



PTCO Spending Policies and Sample Financial Forms

PURPOSE AND INTENT

These policies are intended to document PTO policies and procedures regarding using and receiving cash and credit cards (to meet the needs of Cherry Creek School District Parents' Council) as well as outline general financial policies and procedures used by the PTO to ensure appropriate fiscal management.

The PTO financial policies should be given to PTO Executive Board members as well as event chairpersons (and others) who will be responsible for receiving, requesting, and/or making payments relating to PTO business. The policies are intended to provide both an understanding of how PTO financial processes work and provide protection to volunteers themselves.

Points highlighted in red in this document are a mandatory requirement for inclusion in all PTO financial policy documents.

Information included:

1. Cash Policies
2. Credit Card Policies
3. Check Policies
4. Online Payment Policies
5. General Financial Policies
6. Teacher Grant Request Policies

Attachment: Check Request Form

Attachment: Deposit Notice Form

Attachment: Grant Request Form

Attachment: PTO Spending Policies Guideline

SAMPLE SCHOOL PTO FINANCIAL POLICIES

1. CASH POLICIES

Paying with Cash:

Sample School PTO does not maintain a petty cash account and cannot pay cash for PTO purposes.

Accepting Cash Payments:

Sample School PTO accepts cash for payments made to the PTO.

Two people must be present when cash is being handled or counted. The final tally needs to be noted and signed off on by both parties and the matching funds must be deposited into the Sample School PTO bank account within 48 hours of the event.

Order forms should be used, and those order forms should indicate that the purchaser paid with cash, and the cash amount paid. The order forms should be kept by the PTO until at least 30 days after the purchased items are delivered.

Order forms and accompanying cash payments should be kept secured in the school's front office until the cash is deposited.

In cases where an order form is not applicable (e.g. Popcorn Sales), the event chairperson and one other must count the cash and sign the Sample School PTO **Deposit Notice Form** indicating the amount of cash received.

Cash should be given to the PTO Treasurer, with a completed **Deposit Notice** immediately after the event or sale. If the PTO Treasurer is not present at the event, cash awaiting deposit must be secured at the school until receipt by the Treasurer.

Under no circumstances should any cash raised at an event or sale be spent (even with a receipt) before being deposited. It must be deposited into the Sample School PTO account and then spent under the PTO spending policy guidelines.

The Treasurer must retain the bank cash deposit advice (equaling the amount counted and signed off on the **Deposit Notice**) and attach it to the **Deposit Notice** for record keeping. This will verify that all funds accounted for are deposited into the PTO bank account with complete transparency.

Parents' Council has a sample EVENT DEPOSIT NOTICE excel spreadsheet that is most helpful when handling event cash. Please reach out to the CCSD Parents' Council Treasurers for a copy.

2. CREDIT CARD POLICIES

Paying with Credit Card:

Sample School PTO does not have a credit card account and therefore cannot pay for purchases with a credit card.

Accepting Credit Card Payments:

Sample School PTO does not have a credit card facility and therefore cannot process credit card payments for items payable directly to the PTO.

OR

Sample School PTO has a credit card facility available and can therefore process credit card payments for items payable directly to the PTO.

- Credit Card information should be stored in the school safe until processed.
- All transactions should be processed at the school. No person(s) may remove credit card information from the school property.
- A crosscut shredder should be purchased and kept at school for use when destroying written credit card information.
- No credit card transactions should be processed unless two designated parent PTO members are present.
- A master list of each transaction including payee's name and amount charged must be kept for financial record keeping. If the credit card system can produce a list, that list will be sufficient. If not, a manual spreadsheet needs to be maintained and kept.
- Once the charges have been processed, a statement should be printed showing the total charges processed. A copy of this list must be given to the Treasurer for reconciliation with the bank deposits from the credit card company.

In cases where a vendor accepts credit cards as a form of payment (e.g. Book Fair), order forms or credit card receipts must be kept secure and locked in the school safe until the vendor collects the information. This will minimize the risk of unauthorized access to credit card information.

3. CHECK POLICIES

Paying with Check:

Sample School PTO maintains a checking account and can pay for purchases with a check.

A **Check Request Form** is used to request and document any check to be written from the Sample School PTO checking account, including paying vendors and reimbursing individuals for expenses they incur on behalf of the PTO. Appropriate documentation for the purpose of the request should be attached to the form (e.g. receipts, invoices, etc.).

