

National PTA

Finance Policies & Procedures Manual

(as Approved by the National PTA Board of Directors)

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PURPOSE

The purpose of this Finance Policies & Procedures Manual ("Finance Manual") is to document the policies and procedures governing National PTA's financial practices.

The policies and procedures provide:

- A foundation for an effective system of internal controls.
- Guidance in current financial activities.
- Criteria for decisions on appropriate accounting treatment; and
- Management with direction and guidance regarding accounting transactions, procedures, and reports that should be uniform throughout National PTA.

When consistently applied throughout National PTA, these principles and policies assure key stakeholders that financial statements issued by National PTA accurately reflect the status of National PTA's operations.

By developing and implementing this Finance Manual, National PTA is declaring its intent to comply with standards and regulations governing internal controls and risk management. National PTA's systems of internal controls and risk management are based, in part, on the recommendations of the Committee of Sponsoring Organizations (COSO) contained in two documents, "Internal Control – an Integrated Framework" and "Enterprise Risk Management Framework".

Properly designed, implemented, and maintained internal controls are a system of checks and balances, intended to:

- Ensure the effectiveness of the financial management system (FMS).
- Ensure that financial objectives are met.
- Identify irregularities.
- Prevent or minimize waste, fraud and abuse; and
- Assist in resolving discrepancies that may be accidentally introduced into the operations of the business.

All additional departmental or functional policies and procedures written should conform to, or parallel with, the policies in this Finance Manual. All changes to policies and procedures must be reviewed by the Finance Committee of the National PTA and approved by the National PTA's Board of Directors to ensure that there are no conflicts with policies stated in this Finance Manual.

SCOPE

The Finance Manual is an official directive of National PTA's Board of Directors. It is published and maintained by National PTA's Finance Committee in line with general responsibility for National PTA financial policy assigned to the Finance Committee.

This document is designed to provide specific guidance for the National PTA Finance Staff to follow so that it may be in full compliance with the existing board-level National PTA policies. This document is intended to support, not supplant, all board-level policies that have been implemented. Several of these policies are particularly relevant to the Finance Staff; rather than spelling these policies out in full as part of this Finance Manual, the locations of these policies are listed below so that users may familiarize themselves accordingly:

- Confidentiality Policy as shown in the *National PTA Governance Manual, section 1.05.*
- Conflict of Interest Policy as shown in the *National PTA Governance Manual, section 1.10.*
- Whistleblower Policy as shown in the *National PTA Governance Manual, section 1.11.*

RESPONSIBILITY

The policies stated in this Finance Manual apply primarily to National PTA financial operations and activities. It is the responsibility of Management to help implement and maintain the procedures comprising this Finance Manual and ensure that all financial processes conform to applicable requirements.

It is the responsibility of all employees to follow these policies and procedures to help strive for continual improvement in all National PTA financial activities and processes.

The goal is to make the Finance Manual as clear and useful as possible. All users are encouraged to contact National PTA's CFO with suggestions for improving the Finance Manual.

ACCOUNTING POLICIES

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FIN-POL-2.1 – Basis of Accounting Policy

Purpose

To document the accounting principles that are used by the National PTA Finance Staff in the preparation of monthly consolidated financial statements.

Applicability or Scope

This policy applies to the National Congress of Parents and Teachers, The Endowment Fund of the National Congress of Parents and Teachers, and National PTA Properties LLC, referred to collectively as National PTA.

Policy

The accounting principles of National PTA are consistent with Generally Accepted Accounting Principles and follow the accrual basis of accounting. The accrual basis of accounting records the effects of a transaction and other events in the periods in which they occur. This method results in greater accuracy and less volatility than the cash method, in which revenues and expenses are recorded when cash is received or paid.

Accrual accounting records revenue when it is earned, expenses when they are incurred, and considers non-cash transactions and exchanges of goods and services. These types of transactions should also be recorded in the period in which they occur.

National PTA also follows a conservative accounting policy in the application of Generally Accepted Accounting Principles, IRS Taxation Rules, and State Taxation Rules.

Related Documents

FIN-POL-2.4 Chart of Accounts Policy

FIN-POL-4.1 Budgeting Policy

FIN-POL-2.2 – Journal Entry Policy

Purpose

To document the policy for National PTA's intended use of journal entries to ensure that all general ledgers are complete and correct.

Applicability or Scope

This policy applies to the individual general ledgers for the National Congress of Parents and Teachers, The Endowment Fund of the National Congress of Parents and Teachers, and National PTA Properties LLC, referred to collectively as National PTA.

Policy

Many activities that constitute the financial results of National PTA occur throughout the month within subledgers and are automatically posted to the general ledger. However, there are some regular monthly transactions that are not automatically fed into the general ledgers. These transactions need to be recorded into the general ledgers manually via a journal entry during the monthly close. Information regarding these standard transactions can be found in the Period-End Close Policy FIN-POL-2.3. National PTA Finance Staff observes the following rules regarding journal entries:

- The preparer, reviewer, approver methodology will be used to ensure accuracy for both standard and adjusting journal entries.
- Accrual and prepaid expense entries are considered standard entries that are booked and reversed monthly.
- Although adjusting journal entries can be made after appropriate review and approval, it is the goal of Finance Staff to carefully and diligently perform its work on a day-to-day basis such that adjusting entries are not necessary. The need for adjusting entries should be minimized through these efforts and adjusting entries should be used only as a last resort to ensure accurate and complete reporting.

Related Documents

FIN-POL-2.3 – Period-End Review & Closing Policy

FIN-POL-3.3 – Preparer, Reviewer, Approver Structure Policy

FIN-POL-2.3 – Period-End Review & Closing Policy

Purpose

To document the policy to govern the activities that are to take place during each month-end close process, including the June close, which is National PTA's year-end close.

Applicability or Scope

This policy applies to the individual general ledgers for the National Congress of Parents and Teachers, The Endowment Fund of the National Congress of Parents and Teachers, and National PTA Properties LLC, referred to collectively as National PTA.

Policy

Most activities that constitute the financial results of National PTA occur throughout the month, including:

- Payroll & Remittance of Payroll Liabilities (twice monthly)
- Invoice Review, Approval, & Payment through Concur Invoice (twice monthly)
- Expense Report Review, Approval, & Payment through Concur Expense (twice monthly)
- Billing for all revenue streams (dues, advertising, conferences, contracts, royalties) through the designated software system
- Deposit of Membership Dues in National PTA bank account via ACH (20th calendar day of the month or the 1st business day after the 20th of the month if the 20th falls on a weekend or holiday)
- Bank deposits (made as checks are received)

However, there are specific activities that must occur after a given month has ended to make journal entries to reflect certain transactions, review the general ledger information to ensure accuracy and completeness, and prepare financial reports. These activities, and the scheduled days on which they occur, are referred to as the "monthly close".

The monthly close process starts after the month ends, based on business days (BD), with BD+1 being the first business day of the month in which the previous month is to be closed (i.e., the April close will be performed in May; therefore BD+1 of the April close will be May 1st). Except for National PTA holidays, all weekdays are considered business days. It is the policy of National PTA to complete its close for July through May by BD + 25 and for June by BD + 40 (see FIN-POL 4.2).

