

Fireside PTO Financial Policies and Procedures

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Financial Responsibilities by Volunteer Positions

Bookkeeper

- Makes regular bank deposits.
- Regularly collects incoming mail from PTO Reimbursement Inbox in the main Fireside office.
- Prepares checks for invoices and reimbursement requests as approved in the annual budget or PTO vote. In general, this should be done within one month of receiving valid reimbursement documentation. Bookkeeper is authorized to sign all checks less than five hundred dollars (\$500). Checks greater than \$500 must be signed by both the bookkeeper and the treasurer.
- Tracks annual budget in accounting software
- Tracks expenditures and deposits from all bank accounts (e.g., checking, savings, PayPal) using budgeted accounts & designated accounting software.
- Orders supplies as necessary (checks, envelopes, stamps etc.) to provide reimbursements.
- Bookkeeper is an authorized signatory on all PTO Bank Accounts.

Treasurer

- Monitors and transfers money between bank accounts as required or requested by the PTO.
- Reconciles monthly bank statements with the accounting done by the bookkeeper.
- Reconciles totals from fundraisers as emailed by fundraiser chairs, against the deposits made. Provides report of income and expenses from the accounting software for fundraisers or other programs as needed.
- Prepares monthly Balance Sheet and Income Statement, attends monthly PTO meeting and presents reports to PTO. Or sends a designee to report in his/her place.
- Receives and validates reimbursement requests to be sure proper documentation is provided. Forwards approved requests to bookkeeper for processing.
- Consolidate receipts & documentation for annual state/federal tax returns. Works with a CPA familiar with nonprofit accounting to file annual state and federal tax returns. The CPA may only be the bookkeeper or an officer of the PTO if they hold an active CPA license and regularly prepare Form 990s for other tax clients. Acts on behalf of the PTO to file annual information with the Secretary of State's office. Corporate Standing filing is due every August, and Charitable Solicitations registration should be completed after annual 990s are filed.
- Leads the preparation of budget for next year with the PTO Chairperson.
- In accordance with IRS regulations, provide receipts to all donors that have donated \$250 or greater (without any goods or services received in exchange for the donation).
- Oversees money handling procedures for our large events with fundraising chairs.
- Prepares cash boxes for events including advance ticket sales.
- Periodically collects (or designates someone) to collect funds during events to deposit in the school safe as outlined below.
- Assists PTO Secretary in helping to publicize the expenditures of the PTO by highlighting expenditures and reimbursements that the PTO community would find interesting and relevant.
- Treasurer is a member of the Executive Board.
- Treasurer is an authorized signatory on all PTO Bank Accounts.
- Signs all checks equal to or greater than five hundred (\$500).

Mini-audit Process

- One time per-year, either in March or April, the Executive Board will meet to review the PTO books and records. General PTO members can also be invited to the meeting, at the discretion of the Executive Board.
- Four days prior to the meeting, the Executive Board Co-Chair(s) randomly selects a month to review and tells the bookkeeper and the treasurer which month the team will need documentation for.
- One person will reconcile the documentation for payables with the general ledger and the bank account.
- One person will reconcile documentation for receivables with the general ledger and the bank account.
- Any discrepancies will be resolved as appropriate.
- The team will report findings back to the general PTO at the May meeting.

Fundraising, Jog-A-Thon and Other Program Chairs

- Submit income and expense estimates for their project in the spring for the following year's budget.
- Manage expenses for the event within the parameters of the budget.
- Manage receivables and invoices from the program and submit them to the bookkeeper for payment or reimbursement within one month of the program.
- Arrange with office staff to have either the safe or a lockable cabinet available for storage of applicable forms and receivables throughout the duration of program.
- Manage incoming funds as outlined in General Money Handling Procedures below.
- Ensure all program volunteers handling money for their program are familiar with and following General Money Handling Procedures.
- Summarize the actual income, expense and other pertinent details of the program to be presented to the PTO and used for future planning. Treasurer should be able to provide a report of income and expenses from the accounting software.

