

Ross PTA Financial Procedures Manual

Adopted by Ross PTA Executive Board on June 22, 2022

Managing Funds

a. PTA Bank Account

- i. The PTA shall hold its funds in a bank account. Funds adequate to cover current expenditures will be held in a checking account, and the remainder will be held in an interest-accruing money market account.
- ii. To enable a smooth financial transition, as soon as possible after the start of each new school fiscal year (July 1) the PTA treasurer and the PTA president shall complete signature cards for the PTA bank accounts. Former officers no longer on the executive board will be removed from the signature card and their bank cards will be canceled. The outgoing treasurer will share with the incoming treasurer all security information (e.g. pins, security questions, etc.) for all Ross PTA bank accounts and other financial accounts and assets. The PTA treasurer is authorized to monitor activity on the PTA bank accounts.
- iii. The PTA treasurer may write checks on or move funds between these bank accounts.

b. Petty Cash

- i. The PTA shall maintain no more than \$300 in petty cash, primarily to make change at fundraising events at which cash is accepted.
- ii. The PTA treasurer or PTA president will maintain custody of the cash box in which petty cash is secured.
- iii. Only Executive Board members or committee chairs may be granted access to the petty cash.
- iv. Changes to petty cash on hand will be tracked using the Cash Box Log. The responsible party will record the petty cash value prior to the event, the petty cash value at the end of the event, the value of any cash removed for deposit broken down by revenue area, and the final petty cash value remaining in the cash box. The log should be signed and a photo copy emailed to the PTA treasurer.

Budget Cycle

a. Developing the PTA Budget

- i. The fiscal year of this PTA shall begin on July 1 and end on June 30.
- ii. A subcommittee of the executive board, which must include the PTA treasurer, shall draft a proposed budget for the following fiscal year. The draft budget will be made available to the full PTA membership at least one week prior to the end-of-year PTA general membership meeting at which the draft budget will be voted on.
- iii. The Annual PTA Budget must consist of:
 1. Total amount expected to be raised, broken down into revenue categories;
 2. Total amount expected to be spent, broken down into expenditure categories such as "Curricular Supplies", "Technology", "Discretionary Classroom Supplies", etc.
- iv. The draft budget for the next fiscal year shall have total expenditures equal to or less than the PTA's anticipated end-of-year total assets in the present fiscal year.

For instance, if the PTA anticipates ending the present fiscal year with \$100,000 in total assets, the draft budget for the next fiscal year may have a maximum of \$100,000 in total expenditures.

- b. Approving the PTA Budget
 - i. The draft budget for the upcoming fiscal year will be voted on by the PTA general membership at the end-of-year meeting in May or June.
- c. Managing the PTA Budget
 - i. The financial records will be reconciled monthly.
 - ii. At each PTA executive board meeting and PTA general membership meeting during the fiscal year, the PTA treasurer—with support from the PTA bookkeeper—shall present a financial statement for review and discussion. The financial statement will reflect the reports that the PTA treasurer produces monthly: Statement of Financial Position, Statement of Activities, and Budget vs. Actuals.
 - iii. As noted in the PTA bylaws, the treasurer is authorized to generate payments for invoices and expenses assuming that the payment does not exceed approved budget limits. Any expense that exceeds authorized budget amounts must be approved by the executive board prior to payment.
 - iv. The amounts or intended uses of budget line items during the course of the budget year can be amended by up to \$2,000 by vote of the PTA executive board, subject to a limit of \$5,000 across all line items per budget year. Changes to a line item by over \$2,000 or in excess of a cumulative total of \$5,000 must be approved by a vote of the PTA general membership. All changes shall be recorded by the PTA treasurer and provided in writing to the PTA bookkeeper. Notice of such changes also shall be made available to the PTA general membership at the next regular meeting.

Expenditures

- a. **Linking the Approved Annual Budget to Budget Execution:** All expenditures of PTA funds shall be associated with specific expenditure line items in the approved budget. As such, each request for disbursement of funds shall be accompanied by a statement of the line item from which it is to be drawn, and no funds shall be disbursed in the absence of such a link.
- b. **Authority to Request Disbursements of PTA Funds:** All members of the Ross faculty and staff, Ross PTA members, and family members of Ross students have authority to request a disbursement of PTA funds.
- c. **Disbursement Request Email:** All requests for disbursements of funds must be made by emailing the PTA treasurer and/or the PTA president. Requests must include (1) a statement of the expenditure line item from which the funds will be drawn, (2) a description of the expenditure, (3) the requested amount, and (4) preferred method of payment (see (e) below). PTA treasurer and president email addresses are provided on the PTA page of the Ross Elementary website.
- d. **Authority to Approve Disbursements against Budget Line Items:** Each request to expend funds from a budget line item shall be approved prior to disbursement. Requests for \$100 and below may be approved by either the PTA treasurer or PTA president. Requests exceeding \$100 must be approved by both the PTA president and PTA treasurer.