Tasks to be completed during the monthly close process will use the standard preparer, reviewer, approver methodology, and close calendars for each month will be established to ensure completion on a consistent and timely basis. These activities include:

FIN-POL-2.3 – Period-End Review & Closing Policy

- Running the Fixed Asset process to properly reflect asset additions/disposals and book depreciation journal entries
- Monthly/year end accrual and prepaid journal entries
- Calculate Personnel & Overhead Allocations based on monthly time cards, and book appropriate general ledger entries resulting allocations to Dynamics GP for reporting
- Review National PTA Properties, LLC monthly report from the property management firm and record the net activity in Dynamics GP using a journal entry
- Review Endowment Fund activities using monthly investment activity reports and book appropriate general ledger entries
- Prepare consolidation entries and book to the general ledger
- Reconcile accounts (specifically payroll expenses and liabilities)
- Reconcile bank statements
- Prepare internal financial statements for CFO review

Once these tasks are complete and correct, an orderly, timely and comprehensive review of all general ledger accounts should be performed or directed by the CFO to ensure an accurate representation of National PTA's financial statements. These practices are aimed at proving that the financial accounts are accurate, and if not, are properly adjusted to make them accurate during the close process.

Although adjusting journal entries can be made after appropriate review and approval, it is the goal of Finance Staff to carefully and diligently perform its work on a day-to-day basis such that adjusting entries are not necessary. The need for adjusting entries should be minimized through these efforts, and adjusting entries should be used only as a last resort to ensure accurate and complete reporting.

Related Documents

FIN-POL-2.2 Journal Entry Policy

FIN-POL-3.3 Preparer, Reviewer, Approver Structure Policy

FIN-POL-4.2 Internal Financial Reporting Policy

FIN-POL-2.4 – Chart of Accounts Policy

Purpose

To provide the method for assignment and maintenance of National PTA's chart of accounts. This is critical to the production of meaningful financial data.

Applicability or Scope

This policy applies to all general ledger accounts for the National Congress of Parents and Teachers, The Endowment Fund of the National Congress of Parents and Teachers, and National PTA Properties, LLC, referred to collectively as National PTA.

Policy

The accounting system employs a segmented chart of accounts, meaning that, in addition to the "natural" ledger account number that defines the transaction type (e.g., Furniture, Accounts Payable, Membership Dues Revenue, Office Supplies Expense), there are other dimensions (e.g., Department, Cost Center) that can be captured by the full GL account number.

National PTA uses the following GL account number format:

XXXX	-	XX	-	XXXX	-	XX	-	X
Natural Account		Department		Cost Center		Restriction Type		Company

Finance Staff is responsible for establishment and maintenance of natural account numbers and the segment lists within Dynamics GP, and will ensure that all lists reflect the current structure and needs of National PTA.

In addition, it is the policy of National PTA to open and maintain as few natural account numbers, departments, and cost centers as possible. This allows for expeditious and more accurate accounting and reporting. In keeping with this policy, all requests for new account numbers, departments, and cost centers in Dynamics GP will be considered carefully.

FIN-POL-2.4 – Chart of Accounts Policy

To facilitate the record keeping process for accounting, all natural ledger accounts should be assigned a descriptive account title and number in keeping with the categories listed below.

Account Number Range	Account Type
1000 – 1999	Assets
2000 – 2999	Liabilities
3000 – 3999	Net Assets
4000 – 4999	Revenue
7000 – 7999	Salary & Benefit Expense
8000 – 8999	General & Administrative Expense
9000 – 9999	Other Income/Expense

Definitions

Chart of Accounts – A categorized listing of all account titles and numbers being used by an organization to track income, expenses, assets, equity, and liabilities is called a Chart of Accounts.

Related Documents

FIN-POL-2.1 Basis of Accounting Policy

FIN-POL-4.1 Budgeting Policy

FIN-POL-2.5 – Recordkeeping Policy

Purpose

To document the policy regarding National PTA Finance Staff's recordkeeping requirements.

Applicability or Scope

This policy applies to the National Congress of Parents and Teachers, The Endowment Fund of the National Congress of Parents and Teachers, National PTA Properties LLC, referred to collectively as National PTA.

Policy

All transactions recorded in the general ledgers must be accompanied by appropriate documentation or evidence. This documentation must also include appropriate approvals and, if applicable, must show the preparer, reviewer, and approvers' signatures.

National PTA's standard is to store its financial data in electronic form in the Dynamics GP, Concur Expense, Concur Invoice, and Protech Database systems as attachments to specific transactions in addition to storage on the Finance Staff designated site or drive.

Confidential information (i.e., payroll) is securely stored in a protected portion of the Finance x: drive. Access and passwords are administered by the CFO and National PTA's IT vendor.

When necessary, information is kept in hard copy; this is mainly contract information (stored in the CFO's office) and historical information (stored in the National PTA HQ building).

Related Documents

FIN-POL-2.2 Journal Entry Policy

FIN-POL-2.3 Period-End Review & Closing Policy

FIN-POL-3.6 Financial Business Continuity Policy

FIN-POL-4.0 Financial Planning & Reporting Policies

FIN-POL-5.0 Deposits, Revenue, and Accounts Receivable Policies

FIN-POL-6.0 Disbursements, Expenditures, and Accounts Payable Policies

FIN-POL-7.0 Asset Management Policies

INTERNAL CONTROLS

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National PTA
Delegation of Authority Matrix

Item	Description	Board	President & Executive Director	Executive Director	Chief Financial Officer	Deputy Executive Directors	Directors
[A]	Any unbudgeted operating expense line item or cumulative unbudgeted operating expense line items equal to or greater than the lesser of \$250,000 or 2% of the current fiscal year’s operating budget as approved by the Board.	✓					
	Any unbudgeted operating expense line item or cumulative unbudgeted operating expense line items greater than the lesser of \$100,000 or 1% of the current fiscal year’s operating budget as approved by the Board and less than the lesser of \$250,000 or 2% of the current fiscal year’s operating budget as approved by the Board.		✓				
	Any unbudgeted operating expense line item or cumulative unbudgeted operating expense line items less than the lesser of \$100,000 or 1% of the current fiscal year’s operating budget as approved by the Board.			✓			
[B]	All unbudgeted capital expenditures or cumulative unbudgeted capital expenditures:	Equal to or greater than \$100,000	Greater than \$50,000 & less than \$100,000	Equal to or less than \$50,000			
[C]	Any individual or cumulative write-off(s) or disposal of asset(s) (including real estate):	Equal to or greater than \$200,000	Greater than \$100,000 & less than \$200,000	Equal to or less than \$100,000			
[D]	Any vendor contracts or cumulative vendor contracts (i.e., multiple contracts with the same vendor):	Equal to or greater than \$300,000	Greater than \$200,000 & less than \$300,000	Equal to or less than \$200,000			
[E]	Debt arrangements (including, but not limited to loans, lines of credit, mortgages, real property leases, bonds, and capital leases):	Equal to or greater than \$200,000	Greater than \$100,000 & less than \$200,000	Equal to or less than \$100,000			
[F]	Employee and other legal settlements:	Equal to or greater than \$200,000	Greater than \$100,000 & less than \$200,000	Equal to or less than \$100,000			
[G]	The initial and updates to the 5-Year Reserve Replacement Schedule.	✓					
[H]	Selecting the future Annual Convention locations.	✓					
[I]	Opening of new bank accounts.	✓					
[J]	Revenue agreements, including but not limited to Advertising, Fee for Service, Sponsorship, and Grants:		Greater than \$200,000	Equal to or less than \$200,000			
[K]	All budgeted operating expenses approved by the Board, additionally, each annual expense line item less than \$100,000 within the Board approved Budget may be varied or substituted for another annual expense line item is fully disclosed in the internal financial statements.			✓			
[L]	All budgeted capital expenditures approved by the Board, additionally, each line item within the Board approved Capital Expenditure Budget may be varied or substituted up to \$50,000 for another line item provided the substitution is fully disclosed in the internal financial statements.			✓			
[M]	All budgeted operating expenses approved by the Board up to \$25,000; and all budgeted capital expenditures approved by the Board up to \$25,000.				✓		
[N]	All budgeted operating expenses approved by the Board that are specific to their applicable departments up to \$25,000.					✓	
[O]	All budgeted operating expenses approved by the Board that are specific to their applicable department up to \$5,000.						✓

