

# **WEST UNIVERSITY PTO TREASURY FINANCIAL POLICY**

## **Revised August 2020**

These policies are intended to outline the procedures used to ensure the safe and accurate handling of PTO funds. This policy was written with input from a CPA firm taking industry best practices into consideration. Links to all forms are at the end of this document.

### **PLEASE REVIEW THE FOLLOWING RULES THE TREASURY FUNCTION MUST ADHERE TO IN ORDER TO FULFILL OUR FUDICIARY DUTIES:**

- All reimbursements must be accompanied by a **RECEIPT AND PROOF OF PAYMENT. THERE WILL BE NO EXCEPTIONS.** Expense reimbursements are subject to review and can be rejected if the Financial Policy is not followed.
- For HISD teachers and staff, a “Purchase Request Authorization” (top portion of form) must be filled out and Principal’s signature must be obtained prior to the completion of the “Request for Payment” portion of the form. Please seek approval from the Principal before expenses are incurred.
- Under rare circumstances, expenses over \$600 will be reimbursed directly to an individual PTO member or a West U Elementary teacher or staff member if approved by the President or VP of Budget & Finance.
- Every effort should be made for the PTO to directly pay vendors.
- Payment options include:
  - The vendor can bill the PTO directly,
  - A check can be created for the requested amount directly to the vendor,
  - When necessary, a PTO credit card is available for use.
- The PTO President and Treasurer - EXPENSE have the discretion to allow use of the PTO credit card.
- Sales tax will not be reimbursed. Please present the vendor with our Texas Sales and Use Tax Exemption Certificate so they DO NOT charge tax (certificates are available for printing from the PTO website.)

### **REQUEST FOR DIRECT PAYMENT TO VENDOR PROCEDURES:**

- 1) Discuss the appropriateness of any expense you plan to incur on behalf of the PTO with the person who will be approving your expense (School Principal for HISD employees or appropriate PTO Executive Board Member name listed on 2<sup>nd</sup> page of Request for Payment Form for school parents).
- 2) Complete the Request for Payment Form.
- 3) Have your Request for Payment signed by the designated Approver. Turn in the APPROVED Request for Payment Form together with supporting documents to the Budget/Finance box at the main office (or email a scanned copy to the Treasurer – EXPENSE). Approval should be provided by the designated person on the Approver List. Approval may also be given by the PTO President, President Elect or VP of Budget.
- 4) PTO member requesting payment MUST initial x3 at the bottom of page 2.

- 5) Supporting documents may include but are not limited to the following:
  - a. Original itemized invoice(s)
  - b. W9 if the expense is a service and exceeds \$600 (an IRS Requirement - see below for more details). The PTO will not cut a check until a W-9 is on file. (Obtain W9 form from PTO website)
  - c. Proof of delivery of goods/proof of services rendered (when applicable)
  - d. Approved Purchase Request Authorization Form (when applicable)

**REQUEST FOR REIMBURSEMENT TO INDIVIDUAL PTO MEMBER:**

- 1) Discuss the appropriateness of any expense you plan to incur on behalf of the PTO with the person who will be approving your expense. If you are unsure who this might be, check the second page of the Request for Payment Form.
- 2) Complete the Request for Payment Form.
- 3) Turn in the approved Request for Payment Form together with supporting documents to the PTO Budget/Finance box at the front office (or email a scanned copy to the Treasurer – EXPENSE). Approval should be provided by the designated person on the Approver List. Approval may also be given by the PTO President, President Elect or VP of Budget.
- 4) PTO member requesting reimbursement MUST initial x3 at the bottom of page 2.
- 5) Supporting documents MUST include the following:
  - a. Original itemized invoice(s)
  - b. W9 if the expense is a service and exceeds \$600 (an IRS Requirement - see below for more details). The PTO will not cut a check until a W-9 is on file. (Obtain W-9 form from PTO website)
  - c. Proof of payment (credit card receipt or cancelled check)
  - d. Proof of delivery of goods/proof of services rendered (when applicable)
  - e. Approved Purchase Request Authorization Form (when applicable)

