

TREASURER'S REPORT

Clayton School District PTO Council

November 17, 2022

Financial results through November 1, 2022:

- As expected – see attached MoneyMinder reports for budget status and transactions
- Have received PTO Council dues from all 6 school PTOs
- PTO Council has \$7,901.85 in the bank as of 11/1/22

IRS Reporting for 2021-22 fiscal year:

- Financial data has been submitted to Tisha Pruitt (CSD accountant) for 5 of the 6 school PTOs and the PTO Council
- Captain PTO needs additional time to compile last year's data

QuickBooks subscriptions:

- Cancelled as of November 8 for five of six school PTOs
 - PTOs will have read-only access to QuickBooks data for one year
 - QuickBooks data have been exported to Microsoft Excel files (and stored in MoneyMinder)
- Captain PTO's subscription will remain active (\$42.50 per month) until last year's data is complete

PTO Council Accounting Procedures

- Draft emailed to PTO presidents and treasurers on September 22 for review
- Final draft is attached for discussion/possible approval

PTO Council FY 2022

Treasurer's Report

08/01/2022 - 11/01/2022

Contributions/Gifts	Income	Expenses	Year to Date	Net Budget	More/-Less
AmazonSmile	\$75.07	-	\$75.07	\$350.00	-\$274.93
Donations for School PTOs	\$97.10	\$97.10	-	-	-
Donations for PTO Council	-	-	-	\$500.00	-\$500.00
Contributions/Gifts Totals	\$172.17	-\$97.10	\$75.07	\$850.00	-\$774.93
Dues from School PTOs	Income	Expenses	Year to Date	Net Budget	More/-Less
Family Center PTO	\$500.00	-	\$500.00	\$500.00	-
Captain PTO	\$500.00	-	\$500.00	\$500.00	-
Glenridge PTO	\$500.00	-	\$500.00	\$500.00	-
Meramec PTO	\$500.00	-	\$500.00	\$500.00	-
Wydown PTO	\$500.00	-	\$500.00	\$500.00	-
CHS PTO	\$500.00	-	\$500.00	\$500.00	-
Dues from School PTOs Totals	\$3,000.00	-	\$3,000.00	\$3,000.00	-
Program Services	Income	Expenses	Year to Date	Net Budget	More/-Less
Voter Forum & Voter's Guide	-	-	-	-\$100.00	\$100.00
Speaker Series	-	-	-	-\$100.00	\$100.00
Program Services Totals	-	-	-	-\$200.00	\$200.00
Administrative Expenses	Income	Expenses	Year to Date	Net Budget	More/-Less
Accounting Software					
MoneyMinder	-	\$1,607.00	-\$1,607.00	-\$1,607.00	-
QuickBooks (3 months)	-	\$750.00	-\$750.00	-\$750.00	-
Accounting Software Totals	-	-\$2,357.00	-\$2,357.00	-\$2,357.00	-
Insurance					
Commercial General Liability	-	-	-	-\$195.00	\$195.00
Extended Medical Payments	-	-	-	-\$120.00	\$120.00
Professional Liability (Directors and Officers)	-	-	-	-\$75.00	\$75.00
Fidelity Bond (Crime)	\$40.66	-	\$40.66	-\$140.00	\$180.66
Insurance Totals	\$40.66	-	\$40.66	-\$530.00	\$570.66
Accountant Fees for IRS Reporting	-	-	-	-\$700.00	\$700.00
Secretary of State Fees (Biennial Nonprofit Registration)	-	\$21.25	-\$21.25	-\$23.00	\$1.75
Office Supplies	-	-	-	-\$20.00	\$20.00
Delivery & Postage	-	-	-	-\$20.00	\$20.00
Administrative Expenses Totals	\$40.66	-\$2,378.25	-\$2,337.59	-\$3,650.00	\$1,312.41
Grand Totals					
	\$3,212.83	-\$2,475.35	\$737.48	-	\$737.48

PTO Council FY 2022
All Transactions by Heading and Category Report
08/01/2022 - 11/01/2022