Delegation of Financial Authority Policy

Document #	FIN-POL-3.1	Document Owner	
Date Approved		Approved by	

Purpose

The Delegation of Financial Authority Policy is a policy that has been established by the Board of Directors of the National Congress of Parents and Teachers to:

- Establish financial matters specifically reserved for determination by the Board and those financial matters delegated to management;
- Establish financial matters reserved for specific roles in the organization; and,
- Establish expense approval limits by role.

Financial matters specifically reserved for the Board include:

- Financial matters involving amounts greater than a specified limit;
- Approval of contracts and obligations greater than a specified limit;
- Approval of the annual operating and capital expenditure budgets.

Matters delegated to management

Other than as expressly provided in this policy, all matters not specifically reserved for the Board and necessary for the day-to-day management of the organization, and the implementation of organizational objectives, are delegated to management. Management may sub-delegate where appropriate. The organization's policies and procedures provide guidance on the execution of specific roles and responsibilities.

Management shall be responsible for:

- Ensuring that the organization's day-to-day operations are carried out in accordance with all legal and regulatory requirements;
- Ensuring that the organization's policies, procedures, and decisions are undertaken in a manner that is prudent, equitable, and consistent with commonly accepted business practices and professional ethics;
- Ensuring the organization's assets are protected, adequately maintained and not placed at unnecessary risk;
- Ensuring that the Board priorities are reflected in the allocation of resources; and,
- Ensuring that budgeting is based on Generally Accepted Accounting Principles in the United States of America ("GAAP") and budgets are balanced.

Delegation of Financial Authority Policy

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Reporting by management to the Board

As part of the framework established by this policy, management is required to report regularly to the Board concerning the authority exercised. Reports by management shall cover such areas as quality performance, financial performance, risk management, human resource issues and other items related to organizational operations (e.g., unbudgeted new revenue and the associated expenses).

Applicability or Scope

This policy applies to the National Congress of Parents and Teachers and National PTA Properties LLC.

Policy

Board approval shall be required for:

Item	Description
[A]	Any unbudgeted operating expense line item or cumulative unbudgeted operating expense line items equal to or greater than the lesser of \$250,000 or 2% of the current fiscal year's operating budget as approved by the Board.
[B]	All unbudgeted capital expenditures or cumulative unbudgeted capital expenditures equal to or greater than \$100,000.
[C]	Any individual or cumulative write-off(s) or disposal of asset(s) (including real estate) equal to or greater than \$200,000.
[D]	Any vendor contracts or cumulative vendor contracts (i.e., multiple contracts with the same vendor) that are equal to or greater than \$300,000.
[E]	Debt arrangements equal to or greater than \$200,000 (including, but not limited to loans, lines of credit, mortgages, real property leases, bonds, and capital leases).
[F]	Employee and other legal settlements equal to or greater than \$200,000 before any insurance reimbursements are applied.
[G]	The initial and updates to the 5-Year Reserve Replacement Schedule.
[H]	Selecting the future Annual Convention locations.
[I]	Opening of new bank accounts.

Delegation of Financial Authority Policy

Document #	FIN-POL-3.1	Document Owner	
Date Approved		Approved by	

President and Executive Director joint approval shall be required for:

Item	Description
[A]	Any unbudgeted operating expense line item or cumulative unbudgeted operating expense line items greater than the lesser of \$100,000 or 1% of the current fiscal year's operating budget as approved by the Board and less than the lesser of \$250,000 or 2% of the current fiscal year's operating budget as approved by the Board.
[B]	All unbudgeted capital expenditures or cumulative unbudgeted capital expenditures greater than \$50,000 and less than \$100,000.
[C]	Any individual or cumulative write-off(s) or disposal of asset(s) (including real estate) greater than \$100,000 and less than \$200,000.
[D]	Any vendor contracts or cumulative vendor contracts (i.e., multiple contracts with the same vendor) that are greater than \$200,000 and less than \$300,000.
[E]	Debt arrangements greater than \$100,000 (including, but not limited to loans, lines of credit, mortgages, real property leases, bonds, and capital leases) and less than \$200,000.
[F]	Employee and other legal settlements equal to or greater than \$100,000 and less than \$200,000 before any insurance reimbursements are applied.
[J]	Revenue agreements, including but not limited to Advertising, Fee for Service, Sponsorship, and Grants, greater than \$50,000.

Delegation of Financial Authority Policy			
Document #	FIN-POL-3.1	Document Owner	
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The Executive Director shall approve:

Item	Description
[A]	Any unbudgeted operating expense line item or cumulative unbudgeted operating expense line items less than the lesser of \$100,000 or 1% of the current fiscal year's operating budget as approved by the Board.
[B]	All unbudgeted capital expenditures or cumulative unbudgeted capital expenditures that are equal to or less than \$50,000.
[C]	Any individual or cumulative write-off(s) or disposal of asset(s) (including real estate) that are equal to or less than \$100,000.
[D]	Any vendor contracts or cumulative vendor contracts (i.e., multiple contracts with the same vendor) that are equal to or less than \$200,000.
[E]	Debt arrangements equal to or less than \$100,000 (including, but not limited to loans, lines of credit, mortgages, real property leases, bonds, and capital leases).
[F]	Employee and other legal settlements equal to or less than \$100,000 before any insurance reimbursements are applied.
[J]	Revenue agreements, including but not limited to Advertising, Fee for Service, Sponsorship, and Grants, equal to or less than \$200,000.
[K]	All budgeted operating expenses approved by the Board, additionally, each annual expense line item less than \$100,000 within the Board approved Budget may be varied or substituted for another annual expense line item is fully disclosed in the internal financial statements.
[L]	All budgeted capital expenditures approved by the Board, additionally, each line item within the Board approved Capital Expenditure Budget may be varied or substituted up to \$50,000 for another line item provided the substitution is fully disclosed in the internal financial statements.

