

Navy Elementary School PTO **Financial Policies & Procedures**

Updated & Approved August 21, 2018

Annual Budget

The PTO's fiscal year begins July 1 and ends June 30. Each fiscal year, the PTO Board will draft an Annual Budget and vote on its approval at the first general PTO meeting of the school year. The Annual Budget shall include projected revenue and expenses for each committee, event, and program. A copy of the Annual Budget will be posted on the PTO website.

The PTO Board must allocate new funds each year for all planned expenditures. Unspent funds do not carry forward from year to year.

The Annual Budget may be amended as necessary. The PTO Board must vote to approve any such amendments. The Treasurer will revise the Annual Budget to reflect the approved changes and will report on any amendments at the next general PTO meeting.

Accounting System

The PTO uses Xero accounting software to maintain its financial records: <http://www.xero.com>

The Treasurer is the subscriber and primary Advisor of the PTO's Xero account. The President and 2nd Vice President shall be given access to review and approve disbursements in Xero. All other board members may be given read-only access to the PTO's Xero account, as needed.

All users with access to the Xero account shall maintain 2-factor authentication for security purposes. Board members may not share their Xero account user names and passwords in order to maintain auditability of the financial records. Email addresses used for Xero access must be non-shared, personal email accounts and not general PTO accounts that transition when board membership changes.

Financial Accounts & Procedures

The PTO maintains several online accounts that handle financial transactions, including but not limited to:

- BB&T Checking & Savings - <https://www.bbt.com>
- Stripe - <https://www.stripe.com>
- PayPal - <https://www.paypal.com>
- Square - <https://squareup.com>
- Amazon Smile - <https://org.amazon.com>
- Benevity - <https://causes.benevity.org>

The following policies and procedures apply to all PTO financial accounts:

- All online accounts will maintain 2-factor authentication, if available. Login information shall not be shared with multiple people, except in instances where secondary access is not available.
- The Treasurer will maintain the primary login and password for all financial accounts.
- On a quarterly basis, the Treasurer and Financial Secretary will meet and review each online account to ensure proper accounting of all deposits and withdrawals. When available, the Treasurer shall provide the Financial Secretary with an official statement of activity from each account to review in advance of the quarterly meetings.
- The Financial Secretary will report on the completion of the quarterly review and any issues found at the next PTO meeting.

Bank Accounts

The PTO has established two bank accounts at BB&T, a checking and savings account. No additional bank accounts will be established. Only the PTO President, 2nd Vice President, and Treasurer shall have signature authority and business authorization on the bank accounts. Accordingly, only these three officers may approve and issue disbursements.

The Treasurer will maintain a BB&T Debit Card for the purpose of enabling online payment systems and paying pre-approved bills. No other bank or ATM cards will be issued or available to any other board members.

Bank statements are available through BB&T's online banking system. The Treasurer will reconcile the bank accounts on a monthly basis. The Treasurer shall also post copies of the monthly BB&T checking and savings account statements on Xero. Each month, the Financial Secretary will compare these statements to the transactions in Xero and either approve the statements or note any discrepancies that require further review.

Financial Reports

The Treasurer shall prepare financial reports, including an Income Statement and Balance Sheet, for presentation at all general PTO meetings. The financial reports will be posted on the PTO website along with the meeting minutes.

Financial Review

A financial review will be conducted annually by an audit committee appointed by the PTO Board at the beginning of the school year. The results of the financial review will be presented at the first general PTO meeting of each new school year.

Disbursement of Funds

Unless otherwise approved by the PTO Board, no disbursements will be made without first going through the disbursement procedures outlined below:

- Disbursement requests will be handled via the online form posted on the PTO website.

- While disbursements are often paid faster, requestors should plan for the process to take up to 4 weeks from request submission to receipt of payment.
- It is the responsibility of the party seeking funds to ensure that their request is within budgeted amounts. The PTO Board reserves the right to deny requests for payment that exceed the budget.
- Reimbursement requests must be made within 30 days of the date on the receipt or 30 days after the conclusion of the event. Requests made outside of these time frames may be denied.
- On a weekly basis, the Treasurer will log all new disbursement requests and supporting documentation in Xero as Purchases and notify the President and 2nd Vice President that there are new bills awaiting approval.
- The President, 2nd Vice President, and Treasurer will review the disbursement requests, receipts, and invoices.
- Requests for funds in excess of the budget will be noted in Xero. Full payment will not be made without separate Board approval.
- The first person to approve a request will write “Approved” in the comments section of the bill.
- The second person to approve the request will click the “Approve” button in Xero.
- On a weekly basis, the Treasurer will review approved disbursement requests and issue payment.
- Requests without two approvals will not be paid.
- If the President, 2nd Vice President, or Treasurer needs to be reimbursed, the other two authorized board members must review and approve the payment. No self-approvals are allowed.

