

Oak Knoll PTO
Minutes of the Regular PTO Executive Board
October 11, 2017
8:15 – 9:30 AM
Oak Knoll – Staff Room

2017-2018 Executive Board Officers:	
Christa West, President	Katie Gardner, Communications Chair
Jenny Buddin, Vice President	Kristen Gracia, Oak Knoll Principal
Janelle McCombs, Parliamentarian	Leah Kessler, Oak Knoll Assistant Principal
Katherine Robinson, Secretary	Trish Stella, Teacher Representative
Renee Gorzynski Bache, Treasurer	Rebecca Emery, MPAEF Representative (Envoy)
Julie McEvilly Roman, Financial Secretary	Karen Dobbyn, Auditor

Absent: None

Quorum present: Yes

I.	Call To Order, Welcome, & Introductions	Christa West
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The meeting was called to order at 8:22 AM by President Christa West.

II.	PTO Board Meeting Minutes – Approval	Katherine Robinson
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The September 13, 2017 PTO Board Meeting minutes were approved by the board at 8:26 AM.

III.	Fundraiser Update	Christa West
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- The PTO Fundraiser is complete.
- Reached 103% of parent financial goal (\$165,321) not including corporate matches.
- Family participation was 78% which is 2% off of 80% target.
- The corporate matching goal was \$8K last year, and \$14K was raised without any marketing efforts. Hoping that marketing will help us reach this year’s goal of \$20K. List of corporate donors will be available by January 2018 and is on track for now.

IV.	2017-18 Treasurer’s Report	Renee Gorzynski Bache
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- Held a budget meeting and discussed how to use the carry over from last year. We can’t count on using it because it’s already accounted for in the budget. There is a savings accounts we can borrow from if needed - this is a safety net.
 - **501(c)(3) rules regarding annual rollover**
 - determine if there are there rules about this.
 - Renee explained that rolled over funds are from donations from 15-20 years ago which we are probably obligated to spend
 - **Balance sheet**
 - Kristen requested we review the balance sheet at the next meeting to understand the actual cash reserves (since Profit and Loss doesn’t reflect physical cash)
 - 2 bank accounts (checking and savings) exist
 - Renee sends the balances to Karen to review on a monthly basis.
 - **External Accounting review**
 - Renee suggested having an outside accounting company review financials and bylaws compliance, tax laws for 501(c)(3), and how will our taxes reflect what happen next year.
 - Jenny will provider accounting contacts for Renee to review; she will request RFPs for a review of the books; Karen also willing to meet with candidates

- **New Accountant**
 - Karen suggests we consider hiring a paid accountant to monitor the accounts, tax filings, etc.
 - Treasurer has a lot of responsibility and could use the support from an accountant who is paid and proactively communicates what steps Treasurer needs to take regarding tax filings, etc.
- **PTO Bylaws** - Kristen also asked to review the Bylaws at the next meeting to understand them
- **Monthly income and expenses review**
 - Fall Picnic
 - \$10/burrito price covers food and entertainment costs
 - Consider event format by next May and budget as both revenue (for food) and expenses (bounce houses, music, dunk tank, etc.)
 - food vendors (no minimum cost) or attendees can bring their own food
 - dunk tank if PTO goal met
 - Field Trip - expenses are coming in now
 - Curriculum Support - Katie suggested highlight these expenses (technology licenses, subscriptions, etc.) so parents can better understand what the PTO supports
 - Outside Programs - Playing with Poetry, Walk Through California, etc.
 - PE - school pledges 100 minutes per week per student as 200 minutes of PE every 10 days is mandated by law by the State of California
 - Hope and Leah have worked with teachers to develop ways (relays, jump rope, other equipment) to engage their students in addition to formal PE time
 - Aesthetic durables budget line item- some of this \$15K could be used for PE Enrichment (e.g. basketballs, etc.); might need to re-allocate the budget from Aesthetic Durables to PE Enrichment.

