



# TREASURER BREAKOUT

# WELCOME!

**Please enter your name and school into the chat.**

If you have any questions after this presentation, email us!

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- Crystal Lawrence, PCPO Treasurer
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# INTRODUCTIONS

- Please unmute and share
  - Your name
  - School
  - How long you've been at your school
  - Your treasury experience

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# THE COOPERATIVE PRESCHOOL TREASURER

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The role of the **treasurer** is to

**Record** your school's financial transactions.

**Report** updates to your school via financial statements.

**Interpret** financial data to inform decisions.

**Relay** information to your board and membership.

The role of the **board** is to

**Listen** to information presented by the treasurer.

**Monitor** bank accounts and provide financial oversight.

**Discuss** financial issues and opportunities.

**Make** Decisions based on data.

Note! The treasurer **does not** hold sole responsibility for the financial health of the school. **All board officers share in this responsibility.** The role of the treasurer is to provide the data which the board uses to make careful and informed decisions.

# WHAT DOES A TREASURER DO?

- Provides oversight of the school finances
- Prepares Financial Statements
- Bookkeeping
- IRS Form 990
- Accounts Payable/Receivable
- Creates Budget (with committee)
- Contract Negotiation (with committee)

# FINANCIAL SAFEGUARDS

Financial Safeguards serve to protect  
the school and the treasurer.



# PCPO FINANCIAL SAFEGUARDS

1. More than one person understands the fiscal responsibilities of the school and can help the Treasurer if needed. Financial safeguards are re-established if the individuals change.
2. Job Descriptions for officers are detailed and clear.
3. President or designee (other than the Treasurer) opens and reviews all mail before distributing promptly to appropriate persons.
4. President and another member (who is not a signer on the bank account) review each bank statement. *All cancelled checks, copies or images of checks are reviewed* for valid payees and appropriate amounts. These two people and Treasurer meet periodically as a financial committee.

## PCPO FINANCIAL SAFEGUARDS (CONT.)

5. There should be no cash withdrawals. Cash transactions are avoided for routine payments. Receipts are issued for all cash received.
6. Two signatures are required for withdrawal and check writing. Blank checks are never signed.
7. All disbursements are by check or authorized electronic payment. An invoice or check request form is required for all disbursements. Request that the bank suspend marketing mailings.
8. Establish and enforce firm policies regarding the use of any debit cards. (all purchases must be preapproved by board/president, card holder does not review accounts, etc



## PCPO FINANCIAL SAFEGUARDS (CONT.)

9. Expense reimbursements require a signed and itemized check request form accompanied by receipts. Reimbursements are made only at scheduled times.
10. Savings accounts are used only to transfer funds to and from the checking account.
11. The starting cash and ending cash amounts in fundraising cash boxes are documented on site by two people.
12. Bank statements are reconciled monthly

## PCPO FINANCIAL SAFEGUARDS (CONT.)

13. Written financial statements are presented monthly to the board.
14. Board minutes include recording of the status of payroll taxes and reports, workers' compensation, and other important financial payments and filings.
15. An annual financial review is conducted.

## PCPO FINANCIAL SAFEGUARDS (CONT.)

16. All computerized records are backed up regularly. Financial statements and other important financial records are routinely printed, signed, and dated.
17. Only persons who are bonded or whose positions have been listed with the PCPO SELF/HELP program handle money.

# FINANCIAL STATEMENTS



**BALANCE SHEET**



**PROFIT AND LOSS**



**BUDGET VS ACTUAL**

PCPO  
BALANCE SHEET  
As of May 31, 2015

	TOTAL
<b>ASSETS</b>	
Current Assets	
Bank Accounts	
CD #1 (B of A)	6,340.70
General Savings (BoFA)	8,346.09
Operating Fund/Checking (BoFA)	13,321.35
Total Bank Accounts	\$28,008.14
Total Current Assets	\$28,008.14
<b>TOTAL ASSETS</b>	<b>\$28,008.14</b>
<b>LIABILITIES AND EQUITY</b>	
Liabilities	
Current Liabilities	
Other Current Liabilities	
Payroll Liabilities	9.33
Federal Unemployment (940)	101.86
OR Employment Taxes	344.26
OR Transit Taxes	38.37
Total Payroll Liabilities	493.82
Total Other Current Liabilities	\$493.82
Total Current Liabilities	\$493.82
Total Liabilities	\$493.82
Equity	
Operating Fund Balance	8,461.79
Restricted Equity	
Capital Fund	5,193.52
Contingency Fund	4,000.00
Copier Reserve	230.02
Prudent Reserve	3,000.00
Terry Mills Teacher Fund	256.21
Website Development/Parent Education	2,000.00
Total Restricted Equity	14,679.75
Net Income	4,372.78
Total Equity	\$27,514.32
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>\$28,008.14</b>