Financial Policies

General Policies:

- The fiscal year of the Fireside PTO is July 1 through June 30.
- In general, all invoices for payment should be submitted to the bookkeeper within one month of receipt. A valid request for reimbursement includes a completed PTO reimbursement form (<https://www.firesidepto.org/policiesforms>) and supporting receipts. These documents can be submitted to the PTO treasurer in the inbox available in the main Fireside office. It is very helpful for program leaders/chairpersons to provide the expense accounts to charge on the PTO reimbursement form. This information is available on our website at [firesidepto.org/finances](https://www.firesidepto.org/finances).
- Program volunteers are not to be financially reimbursed, via cash or gift cards, for their time or actions, unless previously approved by the PTO in a vote at a PTO meeting or an email vote of the Executive Committee.
- After program completion, financial paperwork from all programs such as forms that come in with pledge drives, yearbook orders, tickets sales, etc. should go to the designated file cabinet in the principal's office to be retained for tax purposes for three years (the amount of time the IRS could audit the organization).
- The PTO shall not use its funds for the purchase of alcohol or tobacco.
- Also see the organizational bylaws, specifically under article V Funding, for other financial guidelines.

General PTO Money Handling Procedures for All Fundraising Programs:

- All receivables from any fundraising program will remain on school property at all times until prepared for bank deposit by the PTO bookkeeper.
- For programs such as Spirit Wear, Yearbooks, etc., collection boxes for order forms and payments can be placed in the main Fireside office. Generally, collection boxes can be placed on or under

the PTO table in the front of the main office. Student helpers or teachers bring these items to the office from their classrooms.

- Each day, the program chair or their designee transfers the forms and payments from the collection box on the front table to either the safe or a locked cabinet based on the volume of the collected material and as agreed on with office staff prior to the program.
- Money handling for any fundraising program must be done while two or more designees are present.
- For larger fundraising programs and events, it is recommended to count returns daily
- To begin, each counting volunteer will take a stack of order forms with their corresponding payments (cash and/or check). They will:
 - **Ensure paperwork is present.** Check to make sure that all money comes with the appropriate paperwork. If the pledge sheet is missing, complete one based on the money received. The paperwork should include a request for the donor email address for all fundraising programs where there is no exchange of goods or services for the donation. The donor email address will be used to provide a receipt for contributions of \$250 or more.
 - **Validate all checks** have the correct amount, are made out to “Fireside PTO”, the date is correct (check the year) and they are signed. If any of these items are not correct, the check needs to be returned to the person submitting it.
 - **Total the amount of cash and checks** received with each form and ensure that the total matches that indicated on the form. The amount received is then written on the top of the form. If the total does NOT match:
 - If the payment is for tangible, fixed price items (coupon books, tickets, etc.) the form and the money need to be returned to the student for their family to reconcile.
 - If the program is a pledge campaign or other donation, the other volunteer will verify the actual total received. Once the volunteers are in agreement, the actual total is written on the top of the form and the forms and money are then handled the same as if they had been correct.
 - **Separate into three piles** the forms, the checks and the cash.
 - **Ensure the total of the forms equals the sum of the checks and the cash.**
 - **Combine** the forms, checks and cash piles of all counting volunteers and sum again to ensure they still match.
 - **The grand total is emailed** to the executive committee and the program chairperson.
 - **The funds are prepared for deposit.** Clearly mark on the envelope that the checks are ready for the bookkeeper to deposit and placed back in the safe until the bookkeeper can deposit them.
 - **Order forms or financial documentation** are returned to the program chairs until the end of the program. All financial paperwork should reside with the tax receipts for three years in case of an audit by the IRS.
 - **Supporting paperwork** such as pledge drive hour tallies are given to program chair, or principal as previously arranged.
- If a program takes place over multiple days, each day’s deposit is provided to the bookkeeper and treasurer. For our larger fundraisers, a daily deposit is requested to avoid having large sums of money on hand at the school.

Cash Handling Procedures at Presale/Advance Ticket Tables

- For our large events, we generally have advance ticket sale tables set up outside of school on designated days.
- Prior to our large events, our treasurer will review cash handling procedures with the fundraiser chairperson(s). These will be communicated to any volunteer who is handling cash or checks.
- The treasurer will provide a cash box which will include the Cash Log for the event (see below) upon which will be noted the total of the cash in the cash box. The volunteer receiving the cash box will verify the amount that is in the box is the same as the amount noted. Both the treasurer and the volunteer will sign off on the Cash Log. The beginning cash amount will be returned to the PTO treasurer when money is reconciled for the event. The beginning cash is not counted as part of the event proceeds.
- Two volunteers will always be scheduled to work together where money is handled such as ticket sales. A log of volunteers handling cash will be provided in advance to the PTO treasurer.
- At the end of each day of the ticket sales, the PTO treasurer or designee will collect the cashbox and place:
 - **Beginning balance** in an envelope for the next day's ticket sales/cashboxes if applicable or returned to the PTO Treasury in the school safe.
 - **Remaining proceeds** from the day in a separate envelope to be counted in accordance with the General PTO Money Handling Procedures (see above) in the school safe.
 - **Empty cash box** on or under the PTO table in the front of the main office.