Checks will not be written for any purpose without an approved Check Request Form.

The **Check Request Form** requires approval by the Treasurer, except in cases where the check would be made payable to the Treasurer (i.e. for reimbursement). In that case, the Co-Treasurer or President must approve the **Check Request Form**.

Checks will be made out and signed by the Treasurer, unless the check is payable to the Treasurer (i.e. for reimbursement). In that case, the Co-Treasurer or President (another approved account signatory) will sign the check. **At no time can a check made out to an individual be signed by that same individual.** In other words, you cannot write a check to yourself and sign it.

Checks over \$500.00 require approval by the Co-Treasurer or President. These checks must be co-signed by the Co-Treasurer or President (another approved account signatory).

Treasurers should never write a check for anything without an invoice or receipt. Documentation is mandatory, not optional. The Check Request Form is additional documentation to support the invoice or receipt.

Accepting Check Payments:

Sample School PTO accepts checks for payments made to the PTO.

Order forms should be used, and those order forms should indicate that the purchaser paid with a check, the amount paid and the check number. The order forms should be kept by the PTO until at least 30 days after the purchased items are delivered.

Checks must be kept and secured in the school front office until deposited.

Checks must be given to the Treasurer with a completed **Deposit Notice** as soon as practical after an event or sale. Checks should be deposited within 48 hours of an event or sale in order to minimize the risk of “returned” checks.

For deposits with multiple checks, a spreadsheet detailing names, amounts and check numbers should be attached to the Deposit Notice and given to the Treasurer for accurate record keeping.

Sample School PTO will attempt to collect bank fees and the original check amount for checks that are returned. Sample School PTO reserves the right to refuse to accept checks from individuals who have “bounced” checks to the PTO in the past.

4. ONLINE PAYMENT POLICIES

Paying with an Online Payment Account:

Sample School PTO does not have an online payment account and therefore cannot pay for purchases with an online account.

Accepting Online Payments:

Sample School PTO does not accept online payment for items payable directly to the PTO.

OR

Sample School PTO accepts online payments for items payable directly to the PTO from online payment processors such as PayPal, CheddarUp, Black Tie Technology, RevTrack etc.

- This service should be set up and managed by the Treasurer or President. The account should be in the PTO’s name and associated with the generic email address used by the PTO. Personal accounts and personal emails are NOT to be used for PTO finances.
- A master list of each transaction including payee’s name and amount paid must be kept for financial record keeping. If the online payment system can produce a list, that list will be sufficient. If not, a manual spreadsheet needs to be maintained and kept.
- Once the payments have been processed, a statement should be printed showing the total payments processed. This list must be kept by the Treasurer and used for reconciliation with the bank deposits from the payment processing company.

- Online payment processing companies charge a fee for their service. It will be decided by the PTO Executive Board whether the fee will be picked up by the payee/donor or by the PTO.

5. GENERAL FINANCIAL POLICIES

The General Membership must approve the Sample School PTO budget annually. Once the budget is approved, budgeted items do not need further membership approval in order to be paid.

Non-budgeted items over \$500.00 need the approval of General Membership.

Sample School PTO bylaws allow the Executive Board to approve a non-budgeted expenditure up to \$500.00.

Bank Statements and the bank reconciliation must be reviewed monthly (and signed off) by the PTO President or appointed Executive Board representative other than the Treasurer. Copies of all written checks are to be included. This ensures the reconciliation payees match the cashed checks and removes all liability from the Treasurer and other Board members of your fiscal responsibility to the parent community.

The PTO President or appointed Executive Board representative should have access to online or paper bank statements.

Fraud Reporting Process

In the unfortunate event that fraudulent activity is uncovered, it is the responsibility of a representative of the Sample School PTO Executive Board to inform the Principal **and** the President of CCSD Parents' Council of such activity on the same day you learn of the activity either by phone or email. The Principal will report the matter to the Cherry Creek School District as will the Parents' Council President. Appropriate action will be taken by the District.

Under no circumstances should any member of Sample School PTO enter into negotiations for funds to be repaid without reporting the matter.

Guidelines on Appropriate PTO-related Expenses

IRS Guidelines for Non-Profit Organizations

Sample School PTO is a tax-exempt 501(c)(3) organization. For an organization to continue to be classified as tax-exempt under section 501(c)(3) of the Internal Revenue Service Code, the organization must be organized and operate "exclusively" for public purposes.

