

Sparks Elementary School PTA Financial Procedures

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I. BUDGETING

A. General Information

The budget is prepared for a fiscal year. The Sparks PTA Fiscal Year begins on July 1 and ends on June 30. The abbreviation FY stands for “Fiscal Year”. If you see the abbreviation FY10 this indicates the fiscal year ending June 30, 2010.

Beginning in September of 2009, every committee authorized to use PTA funds will receive a separate budget. Each budget represents a part of the whole. No part is more, or less important than the whole. To satisfy the PTA mission each part must have the resources to function. In order to function, individuals, or owners, must act responsibly.

The committee head, will appear at the top of the budget. The committee heads will initial their budget to indicate they understand the budget and make the commitment to the spending limits. Total agreement with the budget is not necessary. However, if a committee head notices expenditures are missing, or the budget is too low (or high), they are encouraged to discuss their concerns immediately with the PTA President. Once presented at Back to School Night, budget changes are more difficult since PTA general membership must vote on the proposed change. See Section D – Changes to the Budget.

The budget is only a plan; it is not a contract. The budget may change if receipts are greater, or less than, expected. For that reason, we ask the committee heads communicate with the PTA president before making major purchases.

B. The 3-to-1 Rule

“When planning the year’s activities, PTAs should use the 3-to-1 rule. For every fundraising activity, there should be at least three non-fundraising projects aimed at helping parents or children or advocating for school improvements.” *PTA Money Matters Guide*

C. Emergency Reserve Fund

The emergency reserve fund is intended to serve as a means to retain financial stability. “As a rule, this reserve should not exceed one-half of the PTA’s budget for an average year. If it does, the indication is that the PTA is not giving as much service to children and youth as it should” *PTA Money Matters Guide*

D. Changes to the Budget

“To amend something previously adopted, it is necessary to have a two-thirds vote of the PTA general membership: with previous notice, a majority vote. *PTA Money Matters Guide*

E.) Assembly Budgets

Assembly planning takes place during the summer months. The assembly budget should be set by the outgoing board and approved during the spring membership meeting.

If additional funds are available for assembly support the budget can be amended during the summer and approved at back to school night.

II. FINANCIAL CONTROLS

A. General Information

The PTA is a not-for-profit organization. When it comes to finances, the PTA is accountable like a business and must follow business practices for handling money. As PTA leaders, our role is to fulfill the PTA mission. In order to fulfill the mission we must safeguard funds to instill confidence and earn the trust of the PTA Membership.

To safeguard PTA funds from loss, misuse and theft the PTA must establish good business procedures. The procedures will insure the accurate and timely recording of financial activity. The procedures will also protect everyone who handles money on behalf of the PTA from undue scrutiny. If procedures are not in place or not followed, suspicion may result.

B. Receipts

1.) General Information

- a.) All deposits must be made to PTA Bank Accounts – NO Exceptions. Never deposit PTA funds into a personal bank account, the school bank account, or another business account.
- b.) Do not keep PTA cash in the school safe. (Cash Encounters, MPTA)
- c.) Deposits should be made timely not less than 1 week following receipt. Do not hold cash or checks.
- d.) The PTA Treasurer, without exception, should allow anyone involved in making a deposit to verify the deposit on the PTA bank statement. If, at any time the

deposit is missing on the bank statement, the PTA Treasurer will follow up at the next PTA meeting. The reason for omission and documentation of the deposit should be included in the minutes of the next PTA meeting. If the PTA Treasurer refuses to share the bank statement or fails to report back at the next PTA meeting, report the incident to the PTA President.

e.) The PTA has the obligation to protect PTA membership funds in the form of cash, checks or credit card transactions.

2.) Deposits – Cash Box

a.) The Treasurer will be involved with all major deposits of cash.

b.) Never be alone with an uncounted cash box.

a.) Count the cash immediately after removing the cash box from the event. Do not take the cash box home for the night.

b.) Two, or more, people should ALWAYS count the money. It is not proper procedure to “watch” someone count.

c.) Each person should complete and sign the “PTA CASH VERIFICATION FORM” and “PTA CHECK VERIFICATION FORM”. (Forms Attached)

d.) Make a copy of the “PTA CASH VERIFICATION FORM” for each person who helped count the cash, plus a copy for the Treasurer. Each counter should keep a copy for their personal records. The original will go to the PTA Treasurer.