Cash Handling Procedures at Evening Event Ticket Tables or Silent Auction

- Cash collected at events that take place outside of normal school hours may include ticket sales as well payment for silent auction items.
- Prior to our large events, our PTO treasurer will review cash handling procedures with the event fundraiser chairs. These will be communicated to any volunteer who is handling cash or checks.
- The treasurer will provide a cash box which will include the Cash Log for the event (see below) upon which will be noted the total of the cash in the cash box. The volunteer receiving the cash box will verify the amount that is in the box is the same as the amount noted. Both the treasurer and the volunteer will sign off on the Cash Log. The beginning cash amount will be returned to the PTO treasurer when money is reconciled for the event. The beginning cash is not counted as part of the event proceeds.
- Two volunteers will always be scheduled to work together where money is handled such as ticket sales. A log of volunteers handling cash will be provided in advance to the PTO Treasurer.
- The PTO treasurer (or their designee) will transfer excess cash and all checks in the box to the safe in the office periodically throughout the event as makes sense per traffic flow (for example, every 15 minutes at the start of the event, later every half hour). In order to do this, the treasurer or designee will count and total the cash and checks being removed from the box in the presence of the sales volunteer. That volunteer and treasurer/designee will both sign on the cash log that the agreed total amount is being transferred to the safe and at what time. The Treasurer/designee will then transfer the money to the safe in the office.
- If the cashbox needs change, one of the volunteers handling the cash box will count out the bills to be changed, in the presence of the treasurer or designee. Both the volunteer and the

Treasurer or designee will sign the cash log when the larger bills are taken out and when the smaller bills are put back (it may happen at the same time). The totals should balance.

- At the end of the event, all receivables will be bundled and placed in the drop slot of the office safe. The money put in the safe will be included in the counting/reconciling process outlined above by two or more volunteers (see General PTO Money Handling Procedures for All Fundraising Programs above).

Annual PTO Budget

Guidelines for Annual Budget Preparation

1. The Treasurer, Chairperson and *ad hoc* budget committee will draft a preliminary PTO budget starting in March. Items to be included will be considered in one of three ways:
 - a. **Annual Standing Budgetary Items**- For these items traditionally funded by the PTO, the Executive Board will review actual expenses from current year and modify based on plans for the new budget period. Examples of such items would include:
 - i. Teacher stipends
 - ii. Classroom Mini Grants
 - b. **Requests Presented at Monthly PTO Meetings** - These items are brought to the PTO during regular meetings throughout the year for consideration for the following year. These items will be voted on following the standard monetary procedures – items under \$500 can be voted on at the meeting where they are presented; items over \$500 must be presented at a meeting for a vote the following month. Items that are approved at regular meetings will be carried forward for consideration in the draft budget for the following year. These items may be adjusted by the PTO Executive Board as needed based on the larger picture of the whole budget. These items require approval by PTO Executive Board to remain for the following budget period. An example of such item would include:
 - i. Specialized after school programs
 - ii. Paraeducators hours
 - iii. Talented and Gifted (TAG) Tutors
 - c. **Other Requests** – Other programs and items for inclusion will need to be submitted via applications to the PTO Treasurer by April. (See attached)
2. The draft budget will be presented to the Executive Board in April for discussion and an initial approval. Following the Executive Board meeting, the Treasurer, Chairperson and *ad hoc* committee will resolve any questions that arose at the Executive Board meeting. They will then prepare a revised draft for the April PTO meeting.
3. The revised draft will be presented at the April PTO Meeting for discussion. A vote for approval by the general PTO Community will be conducted in May.
4. If a budgetary request is declined or the amount is reduced, the Treasurer or PTO Chairperson will follow up with the person or committee who submitted the item with the appropriate reason for the change. This could include; limited funds available in the PTO treasury to support the request or falling outside the scope of the annuals goals of the PTO as outlined by

the Executive Board. This communication would be provided after the final review/approval at the annual budget meeting.

