

The slide features a dark blue background with several overlapping circles in light blue, white, and lime green. The title 'ISPTO Financial Workshop' is centered in white text. The date 'OCTOBER 23, 2025' is located in the bottom left in lime green. A lime green vertical bar is positioned in the top right corner.

ISPTO Financial Workshop

OCTOBER 23, 2025



Cincinnati, Ohio – Former Westwood PTO Treasurer Accused of Stealing Over \$40K

- ▶ Kathryn Burry has been charged with grand theft, a fourth-degree felony, for allegedly embezzling in excess of \$25,000
- ▶ August 2024 civil complaint filed by PTO claiming Burry stole more than \$40,00 from the PTO. She was the PTO Treasurer since Aug 2021.
- ▶ Burry provided minimal financial reports to the board despite repeated requests and had avoided multiple requests for financial information, raising concerns regarding the financial activities of the organization.
- ▶ She engaged in a pattern of misrepresentations and presented the board with fraudulent statements.
- ▶ PTO president contacted the bank and learned account balances were significantly lower than they were led to believe with unauthorized payments being made from PTO funds.
- ▶ Sentenced to 90 days in the Geauga County Safety Center and had to pay restitution.



Fiduciary Duties and Responsibilities of Nonprofit Board Members

- ▶ Duty of Care
 - ▶ Prepare & attend meetings, establish policies, financial controls
- ▶ Duty of Loyalty
 - ▶ Interest of charity above personal interest, conflict of interest policy
- ▶ Duty to Maintain Accounts
 - ▶ Maintain accurate records, budgets, internal controls, record retention
- ▶ Duty of Compliance
 - ▶ Comply with federal & state law, governing documents, contracts, Attorney General, Secretary of State



Policy KMA Highlights

- ▶ Organization should have bylaws
- ▶ Obtain 501 c3 designation with the IRS
- ▶ Abide by minimum good accounting and internal control practices



Policy KMA Highlights (cont.)

- ▶ Staff members are encouraged to join but not be the Treasurer or handle booster group funds
- ▶ Student participation on athletic teams or in co-curricular activities is completely independent of any fund-raising activities



Policy KMA Highlights (cont.)

- ▶ If more than \$1,000, monies should be deposited on the next business day after the day of receipt.
- ▶ If less than \$1,000, monies should be deposited no more than 3 business days after the day of receipt.



Policy KMA Annual Requirements

- ▶ Copy of most recent IRS Form 990
- ▶ Certificate indicating filing requirements with Ohio Attorney General have been met
- ▶ List of Current Officers with Contact information
- ▶ List of proposed fund-raising activities
- ▶ Copy of most recent charter documents if changed



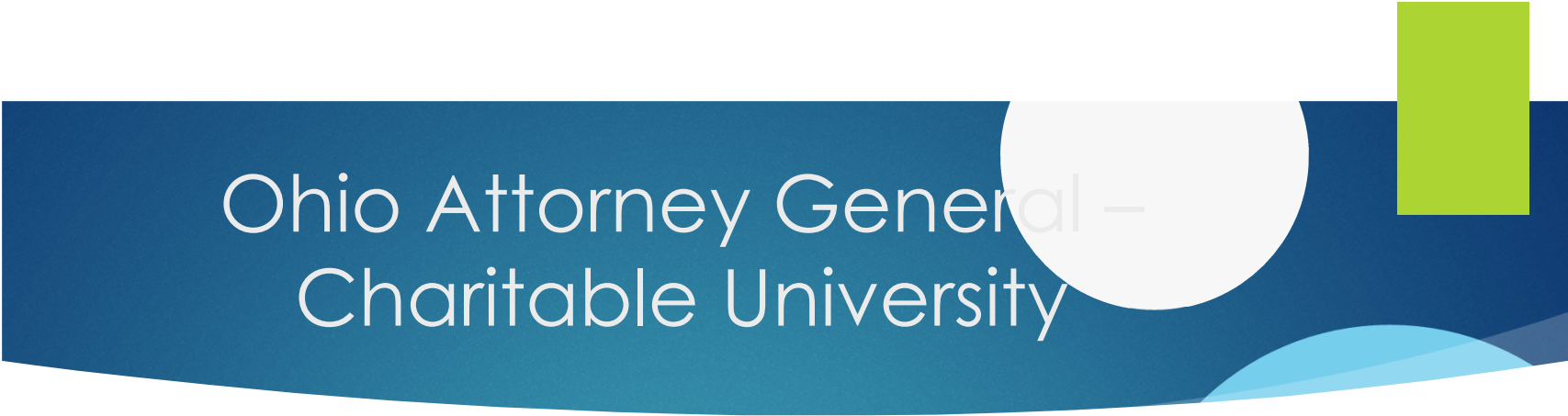
Policy KMA Annual Requirements

- ▶ HCSD Board provides coverage under the District's liability insurance program at no cost to the organization to protect the entity against legal claims resulting from damage or injury from any act or omission.
- ▶ At a cost to the support organization, the District will purchase an insurance policy with crime coverage for officers of the organization to protect the funds in the event of a covered loss.
 - ▶ Fee is based on total revenues per 990 tax filing
 - ▶ Invoiced in February



Policy KMA Annual Requirements

- ▶ **NEW REQUIREMENT added in 2024**
- ▶ Each District support organization shall require its president and treasurer to complete training requirements provided by the Ohio Attorney General Charitable University, and to maintain Charitable University certification with the Ohio Attorney General at all times while serving in the roles of president and treasurer. Completion of the training shall be required within 90 days start of term of office, unless the individual already holds an unexpired certification.