**REQUEST FOR DIRECT REIMBURSEMENT TO HISD SCHOOL EMPLOYEE:**

- Discuss the appropriateness of any expense you plan to incur on behalf of the PTO with the Principal or designated approver before you incur any expenses.
- Complete the “Purchase Request Authorization” portion of the form (Step 1 on the West U Staff/Teacher form). Once this top portion of the form is completed and approved and signed by the Principal, you can purchase goods or services for the benefit of the school.
- Complete the “Request for Payment” portion of the form (Step 2 on the West U Staff/Teacher form). Turn in the signed form together with supporting documents to the PTO Budget/Finance box at the front office (or email a scanned copy to the Treasurer – EXPENSE).
- WUES employee requesting reimbursement/payment MUST initial x3 at the bottom of page 2.
- Supporting documents MUST include the following:
  - a. Original itemized Invoice(s)
  - b. W9 if the expense is a service and exceeds \$600 (an IRS Requirement - see below for more details). The PTO will not cut a check until a W-9 is on file. (Obtain W-9 form from PTO website)
  - c. Proof of payment (credit card receipt or cancelled check)
  - d. Proof of delivery of goods/proof of services rendered (when applicable)
  - e. Approved Purchase Request Authorization Form (when applicable)

### APPROVALS, FORMS & EXPENSE SPECIAL CIRCUMSTANCES

- Approvals for vendor payments and individual reimbursements should be signed and approved according to the Approver List. Approval can also be given by the President, President Elect or VP-Budget.
- Recurring expenses, or expenses that the PTO incurs every month (examples include, but are not limited to: Ready Refresh, Copy Dr., O'Dell's Landscaping, Aquarium Environments), do not require Request for Payment form. For these expenses, the Treasurer – EXPENSE may sign the invoice to acknowledge that the bill is as expected and approved.
- Vendor payments for Instructional Support should be approved by the VP of Instructional Support who will track purchases made by administration and confirm receipt of items, then approve and submit the necessary paperwork for the vendor payment.
- Requests to reimburse tips \$75 and under that are not included in the original invoice will be honored in good faith.

### CLASSROOM SET-UP & SCIENCE FUND REIMBURSEMENTS

- Classroom Set-Up budget limits and science fund budget limits can be exceeded at the discretion of the President or VP of Instructional Support.
- Classroom Set-Up forms can be approved by the VP of Instructional Support. Extraordinary set-up expenses can be approved if submitted in advance and at the discretion of the President or VP of Instructional Support.

### DEPOSITS:

- 1) Complete a deposit form from the PTO website.
- 2) Submit the deposit form and money to the PTO Treasurer – INCOME by dropping it in the lock box located in the front office.
- 3) Deposits with no accompanying deposit slip could take longer to process and may never get credited to the appropriate group.

### FUNDRAISING PROCEDURES:

Please note that all applicable procedures above apply to fundraising activities. In order to ensure your event has accurate financial records, we suggest you designate a member of your committee to be in charge of your finances. Your event will have its own set of financial records that your committee can compare to the Treasury function's financial records periodically. Keeping copies of all deposits and expenses approved is essential if discrepancies arise. This will not only ensure that your committee is periodically reviewing your expenses, it will also ensure your deposits are properly credited to your event and your expenses are recorded.

### CASH PROCEDURES:

We ask that you try to *minimize the collection of cash* and instead use the SQUARE devices now available. At no time should anyone be alone with cash. Cash will be collected at set intervals at any event that accepts cash by *at least two individuals* with one being the Committee Chair or an Executive PTO Board Member. Cash is deposited as soon as possible following an event.

- 1) At the end of an event or sale, no less than two people will count all cash, including one Executive PTO Board Member or Committee Chair.
- 2) At least two people should sign page two of the deposit form at the time the cash is counted. The deposit form details the currency denominations.

### **SQUARE PAYMENT:**

The PTO has multiple square devices available for use. These devices allow the PTO to minimize cash transactions, and the treasury team encourages their use. If you require use of the square devices, contact the Treasurer - INCOME in advance to arrange pickup of the devices and confirm proper app installation. Utilize meaningful descriptions in the app to make sure the sales are coded properly for your event. Square transactions are automatically deposited to the PTO checking account and do not require deposit forms. The Treasurer - INCOME will create a journal entry to allocate the income to the correct event.