Balance Sheet Heading  
Name  
Type of Doc  
Date

PCPO  
BALANCE SHEET  
As of May 31, 2015 Prepared as of a Specific Date

	TOTAL
<b>ASSETS</b>	
Current Assets	
Bank Accounts	
CD #1 (B of A)	6,340.70
General Savings (BoFA)	8,346.09
Operating Fund/Checking (BoFA)	13,321.35
Total Bank Accounts	\$28,008.14
Total Current Assets	\$28,008.14
<b>TOTAL ASSETS</b> Total of everything in possession as of date.	<b>\$28,008.14</b>
<b>LIABILITIES AND EQUITY</b>	
Liabilities	
Current Liabilities	
Other Current Liabilities	
Payroll Liabilities	9.33
Federal Unemployment (940)	101.86
OR Employment Taxes	344.26
OR Transit Taxes	38.37
Total Payroll Liabilities	493.82
Total Other Current Liabilities	\$493.82
Total Current Liabilities	\$493.82
<b>Total Liabilities</b> Total of everything owed as of that date.	<b>\$493.82</b>
Equity	
Operating Fund Balance Unassigned retained earnings.	8,461.79
Restricted Equity	
Capital Fund Large Projects	5,193.52
Contingency Fund Unseen expenses. ('uh oh' fund)	4,000.00
Copier Reserve Repair/Replace Copier	230.02
Prudent Reserve Emergency/Shut Down Funds	3,000.00
Terry Mills Teacher Fund In honor of Terry Mills. For special teacher project.	256.21
Website Development/Parent Education Website improvements. Parent Ed investment.	2,000.00
Total Restricted Equity Money Set Aside for a specific use	14,679.75
Net Income YTD Profits	4,372.78
<b>Total Equity</b> Total of everything actually owned as of date.	<b>\$27,514.32</b>
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>Should equal Assets \$28,008.14</b>

Assets = Liabilities + Equity

OR

Equity = Assets - Liabilities

**P&L EXAMPLE #1**

ABC Preschool  
PROFIT & LOSS  
For Period August 1 through August 30,2016

Ordinary Income/Expense

**Income**

Tuition Income	\$10,000.00
<b>TOTAL INCOME</b>	<b>\$10,000.00</b>

**Expense**

Classroom Supplies	\$112.00
Insurance Expense	\$500.00
Payroll Expense	
Payroll Tax Expense	\$210.04
Salary Expense	\$2400.00
Total Payroll Expense	\$2610.04
Rent Expense	\$400.00
<b>TOTAL EXPENSE</b>	<b>\$3622.04</b>

Net Operating Income	\$6377.96
<b>Net Income</b>	<b>\$6377.96</b>

*Cash Basis. September 8th, 2016*



ABC Preschool  
 Budget vs Actual  
 Period Ending 12/31/19

	December	YTD	Budget	%	Notes
<b>Income</b>					
Tuition	5650	30600	50850	60%	Budgeted 14 in 3's class, 16 in 4's class
Registration Fee	0	0	4000	0%	\$125/student. Paid in Spring
Fundraising Income	492	492	10000	5%	Spring Auction, Dine Outs,
<b>Total Income</b>	<b>6142</b>	<b>31092</b>	<b>64850</b>		
<b>Expenses</b>					
Total Payroll	3369	20214	40764	50%	
--Wages	3100	18600	37200	50%	
--Payroll Tax	269	1614	3564	45%	Estimated at 11% of wages
Employee Expense	0	60	200	30%	Attended workshop
Rent	1400	4900	14000	35%	\$1400/month.
Fundraising Expense	0	0	3000	0%	
Insurance	0	2200	2500	88%	
PCPO Dues	0	595	595	100%	
Snacks	80	594	1087	55%	
Cleaning Supplies	0	250	400	63%	
Classroom Supplies	400	900	1000	90%	
Software/Tech	52	312	824	38%	QB \$40/mth,
Payroll Service	40	240	480	50%	\$40/mth
<b>Total Expenses</b>	<b>5341</b>	<b>30265</b>	<b>64850</b>		
<b>Net Profit(Loss)</b>		<b>827</b>			



# BUDGETING

The budget is your  
roadmap for the year.