Ohio Attorney General – Charitable University

- ▶ Beginning in January 2023, the Ohio AG debuted their Charitable University
- ▶ Online training program designed to equip nonprofit leaders with basic tools needed to support the ongoing efforts of their organization
- ▶ <https://charitable.ohioago.gov/>
- ▶ Covers fiduciary responsibilities, workshops, webinars, publications, FAQs
- ▶ Multiple modules, not all required for certification
- ▶ Approximately 60-90 minutes to complete
- ▶ Certification is good for 3 years from the date of completion



Internal Controls

- ▶ Any event involving cash should have two people count the cash
- ▶ Either deposit the cash immediately or safeguard the cash – deposit ASAP
- ▶ All cash should be deposited – don't pay bills with cash
- ▶ Try to limit the number of people handling cash
- ▶ No checks written to cash



Internal Controls

- ▶ Dual signatures on checks or similar process
- ▶ Bank account reconciled monthly
- ▶ Financial reports provided monthly to members of the booster group
- ▶ Credit/debit card procedures
- ▶ Audit??



Venmo – Why you should reconsider

- ▶ Accounts are connected to one individual (phone number)
- ▶ Does not provide tax receipts to donors
- ▶ Charity profile cannot be edited on a computer, only through app
- ▶ Other platforms are catered to the specific needs of PTOs
- ▶ Look at controls, policies, procedures



Contract review process

Updated April 2024

- ▶ All contracts for rentals, including inflatables, etc. must be reviewed by the district business office
- ▶ Our insurance company now requires this
- ▶ This review process applies even if the PTO is paying for the event instead of the district.



Fundraising

- ▶ Bingo – license required
- ▶ Casino Night – run by volunteers on property owned by a non-profit, no craps or roulette
- ▶ Raffles – only charitable organizations, not individuals
- ▶ Silent Auctions – acceptable
- ▶ Squares – not permitted, considered illegal pools for profit, all money must be distributed to winners
- ▶ 50/50 raffles - acceptable



Requirements – Secretary of State

- ▶ Register with the Secretary of State
- ▶ File articles of incorporation
- ▶ Appoint Statutory Agent
- ▶ Pay initial \$99 fee
- ▶ Recommend use of generic email that is passed on

- ▶ Every 5 years thereafter file a “Statement of Continued Existence” (Form 522)
- ▶ \$25 filing fee



Annual Requirements - IRS

- ▶ Annually file Form 990
- ▶ Less than \$50,000 in revenue 990-N
- ▶ Less than \$200,000 in revenue 990-EZ
- ▶ File by the 15th day of the 5th month following fiscal year end (i.e. November 15 for June 30 fiscal year end)
- ▶ A 3 year failure to file equals automatic revocation of your tax exempt status

IRS 990-N

Information Needed to File e-Postcard



Completing the e-Postcard requires the eight items listed below:

1. [Employer identification number](#) (EIN), also known as a Taxpayer Identification Number (TIN).
2. [Tax year](#)
3. Legal name and mailing address
4. Any other names the organization uses
5. Name and address of a principal officer
6. Web site address if the organization has one
7. Confirmation that the organization's annual [gross receipts](#) are \$50,000 or less
8. If applicable, a statement that the organization has terminated or is terminating (going out of business)

Annual Requirements – Ohio Attorney General

- ▶ All charitable organizations must register with the Ohio AG.
- ▶ **Ohio requires charitable organizations located in Ohio and groups that ask Ohioans for contributions to file annual reports with the AG's office.**
- ▶ Online system to create accounts for organization members



Ohio Attorney General – Cybersecurity Issues

- ▶ Fraudulent emails and text messages
- ▶ Beware of phishing schemes
- ▶ Investigate who emails are coming from
- ▶ Verify with sender using non-email method
- ▶ Stop email from going further – report/delete
- ▶ Router and Wi-fi security on your device



Records Retention

- ▶ Checklist created for ease
- ▶ Signed by outgoing and incoming PTO treasurer and president
- ▶ Ensure records are collected and passed on as board members change
- ▶ Ensure proper retention of documents
- ▶ Demonstrate compliance with tax rules and qualification for tax-exempt status
- ▶ Keep records supporting an item on federal returns until the statute of limitations for that return runs out



Records Retention Permanent Records

- ▶ Application for recognition of tax-exempt status
- ▶ IRS determination letter
- ▶ Organizing documents, i.e. Articles of Incorporation, by-laws, including amendments
- ▶ Board minutes



Ethics - Compensation

- ▶ Ohio Ethics Advisory Opinion 2008-01
- ▶ School district employees and Board-approved school volunteers **MAY NOT BE COMPENSATED** by District Support Organization
- ▶ No compensation or supplemental compensation permitted
- ▶ Gift cards are considered compensation

OHIO ETHICS COMMISSION

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Ben Rose, *Vice Chair*



David E. Freel, *Executive Director*

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INFORMATION SHEET: ADVISORY OPINION NO. 2008-01 **SCHOOL OFFICIAL OR EMPLOYEE RECEIVING** **SUPPLEMENTAL COMPENSATION FOR COACHING**

What is the question addressed in the opinion?

Does the Ethics Law prohibit a school employee, who is compensated by the board of education to serve as a coach or provide support for a school-related activity, from receiving compensation for the same services from any other source, including a booster group or other school support organization?

What is the answer in the opinion?

Yes. The Ethics Law and related statutes prohibit a school district employee from receiving compensation from any other source in exchange for the performance of the duties that the district board of education has authorized the employee to perform.

The law does not prohibit a booster group, school support organization, or other source that supports activities of a school district, from making a voluntary gift to the district. The district can use the donation in whatever way it chooses, within the limitations in the Ethics Law discussed in this opinion.

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Other Issues?