V.	Teachers' Update	Trish Stella
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- Short on subs
- Teachers College Readers and Writers workshops are this week

VI.	Field Trip Budget update	Kristen Gracia
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- Reviewed each grade level team's budget to identify how much is spent per teacher; made minor budget adjustments in order to make it exactly even.
 - Current budget posted: \$1600/class for K-3; \$2500 for 4-5 grades;
 - Kristen recommends that K-2 multi and 3-5 Multi get increased budgets to even out spending; suggests accounting for variations at year end; also should evaluate what each level of spending nets at year end
 - All K-3 get \$1666/teacher
 - All 4-5 get \$2500
 - Teachers given more autonomy to spend and also responsible for factoring in all costs e.g. bus costs are very expensive so could decide to share among classes

VII.	2016-17 Treasurer's Report	Karen Dobbyn
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- **2014-15 Tax filing issue**
 - Taxes due April 2016 but not filed until June 2017 because of incoming Treasurer's confusion about who is responsible for filing taxes from prior year.
 - IRS fined us as soon as we filed in June 2017.
 - Renee and Penny (external accountant) sent a letter noting that PTO membership is all volunteers and no one is an accountant; received response from IRS saying they needed 45

more days to review; interest payments still being charged; Penny things it's likely the IRS will waive the fines (or possibly reduce).

- **Accounting Discrepancy in QuickBooks**

- In Sept 2015, PTO Treasurer reviewed a Jan 2015 reconciliation in QuickBooks that prior Treasurer had entered and un-reconciled it which changed prior transactions retroactively (QuickBooks which doesn't have any controls to prevent this)
- Treasurer then made 2 deposits to try and rectify the fact that our bank account was now out \$150K. One for \$42k and one for \$150K posted to the savings account but the other side went to an account that was not used (and since the balance sheet was not reviewed it was never picked up).
- Karen Dobbyn volunteered to review this issue and the rest of the accounts
 - Checked for fraud and reviewed all bank records up through Jan 2015. This was definitely a human error; nothing fraudulent occurred.
 - Posted journals that did not affect our bank accounts and filed the 14-15 tax return for the 2015-16; journals were posted to correct the balance sheet accounts (see notes attached), and the tax return reflects this. Journals were also posted for the 2016-17 year to correct outstanding journals and deposits that were incorrectly posted.
 - The net effect of what is reflected in QuickBooks is correct, but there is a system issue in QuickBooks that is broken. Karen spent hours with Quickbooks Support and they could not come up with a solution to fix the past reconciliations (that are now in error prior to Jan 2015 because the reconciliation was 'unreconciled').
 - The PTO Board was all in approval of the work Karen did to clean up this issue
- Next steps to ensure proper business and accounting process controls: (also see 2017-18 Treasurer's Report: External Accounting review, New Accountant, and PTO Bylaws)
 - Hire new accountant - ensure all records are reconciled and cleaned up to ensure all prior and future records are reconciled correctly and in accordance with all rules, regulations, and laws; actively seek financial information and responsible for tax returns from preparation to filing stage
 - PTO President and Treasurer responsibilities updates - add to Bylaws that:
 - March and April - President should be checking in with Treasurer on tax return preparation
 - Treasurer reviews tax return with external accountant
 - President and Treasurer review tax return together
 - April - President signs the tax return and Treasurer files it
 - Remind all PTO Board volunteers -
 - ask for help if they encounter an issue or doesn't understand something (done)
 - never post a journal to a bank account because these are manual debits and credits; only system entries like interest, services, checks and deposits should go into QuickBooks
 - Executive Board meeting - Kristen suggests convening an additional meeting to review potential accountant candidates and then take a vote and decide quickly on how to move forward.

VIII.	Oak Knoll Update	Kristen Gracia, Leah Kessler
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- **Reading and Writing Workshops**

- Teachers College coaching upper grade teachers and then K-2 teachers on correct use of rubrics and leveling assessment; very high quality professional development
- OK trying to apply these processes to other subjects too

- **Site Plan**

- Officially approved last night (after Kristen and Leah presented site plans and goals to the School Board a few weeks ago)
- Oak Knoll's site plan unique because rigorous goals cover all facets of the school's mission
- **Book Fair** - next week
- **Safety Intervention Week** - Leah planning to engage the community and have many synced messages
- **Halloween Parade**
 - received approval from City of MP to have the parade on Oak Knoll Lane from 8:15-9:30; barricade from Oak to Oakdell and White Oak
 - School Board is aware
 - Inviting City Council, police, fire; neighbors who will be impacted received letter inviting them and describing impact
 - Hillview Band will march
- **Hillview Field** - turf off-gassing issue raised at the Board meeting

IX.	MPAEF Update	Rebecca Emery
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- \$3.45MM is the annual goal; 50% of financial goal reached with 30% participation so far
 - Stewards contacting families behind the scenes
 - More curbside campaigns to be held
- Dine Out Event: 10/23-26 - fliers going out this week

X.	District Council Update	Janelle McCombs
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- Only meet every other month so nothing to report

XI.	Parent Ed Updates	Jenny Buddin
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- Girls Leadership Institute - scheduled for Jan/Feb 2018; priority sign up for OK until 10/18
- Speaker Series - 11/8 at Hillview; our PTO contributes this series of events
 - We are hosting the daytime speaker event in January 2018 and we are in charge of the pickle tray.
 - Sheryl Sandberg will talk about Option B book.
 - People will need to sign up online for a seat.