Contributions/Gifts							
Account	Date	Reference	From/To	For	Deposit	Withdrawal	
AmazonSmile							
US Bank Checking	09/02/2022	Deposit	AmazonSmile		\$75.07		
AmazonSmile				Net:	\$75.07	Totals:	\$75.07 \$0.00
Donations for School PTOs							
US Bank Checking	10/27/2022	Deposit	Benevity From Benevity. Corporate match from Starbucks. Half for Wydown PTO, half for CHS PTO.		\$97.10		
US Bank Checking	11/01/2022	1189	CHS PTO Distributing CHS PTO's half of Starbucks corporate match received 10/27/22				-\$48.55
US Bank Checking	11/01/2022	1190	Wydown PTO Distributing Wydown PTO's half of Starbucks corporate match received 10/27/22				-\$48.55
Donations for School PTOs				Net:	\$0.00	Totals:	\$97.10 -\$97.10
Contributions/Gifts				Net:	\$75.07	Totals:	\$172.17 -\$97.10
Dues from School PTOs							
Account	Date	Reference	From/To	For	Deposit	Withdrawal	
Family Center PTO							
US Bank Checking	10/14/2022	Deposit	Family Center PTO		\$500.00		
Family Center PTO				Net:	\$500.00	Totals:	\$500.00 \$0.00
Captain PTO							
US Bank Checking	10/14/2022	Deposit	Captain PTO		\$500.00		
Captain PTO				Net:	\$500.00	Totals:	\$500.00 \$0.00
Glenridge PTO							
US Bank Checking	10/14/2022	Deposit	Glenridge PTO		\$500.00		
Glenridge PTO				Net:	\$500.00	Totals:	\$500.00 \$0.00
Meramec PTO							
US Bank Checking	10/07/2022	Deposit	Meramec PTO Zelle transfer		\$500.00		
Meramec PTO				Net:	\$500.00	Totals:	\$500.00 \$0.00
Wydown PTO							
US Bank Checking	10/14/2022	Deposit	Wydown PTO		\$500.00		
Wydown PTO				Net:	\$500.00	Totals:	\$500.00 \$0.00
CHS PTO							
US Bank Checking	11/01/2022	Deposit	CHS PTO		\$500.00		
CHS PTO				Net:	\$500.00	Totals:	\$500.00 \$0.00

Dues from School PTOs						
Account	Date	Reference	From/To	For	Deposit	Withdrawal
Dues from School PTOs				Net: \$3,000.00	Totals: \$3,000.00	\$0.00

Administrative Expenses						
Account	Date	Reference	From/To	For	Deposit	Withdrawal
Accounting Software						
MoneyMinder						
US Bank Checking	08/01/2022	1188	MoneyMinder			-\$1,607.00
			Annual subscription for accounting software			
MoneyMinder				Net: -\$1,607.00	Totals: \$0.00	-\$1,607.00
QuickBooks (3 months)						
US Bank Checking	08/15/2022	Visa	Intuit Quickbooks			-\$240.00
US Bank Checking	09/13/2022	Visa	Intuit QuickBooks			-\$255.00
US Bank Checking	10/13/2022	Visa	Intuit QuickBooks			-\$255.00
QuickBooks (3 months)				Net: -\$750.00	Totals: \$0.00	-\$750.00
Accounting Software				Net: -\$2,357.00	Totals: \$0.00	-\$2,357.00

Insurance						
Account	Date	Reference	From/To	For	Deposit	Withdrawal
Fidelity Bond (Crime)						
US Bank Checking	08/04/2022	Deposit	Association Insurance Management		\$40.66	
			Paid \$140 on July 21 to Association Insurance Management (AIM) for 1 year of Fidelity Bond coverage. AIM prorated the cost so all of our insurance policies terminate on April 5, 2023, and processed a credit for us.			
Fidelity Bond (Crime)				Net: \$40.66	Totals: \$40.66	\$0.00
Insurance				Net: \$40.66	Totals: \$40.66	\$0.00

Secretary of State Fees (Biennial Nonprofit Registration)						
US Bank Checking	08/18/2022	Visa	Missouri Secretary of State Biennial nonprofit registration fee for PTO Council			-\$21.25
Secretary of State Fees (Biennial Nonprofit Registration)				Net: -\$21.25	Totals: \$0.00	-\$21.25
Administrative Expenses				Net: -\$2,337.59	Totals: \$40.66	-\$2,378.25
Grand Totals				Net: \$737.48	Totals: \$3,212.83	-\$2,475.35

ACCOUNTING PROCEDURES

CLAYTON SCHOOL DISTRICT PTO COUNCIL

The Clayton School District Parent-Teacher Organization (PTO) Council has established these accounting procedures to:

- Ensure that PTO funds are used appropriately to support Clayton schools and the school community
- Provide timely and accurate financial information so PTO boards and members can make informed decisions
- Maintain donors' confidence that donations are being used wisely and as intended
- Comply with state and federal laws and regulations, and with Clayton School District policies
- Minimize the risk of waste, loss and misuse

These accounting procedures are primarily intended to guide PTO Treasurers, who have primary responsibility for managing PTO finances. However, PTO Presidents, other officers, and members also have important roles for oversight, transparency, and transition planning.