e.) Prepare a PNC bank deposit slip. The “PTA CASH VERIFICATION FORM” will provide the information necessary to complete the deposit slip. Make a copy of the deposit slip if someone other than the Treasurer is making the deposit.

f.) Attach the copy of the deposit slip to the “PTA CASH VERIFICATION FORM” and place in the PTA Treasurers mailbox. Send an e-mail notification, including the deposit amount and event, to the PTA Treasurer.

g.) Take the deposit to PNC bank. (Hereford or Sparks) If the bank is closed, use the night drop off bag and complete per instructions. A police escort is available if necessary.

h.) Cash on hand – due to the nature of Spirit Wear sales, \$50 will be signed-out to the Spirit Wear chairperson at the beginning of the year. It is to be used to make change at all events during the year.

3.) Deposits – Checks

a.) Stamp all checks with the Sparks Elementary School PTA Stamp. This stamp can only be used for the main PTA account (not the school store or 5th grade accounts) If the stamp is not available write “Sparks Elementary School PTA, For Deposit Only, Account number 55-0143-4256 on the back of every check. A PTA stamp is kept in the Treasurers mailbox. Spirit Wear has a deposit stamp for their exclusive use.

b.) Prepare a separate PNC bank deposit slip for each event. Do not combine multiple events on one deposit slip. Write the event name on the deposit slip.

c.) Few Checks: Record the check number and amount directly on the deposit slip. Add the checks twice. Copy the deposit slip.

d.) Many checks: Sometimes it is not practical to write every check number on the PNC bank deposit slip. Add the checks twice on an adding machine. Include the tapes with the deposit. Write, "see attached list" on the PNC bank deposit slip and fill in the amount. Copy the deposit slip.

e.) Place the deposit slip copy in the PTA Treasurers mailbox and send an e-mail notification of the deposit, noting amount and event, to the PTA Treasurer.

f.) Secure the original deposit slip, adding machine tape and checks with a rubber band. Take to the any PNC bank. (Hereford or Sparks) If the bank is closed, cash deposits should be taken to the night drop. A police escort is available if necessary

4.) Backpack policy

a. The PTA can solicit funds for direct donation, spirit wear, and advanced event sales via the backpack.

b. The PTA's Official policy is to request only checks via the student backpack

c. All flyers or other communication requesting payment should include the language "no cash, checks only please" or some other language to communicate the policy.

d.) Envelopes must be opened in the school office, or with another PTA member present. NO exceptions.

e.) The check number and amount should be recorded on related forms.

5.) Funds received in envelopes:

a.) The PTA recognizes, regardless of policy, cash may be received during the direct donation campaign or via the backpack in sealed envelopes. The person opening the envelopes containing potential cash should do so in the presence of another un-related PTA member.

b.) Indicate on the related form the check number or write "cash" and the amount.

c.) If cash is received both parties present should clearly initial the amount.

d.) Never initial if you did not witness the envelope being opened. If a dispute arises this would hurt, not help, in resolving the issue.

e.) If you inadvertently open an envelope containing cash without a witness send an e-mail to acknowledging the cash receipt, the amount and request return e-mail verification. Print the e-mail and attach to the form.

f.) It is easy to make a mistake. If a dispute arises consider the amount. Never accept blame, simply acknowledge the difference. Allow the paper work to support the transaction.

g.) If a large difference exists, notify the PTA President and Treasurer immediately. After considering the situation they will decide how to resolve.

h.) Endorse checks immediately. Endorsed checks are much harder to cash, if stolen. An endorsement stamp kept in the Treasurer's mailbox. Do not remove, or take home the endorsement stamp.

i.) The best practice is to deposit checks as soon as possible. Never hold checks for recording purposes. To assist in recording information a copy of the check can be made.

j.) The PTA Money Matters Guide suggests daily deposits. The PTA recognized this is not always possible. If the volume warrants, daily deposits may be necessary.

k.) If opening the envelopes in the PTA office in the presence of another individual, making bi-weekly deposits or copying the checks creates a burden for the Chair, the Treasurer will work with the Chair to have the task completed for them. The Treasurer will take care of opening the envelopes or a third party will be appointed.

l.) Lost Checks: If checks are accidentally lost the person who lost the checks must contact every person, acknowledge the loss, and request a replacement check. A stop payment may be required and the PTA should accept responsibility for the fee. The best practice is to deposit checks quickly to avoid loss or misplacement.