The Chief Financial Officer shall approve:

- All budgeted operating expenses approved by the Board up to \$25,000; and
- All budgeted capital expenditures approved by the Board up to \$25,000.

Deputy Executive Directors shall approve:

Delegation of Financial Authority Policy

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- All budgeted operating expenses approved by the Board that are specific to their applicable departments up to \$25,000.

Directors shall approve:

- All budgeted operating expenses approved by the Board that are specific to their applicable department up to \$5,000.

Temporary Delegation of Authority:

- Expenditure Authority of Deputy Executive Directors may be delegated to either the CFO or Executive Director in the event of an extended absence up to 4 concurrent weeks. In the case where a long-term absence is expected (i.e., more than 4 concurrent weeks) the Executive Director will be responsible for delegating that individual's expenditure authority in writing.

Related Documents

3.1 APPENDIX – Delegation of Financial Authority Matrix

FIN-POL-4.1 Budgeting Policy

FIN-POL-5.2 Gift Acceptance Policy

FIN-POL-5.6 Receivable Write-Off & Bad Debt Expense Policy

FIN-POL-6.2 Purchase & Procurement Policy

FIN-POL-6.5 Corporate Credit Card Policy

FIN-POL-7.1 Investments Policy

FIN-POL-7.2 Capital Equipment Policy

Separation of Duties Policy

Document #	FIN-POL-3.2	Document Owner	
Date Approved		Approved by	

Purpose

To document the policy on separation of duties to minimize the risk of fraud.

Applicability or Scope

This policy applies to the all accounting done on behalf of the National Congress of Parents and Teachers, The Endowment Fund of the National Congress of Parents and Teachers, and National PTA Properties LLC, referred to collectively as National PTA.

Policy

Internal controls observed by Finance Staff should focus on avoiding key person dependencies as well as situations that would allow one person to be able to defraud National PTA while operating within the scope of their authority. Separation of duties also reduces the likelihood of human error, since this policy requires at least two people to review each transaction.

The corporate policy of National PTA is to implement process flows that prevent any one person from having control over a given asset and performing the accounting for that asset. The specific separation of duties controls is identified in the accounting manual within the individual transaction policies and procedures.

Examples include:

- Receipt of Checks - the same person should not be responsible for receiving/opening the mail and making the bank deposits
- Invoice Payment – the same person should not be responsible for receiving/opening the mail and approving invoices for payment
- Payroll – the same person should not be responsible for setting up new employees in the payroll system and approving payroll checks

Related Documents

FIN-POL-3.3 Preparer, Reviewer, Approver Structure Policy

Preparer, Reviewer, Approver Structure Policy			
Document #	FIN-POL-3.3	Document Owner	
Date Approved		Approved by	

Purpose

To document the policy regarding the appropriate preparation and review of all deliverables prepared by National PTA's Finance Staff to minimize the risk of error.

Applicability or Scope

This policy applies to the all accounting done on behalf of the National Congress of Parents and Teachers, The Endowment Fund of the National Congress of Parents and Teachers, and National PTA Properties LLC, referred to collectively as National PTA.

Policy

National PTA's Finance Staff will establish and execute a separate prepare, reviewer, and approver structure for all deliverables and processes, which will provide additional protection against accounting misstatements, intentional or accidental. Evidence of the execution of this control (i.e., emails or scans of signed docs) shall be maintained in Dynamics GP, Concur Expense, Concur Invoice, or the Protech Database, the Finance Staff designated site or drive, or in the CFO's office in hard copy.

Related Documents

FIN-POL-2.2 Journal Entry Policy

FIN-POL-2.3 Period-End Review & Closing Policy

FIN-POL-2.5 Recordkeeping Policy

FIN-POL-4.0 Financial Planning & Reporting Policies

FIN-POL-5.0 Deposits, Revenue, and Accounts Receivable Policies

FIN-POL-6.0 Disbursements, Expenditures, and Accounts Payable Policies

FIN-POL-7.0 Asset Management Policies

Accounting Systems Security Policy

Document #	FIN-POL-3.4	Document Owner	
Date Approved		Approved by	

Purpose

To document the policy regarding National PTA's security requirements for accounting systems.

Applicability or Scope

This policy applies to the all accounting systems, applications, and financial accounts used on behalf of the National Congress of Parents and Teachers, The Endowment Fund of the National Congress of Parents and Teachers, and National PTA Properties LLC, referred to collectively as National PTA.

Policy

National PTA uses Dynamics GP Accounting Software, and the CFO and National PTA's IT vendor will be the Administrators responsible for the maintenance of Dynamics GP, usernames, security profiles, and passwords. All Dynamics GP users should keep their passwords secure.

The National PTA also uses other software or web based applications/services to perform various aspects of the accounting function, including Concur Expense, Concur Invoice, Protech Database, Wells Fargo CEO, etc. The CFO and National PTA's IT vendor will also be responsible for maintaining the security profiles, granting access, and providing passwords to users.

All users of these systems/applications/services should keep their passwords secure.

All user accounts and passwords for all National PTA systems and accounts are the exclusive property of National PTA.

Related Documents

FIN-POL-3.5 Asset Security Policy

FIN-POL-3.6 Financial Business Continuity Policy

Asset Security Policy

Document #	FIN-POL-3.5	Document Owner	
Date Approved		Approved by	

Purpose

To adopt physical security measures that protect the assets and employees of National PTA from abuse, fraud, theft, or damage.

Applicability or Scope

This policy applies to the all assets used by any Officer or member of National PTA Staff.

Policy

Many assets made available for Officer and employee use by National PTA including, but not limited to:

- Building facilities and furniture, including the President's Office
- Computer equipment
- Copiers/Scanners
- Mobile phones
- Other Office Equipment

These assets are owned exclusively by National PTA. Officers and National PTA Staff are required to be responsible custodians of this property. Responsibilities include:

- Reporting broken equipment to the appropriate personnel.
- Protecting the facilities and equipment from undue damage/wear-and-tear.
- Returning equipment in good condition at the cessation of the Officer's term or employment with National PTA.

Related Documents

FIN-POL-3.6 Financial Business Continuity Policy

Financial Business Continuity Policy

Document #	FIN-POL-3.6	Document Owner	
Date Approved		Approved by	

Purpose

To outline the methods used by National PTA's Finance Staff to mitigate the risk of delay to financial processes caused by unforeseen events.

Applicability or Scope

This policy applies to all accounting processes performed by National PTA's Finance Staff.

Policy

Finance Staff will keep a current list of phone numbers that will be distributed to all members of the team to be used for emergency notifications.

Finance Staff's shared document drive (x:) is backed up offsite nightly so that it may be restored in the event of an emergency.

A backup of Dynamics GP data will be completed each day onto a hard drive located in the CFO's office. Finance Staff will make it a priority to cross train all team members to eliminate key person dependencies. This will mitigate risk to accounting processes by ensuring that the departure of a team member will not endanger the ongoing performance of accounting functions.

If employees are unable to come into the office due to a predictable situation (e.g., snowstorms or hurricanes), employees should bring home their laptops and work from home as necessary.

If the office must be closed due to an unpredictable situation (e.g., power outage, building fire), employees will be notified using the phone list, and alternate arrangements will be communicated for accounting work to continue until the office is open again.