A secondary purpose of these accounting procedures is to keep PTO accounting *simple*. Treasurers and other officers typically serve only 1-3 years in their roles, and it can be challenging to find new volunteers. Keeping things simple makes transitions easier and enlarges the pool of potential volunteers. Any PTO member who is good with numbers, detail-oriented, and can manage family finances should be able to serve as a PTO Treasurer.

These procedures will be reviewed in full at least every 5 years to make sure they reflect current standards, and will be updated more frequently as needed.

PTO STRUCTURE

The Clayton School District PTO Council is composed of a PTO Council Board and six school PTOs (at the Family Center, Captain Elementary, Glenridge Elementary, Meramec Elementary, Wydown Middle School, and Clayton High School). The PTO Council works closely with the Clayton School District (CSD) on legal, regulatory, and policy matters.

The PTO Council Board supports the school PTOs and handles many administrative duties on their behalf. The school PTOs manage all PTO activities and finances at each school.

The school PTOs are “doing business as” (D/B/A) units within the PTO Council. Each school PTO operates under a “fictitious business name” in the form of “[school name] PTO”. For example, the school PTO at the Family Center does business as “Family Center PTO”.

The PTO Council Board, school PTOs, and CSD have distinct roles and responsibilities:

- PTO Council Board:
 - Assists the school PTOs as needed with help, advice, and problem-solving
 - Shares information and lessons learned with all the school PTOs
 - Provides accounting software (MoneyMinder)
 - Works with the CSD on annual IRS reporting
 - Purchases insurance
 - Handles other legal and regulatory tasks such as maintaining state registrations, responding to government agency inquiries, etc.
 - Manages PTO Council Board finances

- School PTOs:
 - Plan, manage, and execute all PTO activities at each school
 - Manage all aspects of school PTO finances
 - Provide written acknowledgements to donors as required by the IRS
 - Provide financial data to the PTO Council Board and CSD for IRS reporting purposes
 - Pay annual PTO Council dues

- CSD:
 - Consolidates annual financial data from the PTOs, and works with an outside accountant to complete the PTO Council's annual IRS reporting
 - Bills the PTOs for purchases made by the District but funded by PTO
 - Provides legal, regulatory, and accounting advice as requested

TAX EXEMPT STATUS

The PTO Council is a nonprofit charitable organization under IRS Code Section 501(c)(3). Its federal tax ID number is 43-1747553. The PTO Council is exempt from paying federal taxes, but is required to file IRS Form 990, *Return of Organization Exempt from Income Tax*, every year.

The PTO Council is also registered as a nonprofit organization with the State of Missouri, with Charter No. N00054543 and state tax ID No. 16181352. The PTO Council is exempt from paying state and local taxes, including sales and use taxes.

All donations to the PTO Council are deductible on donors' tax returns to the fullest extent allowed by law.

ACCOUNTING BASICS

Fiscal Year

The PTO's fiscal year runs from August 1 through July 31. All budgets and financial reports are based on the fiscal year.

Cash Basis Accounting

The PTO uses cash basis accounting, not accrual accounting. In cash basis accounting, revenue and expenses are recognized when money is received or paid out. Accounts payable and accounts receivable are not used.

To accurately report annual financial results, it is important that all goods and services purchased during a fiscal year be paid for during that fiscal year. This means that Treasurers may have to track down outstanding bills and reimbursement requests near the end of the fiscal year to make sure those expenses are paid before year-end. Similarly, all checks and cash should be deposited before year-end.

Reserve Funds

PTOs must maintain a reserve equal to one year of budgeted expenses. In addition, PTOs should maintain a small cash cushion for cash flow purposes. Beyond that, each PTO may use its available funds as approved by its members.

FINANCIAL ACCOUNTS

The PTO Council Board and each of the school PTOs are responsible for managing their own financial accounts. The PTO Council Board does not have access to the school PTOs' financial accounts.

All financial accounts for school PTOs should be established in the name of "Clayton School District PTO Council D/B/A [school name] PTO". The mailing address for the accounts should be the address of the school building.

Bank Accounts

PTOs are responsible for choosing a bank and setting up a business checking account, as well as a savings account if desired. Treasurers and other board members may have business credit/debit cards if desired and offered by the bank. The selected bank should be a member of the Federal Deposit Insurance Corporation (FDIC).

Reserve funds, as well as any money being saved for larger, long-term projects, may either remain in the checking/savings account or be invested. Investments should be made prudently with a goal of preserving principal and maintaining reasonable liquidity. Approved investments are certificates of deposit (CDs) and money market funds. Other types of investments must be approved in advance by the PTO Council.

