

Ann Simpson Davis Middle School PTO

Financial Policies and Procedures

Dated: August 6, 2014

Purpose: This document is adopted for the purpose of establishing the proper financial policies and procedures for the Davis Middle School PTO as agreed to by its membership. The areas addressed in this document include:

1. Audits/Record Keeping
2. Liabilities (Insurance/Bonding)
3. Income including cash controls and gifting
4. Expenses including cash controls and funds distribution policies
5. Financial reporting
6. Budget

Audits/Record Keeping

Internal audits shall be conducted annually by a member(s) not serving on the executive committee and not regularly transacting business with or on behalf of the organization. Auditors should also not be a direct relative of anyone who regularly transacting business with or on behalf of the organization. No individual should serve as an auditor for more than two consecutive years.

The audit shall review compliance with the policies and procedures outlined in this document and make recommendations for improvement. The audit should be submitted to the executive committee and reviewed within 90 days. Upon the review, all executive committee members are required to sign a copy of the audit. This copy, with signatures of the executive committee members, shall be filed and kept with the historical financial data for no less than seven years.

All bank statements, monthly reports, bank reconciliations, income documentation, expense documentation, and liability documentation shall be kept in a secure location for no less than seven years.

Liabilities

Each year the treasurer will confirm the insurance and bonding requirements with the Dublin City School Board. Once those requirements are met, proof (such as an insurance declaration page) of meeting those requirements should be kept with the financial records for that fiscal year. This requirement also applies to any vendors that are hired by the PTO.

Income

The treasurer will be responsible for recording all income following generally accepted accounting practices (GAAP). Only cash and checks will be recorded as income. Services rendered and other donations will not be assigned with a specific cash value. If requested, the treasurer can provide a letter of acknowledgement for the donated items and/or service.

Cash

Cash income should be counted by two individuals other than signatories on the organizations accounts. Once the cash is counted, a cash count sheet should be completed and signed by the two signors. The cash count sheet should be saved with the financial records. Cash shall then be kept in a secure location. Cash should be deposited the next business day and recorded by treasurer in ledger.

Checks

Checks shall be deposited within 5 business days.

Gifts/Donations

When an individual makes a charitable contribution to the organization, as a courtesy, they should be asked if their gift can be made public. The default treatment however is to treat all gifts as private donations, to be represented anonymously in any reporting outside of the PTO executive committee.

Expenses

The treasurer will be responsible for recording all expenses following generally accepted accounting practices (GAAP). The treasurer, president, and/or co-presidents shall be signors on the accounts for the organization. All vendor invoices will be paid within 25 days of receipt. All reimbursements to individuals shall be paid within 10 business days of receipt.

All vendor payments will require a completed voucher, third party documentation (receipt or invoice). All vouchers for vendor payments shall be signed by the treasurer.

All individual reimbursements require a completed voucher, third party documentation (receipt or invoice), signature of individual, and signature of approver (if applicable).

The expense voucher shall include an approver's signature box when an individual reimbursement exceeds \$250. The president and/or co-president will be the designated approver for such expenses. Pre-approved expenses (e.g., Teacher Grants) that are included in the Budget do not require signature on the voucher.

Receipts should be obtained and kept for all cash expenditures. If cash is being paid to individuals for services rendered a cash receipt form should be signed by the individual receiving the cash.

The treasurer, president or co-presidents and president-elect or co-presidents-elect shall have the authority to sign checks for all bank accounts for this organization.

Account reconciliations

The checking account shall be reconciled monthly by the treasurer. A copy of the reconciliation shall be printed and reviewed during the monthly PTO Executive meeting. Once the review is complete, the reconciliation must be initialed by both the treasurer and the president or co-president. This copy should be kept with the checking account records and monthly financial reports.

Financial Reporting

The treasurer will be responsible for preparing monthly financial reports for the organization. These reports should include at a minimum the current month's income and expense, the income and expense year-to-date, and the year-to-date variance to budget. These reports should be kept with the checking account records. These financial reports shall be reviewed and presented at each PTO meeting.

The treasurer will be tasked with providing the individual(s) conducting the annual audit with any necessary documentation needed to complete the audit.

Budget

Funds budgeted in one fiscal year shall not accrue to the next fiscal year except in cases reviewed and approved by the PTO Board. For example, Teacher Grants may be approved in one school year and funded/paid in the next.

The PTO shall retain a cash balance of \$1,000 or more at the end of each fiscal year to be used as seed money for the following year.

All motions requesting funding for non-budgeted items over \$250 shall be introduced at one PTO board meeting, and voted on at a subsequent board meeting.