Related Documents

FIN-POL-3.5 Asset Security Policy

FIN-POL-3.7 - Financial Records Retention Policy

Purpose

To outline the policy for filing, keeping and disposing of National PTA's financial records.

Applicability or Scope

This policy applies to all financial documentation for the National Congress of Parents and Teachers, The Endowment Fund of the National Congress of Parents and Teachers, and National PTA Properties LLC, referred to collectively as National PTA. However, this policy does not necessarily cover internal or certain day-to-day business correspondence.

Policy

Every organization is legally required to manage its records. Records are the evidence of the organization's transactions and actions. NPTA's Finance Staff handle making and keeping records of their work. They have three basic obligations about records:

Creation

You are expected to create the necessary records to do business including recording transactions, decisions, actions taken, and document activities for areas which you are responsible.

Maintenance

Maintain and take care of the records so that information can be found when needed. This means setting up good directories and files and filing materials (in whatever format) regularly and carefully in a manner that allows them to be safely stored and efficiently retrieved when necessary.

Disposition and Archive

Conduct the disposition of records under your control in accordance with legal and governmental requirements and as needed for general business requirements.

All Employees' shall notify the CFO or their supervisor of any actual, impending, threatened, or unlawful removal, defacing, alteration, or destruction of records.

Related Documents

Add related documents and links to those documents here.

Data Protection Policy

Document #	FIN-POL-3.8	Document Owner	CFO
Date Approved	06/19/2021	Approved by	NPTA BoD

Purpose

National PTA needs to gather and use certain information about individuals.

These can include customers, suppliers, business contacts, employees, and other people the organization has a relationship with or may need to contact.

This policy describes how this personal data must be collected, handled, and stored to meet the company's data protection standards and to comply with the law.

This data protection policy ensures National PTA:

- Complies with data protection law and follow good practice.
- Protects the rights of staff, customers, and partners.
- Is open about how it stores and processes individuals' data.
- Protects itself from the risks of a data breach.

Applicability or Scope

This policy applies to:

- All staff and volunteers of National PTA.
- All contractors, suppliers and other people working on behalf of National PTA.

It applies to all data that National PTA holds relating to identifiable individuals, even if that information technically falls outside of the Data Protection Act 1998. This can include:

- Names of individuals
- Postal addresses
- Email addresses
- Telephone numbers
- And any other information relating to individuals.

Policy

Data protection law

The Virginia Consumer Data Protection Act (CDPA) 2021 describes how organizations, including National PTA must collect, handle and store personal information.

These rules apply regardless of whether data is stored electronically, on paper or on other materials.

Data Protection Policy

Document #	FIN-POL-3.8	Document Owner	CFO
Date Approved	06/19/2021	Approved by	NPTA BoD

To comply with the law, personal information must be collected and used fairly, stored safely and not disclosed unlawfully.

The Data Protection Act is underpinned by eight important principles. These say that personal data must:

1. Be processed fairly and lawfully.
2. Be obtained only for specific, lawful purposes.
3. Be adequate, relevant and not excessive.
4. Be accurate and kept up to date.
5. Not be held for any longer than necessary.
6. Processed in accordance with the rights of data subjects.
7. Be protected in appropriate ways.

Data protection risks

This policy helps to protect National PTA from some very real data security risks, including:

- **Breaches of confidentiality.** For instance, information being given out inappropriately.
- **Failing to offer choice.** For instance, all individuals should be free to choose how the company uses data relating to them.
- **Reputational damage.** For instance, the company could suffer if hackers successfully gained access to sensitive data.

Responsibilities

Everyone who works for or with National PTA has some responsibility for ensuring data is collected, stored, and handled appropriately.

Each team that handles personal data must ensure that it is handled and processed in line with this policy and data protection principles.

However, these people have key areas of responsibility:

- The **board of directors** is ultimately responsible for ensuring that National PTA meets its legal obligations.
- The **CFO** is responsible for:
 - Keeping the board updated about data protection responsibilities, risks, and issues.

Data Protection Policy

Document #	FIN-POL-3.8	Document Owner	CFO
Date Approved	06/19/2021	Approved by	NPTA BoD

- Reviewing all data protection procedures and related policies, in line with an agreed schedule.
 - Arranging data protection training and advice for the people covered by this policy.
 - Handling data protection questions from staff and anyone else covered by this policy.
 - Dealing with requests from individuals to see the data National PTA holds about them (also called 'subject access requests').
 - Checking and approving any contracts or agreements with third parties that may handle the National PTA's sensitive data.
- The **Outsourced IT Managed Services Firm** is responsible for:
 - Ensuring all systems, services and equipment used for storing data meet acceptable security standards.
 - Performing regular checks and scans to ensure security hardware and software is functioning properly.
 - Evaluating any third-party services that National PTA is considering using to store or process data. For instance, cloud computing services.
 - The **Director of Communications** is responsible for:
 - Approving any data protection statements attached to communications such as emails and letters.
 - Addressing any data protection queries from journalists or media outlets like newspapers.
 - Where necessary, working with other staff to ensure marketing initiatives abide by data protection principles.

General Staff Guidelines

- The only people able to access data covered by this policy should be those who **need it for their work**.
- Data **should not be shared informally**. When access to confidential information is required, employees can request it from their line managers.
- **National PTA will provide training** to all employees to help them understand their responsibilities when handling data.
- Employees should keep all data secure, by taking sensible precautions and following the guidelines below.
- In particular, **strong passwords must be used**, and they should never be shared.

Data Protection Policy

Document #	FIN-POL-3.8	Document Owner	CFO
Date Approved	06/19/2021	Approved by	NPTA BoD

- Personal data **should not be disclosed** to unauthorised people, either within the company or externally.
- Data should be **regularly reviewed and updated** if it is found to be out of date. If no longer required, it should be deleted and disposed of.
- Employees **should request help** from their line manager or the data protection officer if they are unsure about any aspect of data protection.

Data Storage

These rules describe how and where data should be safely stored. Questions about storing data safely can be directed to the CFO.

When data is **stored on paper**, it should be kept in a secure place where unauthorized people cannot see it.

These guidelines also apply to data that is usually stored electronically but has been printed out for some reason:

- When not required, the paper or files should be kept **in a locked drawer or filing cabinet**.
- Employees should make sure paper and printouts are **not left where unauthorized people could see them**, like on a printer.
- **Data printouts should be shredded** and disposed of securely when no longer required.

When data is **stored electronically**, it must be protected from unauthorized access, accidental deletion and malicious hacking attempts:

- Data should be **protected by strong passwords** that are changed regularly and never shared between employees.
- If data is **stored on removable media** (like a CD or DVD), these should be kept locked away securely when not being used.
- Data should only be stored on **designated drives and servers** and should only be uploaded to an **approved cloud computing service**.
- Servers containing personal data should be **sited in a secure location**, away from general office space.
- Data should be **backed up frequently**. Those backups should be tested regularly, in line with the company's standard backup procedures.