In addition, requests for disbursements from the following budget line items must obtain approval from the Ross Principal and then subsequently by the treasurer and/or president: Technology, Curricular Supplies, Field Trips, and Staff Development.

- e. For all approved disbursement requests, there are two options for payment:
 - i. *Direct payment by the PTA.* This option is preferred in that it may allow the PTA to take advantage of its tax exempt status. Payments can be made by electronic transfer or by check or debit card. In cases where payment is made via electronic transfer, the treasurer and bookkeeper will facilitate this through the payables system. The treasurer may write checks. The PTA treasurer and president may make payments using the PTA bank debit card.
 - ii. *Reimbursement by the PTA.* After the disbursement request has been approved, the authorized party may purchase any approved item using their own funds and request reimbursement from the PTA. The reimbursement request should be sent to the treasurer and the bookkeeper, and should include the exact amount spent and a copy of the receipt and/or invoice.
- f. The PTA has a longstanding arrangement with True Value Hardware on 17th Street NW. The PTA pays a monthly invoice for items needed by the Ross custodial staff. The extant terms of this arrangement will continue, and there need not be separate requests made for all individual items purchased.
- g. **Developing and managing budgets for PTA events (e.g. Auction, Tree Sale, Picnic, Bingo Night, Spooktacular, etc.):**
 - i. At the start of the budget year (or, when appropriate, as a committee chair assumes their roles and has responsibility for a given year's budget line item), the treasurer shall provide written guidance to each chair concerning:
 - 1. which budget line item(s) pertain to their responsibilities;
 - 2. what the specific procedures are for requesting funds disbursements, either from the line item as approved or above and beyond money allocated;
 - 3. how much (if anything) is available to the committee chair to spend; and
 - 4. how much (if anything) the committee has been budgeted to earn.
 - ii. The PTA bookkeeper shall receive a copy of such guidance, including any changes to the guidance or the committee chairs responsible for administering them over the course of the school year.

Privacy and Security

- a. The PTA treasurer shall take reasonable measures to protect the privacy and security of financial information of the PTA, including password protecting information and limiting access to only those who need access to it.
- b. The PTA treasurer will (1) maintain a directory of all accounts and vendors used by the PTA and (2) will exercise sole control over internet login and password information for these accounts. The login and password to the PTA bank accounts may be shared with the PTA bookkeeper for the purpose of downloading statements for entry into the financial management tool (e.g. Quickbooks). Furthermore, the Square login and password may be shared with the PTA executive board members and PTA committee chairs to facilitate use of the Square card reader at PTA events and with the bookkeeper for financial management purposes. No other login or password information for PTA accounts may be shared by the treasurer.

- c. At least at the beginning of each new fiscal year, the PTA Treasurer will update password information on all PTA accounts. An outgoing PTA treasurer should share the PTA account/vendor directory with the incoming PTA treasurer. The incoming PTA treasurer should be instructed to immediately update the password information as well as the bank debit card associated with accounts to ensure continuity of PTA finances.

Other Financial Procedures

- a. The PTA treasurer is responsible for all communications with and submissions to the IRS and District of Columbia government concerning financial filings and payment of fees by the Ross PTA. The treasurer is also responsible for advising the PTA executive board and committee chairs on IRS-related requirements and considerations concerning PTA activities (i.e. 990 compliance, etc).
- b. The PTA treasurer will retain and work with an accountant to ensure that all required federal and District filings (i.e., 990) are filed in a timely manner each year.
- c. The executive board has the discretion to appoint a bookkeeper, which can be a paid position. The bookkeeper shall have the ongoing responsibility to enter financial data (i.e. PTA income and expenses) into the financial management tool (e.g. Quickbooks) as well as editing data in the tool. The PTA treasurer shall have the responsibility to review data in the financial management tool. In addition, the bookkeeper will:
 - i. Be responsible for the timely completion and distribution of federal form 1099;
 - ii. Assist PTA treasurer, as necessary, in the preparing or having prepared for timely filing all required federal and District tax forms;
 - iii. Reconcile all accounts on a monthly basis;
 - iv. Organize and prepare expense reimbursement requests for regular disbursements by the PTA treasurer;
 - v. Manage the online payables system;
 - vi. Maintain consistency of business practices during PTA Treasurer role transitions, including timely training and transition of users for payables system and financial management tool report access.
 - vii. Assist the PTA treasurer with other duties as assigned.