Once they have satisfied themselves, they will need to state in writing that they have checked the accounts and they are a true and accurate financial record of the parent group, dating and signing the statement.

1. Most important. Check the bank statements agree with the spreadsheet total. If the Treasurer has been doing this on a monthly basis, it should be straightforward.
2. Examine the expenditure and pick five entries to check the back-up

paperwork. Examples would be:

- a. A large external purchase. Proper invoice received and signed off by two signatories.
  - b. Regular re-imbusement to PC/committee member or volunteers – receipts provided as proof of purchase and signed.
  - c. Any item of expenditure that seems unusual or out of the ordinary.
3. Examine the income. Compare it to the previous year. Does it seem in line? Query any obvious changes eg. Easter Egg hunt last year £350, this year £150. Reason – it was raining this year.

For parent groups, it is acceptable to buy a gift for the volunteer independent examiner by way of thanks. They'll be much more likely to agree to do it again next year!

Where there are discrepancies, the independent examiner should liaise with the Treasurer until these are corrected – often they are simply errors or omissions. The examiner should put any concerns that cannot be resolved in writing to the committee. What action is taken is then up to the committee.

Once the accounts have been checked, the independent examiner should write to the PC formally and confirm they are satisfied with the accounts. This letter will form part of the Treasurer's written annual accounts and financial report to the Parent Forum at the AGM. The approved annual accounts and financial report should also be made available to the Parent Forum by being displayed in the school/on social media

### Connect Membership-linked insurance

Membership linked insurance is provided on the basis that Members follow Scottish Government COVID19 guidelines and does not include cover for COVID19. Connect's membership-linked insurance provides cover against theft of funds, fraud, or dishonesty by any member of the committee, including the Treasurer. It does not cover losses occurring through phishing, hacking, or other forms of cybercrime. Be vigilant around cyber security You can find useful advice about suspicious emails, phone calls and texts at <https://www.ncsc.gov.uk/guidance/suspicious-email-actions> Also note that transactions for the PC/PTA/PSA conducted through a personal account are not

covered by Connect's membership-linked insurance so never use parent group members' individual bank accounts.

Check your insurance cover at

<https://connect.scot/resources/connect-members-pack-2022-2023>

## Lotteries and raffles - licences

Contact your local authority's licensing department for guidance on lotteries and raffles. Paypal and Stripe cannot be used for raffles and lotteries as their terms of use exclude gambling.

You will need a licence to hold a raffle if you are selling tickets before the day of the draw.

## Final dos and don'ts

- Do bank money straight away if you can and follow the insurance guidelines if you can't.
- Never use PC/PTA/PSA members' individual bank accounts for PC/PTA/PSA funds.
- Be vigilant about cybercrime.
- Do record all income and expenditure in a simple and easy-to-use way.
- Do keep your records up to date and have a financial report at every PC/PTA meeting
- Always ask to see bills/receipts before signing a cheque.
- Don't hand over blank or incomplete signed cheques.
- Remove signatories promptly when they leave the PC/PTA/PSA.
- Don't allow yourself to be left to count cash on your own.
- Keep records for seven years.