

WEST UNIVERSITY PTO TREASURY FUNCTION

FINANCIAL POLICY

Revised July 2016

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.
- A Purchase Request Authorization Form is required for HISD teachers and staff prior to the completion of the Expense Reimbursement Form. The Purchase Request Authorization Form must be approved by the Principal before expenses are incurred. Both forms are required before a check will be released.
- Every effort should be made for the PTO to directly pay vendors. **UNDER RARE CIRCUMSTANCES WILL WE REIMBURSE EXPENSES OVER \$600.00 TO AN INDIVIDUAL PTO MEMBER OR WEST U TEACHER OR STAFF.**
- Alternatives payments include:
 - The vendor can bill the PTO directly,
 - A check can be created for the requested amount
 - or a PTO credit card is available for use.
- The PTO President has the discretion to allow use of a credit card in certain rare instances, such as online purchases that exceed a certain amount.
- **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.
- 2) Complete the TWO PAGE Expense Reimbursement Form.
- 3) Turn in the APPROVED Expense Authorization Form together with supporting documents to Suzanne Faulk in the PTO Treasurer's box.
- 4) Supporting documents may include but are not limited to the following:
 - a. Original itemized Invoice(s)
 - b. W9 if the expense exceeds \$600 (an IRS Requirement - see below for more details)
We 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 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, review the Expense Authorization Form as it details who the approvers are for each expense.
- 2) Complete the TWO PAGE Expense Authorization Form.
- 3) Turn in the APPROVED Expense Authorization Form together with supporting documents to Suzanne Faulk in the PTO Treasurer's box.
- 4) Supporting documents MUST include the following:
 - a. Original itemized Invoice(s)
 - b. W9 if the expense exceeds \$600 (an IRS Requirement - see below for more details)
We 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 Form (when applicable)

REQUEST FOR DIRECT REIMBURSEMENT TO HISD SCHOOL EMPLOYEE:

- 1) 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.
- 2) Complete the Purchase Request Approval Form. Once this form is completed and approved by the principal, you can purchase goods or services for the benefit of the school.
- 3) For details on handling these expenses, follow procedures outlined in Payments for Reimbursements or Payments Directly to Vendors above.

DEPOSITS:

- 1) Complete a TWO PAGE DEPOSIT FORM. (Found at westupto.org under PTO Information/Forms.)
- 2) Submit the deposit form and money to Amy Sahely, PTO Treasurer 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 you try to *minimize the collection of cash* and instead use the SQUARE device 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 immediately deposited at the end of 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 complete page two of the deposit slip AT THE TIME THE CASH IS COUNTED. The deposit slip details the currency denominations.
- 3) Two people will then deposit the money directly at Texas Community Bank deposit box at the corner of Edloe and Rice. Return the BANK DEPOSIT SLIP together with the TWO PAGE DEPOSIT SLIP. This ensures the cash is applied to your event or committee.
- 4) A TWO PAGE DEPOSIT SLIP MUST BE COMPLETED and given to Amy Sahely in all circumstances.

COPY DOCTOR:

Copy Doctor printing services are for use of 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.

SQUARE PAYMENT:

The PTO has 4 square devices available for use. These devices have allowed us to minimize cash transactions, and the treasury team encourages their use. If you require use of the square devices, installation of the app can be discussed with the treasury team. A deposit slip is still required at the end of an event that uses the square payment.

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.

HELPFUL TIPS FROM PREVIOUS TREASURERS:

- 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 P must retain 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 and 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.

<http://westupto.org/files/2011/05/Sales-Tax-Exempt-Form.pdf>

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.

<http://westupto.org/files/2016/07/irs-pt0-501c3.pdf>

W9

The W9 is an informational IRS form. It allows the PTO Treasury team to track how much we pay independent contractors, landscapers, etc. 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.)

http://westupto.org/files/2013/06/2016_W9.pdf

DEPOSIT FORM

Note this form is two pages. It must be completed in its entirety. The deposit slip is required for all cash, check, and square deposits. For questions, contact Amy Sahely, amywayengland@yahoo.com

<http://westupto.org/files/2011/05/Deposit-Slip-2015-2016-Final.pdf>

EXPENSE AUTHORIZATION FORM – PTO

Complete this form for all expenses you incur on behalf of the PTO. All signatures are required before reimbursement or payment can proceed. For questions, contact Suzanne Faulk, suzanne_faulk@hotmail.com.

PURCHASE REQUEST FORM – HISD (for teachers and school admin only)

This form must be completed prior to an HISD employee purchasing goods or services for the school which will be paid for by the PTO.

EXPENSE REIMBURSEMENT FORM – HISD (for teachers and school admin only)

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. This form, together with the

[PURCHASE REQUEST FORM](#) are required for HISD payees before payment can proceed. For questions, contact Suzanne Faulk, suzanne_faulk@hotmail.com.