6.) Credit Card Processing

1.) The PTA should only process transaction on a credit card terminal issued to the PTA

2.) The PTA should never share their credit card terminal with another institution or corporation.

3.) The PTA will safeguard forms containing credit card numbers as follows: Once the transaction is complete, or the event has concluded for the year, store credit card forms in sealed bank bags. Write the name of the event and contents on the bag. Maintain forms with the credit card number and authorization as required in the merchant contract. Destroy (burn) the bag and contents at the end of the required period

4.) The PTA is responsible for the fees, lease, safety and use of the credit card machine.

C. Disbursements

1.) Check Request

a.) The PTA will pay all financial obligations by check.

b.) A completed "PTA Check Request" is required for all disbursements.

(See Attached)

c.) The committee head should initial the check request to communicate they know of the expenditure. The initial is not required for payment.

d.) Every "PTA Check Request" must have backup documentation. Acceptable backup documentation includes original receipts and invoices. No copies will be accepted.

f.) Make a copy of the "PTA Check Request", the original receipts or invoice. Keep a copy for your records.

g.) Attach the original "PTA Check Request" to the backup. Place in the PTA Treasurer mailbox at least three days prior to a PTA Meeting.

h.) Checks require two signatures according to PTA bylaws. The PTA Treasurer will prepare the check and provide the first signature. The Treasurer will obtain the second signature from another PTA Board member who appears on the PNC bank signature card.

i.) If a check is required quickly, contact the PTA Treasurer directly.

j.) The Treasurer will never issue a blank check.

2.) Contracts

a.) .When entering into a contract, the PTA president is responsible for the agreement.

b.) The contract should clearly state that the PTA is entering into the contract, not the President as an individual. The signature on the written contract should read, "Sparks Elementary School PTA by: Jane Doe, President)

c.) It is preferable to require two signatures on a contract, the president's signature plus another officer's

d.) Funds must be approved by general membership prior to signing the contract.

e.) The PTA will only pay contracts signed by the PTA president. Liability issues may result and insurance coverage may not be guaranteed if third party contracts are paid.

f.) The PTA Treasurer will issue a 1099 to individuals (not corporations) providing more than \$600 in services to the PTA during the calendar year.

g.) The PTA can pay for product invoices (tables, chairs, etc) ordered by the school. The invoice to the school can be used for supporting documentation.

D.) Inventory

1.) Count all inventory upon receipt. Write count and date on packing slip or invoice, sign.

2.) All inventory purchased with PTA funds is the property of the PTA.

3.) Inventory should be signed out by committee members.

4.) The Chair of Spirit Wear should count inventory mid-year and the Financial Secretary should count inventory at year-end

5.) As Spirit Wear products are sold during booth (at a table during an event) a tally will be kept on a blank order form. The extended value should equal the cash box value.

6.) Non Spirit Wear products (food, prizes, crafts etc) is considered PTA inventory and should be maintained by the PTA. If room is not available in the closet it can be kept at a home. Notify the PTA President that you will be storing inventory in your home.

7.) Distribution of excess inventory to other PTA committees is encouraged. It demonstrates responsible and frugal spending of PTA funds.

8.) Distribution of excess non-perishable inventory to volunteers and other individuals is prohibited. Perishable inventory is the exception.

9.) Perishable inventory may be distributed. (Examples: Ice cream or bake goods remaining after an event) Attempts should be made to store the inventory off site for future use.

10.) Perishable, but sealed inventory, should be stored in the PTA closet. Notify the PTA President that inventory is available for distribution.

11.) Never store flammable materials in the PTA closet.

III. Volunteer Hours

1.) All volunteers must attend yearly volunteer training. No exceptions.

2.) All volunteers should log into the volunteer system and print a badge.

3.) The badge should be worn while in the building

4.) The volunteer will log out of the volunteer system when leaving the building.

5.) Volunteer hours performed off-site can be keyed into the PTA web site or sent via an e-mail to the volunteer coordinator.

IV. Closet Procedures

1.) Boxes should be clearly labeled.

2.) Any committee members taking inventory home should get approval from the PTA President.

3.) Committee heads are responsible for cleaning up. Events should be cleaned up within 3-4 days after the event.