# BUDGETING TIPS

- Be prepared to be *flexible*
- Know how to make changes to approved budget
  - Check by-laws. What needs membership approval?
- Consider your reserves
  - (see next slide)
- Review 5- and 10-year financial goals
  - Don't have goals? Set them!

## RESERVE FUNDS

**MYTH:** Nonprofits cannot have a net profit at the end of the year

**REALITY:** Nonprofits need to have healthy reserves

# WHAT ARE RESERVES?

Reserve funds represent money that has been set aside and earmarked for a specific purpose.

Most reserves require board authorization before they can be used.

Schools should have written policy defining purpose and procedure to use reserve funds

Reserve account totals are tracked in the Equity section of the Balance Sheet

# KNOW YOUR RESERVE FUNDS

- **Prudent Reserve**
  - Money that has been set aside to provide for the eventual closing of the school
  - Generally untouchable without board or membership vote
- **Contingency Reserve**
  - Funds that can be used for short-term financial challenges, and that will be replenished after recovery
- **Capital Fund**
  - Money set aside to fund large projects (new flooring, equipment, etc)
- **Other Reserves**
  - Technology Fund
  - Scholarship Fund

# FINANCIAL GOALS

- **Not all schools will be in a position to focus on the future.**
- **That's ok! Focus on getting through the crisis first!**
  - Make mindful decisions about utilizing reserve funds*
  - How much can you draw down reserves and stay sustainable?*
- **Once the fire is out, start looking at a plan to recover from the past year(s)**
  - Additional Fundraisers?*
  - Direct Ask campaigns?*
  - Budget for positive net assets at the end of the year?*

# ORGANIZATIONAL TIPS!

- Utilize cloud software
  - Google Drive
    - Organizational documents
    - Historical records
  - Quickbooks
    - Accounting records, budgets
    - Electronic invoices, automatic payments
- Check out [techsoup.org](https://techsoup.org) – amazing deals on technology services for nonprofits
  - Discounted software including Quickbooks, Google, and Zoom
- Look for other nonprofit discounts
  - Like [Canva for nonprofits](#)

# SECURITY

- Ensure board is trained for cyber security
  - Don't click on links in spammy emails
  - Keep passwords safe
  - Use multi-factor authentication
- Use autopay option for bills, etc
- Ensure separation of duties when possible
  - i.e. one person approves invoice/reimbursement, another person cuts check
  - One person deposits to bank, another person records in accounting software
  - TWO SETS OF EYES on all accounts payable and receivable transactions



# TROUBLESHOOTING

## SEE SOMETHING? SAY SOMETHING!

- Trust your instincts. If something seems out of whack, ask questions and do your due diligence.
- We should all welcome inquiry. Humans makes mistakes, and we want to be able to catch and remedy problems before they escalate.
- Questions to ask:
  - Was there a deficit last year? How was it covered?
  - Are all records from last year intact and as expected?
  - Is the budget holding up to reality? (is revision necessary?)
  - Do we engage sufficient financial safeguards?
  - Does the school have any long-term debts or other liabilities?

- More detail on Financial Statements
- Budgeting Tips
- Contract Negotiations
  - Plus PCPO Contract Support Meeting in January!
- Record Retention
- Tips on Getting Started
- Bookkeeping

PCPO  
TREASURERS'  
HANDBOOK

[Link to 2024 PCPO Treasurers' Handbook](#)



## WHERE TO FIND SUPPORT!

Treasurer's Google Group – email Alison to get connected. [pcpo@pcpo.info](mailto:pcpo@pcpo.info)

PCPO General Meetings – approx. monthly through the school year. Treasurer breakouts a few times/year

PCPO Treasurer's Handbook

Email Alison or Crystal!



QUESTIONS?

# PCPO GROUP INSURANCE PROGRAM

- Facilitated by PCPO for over 35 years
- >90% of PCPO schools participate
- Participating schools agree to follow program policies, including Special Event reporting, Alcohol procedures, and renewal timelines.

# GROUP INSURANCE POLICIES

- **General Liability Package \$1mil**
  - Includes additional coverages: non-owned auto, crime, and sexual abuse/molestation
- **Liability Umbrella. \$1mil**
  - Brings general liability (bodily injury/property damage) coverage to \$2mil
- **Property/Fire**
  - Covers school-owned property
  - \$1000 Deductible
  - Co-insurance penalties may apply – know your inventory!
- **Group Accident/Medical**
  - No fault insurance, pays 100% of expected costs up to \$25,000.