XII.	Other PTO Updates	Christa West
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- None

XIII.	Adjournment	Christa West
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President Christa West adjourned the meeting at 10:08 AM.

Respectfully submitted,
 Katherine Robinson, PTO Secretary
 Date approved: 11/8/2017

STEPS NEEDED TO CORRECT THE 2014-2016 TAX YEARS

2014/15 Tax year

In September 2015 Emily opened a reconciliation for January 2015 Checking account. This somehow unreconciled the account and threw off the opening balance for both the savings and checking account by \$150,000. There had been a bank transfer posted on 1/11/15 for \$150,000 between checking and savings and it appears unreconciling this account impacted the opening balance of both accounts. There is no profit impact.

To try and fix this, on September 30 2015 she posted a General Journal # 5934 (A), backdated to January 2015 with the following entry:

Dr PTO Money Market Account	150,000
Cr New PTO Checking Account	150,000

This journal should have been had a debit to the New PTO Savings account. Emily was trying to get the opening balance back to the correct balance. This corrected the Checking balance but did not impact the savings account (because it was accidentally taken to the Money Market Account) . The total current assets as at 7/31/15 are correct @ \$157,469.

Therefore for the 2014/15 tax return, no journal should be posted since the total current total assets is correct. This journal (even though in error) had no profit impact.

2015/16 tax year

Emily then realized that her savings account was still out and tried to correct this by creating 2 deposits dated September 30 2015.

These deposits created the following transactions (B):

Dr New PTO Savings Account	49,295.46
Cr Opening Balance Equity	49,295.46
Dr New PTO Savings Account	150,005.99
Cr Opening Balance Equity	150,005.99

The issue is that the \$150,005.99 was used in the reconciliation to balance it in September 2015 and the \$49,295.46 still remains as an uncleared transaction. If I reverse or write off this amount in the 2015/2016 tax year it will impact the opening and closing balance for every month going forward. This needs to be addressed before the end of the 2016/17 tax year since Quickbooks is

live. It also appears that an interest deposit was created in error that is still an uncleared deposit on the savings bank reconciliation.

Therefore to correct all of these transactions, I would do the following:

<i>Dr Opening Balance Equity</i>	<i>49,295.46</i>
<i>Cr PTO Money Market</i>	<i>49,295.46</i>

<i>Dr Opening Balance Equity</i>	<i>150,005.99</i>
<i>Cr PTO Money Market</i>	<i>150,005.99</i>

This would clear out the Opening Balance Equity account to \$0, leaving a credit balance in the Money Market account of (\$49,301.45). If this is netted off against the balance of the PTO Savings account, it is correct and agrees to our tax return.

2016/17 tax year

Because we are still operating in this tax year, it is possible to clean up the bank reconciliation without impacting prior year reconciliations. This gives us the opportunity to remove the uncleared deposits that still remain on the savings reconciliation.

The appropriate transactions are required:

<i>Dr PTO Money Market</i>	<i>49,295.46</i>
<i>Cr PTO Savings</i>	<i>49,295.46</i>

This would delete the uncleared transaction from the PTO savings reconciliation and leave a remaining balance of \$5.99 in the Money Market Account.

The \$5.99 represents the above journal that should have been \$150,000 but was actually \$150,005.99.

There was also an interest deposit created on the same date as the above deposits in the savings account for \$5.79, this remains as an uncleared item as at today. This transaction and the additional \$5.99 are linked and should be taken to profit.

Therefore the following transactions should occur:

<i>Dr Money Market</i>	<i>5.99</i>
<i>Cr Other Revenue (Interest)</i>	<i>5.99</i>

<i>Dr Other Revenue (interest)</i>	<i>5.79</i>
<i>Cr PTO Savings Account</i>	<i>5.79</i>

The net effect will be a \$0 balance in Money Market and \$0.2 clearing in interest. The \$5.79 uncleared interest transaction will be removed from the PTO Savings Account.