Data Protection Policy

Document #	FIN-POL-3.8	Document Owner	CFO
Date Approved	06/19/2021	Approved by	NPTA BoD

- Data should **never be saved directly** to laptops or other mobile devices like tablets or smart phones.
- All servers and computers containing data should be protected by **approved security software and a firewall**.

Data Use

Personal data is of no value to National PTA unless the business can make use of it. However, it is when personal data is accessed and used that it can be at the greatest risk of loss, corruption, or theft:

- When working with personal data, employees should ensure **the screens of their computers are always locked** when left unattended.
- Personal data **should not be shared informally**. In particular, it should never be sent by email, as this form of communication is not secure.
- Data must be **encrypted before being transferred electronically**. The IT manager can explain how to send data to authorized external contacts.
- Personal data should **never be transferred outside of the Company without written permission from the Data Protection Officer, or their assignee**.
- Employees **should not save copies of personal data to their own computers**. Always access and update the central copy of any data.

Data accuracy

The law requires National PTA to take reasonable steps to ensure data is kept accurate and up to date.

The more important it is that the personal data is accurate, the greater the effort National PTA should put into ensuring its accuracy.

It is the responsibility of all employees who work with data to take reasonable steps to ensure it is kept as accurate and up to date as possible.

- Data will be held in **as few places as necessary**. Staff should not create any unnecessary additional data sets.
- Staff should **take every opportunity to ensure data is updated**. For instance, by confirming a customer's details when they call.
- National PTA will make it **easy for data subjects to update the information** National PTA holds about them. For instance, via the company website.

Data Protection Policy

Document #	FIN-POL-3.8	Document Owner	CFO
Date Approved	06/19/2021	Approved by	NPTA BoD

- Data should be **updated as inaccuracies are discovered**. For instance, if a customer can no longer be reached on their stored telephone number, it should be removed from the database.
- It is the marketing manager's responsibility to ensure **marketing databases are checked against industry suppression files** every six months.

Subject Access Requests

All individuals who are the subject of personal data held by National PTA are entitled to:

- Ask **what information** the company holds about them and why.
- Ask **how to gain access** to it.
- Be informed **how to keep it up to date**.
- Be informed how the company is **meeting its data protection obligations**.

If an individual contacts the company requesting this information, this is called a subject access request.

Subject access requests from individuals should be made by email, addressed to the CFO at jthomasell@pta.org. The CFO can supply a standard request form, although individuals do not have to use this.

The CFO will aim to provide the relevant data within 14 days.

The CFO will always verify the identity of anyone making a subject access request before handing over any information.

Related Documents

FINANCIAL PLANNING & REPORTING

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Budget Policy

Document #	FIN-POL-4.1	Document Owner	
Date Approved		Approved by	

Purpose

To outline the policy and principles used for preparing the annual fiscal year budget.

Applicability or Scope

This policy applies to the National Congress of Parents and Teachers, The Endowment Fund of the National Congress of Parents and Teachers, and National PTA Properties LLC, referred to collectively as National PTA.

Policy

A budget that is prepared for any fiscal year shall not deviate materially from the mission, goals, and strategies; risk fiscal jeopardy; nor fail to show a generally acceptable level of foresight. Accordingly, Management shall develop a budget that:

1. Is prepared using the same basis of accounting that the financial statements are prepared with;
2. Contains enough detail to enable accurate projection of revenues and expenses, separation of capital and operational items, cash flow and subsequent audit trails, and disclosure of planning assumptions;
3. Plans the expenditure in any fiscal year of no more funds than are available or conservatively projected to be received in that period;
4. Maintains current assets (cash, accounts receivable, prepaid expenses, etc.) at any time to no less than 100 percent of current liabilities (accounts payable, debt due in 12 months, etc.);
5. Does not deviate materially from board-stated priorities and board-approved budgets (except for grant revenues received during a fiscal year and their related expenditures) without seeking board approval.

The Board will approve the annual budget prior to the start of the budget's fiscal year.

The Board will approve amendments to the current fiscal year's budget, if required (see FIN-POL-3.1 Delegation of Financial Authority Policy).

Responsibilities

Preparing and submitting the budget for approval is the National PTA's Staff responsibility.

Reviewing the budget and submitting it for Board approval is the Finance Committee's responsibility.

Approving the budget is the National PTA Board's responsibility.

Budget Policy			
Document #	FIN-POL-4.1	Document Owner	
Date Approved		Approved by	

Note: Approving the budget for The Endowment Fund of the National Congress of Parents and Teachers (Endowment Fund) is the Endowment Fund Board's responsibility.

Definitions

A budget is a planning document that forecasts expected revenue and expenses for the coming year.

Related Documents

FIN-POL-2.1 Basis of Accounting Policy

FIN-POL-3.1 Delegation of Financial Authority Policy

4.1.1 - Budgeting Procedures

Internal Financial Reporting Policy

Document #	FIN-POL-4.2	Document Owner	
Date Approved		Approved by	

Purpose

To explain National PTA Finance Staff's policy regarding the production of internal financial reporting.

Applicability or Scope

This policy applies to internal financial reporting produced by National PTA Finance Staff.

Policy

National PTA Finance Staff shall prepare and distribute standard internal financial reporting monthly.

Standard Content

This reporting will include individual reporting for the three National PTA entities (National PTA, National PTA Properties, LLC, and The Endowment Fund), and consolidated reporting for National PTA.

These reports will explain the root causes of material variances; variances analyzed may include actual month-over-month, actual quarter-over-quarter, actual year-to-date versus prior year-to-date, actual monthly, quarterly, and year-to-date actual results versus budget.

Timing

This reporting will be produced monthly and is due 25 business days after the month ends for ~~July~~ August through May and 40 business days after the month ~~s~~ ends for June and August.

Review Process

The process for preparing these reports will use the standard preparer, reviewer, approver methodology.

1. The Accounting Manager will perform a review of the package prior to delivery to the CFO.
2. The CFO will review these reports with the Executive Director, Deputy Executive Directors, and Directors prior to submitting the reports to the Finance Committee.
3. The CFO will review these reports with the Finance Committee prior to submitting the reports to the Board.

Related Documents

FIN-POL-3.3 Preparer, Reviewer, Approver Structure Policy

Regulatory Compliance Filings Policy

Document #	FIN-POL-4.3	Document Owner	
Date Approved		Approved by	

Purpose

To ensure that National PTA is compliant with all regulatory requirements for conducting its business operations.

Applicability or Scope

This policy applies to the National Congress of Parents and Teachers, The Endowment Fund of the National Congress of Parents and Teachers, and National PTA Properties LLC, referred to collectively as National PTA.

Policy

National PTA's Finance Staff shall accurately prepare and timely submit all regulatory compliance filings including, but not limited to, the following:

- Applicable Federal and state annual tax returns;
- State charitable solicitations;
- Personal property reports;
- Payroll reports;
- Business licenses; and,
- Any other applicable Federal, state, county, city, and local tax and reporting requirements.

National PTA's Staff may delegate the preparation of filings to vendors with the appropriate competencies. However, National PTA's Finance Staff is always responsible for the accurate and timely submittal of filings.

