

Appendix A: Treasurer's Controls (as amended 3/17/11)

FINANCIAL CONTROLS

The BPTO Treasurer and the respective PTO/PTSO Treasurers are responsible for financial controls and keeping accurate books and records of their respective organization. The following are required policies and procedures to be put in place in each organization:

1. **Audit Committee.** An audit committee will be formed for each school year and will consist of three members. A Chairman will be named to lead the committee. The Audit Committee will be appointed by the Executive Committee of the PTO. The Chairman should have a financial background and understand accounting and internal controls. The Audit Committee members cannot hold an officer position in that PTO. In addition, an Audit Committee member cannot be related to an officer of that PTO. An audit committee member must be a voting member of the PTO and may be a school staff member if he/she is a PTO member but may not include the Principal. The duties of the Audit Committee are to complete a review of the finances of the PTO at the end of the school year and provide a timely report to the BPTO regarding any exceptions to the Financial Controls outlined below. This review will include the following:
 - A review of all bank reconciliations to ensure accuracy and timeliness of the reconciliations for all accounts held
 - A review of all cash receipts to ensure proper accounting of all cash received by the PTO
 - A review of all cash disbursements to ensure proper documentation and accounting of all expenditures by the PTO
 - A review of cancelled checks to ensure two signatures are included on each check by Authorized Signatories (defined below) of the PTO
2. **Annual Budget.** The Annual Budget will be prepared by the Treasurer and the Executive Committee at the beginning of the school year. The budget will be submitted for approval at the first PTO meeting of the school year. Until the Annual Budget is approved, only funds available and spent in accordance with prior year PTO authorization can be spent. For items that are above the prior-year authorization but no more than 10% above this amount, and where the funds carried over are available, can be authorized by the Executive Board of the PTO.
3. **Authorized Signatories.** Only the following officers will be allowed to sign checks for the PTO: President, Vice President, Treasurer and Secretary.
4. **Cash Receipts.** All cash received from all sources (i.e. membership drive, fundraisers) shall be counted immediately at the close of the event, the deposit slip prepared, and the cash deposited in the bank on that same day.

A Cash Receipts Form will also be filled out. For an event such as a membership drive that takes place over several days, deposits should be made daily where practical. In cases where cash must be held overnight (i.e. a fundraiser held in the evening), all receipts will be placed in a locked box or moneybag and will then be placed in a locked room or cabinet in the school that is only accessible by a staff member of the school. Ideally, this will be in a locked cabinet within a locked room. In the event that there is no access to the school, the money will be held by the Treasurer, another officer, or the committee chair after it is counted. All funds will be counted by at least two people to include an officer or the committee chair. All Cash Receipts Forms will be filed in an orderly fashion.

5. **Authorized Expenditures.** All expenditures for any unbudgeted item must be voted on and approved by the PTO members at a regular meeting or an authorized special meeting. The Treasurer will ensure that any proposed expenditure is an Authorized Expenditure as defined here and is recorded in the minutes of the meeting prior to committing to the expenditure of the funds.
6. **Check Disbursements:** All disbursements must be approved by the Treasurer before funds are committed to be spent. The Treasurer will ensure that the proposed expenditure is a budgeted item in the PTO Budget. The Treasurer will then sign the invoice or receipt to authorize payment and will prepare the check for signature. Two Authorized Signatories will then sign the check. All receipts for expenditures will be filed in an orderly fashion for review by the Audit Committee
7. **Reimbursement for Expenditures.** At times, it may be necessary for members of the PTO to purchase items for the benefit of the PTO. At no time will a cash advance or a blank check be given to any member, officer, or to a school for a purchase. In these instances, the purchase must be made using the member's or officer's personal funds, and the receipt, along with a Reimbursement Form, must be presented to the Treasurer for payment. The receipt must be an electronically printed receipt or a written receipt with a printed letterhead or tax ID number. The Treasurer will sign the Reimbursement Form to authorize payment of the reimbursement. If a purchase is made for a school through the bookkeeper and a P.O. is issued for the item, a copy of the P.O. should be used as a receipt for the purchase. The amount of the check should reflect the exact amount of the P.O.
8. **Change Fund.** During a fundraising event where a change fund will be necessary, the Treasurer will authorize the funding of the change fund through the issuance of a Cash Disbursement Form. A check made payable to "Cash" will be signed by two PTO Officers and will be presented to the bank by the Treasurer and one Officer. The Change Fund will be secured in a locked box, and the Treasurer will maintain control of the keys

to the locked box. At no time will the locked box be in the sole possession of the Treasurer, but will be held by another Officer until the start of the event. At the beginning of the event, the Treasurer will perform a count of the funds with another officer. Two people should be present the entire time money is collected. At the end of the event, the money should be counted and a Cash Receipts form prepared in the presence of at least two people to include an officer or the event chair.

9. **Bank Statements.** Bank Statements are to be mailed to the school. A PTO member not having signature rights will open the bank statement and reconcile the bank account, matching all receipts and disbursements from the account to supporting documentation as outlined above. All statements should be available at PTO monthly meetings for public information.
10. **Financial Reports.** The Treasurer will prepare a monthly summary of cash receipts and disbursements of the PTO. These reports will be presented at regular PTO meetings for approval by the PTO. The Treasurer will ensure that all funds are accounted for and reported accurately.
11. **Public Review of Records.** A binder is to be maintained at each school and to be made available for public review. This binder should include copies of each monthly bank statement and Treasurer's Report.
12. **Misuse of Funds or Violation of Financial Controls.** Immediately upon learning of any inappropriate use of funds or violation of these Financial Controls, an Officer or any PTO member will immediately inform the BPTO Treasurer. The BPTO Treasurer will be responsible for investigating the facts regarding the situation. A report of the situation will be given by the BPTO Treasurer to the BPTO Executive Board as soon as is practical. If any officer has knowledge of a misuse of funds or a violation of these controls and does not follow these guidelines in reporting to the BPTO Treasurer, they along with the person in violation are subject to removal from their position and banned from holding an office in any Bentonville Schools PTO organization for a period of five (5) years.
13. **Exceptions.** If, in the course of business, there are circumstances that require a deviation from these policies and procedures, these Exceptions must be approved by the PTO President and the BPTO Treasurer. However, these Exceptions should only be approved in urgent situations in which the PTO may be harmed by adhering to these guidelines. The BPTO Treasurer should inform the BPTO President and/or the BPTO Executive Board prior to authorization of any exception to the Financial Controls policies and procedures.