If the PTO's bank supports Zelle, it may be used for electronic transfers. However, Zelle should be used with caution because mistaken or fraudulent transfers are almost impossible to recover.

Treasurers should reconcile bank accounts monthly. Account statements should be reviewed, initialed, and dated by a board member without check-writing privileges on the account. This review is required by the PTO's Fidelity Bond (Crime) insurance policy.

Online Payment System Accounts

Each school PTO maintains its own accounts with online payment systems such as PayPal and CheddarUp. PayPal is the payment processor currently used for purchases on PTO web pages on the CSD website. CheddarUp is the payment processor used for online stores set up using MoneyMinder.

School PTOs may choose to use other online payment systems to address their unique needs, with the following caveats:

- The use of point-of-sale credit card readers is not authorized because handling and processing credit cards exposes the PTO Council to additional liability for data security and fraudulent transactions.
- The use of Venmo and similar person-to-person payment systems is not authorized. Venmo does not currently support nonprofit business accounts. PTOs should never ask parents to send donations or payments to anyone's personal Venmo account.

Account Access

More than one person should have access to PTO financial accounts for internal control, succession, and emergency purposes. In addition to the Treasurer(s), a President or other board member should have full access to the accounts.

Treasurers have sole responsibility for managing PTO financial accounts. Other board members with account access may only:

- View account information
- Use their debit/credit cards for PTO purchases
- Sign checks that reimburse a Treasurer for PTO expenses
- Handle other types of transactions in the event of an emergency when the Treasurer is unavailable

Treasurers are responsible for keeping account signatories and access up-to-date as officers transition in and out of their roles on the PTO boards. The process for accomplishing this varies:

- Banks often require official signed minutes from the PTO meeting at which new board members were elected. The Treasurer can remove signatories from the account by providing these minutes to the bank. New signatories can be added to the account by taking the minutes and their identification to a bank branch.

- For online payment systems, Treasurers will need to follow the online instructions. At a minimum, Treasurers should change the password and update the email address on the account as needed. (Updating account access with PayPal can be particularly challenging. Treasurers may want to wait until after the back-to-school donation rush subsides before adding or removing people from the account, in case PayPal freezes the account while the change is being processed.)

Account Security

Treasurers must store all financial records, checkbooks, passwords, PINs, and debit/credit cards in a secure location. This location should be separate from where personal financial items are stored to reduce the risk of mistakenly using PTO accounts for personal transactions, or vice versa.

Online passwords and PINs should be changed as needed so that previous officers can no longer sign in to online accounts.

BUDGETING

PTOs must create a detailed budget every school year that is approved by PTO membership. The budget should include all anticipated revenue and expenses for the fiscal year. Budgets should typically be balanced, unless:

- Funds were received in a previous budget year but earmarked for use in the current budget year
- Funds are being drawn from the PTO's bank account for special purchases

Budgeting Process

Treasurers and other incoming/outgoing PTO board members typically collaborate to develop a proposed budget over the spring and summer, with input from the school principal. The proposed budget should be posted to the PTO website one week before the first PTO meeting of the school year. The Treasurer should present the proposed budget at that meeting. After discussion and revision as needed, the PTO members should vote on the budget. The approved budget must be posted with the meeting minutes on the PTO website.

If there are budget items that need further discussion or research and cannot be resolved at the first PTO meeting, the remainder of the budget should be voted on and approved, with votes on the unresolved items tabled until a future meeting.

All expenses included in the approved budget are considered to be approved, and the Treasurer can pay them without further approvals.

The PTO board needs to make sure that event chairs and other volunteers are aware of the budget for their event or activity, and understand what should be covered by that budget.

Changes to the Budget

Expenses that are not included in the approved budget, or that exceed the budgeted amount, may need approval as detailed below:

- Expenses that were not included in the approved budget:
 - Less than \$250: Can be approved by two board members
 - \$250 to \$500: Can be approved by majority vote of school PTO Board
 - \$500 or more: Must be approved by majority vote of members at a PTO meeting

- Expenses that are over budget:
 - For expenses originally budgeted at \$1,000 or less:
 - Over budget by less than \$100: No approval needed
 - Over budget by \$100 to \$250: Can be approved by two school PTO board members
 - Over budget by \$250 to \$500: Can be approved by majority vote of school PTO Board
 - Over budget by more than \$500: Must be approved by majority vote of members at a school PTO meeting
 - For expenses originally budgeted at more than \$1,000:
 - Over budget by less than 10 percent: No approval needed
 - Over budget by 10 to 15 percent: Can be approved by two school PTO board members
 - Over budget by 15 to 20 percent: Can be approved by majority vote of school PTO Board
 - Over budget by more than 20 percent: Must be approved by majority vote of members at a school PTO meeting

Principal and Counselor Funds

School PTOs may include discretionary funds for principals and/or counselors in the approved budget. Principals and counselors may use these funds as desired without additional PTO approvals. When spending these funds, principals and counselors should go through the usual CSD procurement processes, and the school PTO will reimburse the CSD. School PTOs may not provide “petty cash” for use by school personnel.