The Finance Committee will review the annual Forms 990 and 990T prior to submitting the forms to the Board for approval. The Board of Directors approves the annual Forms 990 and 990T prior to submitting the forms with the Internal Revenue Service ("IRS"). National PTA adheres to IRS regulations regarding public inspection during the 3-year period, beginning with the date the form is due. The IRS Form 990 is made available for public inspection upon request as required by the IRS.

Related Documents

FIN-POL-3.3 Preparer, Reviewer, Approver Structure Policy

External Audit Policy

Document #	FIN-POL-4.4	Document Owner	
Date Approved		Approved by	

Purpose

To ensure that National PTA's annual financial statements are audited by an independent certified public accounting firm.

Applicability or Scope

This policy applies to National Congress of Parents and Teachers, The Endowment Fund of the National Congress of Parents and Teachers, and National PTA Properties LLC referred to collectively as National PTA.

Policy

The Board of Directors of National PTA will engage an independent certified public accounting firm to conduct an annual financial statement audit in accordance with Generally Accepted Auditing Standards (GAAS) as promulgated by the American Institute of Certified Public Accountants (AICPA).

The National PTA Finance Committee will make a recommendation on the selection of an appropriate independent certified public accounting firm to the Board at least every 3 to 5 years.

Definitions

Audit - the highest level of financial statement service a CPA can provide. The purpose of having an audit is to provide financial statement users with an opinion by the auditor on whether the financial statements are prepared in accordance with the proper financial reporting framework. An audit enhances the degree of confidence that intended users, such as lenders or investors, can place in the financial statements.

Related Documents

Bylaws

4.4.1 - Audit Firm Selection Procedures

4.4.2 - Annual Audit Procedures

DEPOSITS, REVENUE & ACCOUNTS RECEIVABLE

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Invoicing and Accounts Receivable Policy

Document #	FIN-POL-5.1	Document Owner	
Date Approved		Approved by	

Purpose

To document the policy related to the preparation of invoices and accounts receivable records processing.

Applicability or Scope

This policy applies to all sales/revenue for National PTA.

Policy

Finance Staff are responsible for the timely and accurate preparation and distribution of invoices to optimize cash flow, customer payments, and customer service. Finance Staff will also maintain timely and accurate records over Accounts Receivable and always abide by the appropriate internal controls. Individual procedures for each type of transaction will address the specific internal controls applied and will reinforce the requirement that all procedures performed by Finance Staff will use the preparer, reviewer, approver methodology to ensure correct and complete transactions.

National PTA's database serves as the Accounts Receivable Subledger for National PTA, and invoices for the following revenue streams are produced by the Finance Staff on the 15th calendar day based on the information stored in the database:

- Membership dues
- Advertising
- Conferences
- Contracts
- Fee for Service/Foundation Revenue
- Grants
- Royalties
- Sponsorships

At the time that the invoices are mailed out, journal entries that are posted to Dynamics GP to reflect:

Account	Debit	Credit
Accounts Receivable	\$xx,xxx.xx	
Revenue		\$xx,xxx.xx

The remittances from the State PTAs for the Membership Dues invoices are made directly to National PTA's bank via ACH transfers, while remittances for advertising, conferences, contracts, and royalties

Invoicing and Accounts Receivable Policy

Document #	FIN-POL-5.1	Document Owner	
Date Approved		Approved by	

can be made either by credit/debit card or by check sent to a single standard address determined by the Finance Team.

The receipt of the ACH deposits, debit/credit card payments, and depositing of checks in payment these invoices are recorded in Dynamics GP by:

Account	Debit	Credit
Cash	\$xx,xxx.xx	
Accounts Receivable		\$xx,xxx.xx

Related Documents

FIN-POL-3.3 Preparer, Reviewer, Approver Structure Policy

FIN-POL-5.4 Bank Deposit Policy

FIN-POL-5.5 Credit Card Deposit Policy

FIN-POL-5.6 Receivable Write-Off & Bad Debt Expense Policy

Gift Acceptance Policy

Document #	FIN-POL-5.2	Document Owner	
Date Approved		Approved by	

Purpose

These Policies are set forth to (a) help define working rules for the acceptance, crediting, and reporting of gifts and pledges to National PTA; (b) to inform donors and prospective donors of these policies; (c) to uphold the values of National PTA and protect its board of directors, staff and volunteers from inappropriate or undesirable gifts and pledges, and; (d) to encourage future philanthropic support of National PTA.

Applicability or Scope

The National PTA Gift Acceptance Policies (“Policies”) apply to National PTA and The Endowment Fund, and serve as a guideline for the National PTA staff, board members, and volunteers who aid in gift planning, solicitation, and cultivation of individuals, corporations, foundations, and other entities (“donor”) that wish to donate to the National PTA. The Gift Acceptance Policies are a working document that may be revised as deemed necessary and appropriate by the National PTA Board of Directors.

Policy

I. **GENERAL POLICY**

- a. National PTA actively solicits gifts to help further the mission of the National PTA.
- b. National PTA reserves the right to accept or decline any commitment which is offered to them.
- c. Gifts to National PTA should be made in the name of National PTA and will be received, held and administered by National PTA under the direction of the Board of Directors.
- d. All gifts shall be recorded (with receipts issued as appropriate) by National PTA staff.
- e. National PTA will classify donations as restricted or unrestricted.
- f. Restricted donations will be accepted if donor restrictions do not significantly diminish the value of the gift, and can be made to The Endowment Fund, Reflections, or the Disaster Relief Fund.
- g. Unrestricted donations will be placed in the Support Every Child Fund, the National PTA's general support fund.
- h. Gifts received without donor instructions are presumed to be unrestricted.
- i. All gifts accepted by National PTA shall conform to all applicable tax laws and regulations that affect nonprofit organizations.
- j. National PTA will use the accepted IRS methods and GAAP accounting rules for determining present value of future planned gifts.
- k. Upon request, National PTA staff will aid potential donors to discuss the association's funding priorities, the donor's interests, and the various ways to give.

Gift Acceptance Policy

Document #	FIN-POL-5.2	Document Owner	
Date Approved		Approved by	

- l. Gifts that will have the greatest impact on the National PTA and its future needs are unrestricted gifts of cash or negotiable securities.
- m. National PTA also reserves the right to determine how any commitment will be credited and/or how such commitments will be recognized by the Resource Development Team.
- n. Upon written request, National PTA will honor a donor's request for anonymity and/or honor any donor's desire to not be solicited.
- o. National PTA will not make available to anyone outside National PTA, listings which include contact information such as mailing addresses, phone numbers, and email addresses of members, donors, potential donors and/or friends of National PTA.