# Accident Claim Procedure

## The Injured Party Will...

- Receive first aid as needed
- Take a 'Yellow Pocket' home in case medical treatment is necessary
- Present 'Yellow Pocket' information to medical care provider at time of service
- Complete claimant portion of the Accident Claim Form and return form to school representative
- Respond promptly to any requests

## The School Will...

- Provide First Aid as Needed
- Ensure Injured Party leaves with yellow pocket.
- Document incident for school files
- Contact PCPO Insurance Director to report and provide detail of incident
- Complete policyholder section of claim form and coordinate with injured party to complete claimant section
- Return completed claim form to insurance carrier within 10 days
- Respond promptly to any requests.

## PCPO Will...

- Respond promptly to reports of injury
- Gather details of the incident and injured party from a school representative
- Provide notice of claim to the insurance agency
- Prepare claim form and sent to a school representative for completion
- Answer questions and assist with billing issues as appropriate

Should you have any questions or receive correspondence you do not understand, don't hesitate to contact **Alison Warren**  
PCPO Insurance Director. 503-293-6161 x702



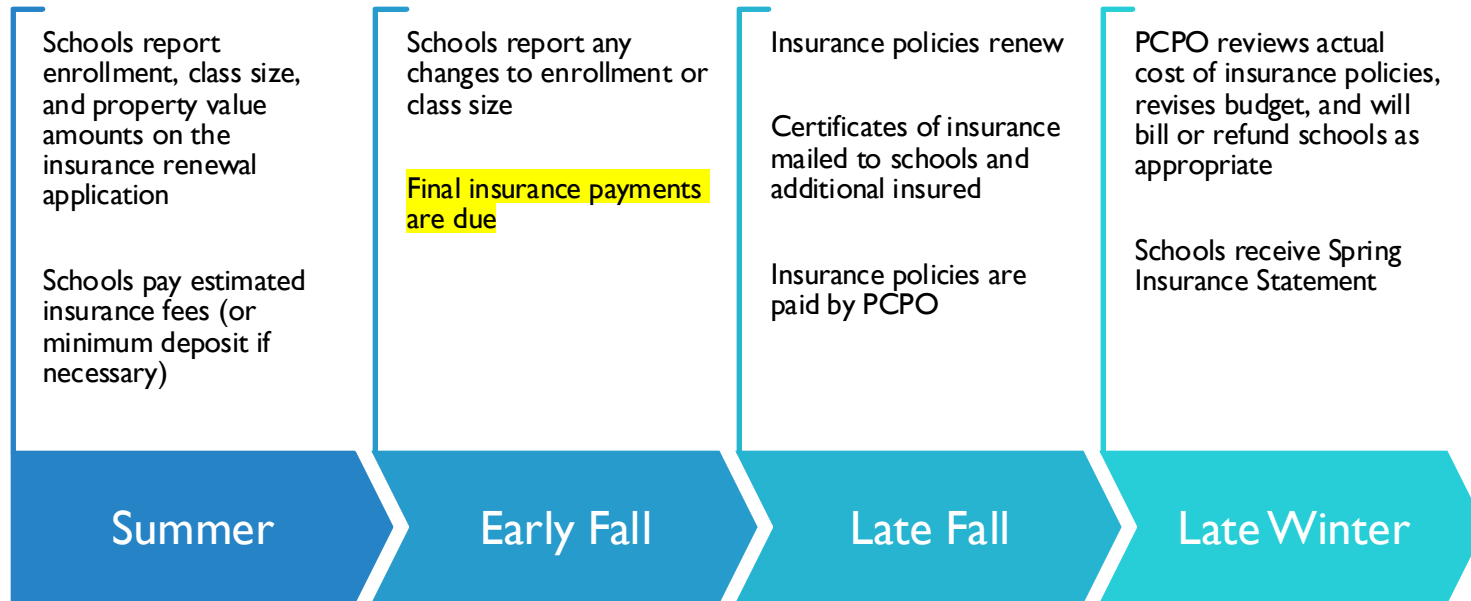
Contact Alison whenever a potential situation arises. Such as:

- There has been a loss of property
  - Examples: fire, water damage, vandalism, theft
- Your school has received communications from an attorney
- Your school has become aware of an incident with the potential to become a claim
  - Report of abuse
  - Threat of lawsuit
  - Contentious termination
  - Etc.