Any public, tax-exempt charitable group, such as Sample School PTO, must use all of the group's assets for its public, tax-exempt purpose. Therefore, none of the PTO's funds can be used to benefit private individuals. The only exception is when an individual benefits as a by-product of carrying out the Sample School PTO's purpose.

The Sample School PTO's purpose is "to assist in attaining the highest level of education and welfare for the entire student body of Sample School".

Expenses related directly to the educational environment and student experience are clearly allowable under the IRS guidelines. Examples include: technology hardware and software, playground equipment, assemblies, instructional equipment, books, and costs associated with PTO-sponsored school/community events such as Family Nights, Movie Nights, Popcorn Days, and School Carnivals.

Appreciation gifts do not directly support the Sample School PTO's purpose, and are considered inappropriate expenses. Under IRS guidelines, the most conservative approach would be to have no expenses in this category at all. However, the Sample School PTO follows the standards for federal employees which allows "modest items of food and refreshment" and gifts with a market value of \$20.00 or less.

Reimbursement of expenses incurred by an individual on behalf of the Sample School PTO is not considered "individual benefit" as long as the expenses being reimbursed are approved and/or appropriate and have a receipt.

6. TEACHER GRANT REQUEST POLICIES

The Sample School PTO Bylaws state:

Fifteen percent of net proceeds from fundraising efforts, the proceeds of which are not otherwise specifically designated for another purpose, will be used to fund teacher grants for the current year. If the proceeds from a particular fundraising event are explicitly designated for a specific purpose, those net proceeds shall not be included in the calculation of the amount available for teacher requests.

The Sample School PTO Executive Board will determine the timing of teacher grant cycles, but will have at least one per school year. Teacher grant requests should be submitted in accordance with grant cycle deadlines and all grants for a particular cycle will be evaluated at the same time in order to prioritize limited funding.

Grants must be awarded in time for the grant to be used within the fiscal period that it was raised. It is important to give teachers enough lead time to use funds that have been approved. It is recommended that all grants be finalized, approved and funded by March 31st of each school year.

Prior to submission to the PTO, teacher grant requests should be reviewed by the Principal. Principal recommendations should be taken into consideration but final approval is made by the appropriate grant committee or PTO Executive Board. The Principal does not have the authority to veto grant requests but may prioritize requests and recommend action and/or outcome.

The PTO cannot pay for the costs associated with receiving credit from a training or workshop for teachers, as that is considered a personal or private benefit. However, non-credit portions of workshops or trainings will be considered on a case by case basis, with preference given to matching training grants provided by the Cherry Creek School District up to \$250.00.

SAMPLE SCHOOL PTO
Check/Reimbursement Request

Name: _____ Phone #: _____

Amount \$: _____ Date: _____

Committee: _____

Reason for Check/Description:

Check Payable to: _____

Remit Check: Mail PTO Mailbox (Front Office) Pick Up

Mailing Address: _____

If this is a bill that needs to be paid directly to a vendor, please attach the bill/ invoice to this form and the Treasurer will mail it. Leave in the PTO Mailbox in the front office at school or scan and email copies to xxxxxx@xxxxx.com.

If this is a reimbursement of personal funds, please attach original receipts and leave in the PTO Mailbox at school for the Treasurer to collect. Treasurer is required to collect and keep original receipts. **Please note reimbursements will not be made without appropriate documentation.**

Check #: _____
Amount \$: _____
Date Paid: _____
Treasurer Initials: _____
QuickBooks Entry: _____

SAMPLE SCHOOL PTO

Deposit Notice

Name: _____ Phone: _____

Date Submitted: _____

Name of person submitting deposit: _____

Total Amount: \$ _____

Specific Description of Source (e.g. Popcorn Sale, Fall Carnival, School Supply Sale):

Cash:

Checks:

\$100 x _____ = _____

\$50 x _____ = _____

\$20 x _____ = _____

\$10 x _____ = _____

\$5 x _____ = _____

\$1 x _____ = _____

.25 x _____ = _____

.10 x _____ = _____

.05 x _____ = _____

.01 x _____ = _____

Total Cash: \$ _____

Total Checks: \$ _____

Cash Counted and Signed Off By: (Person 1) _____

(Person 2) _____

Accepted by (Treasurer): _____

Date: _____

SAMPLE SCHOOL PTO GRANT PROCESS
Applications for 20xx-20xx

Thank you for applying for a PTO grant. We will try to award as many grants as our funds allow.