ACCOUNTING SOFTWARE

The PTO Council uses MoneyMinder to track and manage PTO finances. Treasurers should enter all transactions into MoneyMinder in a timely manner and assign them to the appropriate budget item. MoneyMinder is used to generate financial reports for PTO meetings and IRS filings, so it is critical that data in MoneyMinder are accurate and up-to-date.

There are four budget headings that all school PTOs should use in MoneyMinder. These headings are standardized to facilitate IRS reporting:

- Contributions/Gifts: for donations
- Fundraising/Special Events: for money-making activities
- Program Services: for activities that aren't expected to make money
- Administrative Expenses

Under these budget headings, each school PTO can create its own subheadings and categories to reflect PTO activities at that school.

Treasurers should thoroughly document transactions in MoneyMinder. Supporting documents (receipts, bills, emails, etc.) should be uploaded and attached to the relevant transactions. Explanatory notes should be included as appropriate. These steps are invaluable if there are any questions in the future.

HANDLING INCOMING FUNDS

PTOs receive money from donations and from the sale of goods/services (event admission, concession sales, etc.). All funds received must be handled in an efficient and prudent manner to safeguard against loss or theft. Treasurers are responsible for making all bank deposits.

Recording Requirements

For donations, Treasurers need to record the donor, date and amount so the school PTO can provide written acknowledgements in accordance with IRS rules.

For sales of goods/services, Treasurers do not need to record the individual payers or amounts unless that information is needed for fulfillment (e.g., t-shirt orders).

Tracking individual payments in MoneyMinder can be cumbersome; instead, Treasurers may track that information outside of MoneyMinder, and only record the aggregate bank deposits in MoneyMinder.

Best Handling Practices

Checks

- Should be made payable to the "Clayton School District PTO Council" or to the "[school] PTO"
- Should be endorsed "For deposit only"
- Should be deposited in a timely manner to avoid bounced checks
- Treasurers should keep copies of checks
- Treasurers cannot make any changes to the front of the check, even to fill in incorrect or missing information. If a check cannot be deposited as written, it needs to be returned to the payer for replacement.
- If a check is rejected by the bank for insufficient funds, the individual who wrote the check is responsible for any associated fees charged to the PTO. The Treasurer should email the individual and copy the PTO president. Sample text is included as Attachment 1.

PayPal and CheddarUp

Treasurers should periodically sweep funds from the PayPal and CheddarUp accounts to the bank account. Large amounts of money should not be kept indefinitely in these accounts. PayPal in particular has a history of freezing accounts if there are any issues or questions, and can be slow to resolve those issues.

Cash

Some PTO events or sales result in large amounts of cash to handle. These events require extra care to prevent loss or theft.

- Start up cash: The Treasurer will provide a cash box with change at the request of the event chair. The Treasurer should complete and sign a Cash Control Form (Attachment 2) and include it in the cash box. When the event chair receives the cash box, the event chair should verify the amount of start up cash and sign the Cash Control Form.
- The cash box should never be left unattended. All cash and checks should be stored in the cash box.
- At the end of the event, the event chair and one other person (preferably a PTO Treasurer or other officer) should sort and count the money, and complete the Cash Control Form. No money should leave the event until this is accomplished. If the Treasurer is not present, provisions should be made to get the cash box to the Treasurer as soon as possible, and the cash box should be locked in a secure area until then.

PAYING EXPENSES

Treasurers need to verify payment requests to ensure they are legitimate, have necessary approvals, and comply with PTO policies. Treasurers may need to confirm amounts, items purchased, and budget categories by checking with event chairs, PTO Board members, or the CSD.

Using cash

Paying for expenses with cash is discouraged because of the risk of loss and lack of documentation. However, cash may be used in the following scenarios:

- If the PTO needs to purchase gift cards but does not have a business credit/debit card, the Treasurer may withdraw cash to purchase the gift cards. Purchase receipts should be uploaded to MoneyMinder.
- Delivery drivers may be tipped in cash at the time of delivery, if a credit card tip is not possible. The PTO volunteer should submit a reimbursement request to the Treasurer.