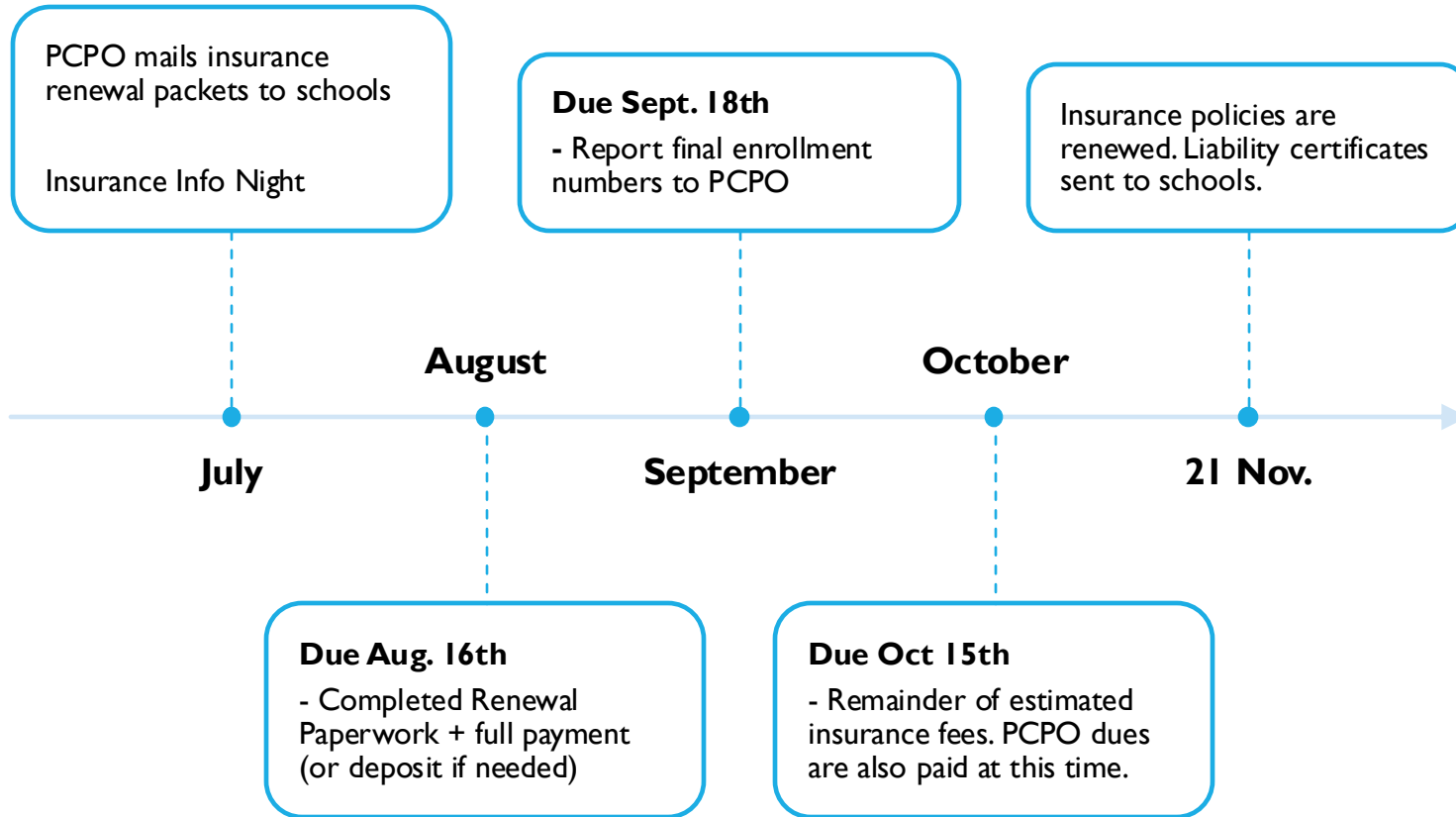
*It is better to be in touch early. Not all incidents will result in the school filing a claim. However, PCPO will assist your school in determining the next steps when difficult situations arise.*

# PROPERTY AND LIABILITY CLAIMS





# INSURANCE CALENDAR BASICS



# INSURANCE RENEWAL TIMELINE

# SELF/HELP PROGRAM

- Funded by fees paid by all schools participating in group insurance program
- SELF Loans
  - Available to schools that have experience monetary theft by a registered money handler (reported on renewal application)
  - Call Alison ASAP if theft is suspected
- HELP Grants
  - Issued as credits toward insurance fees for schools experiencing financial difficulty.
  - HELP Grants are available for Fall Insurance Statements – [APPLY HERE](#)

## NEW!! PCPO GROUP INSURANCE HANDBOOK

Find it online  
[HERE!](#)

One-stop  
resource for your  
insurance  
questions!

Handbook will  
update around  
January each year.



QUESTIONS  
ON  
INSURANCE?