Receipt of Funds

Event receipts should be forwarded to the Financial Secretary within 24 hours of the event and deposited by the next business day, if reasonable. Program receipts should be forwarded to the Financial Secretary and deposited on a weekly basis.

When submitting funds to the Financial Secretary, the committee chair or volunteer who collected the money must submit a Deposit Notice Form and accompanying Check Log or Cash Box Log. The form and logs are available on the PTO website. The Financial Secretary will sign the Deposit Notice Form acknowledging receipt of funds, deposit the money in the PTO bank account, and submit all documentation of the transaction to the Treasurer using the online Deposit Documentation Form. The Treasurer will upload the documentation to Xero as part of the reconciliation process.

A copy of the online Deposit Documentation Form will be emailed to the committee chair or volunteer who collected the funds to confirm that the money was deposited.

Cash Boxes

Cash boxes may be requested by using the online form on the PTO website. A signed cash box log is required for all cash boxes to audit who is responsible for the cash box. Two volunteers must count and verify the amounts every time the cash box changes hands and at the conclusion of the event.

Committee Budgets & Spending

At the first general committee chair meeting of the year, the Treasurer shall provide each committee chair with the budget for their committee and explain their spending limits. Committee chairs may request a

summary of the prior year's expenses and receipts from the Treasurer to assist the committee in planning for the year ahead.

Funds allocated to committees in the Annual Budget represent a "do not exceed" amount. It is not a requirement to spend the entire allocation and should be avoided if possible.

It is the responsibility of all committee chairs to manage their event or program within the budget provided. Any expenses above and beyond budgeted amounts must be approved by the PTO Board in advance or risk non-reimbursement.

Committee chairs must submit any reimbursement requests within 30 days of the date on the receipt or 30 days after the conclusion of the committee's event. The PTO Board reserves the right to deny any reimbursement request made outside of this time frame.

Any committee that is allocated funds in the Annual Budget in excess of \$1,500 must draft and present to the PTO Board a committee budget detailing the committee's plans for use of the funds prior to incurring any expenses. This ensures that appropriate levels of funding have been allocated to meet the committee's task and provides visibility for larger expenses.

Committee chairs are responsible for keeping records of all financial transactions and any supporting documentation. At the conclusion of an event or program, the Treasurer may request a report of all expenses and income from the committee chair to ensure proper accounting of all transactions.

Student Activities & Enrichments

The PTO supports a variety of before and after school programs and enrichment activities for Navy Elementary students. The Director of Student Activities is responsible for overseeing these programs and any expenses or receipts related to them. The Director of Student Activities must maintain records of all before and after school programs and enrichments, including the number of participants, any program costs or fees, any expected revenues or expenses, and any contracts with program providers. The Director of Student Activities will provide such information to the Treasurer, upon request, so that financial transactions related to student activities may be properly reconciled.

Payments to Navy Elementary School

The PTO may reimburse Navy Elementary School for budgeted, approved purchases made through the normal budget and disbursement process. In instances where Navy Elementary School must secure funding from the PTO for an approved expense prior to making the purchase, correspondence from the Principal notifying the PTO of the needed funds may be used in place of an invoice or receipt. Once the purchase is made, Navy Elementary School will provide the Treasurer with receipts to be added to Xero as supporting documentation for the payment.

The PTO may not issue general gifts of money to Navy Elementary School. All funds issued to the school must be designated for a specific, approved purpose and supported by proper documentation of the expense incurred.

Additional Responsibilities of the Treasurer

The Treasurer is responsible for performing the following tasks:

- Updating the BB&T signature cards and business authority forms for checking and savings accounts at the beginning of each new fiscal year. The PTO President, 2nd Vice President, and Treasurer must go to BB&T in person to sign the forms.
- Overseeing the preparation and filing of Federal Tax Form 990 by an independent accountant or the current treasurer.
- Completing the Annual Report to the Virginia State Corporation Commission and paying the applicable registration fee, due by August 31 each year.
- Obtaining, as needed, an updated exemption letter from the Virginia Department of Agriculture and Consumer Services prior to the solicitation of donations (Form 100 - Virginia Exemption Application for a Charitable or Civic Organization).
- Updating contact information for the Sales and Use Tax Certificate of Exemption with the Commonwealth of Virginia.
- Renewing the PTO's liability insurance policy with PTO Today.

**Certificate of Acknowledgment
by PTO Board Members**

I, _____, hereby acknowledge that I have received a copy of the Navy Elementary School PTO's Financial Policies and Procedures. I understand that as a member of the PTO Board I may have access to private, personal and financial information. I agree not to use or share such information outside of official PTO business.

Date

Signature of Board Member