Reimbursing PTO Volunteers

The PTO will reimburse volunteers for purchases made on the PTO's behalf.

Sales Tax Exemption

As a non-profit charitable organization, the PTO is exempt from paying sales taxes. The Treasurer should provide event chairs and other volunteers with the PTO's tax exempt letter from the State of Missouri. Most businesses will accept these letters and not charge sales tax on purchases.

It is the PTO Council's policy that volunteers who do not use the tax exempt letter will not be reimbursed for sales taxes. However, school PTOs may make exceptions to this policy if a retailer does not accept the tax exempt letter.

Reimbursement Process

Volunteers should submit a reimbursement request to the Treasurer within one month of the purchase/event, and no later than the end of the fiscal year (July 31). PTOs are not obligated to reimburse volunteers if the request is received after July 31.

Reimbursements are typically made by check, but PayPal or Zelle may also be used. Volunteers should not be reimbursed out of the cash box at events. Treasurers should process reimbursement requests within 2 weeks.

All reimbursement requests must include the following information:

- Receipts (hard copy or electronic)
- Event or activity (so the Treasurer can apply the amount to the correct budget item)
- Mailing address or PayPal/Zelle information

If a Treasurer needs to be reimbursed for PTO expenses, the reimbursement check should be signed by another PTO board member with check-writing privileges.

Reimbursing the CSD

The CSD maintains a "clearing account" for each school PTO and the PTO Council Board. The clearing account is used to track purchases made by the CSD that are to be funded by PTO. CSD consolidates these transactions and submits monthly bills to the appropriate PTO. PTOs should pay these bills within 30 days, unless there are questions about the bills or other arrangements have been made with the CSD business office.

Examples of charges on CSD bills include:

- Catering from the District's food service provider for PTO events
- Purchases made by principals or counselors using their discretionary funds
- Printing charges from the District's Print Shop
- Other purchases approved by the PTO (e.g., school furniture or books)

The CSD assigns "account short numbers" (ASNs) to each school PTO and the PTO Council Board to track purchases. These numbers are shown in Attachment 3.

Paying CSD Teachers and Staff is Not Allowed

If CSD teachers or staff make a purchase on behalf of the PTO, the PTO does not reimburse that person directly. Instead, teachers and staff members should follow the usual CSD reimbursement process, and the CSD will include those charges on the monthly PTO bills.

The PTO Council cannot pay CSD teachers or staff for their time or services.

PTO Council Dues

Each school PTO pays annual dues to the PTO Council. These dues cover PTO Council expenses for items that benefit all the school PTOs, including insurance, tax reporting, and accounting software.

The PTO Council Treasurer will email school PTO Treasurers in October requesting payment, which is due by October 30. As of the 2022-23 school year, dues are \$500 per school PTO.

FINANCIAL REPORTS FOR PTO MEETINGS

Treasurers must keep the PTO board and membership informed about the PTO's financial situation. The Treasurer's Report should be an agenda item at every monthly PTO meeting, presented by the Treasurer and with an opportunity for PTO members to ask questions. The report should be distributed in advance of the meeting along with the agenda.

At the first PTO meeting of the school year, the Treasurer's Report should include:

- Final financial results for the previous fiscal year
- Proposed budget

At subsequent monthly PTO meetings, the Treasurer's Report should include:

- List of transactions since the previous report or meeting
- A year-to-date comparison of the budget to actual financials
- Any further details or concerns
- Updates on other Treasurer activities or initiatives

The Treasurer's Report is an integral part of the meeting minutes. The approved meeting minutes that are posted to the website must include the Treasurer's Report.

CORPORATE DONATIONS

Donations from employer matching/benefit programs, donor-advised funds, and rebate programs typically come directly to the PTO Council because the PTO Council has the tax exempt status. The PTO Council Treasurer makes every effort to forward these donations to the intended school PTO. However, if there is no information identifying the intended school PTO, the PTO Council will keep the donation and use it to benefit all the school PTOs.

Employer Match/Benefit Programs

Parents who wish to use these programs to make donations to their school PTO need to work through their employer's process. Parents should add the school PTO's name to any memo or notes fields in their request.

The PTO Council is currently set up to receive direct deposits from YourCause, CyberGrants, and Benevity. If Treasurers become aware of other third-party platforms for employer programs, please ask the PTO Council Treasurer about signing up for direct deposit.

Donor-Advised Funds

Donor-advised funds manage charitable contributions and disburse them to other charities over time. Donors to these funds receive a tax deduction at the time of donation, and then can request grants to specific charities at a later date. Examples of donor-advised funds include Vanguard Charitable, Fidelity Charitable, and Schwab Charitable.