Please complete the application and return it to the PTO. **Initial applications are due by xxxxxxxx, 20xx.** Grant awards will be made by **xxxxxxxx, 20xx.** Additional requests will be reviewed later in the year if PTCO funds are still available.

The PTO applications address the following four types of requests:

- 1) **Purchases** – for the one time purchase of specific items needed for classroom and extra-curricular activities. If the item(s) is not a unique item such as a specific software program or set of books, please submit at least two competitive bids with the application.
- 2) **Student Training Programs** – for costs such as tuition, supplies/equipment, refreshments, speakers, etc.
- 3) **Elective Course Support** – for ongoing support of established elective curricula. These funds will generally cover the costs of student materials.
- 4) **Capital Improvements** – for the purchase of permanent fixed building improvements, i.e., blinds, sound systems, security cameras, etc. These applications must include bids that follow the Cherry Creek School District approved bid process.

ALL FUNDS MUST BE SPENT BY _____. If they are not spent, the funds will be returned to the PTO bank account for later use and may be used for a different purpose. If you have any questions regarding the application process, please contact the PTO President.

Please remember that the Cherry Creek Schools Foundation may be another source of funds – www.ccsdfoundation.org

Thank you for your interest and application.

SAMPLE SCHOOL PTO GRANT PROCESS

Grant Request Form

Applicant: _____

Request: _____

Amount requested: _____

Description of Program:

How will this enhance or improve student performance?

Evaluation/Results:

Has this request been previously funded? _____

If yes, who funded it previously? _____

Applicant's Signature

Date

If grant not expended as awarded, funds are to be returned to PTO and reallocated.

Approved by:

Date

PTO/PTCO Spending Policies Guidelines

The mission statement of the PTO/PTCOs of the Cherry Creek School District is to **support the education of our students**. This means that money raised is to be used to enhance the education of our students. The IRS requires that all non-profits state their mission and use their tax deductible donations for that mission. To do this, the following practices should be observed. For more detailed information, refer to the Parents' Council Procedures and Practices Handbook, available on the website, www.ccparentscouncil.org.

1. The majority of the tax deductible funds raised by the PTO/PTCO are to be used for direct educational enhancement. Auxiliary items such as Hospitality and After Prom may be supplemented by the PTO/PTCOs but the amount should be viewed in context of the percentage of the total budget and should not be the primary expenditure.
2. Monies raised are to be spent in a timely manner to most benefit the students that attended the school during the fundraising efforts. Parent donors expect that the funds contributed should benefit their children.
3. **The IRS requires that the funds be spent for the purpose indicated when solicited.** If PTOs solicit for specific funding goals, then recordkeeping will have to indicate any unused funds so that they can carry over to the next year for the same purpose.
4. **The IRS does not allow non-profits to accumulate "profits".** PTO/PTCO's should not carry balances unless a specific expenditure has been identified. The IRS does not allow "profits" to accumulate without potential taxation. The PTO may indicate that a reserve is required under the bylaws to cover expenses that will be due before funds are raised, (i.e. TA salaries) or money that has been earmarked for a specific purpose such as an ongoing fundraising for computers, playground equipment etc. PTOs can also "prefund" their budget as long as their intent is clearly indicated in the minutes and has been approved by the general population annually. Once the approved reserve has been funded, any additional donations should be spent or any additional fundraisers should be limited until the funds have been allocated and spent.
5. Grant Requests - Teachers and staff should be informed of funds available and encouraged to make grant requests under policies established by the PTO/PTCO's for items that would enhance the education of their students.
6. PTO Grant Accounts held at the district – an accounting should be done annually to ensure that unexpended funds aren't being held year after year. Unused funds should be returned to the PTO for future allocation or released by the PTO to the Principal for expenditure.
7. **The IRS does not allow non-profits with the "Educational Support" mission to benefit individuals.** Funds can be raised with PTO support for the occasional community needs BUT no funds can be deposited into the PTO account and then disbursed to a family or an individual. This includes "Thank You" gifts within certain guidelines outlined in our manual. Any funding solicitations for individual needs should indicate the alternative payee and include language that these donations are not tax deductible.