

Lyter Elementary PTO Financial Protocol

Purpose and Intent

The guidelines outlined in this Financial Policies are intended to document the Lyter Elementary PTO's policies and procedures regarding the use and receipt of cash, debit cards, and credit cards as well as outline general financial policies and processes used by the Lyter PTO to ensure appropriate fiscal management.

The financial protocol should be distributed to committee chairpersons (as appropriate) and others that may find themselves responsible for receiving, requesting, and/or making payments related to the Lyter PTO. The policies are intended to provide both an understanding of how the Lyter PTO financial processes work and provide protection to the volunteers themselves.

Included information:

1. Cash Guidelines
2. Debit Card Policies
3. Credit Card Policies
4. Check Policies
5. General Financial Guidelines
6. Non-Budgeted Requests

1. Cash Policies and Procedures

Paying with cash

Lyter PTO does not maintain a petty cash fund and cannot pay cash for Lyter PTO purchases.

Accepting Cash Payments

Lyter PTO will accept cash payments made to the Lyter PTO.

For any amounts of cash two people shall be present when the money is counted. A Cash Deposit Notice will be completed and signed by both people counting the cash.

All cash received should be deposited immediately in the Lyter PTO bank account. Cash not immediately deposited into the Lyter PTO bank accounts should be locked in the school office safe until it can be taken to the bank for deposit.

Adopted by majority vote- 1/11/2018

Order forms should be used when possible to account for receipt of the cash/funds and from whom (for example, yearbook orders, Shop with Scrip forms, etc.). Order forms should have a space to indicate whether the person(s) paid by cash or check. The order forms should be documented and retained until the end of the current school year.

For instances when an order form is not applicable or available, cash should be counted by two people and documented on a Cash Deposit Notice form.

2. Debit Cards Policy

Paying with a Debit Card

The Lyter PTO does not have any debit cards as they must be issued in the name of the bank account signers and not issued to “Lyter PTO.”

3. Credit Card Policies

Lyter PTO does not have the ability to process credit card payments and cannot accept credit card payments for items payable to the Lyter PTO (except if a vendor provides such services ---for example, Scholastic Book Fairs).

4. Check Policies

Paying with a Check

The Lyter PTO maintains a checking account in a local financial institution and may pay for purchases via a Lyter PTO check.

A Check Request Form is used to request and document any check written from the Lyter PTO checking account, including payment to vendors and reimbursing individuals for approved expenses. Appropriate documentation for the purpose of the request must be attached to the Check Request form (e.g., receipts, invoices, etc.).

Checks will not be written for any purpose without a completed approved Check Request form. Only signers on the bank account are permitted to write checks.

Accepting Check Payments

The Lyter PTO does accept checks for payments made to the Lyter PTO.

Order forms should be used whenever possible. The order forms should have a place for the purchaser to indicate the form of payment and the check number, if applicable. The

order forms should be kept by the Fundraiser/Activity Chairperson until the end of the current school year.

Checks for payment to the Lyter PTO should be kept secured in the school office safe until they are processed and deposited into the bank account.

The Lyter PTO will attempt to collect bank fees and the original amount of the check for any check that may “bounce.” The Lyter PTO reserves the right to refuse to accept checks from individuals who have “bounced” checks to the Lyter PTO in the past.

5. General Financial Policies

The Executive Board of the Lyter PTO must approve the annual budget. Once the budget is approved, budgeted items do not need further approval by the Board for payment, unless they exceed the budgeted amount.

Bank statements should be reviewed and reconciled to check register monthly by the Treasurer. The Treasurer will provide a Treasurer’s Report for all deposits and expenditures at all regular Lyter PTO Meetings.

IRS Guidelines for Non-Profit Organizations

The Lyter PTO is a Section 503(c)(3) tax-exempt organization under the IRS Tax Code. For an organization to continue to be classified as tax-exempt, the organization must be organized and operate “exclusively” for public purposes.

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

Lyter PTO Policies

The Lyter PTO’s purpose is “organized for the purpose of supporting and enhancing the educational experiences of the School's students by:

- Providing an organization through which the parents, administration, and teachers can work collaboratively to support and enhance the education of all students;
- Providing financial support for programs funded outside of the annual Montoursville Area School District budget; and
- Supporting school-based events as a means to strengthen and sustain the school community.”

Expenses related directly to the educational environment and student experience are clearly permissible under the IRS guidelines. Examples include technology hardware and software, playground equipment, assemblies, field trips, instructional materials, books, and costs associated with PTO-sponsored school/community events such as Movie Night(s), Spring Fling, and other social events.

Reimbursement of expenses incurred by individuals on behalf of the Lyter PTO are not considered to be an “individual benefit” as long as the expenses being reimbursed are documented, appropriate, and approved.

Any monies owed to the PTO should be reported as a receivable on the monthly Treasurer’s Report.

6. Non-Budgeted Requests

Any Lyter teacher, Principal, or PTO member may submit a request for a Non-Budgeted Expenditure/Purchase. The Non-Budgeted Expense must be presented at a regular PTO meeting. The principal and PTO Executive Board will review that the non-budgeted expenditure/purchase aligns with the Lyter PTO’s current policies and purpose, as well as determine whether it is feasible given budget constraints.