Parents requesting a grant from a donor-advised fund for a school PTO should add the school PTO's name to any memo or notes fields in their request.

Rebate Programs

The PTO Council is set up to receive donations from AmazonSmile. However, because there is no way to figure out which school's parents made the Amazon purchases that generated the AmazonSmile donations, the PTO Council keeps this money and uses it to benefit all the school PTOs.

If school PTOs identify other rebate programs they would like to participate in, they should contact the PTO Council Treasurer for help with account setup.

TAX REPORTING

The PTO Council is required to file IRS Form 990, *Return of Organization Exempt from Income Tax*, every year.

The PTO Council Treasurer works with the CSD Business Office to complete the filing. In the fall of each year, PTO Treasurers will be asked to provide financial information for the previous fiscal year. This typically includes copies of bank statements, statements of activity, trial balances, etc. The CSD accountant will review and consolidate the information, then send it to the CSD's outside accounting firm. The accounting firm will complete and file the IRS Form 990.

Form 990 is due to the IRS by December 15. PTO Treasurers should provide all requested financial information by October 31 so the CSD and outside accountant have time to prepare the filing.

DONATION ACKNOWLEDGEMENTS

Charities are required by the IRS to provide written acknowledgement for single donations of \$250 or more. However, school PTOs may wish to also acknowledge smaller donations to express gratitude to donors and facilitate preparation of their tax returns. Acknowledgements are not needed for donations from employer matching/benefit programs, donor-advised funds, or corporate rebate programs.

The IRS defines a donation as a gift to a qualified organization that is made voluntarily and without getting, or expecting to get, anything of equal value. Money given to the PTOs for Funds for Excellence, care funds, food pantries, or other general PTO activities are considered donations. Payments made to the PTO for event admissions, concessions, t-shirts, yearbooks, etc. are not considered to be donations and are not tax-deductible.

Auction purchases and thank-you gifts for donations have more complicated rules. The fair market value of the item must be deducted from the total amount to determine the donation amount. Treasurers may consult IRS Publication 1771, *Charitable Contributions Substantiation and Disclosure Requirements*, or contact the PTO Council Treasurer for guidance.

Treasurers should send acknowledgements no later than January 31 for donations received in the previous calendar year. The acknowledgement should include the charity's name and tax ID number, donor's name, donation amount, when the donation was received, and a statement that no goods or services were provided in return for the donation (if that is the case). The acknowledgement may be a letter, email, or other form. Sample text is included as Attachment 4.

CONTRACTS

All vendor contracts need to be thoroughly reviewed before signing, especially the indemnification and defense provisions. If there are any questions or uncertainties, please contact the PTO Council President or Treasurer for assistance.

Vendor contracts should be signed by PTO Board members (usually the president), not by PTO event chairs or volunteers. The signer should include his/her/their PTO Board title to make clear that the agreement is being entered into by the PTO, not by the individual.

PTOs should not enter into contracts or other agreements with individuals or independent contractors (for example, visiting artists or storytellers). These arrangements should be made by the CSD. The CSD will conduct any required background checks and generate any IRS 1099 forms needed.

INSURANCE

The PTO Council currently has the following insurance coverage:

	<u>Limit</u>
Commercial General Liability	\$1 million
Extended Medical Payments	\$50,000
Professional Liability (Directors & Officers)	\$1 million
Fidelity Bond (Crime)	\$50,000

The Fidelity Bond (Crime) insurance covers theft and embezzlement by PTO board members or volunteers. Among other requirements for this coverage, a PTO board member who is not authorized to sign checks must review, initial and date bank statements on a monthly basis. The original initialed bank statements must be kept on file. If this requirement is not met, the coverage will be void. The initialed bank statements are not part of the Treasurer's Report, and should not be posted to the PTO website to avoid exposing bank account information.

If a vendor or event space requests a certificate of insurance, please contact the PTO Council Treasurer for assistance. If anything happens at a PTO event that might result in an insurance claim, please contact the PTO Council President immediately.

RECORDKEEPING

The PTO Council must keep organized, detailed records that document income, expenses, and fundraising activities. These records may be needed to respond to an IRS audit, substantiate an insurance claim, or resolve questions at a later date.