General Budget Policies

1. All reimbursement forms/invoices should be submitted by the last day of school. If there are extenuating circumstances, such as the requesting party not receiving an invoice until after the end of school, that requesting party should alert the treasurer of the projected amount of the invoice and the reason for it needing to be submitted in June. All reimbursement requests must be submitted by the end of June for that fiscal year.
2. Any money not spent by the last day of school reverts to the PTO treasury for allocation the following year, unless specifically marked during a PTO meeting to carry over until the next fiscal year. Any such carryovers should appear in the following fiscal year's budget as carryovers for specific projects. (Previous examples of such line items have included Capital Expenditures for the school garden and marquee)
3. Groups or individuals receiving funds from the Fireside PTO should recognize the PTO for their contribution as appropriate. Examples include - a stamp or label on physical items, thank you on printed items, recognition on annual fliers, etc.
4. It is expected that tangible items purchased via PTO reimbursements will remain at Fireside if/when the person requesting the reimbursement leaves.
5. Grade Level Allocations - These allocations are to be shared by grade level teams for expenses that will benefit the grade as a whole such as field trips, supplies, resource materials, etc. Items reimbursed under the Grade Level Allocation will stay in that grade, unless all teachers in the grade approve the items moving to another grade. Items reimbursed under the Grade Level Allocation are to remain at Fireside when teachers leave.
6. Individual Teacher Allocations - These allocations are for teachers to use for resources that will benefit their classroom and students in some way. Items reimbursed under the Individual Teacher Allocations may travel within the school with that teacher if s/he moves to another grade or room. Physical items reimbursed under the Individual Teacher Allocation are to remain at Fireside when teachers leave.

Annual IRS and State of Colorado Compliance Filing Background and Procedure

Nonprofit organizations are required by law to file a form 990 to the IRS each year. Nonprofits are also required to file with the Secretary of State as corporations and under Charitable Solicitations (if soliciting funds within the state of Colorado).

Due to a past oversight/error the PTO lost their nonprofit status and therefore incurred high financial cost and volunteer hours to recover, The PTO voted in May of 2013 to hire a CPA with nonprofit experience to help with the annual filing of our IRS 990s. Due to this past oversight/error the person

either volunteering or hired to prepare the required form(s) shall be a licensed CPA with nonprofit experience. Steps for PTO Volunteers for Preparing the Fireside PTO 990 Form:

1. Close out year in QuickBooks (or other software) no later than one week following the end of fiscal year, June 30. (Done by bookkeeper with treasurer)
 - The treasurer should wait 30 days minimum to receive the bank reconciliation statements, and allow the checks to clear.
2. Starting in July, gather materials for CPA including the following (Done by Treasurer):
 - Give accountant access to QuickBooks online (if they don't already have)
 - List of Officers and Board of Directors, including name, address, position held on Board, # of hours worked per week, and compensation, if any. Denote which ones are permitted to vote at board meetings. Include all officers and directors who held such a position at any time during the year. If any board members (or their families or companies) receive payments from the Organization, please provide details.
 - Detail of contributions/grants received if \$5,000 or greater, including name, address and amount.
 - Detail of any in-kind contributions received (such as materials, facilities usage, and services), if they were recorded in the financials. Show what account they were posted to.
 - Narrative detail of program activities for your 3 largest programs. Provide statistics on number of people served, if applicable.
 - Detail of additions or disposals of property and equipment, including calculation of gain/loss on sale.
 - Executive director name, address, compensation and benefits paid during the year.
 - Details of any employees or contractors who were paid more than \$100,000 during the year, including name, address, and amount.
 - Is the organization engaged in any lobbying or other legislative activities? If so, provide detailed description and amounts.
 - Were there any changes to the organization's governing documents during the year? If so, please provide a copy of the revised document.
3. By early October (see next bullet for more on timing), the CPA will provide the completed forms to be reviewed and signed by the Treasurer and Chair. Entire Executive Board Members should review the return(s).
4. Legally, we must file by 4 ½ months after the close of our fiscal year (that would be November 15). If needed, we can also apply for up to two 3-month extensions after that date. For the sake of good financial practices, the treasurer, bookkeeper and CPA should aim to file forms by October 15 and presented at the following PTO meeting to the PTO community. If the forms are not filed by that date, the treasurer will tell the PTO community at the October meeting what circumstances are keeping the forms from being filed, when they are expected to be filed. The forms will still be presented to the PTO at the meeting following their filing with the IRS.
5. Once filed, the treasurer will send the PDFs of the 990 to the Webmaster to post them on the PTO website.
6. Once the 990s are completed, the treasurer will update our current standing with the Secretary of State's Office:

- Update our corporate standing with the Secretary of State (done online) **due in August and may be completed prior to 990**
- Update our charitable solicitation registration with the Secretary of State (done online)

Appendices

PTO Request for Reimbursement & Application for Funding Forms

Posted at <https://www.firesidepto.org/policiesforms>