### **COPY DOCTOR:**

Copy Doctor printing services are to be used for PTO business only. A list of approved PTO representatives is on file at Copy Doctor. If you are on the approved list, Copy Doctor will invoice the PTO directly for the cost of your printing. If you are not on the approved list, you must pay for your copies and follow the expense reimbursement procedures detailed above.

### **CREDIT CARD PROCEDURES:**

In certain circumstances, it may be necessary for a PTO member to use a credit card to purchase goods or services on behalf of the PTO. If you believe the use of a credit card is required, please ensure you agree with the following statements:

- I have asked the vendor to invoice us directly, but the business is unwilling or unable to do so.
- If the business is unwilling or unable to invoice us directly, I have searched for comparable vendors who might be able to invoice us directly.
- If I have chosen an online vendor, the cost of the good or service is over \$600 which means I cannot pay the expense myself and seek reimbursement.
- If I have chosen an online vendor, I have ensured that they are not a local business which would take a check and that there are no local businesses providing the same good or service.

If the PTO credit card is used for payment, you should still complete a Request for Payment so your expense can be properly documented and applied to the correct account.

### **GIFT CARDS:**

- Gift cards purchased as appreciation gifts for event volunteers must be pre-approved by the PTO President.

### **HELPFUL TIPS:**

- Plan ahead. Every check requires two signatures and roughly two weeks to process.
- Keep a copy of your request form and receipts until you have received reimbursement in case documentation gets misplaced. We do not return your completed form. The PTO must retain forms and receipts for our records. It is in your best interest to keep a copy for your files.

### **FORMS**

#### **SALES TAX EXEMPTION CERTIFICATE**

For most purchases made on behalf of the school using PTO funds, we are exempt from paying sales tax. Examples are: copying, office supplies, etc. Copies of the Sales Tax Exemption form can be found on the PTO website. Please be sure to have a copy of the exemption certificate with you when buying items. Also, let your team know that they are to use this form, as we cannot reimburse for sales tax paid.

## **FEDERAL TAX EXEMPT LETTER**

As a 501(c)(3) organization, the PTO is exempt from paying income tax. In addition, those donating money to the PTO are able to claim their payment (less good or services received) as a charitable contribution on their tax return. The Federal Tax Exempt Letter can be shown to donors that we are a legitimate 501(c)(3) as designated by the IRS.

## **W9**

The W9 is an informational IRS form. It allows the PTO Treasury team to track how much we pay independent contractors, landscapers, etc for services rendered. At the end of the year, we are required to file a form 1099 for these individuals and report this information to the IRS. This form is REQUIRED for all individual entities we pay in the amount of \$600 or more. This form is not required for C-Corporations (e.g. Target, Office Max, Sams Club, Costco, etc.)

## **DEPOSIT FORM**

This form is two pages. It must be completed in its entirety. The deposit form is required for all cash and check deposits.

## **REQUEST FOR PAYMENT FORM – PARENT**

Complete this form for all expenses you incur on behalf of the PTO. All signatures are required before reimbursement or payment can proceed.

## **PURCHASE REQUEST AUTHORIZATION/ REQUEST FOR PAYMENT FORM – HISD (for teachers and school admin only)**

Both sections of this form (Purchase Request Authorization & Request for Payment) must be completed prior to an HISD employee purchasing goods or services for the school which will be paid for by the PTO. Teachers and other HISD employees complete this form to receive reimbursement for or direct payment of vendors for expenses they incur on behalf of the PTO. To help simplify the process and eliminate confusion, this one form now includes the following payment requests:

- **Classroom Set-Up Funds Reimbursement:** Teachers may seek reimbursement of the budgeted classroom set-up items purchased in the Fall and Spring. Teachers will receive communication on the approved budget for each semester. All receipts and proof of payment must be included with the submitted form.
- **Science Fund Request for Payment:** Teachers may seek reimbursement for science supplies for the classroom. Details on the project or experiment should be sent to the Principal for approval before purchase unless the amount is less than \$150. All receipts and proof of payment must be included with the submitted form.
- **Special Projects Request for Payment:** Teachers are given an annual budget of \$50 per class to be used across the grade level for special projects as agreed upon by the grade level such as Mother's Day or Texas State Fair. All receipts and proof of payment must be included with the submitted form.