The PTO Council must maintain copies of the following records for a period of 7 years:

- Fundraising solicitations and advertisements
- Receipts or other documentation of money received in connection with fundraising activities
- Invoices or other documentation of expenses
- Monthly bank reconciliations

In practice, these requirements mean that Treasurers should:

- Save copies of fundraising emails and flyers
- Attach electronic receipts, invoices, etc. to the appropriate transaction in MoneyMinder.
- Save original paper receipts, invoices, etc.
- Save original initialed bank statements

Treasurers should keep paper files for the previous two fiscal years in their possession, passing them on to subsequent Treasurers. Paper files that are 3 or more years old can be archived by the CSD. Please label these files with the school PTO's name and the date range, and drop them off at the District Administration Building.

TREASURER TRANSITION

These tasks must be completed to onboard a new Treasurer:

- Add the new Treasurer to the MoneyMinder account
- Add the new Treasurer to bank account(s)
- Give checkbooks, passwords, PINs, debit/credit cards, etc. to the new Treasurer
- Update passwords and email addresses for PayPal, Cheddar Up, and any other online payment systems
- Remove the previous Treasurer from all accounts
- Notify CSD accounting of the new contact
- Give all paper records to the new Treasurer

DRAFT

ATTACHMENT 1

BOUNCED CHECK RESPONSE

Sample text for insufficient funds email or letter:

Dear _____:

A personal check in the amount of \$_____ for _____ was returned by your bank due to insufficient funds. The bank charged the PTO a fee of \$_____ for this returned check.

Per Clayton School District PTO Council policy, you are responsible for both the original amount as well as for the returned check fee. Please write a new check to the [school PTO] for \$_____, and submit it to the school front office.

Please contact me if you have any questions. Your prompt attention to this matter is appreciated.

Sincerely,

[name]

[Title]

[School PTO]

ATTACHMENT 2

CASH CONTROL FORM

DRAFT

**CASH CONTROL FORM
Clayton School District PTO Council**

School Event: _____ Date: _____

Cashier Names: _____

Starting and ending total amounts are required, as well as any additions/subtractions to the cash box.

Starting Cash

Ending Funds (Cash & Checks)

Denomination	x	Quantity	=	Amount
\$20	x	_____	=	\$ _____
\$10	x	_____	=	\$ _____
\$5	x	_____	=	\$ _____
\$1	x	_____	=	\$ _____
_____	x	_____	=	\$ _____
_____	x	_____	=	\$ _____
TOTAL				\$ _____

Denomination	x	Quantity	=	Amount
\$20	x	_____	=	\$ _____
\$10	x	_____	=	\$ _____
\$5	x	_____	=	\$ _____
\$1	x	_____	=	\$ _____
_____	x	_____	=	\$ _____
_____	x	_____	=	\$ _____
		Checks*		\$ _____
TOTAL				\$ _____

**list checks individually on back of form*

Initial Cash: _____
Signature of PTO Officer Providing Box

Ending Funds: _____
Signature of Counter 1

Verification: _____
Signature of Cashier Accepting Box

Verification: _____
Signature of Counter 2

Cash Additions/Subtractions

	Amounts (+ or -)	Signature
_____	\$ _____	_____
_____	\$ _____	_____

Any money added (treasurer brings more change) or taken from the cash box (treasurer collects large bills to store more securely elsewhere) should be noted here.

Note: do not include even change-making transactions (example: replacing a twenty with 20 ones).

Additional Notes Provided: YES / NO (circle one) – see back of form for additional notes

ATTACHMENT 3

ASNs for Clayton School District Clearing Accounts

	ASN for Purchased Services (including postage and catering)	ASN for Supplies (goods, including printing)
CHS PTO	13022	14022
Wydown PTO	23027	24027
Captain PTO	33023	34023
Glenridge PTO	43025	44025
Meramec PTO	53026	54026
Family Center PTO	63024	64024
PTO Council	73021	74021

ATTACHMENT 4

DONATION ACKNOWLEDGEMENT

Sample text for donation acknowledgement email or letter:

Dear _____:

Thank you for your generous donation to the [school] Parent-Teacher Organization in [year]. Your gift of \$ _____ was received on [date].

Your gift allows us to continue our mission of creating a community of learners. Our organization's purpose is to organize and manage activities that enrich the educational experience of [school] students, provide additional support to teachers and staff, and help create a thriving school community.

Please retain this letter for your records. The School District of Clayton Parent-Teacher Organization (d/b/a [school] Parent-Teacher Organization) is a non-profit charitable organization under Internal Revenue Service Code Section 501(c)(3). Our federal tax ID number is 43-1747553. No goods or services were provided to you in connection with or in exchange for this gift. The entire amount of your donation is tax-deductible to the fullest extent allowed by law.

Thank you again for supporting the [school] PTO.

Sincerely,

[Name]
Treasurer
[school] PTO