II. GIFT ACKNOWLEDGEMENT POLICY

- a. National PTA will acknowledge and recognize all gifts appropriately per its gift acknowledgement and recognition procedures:
 - i. Gift acknowledgements provided by National PTA will include:
 - 1. a statement of National PTA's status as a 501(c)(3) tax exempt organization,
 - 2. the name of the donor,
 - 3. the date of the donation,
 - 4. if applicable, the number of shares gifted or cash surrender value,
 - 5. the amount or value of the donation,
 - 6. the method used to determine the donation value,
 - 7. specification of the restricted fund or unrestricted fund to which the donation was applied,
 - 8. the value of any goods or services provided to the donor,
 - 9. the method used to determine the value of goods or services provided, and
 - 10. a statement that the donor's contribution is tax deductible only to the extent that the donation exceeds the value of goods and services provided to the donor.
 - ii. National PTA will acknowledge all cash, check, or credit card donations with a value of \$5 or greater. IRS rules require acknowledgement of gifts exceeding \$250.
 - iii. National PTA will acknowledge all in-kind donations with a value of \$75 or greater.
 - iv. When a donor gives a gift in memory of an individual, at the request of the donor National PTA will notify the family or a specified representative of the family of the gift with a letter (if a forwarding address is provided). There will be no mention of a dollar amount.
 - v. When a donor makes a gift in honor of an individual, at the request of the donor National PTA will notify the honoree of the gift with a letter, if a forwarding address is provided. There will be no mention of a dollar amount.

Gift Acceptance Policy

Document #	FIN-POL-5.2	Document Owner	
Date Approved		Approved by	

III. ETHICS POLICY

- a. National PTA does not accept gifts that are inconsistent with its mission or gifts that involve unlawful discrimination based on gender, race, creed, age, sexual orientation, national origin, disability, or class.
- b. Individuals representing National PTA shall be circumspect in all dealings with donors to avoid even the appearance of any act of self-dealing or conflict of interest.
- c. If individuals representing National PTA provide a prospective donor with financial, estate, or charitable tax planning information, the prospective donor shall be advised to consult with her or his own legal and tax advisors before acting on any recommendations; when the nature of the gift planning situation is determined to be sufficiently complex, the prospective donor shall be required to sign a waiver.
- d. All gifts to National PTA will be proposed, encouraged, and accepted in a form consistent with the known best interests of the donor.
- e. No National PTA employee shall accept personal gifts of significance from donors, including gifts made via bequest.
- f. The guidelines set forth in this Statement of Gift Acceptance Policies follow the "Standards of Professional Practice" of the Association of Fundraising Professionals, and with the "Model Standards of Practice for the Charitable Gift Planner" from the National Committee on Planned Giving.

IV. INDIVIDUAL GIVING POLICY

- a. **Direct donations by cash, check, or credit card**
 - i. Any gifts of less than \$5 are recorded as unrestricted, and will be placed in the general operating fund.
 - ii. Any gifts exceeding \$5 will be acknowledged (see section II).
 - iii. Any gifts exceeding \$5 can be directed by the donor to restricted funds (see section I.f.) or to the unrestricted fund.
 - iv. Donors may receive mail-in donation forms by direct mail campaigns or via the National PTA website.
 - v. Donation checks shall be made payable to 'National PTA'.
 - vi. Credit card donation forms must include the name and billing address of the donor, amount of the gift, donor's credit card number and expiration date.
 - vii. Donations are to be mailed to:
1250 N. Pitt Street
Alexandria, VA 22314

Gift Acceptance Policy

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b. Forfeiture of Expense Reimbursement

- i. National PTA employees, officers, or volunteers may opt to request a lower level of reimbursement for expenses made on behalf of National PTA. The difference between the total expense and the amount reimbursed is a donation to the National PTA general fund, and an acknowledgement for donations larger than \$5 will be provided to the donor.
- ii. If a National PTA employee, officer, or volunteer fails to submit an approved expense report within 30 days of the end of travel, there will be no reimbursement for expenses made on behalf of National PTA. The entire amount of travel expense becomes a donation to the National PTA general fund, and an acknowledgement for donations larger than \$5 will be provided to the donor.

c. Pledges

- i. Pledges should be made in writing and should commit to a specific dollar amount that will be paid per a fixed time schedule.
- ii. The recommended pledge period is through the end of the current fiscal year.
- iii. A signed pledge card or letter of intent must be filed with the National PTA before a pledge commitment is reflected on internal reports.
- iv. The value of any canceled or unfulfilled pledges will be subtracted from Resource Development's internally tracked donation totals when it is determined they will not be realized.
- v. Individuals making pledges that are eligible for matching gifts are encouraged to utilize these programs to maximize the value of their gift or pledge to National PTA; however, a matching gift cannot be used to fulfill a pledge commitment as the donor has no control over whether that match will be made, nor can they legally obligate the matching company or entity to honor the donor's pledge.

d. Employer Matching Gifts

- i. Matching gifts will be recorded as income when the matching gift check or wire transfer is received.
- ii. Matching gifts will only be recorded as pledges when intent to pay (or acknowledgement letter) is received from the corporation prior to receiving a matching gift check.
- iii. The company who matched the donation will receive an acknowledgement letter from National PTA, and the accounting system will show this company as the donor.
- iv. A donor whose gift is matched by his/her company will be recognized by the Resource Development team for the total amount of his/her individual gift, plus the matching portion on their gift record once the matching gift is received. The donor

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will receive the name recognition associated with the appropriate giving level for that total amount, as well as any benefits that may be provided to the donor at that total giving level.

e. In-kind donations (goods or services)

- i. Will be accepted when the form of the gift is immediately available and is either directly useable for the mission of National PTA or can be used in direct support of an official National PTA event.
- ii. Donated services must either create or enhance the non-financial assets of National PTA or require skills that would typically need to be purchased if not provided by donation.
- iii. It is the sole responsibility of the donor to determine the value of the gift for their tax purposes.
- iv. National PTA will record the gift the same as cash at the fair-market value, which will be determined in consultation with the donor.
- v. Note that gifts of time (services) are not tax deductible by an individual donor, but will be considered a donation to be recorded at fair value by National PTA.
- vi. Will be acknowledged if the value is determined to be greater than \$5.

f. Tangible Property Donations (jewelry, paintings, rare books, etc.)

- i. These donations shall be recorded by National PTA at the fair market value placed on them by an independent, expert appraiser employed by the donor at the time the donor relinquished control in favor of National PTA.
- ii. Gifts of tangible property shall be accepted only after favorable evaluation by the National PTA Chief Financial Officer.
- iii. National PTA will not accept gifts of tangible personal property if such gifts are to be made on the condition, understanding, or expectation that the gifted items will be loaned to the donor or to persons designated by the donor for life or for an extended period as determined by the donor.
- iv. No representation shall be made to the potential donor of a gift of tangible personal property regarding the length of time it will be held by National PTA.
- v. If the tangible property has been held by the donor for more than one year and has a use related to the tax-exempt purpose of the institution, it shall be reported at the appraised value of the property by an independent, expert appraiser employed by the donor at the time the donor relinquished control in favor of National PTA, less any encumbrances.

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- vi. If the donor has held the property for less than one year or its use is unrelated to the tax-exempt purpose of the institution, it will be reported, credited and recognized at the level of the original cost basis.
- vii. Will be acknowledged if the value is determined to be greater than \$5.

g. Real Estate Donations (land, structures)

- i. Gifts of real estate shall be accepted by National PTA only after a favorable evaluation by National PTA Chief Financial Officer and approval by the Executive Director and National PTA President.
- ii. The National PTA Chief Financial Officer or other agents of National PTA reserve the right to conduct a visual inspection of the potential gift of real estate.
- iii. To permit proper evaluation of the potential gift of real estate, the donor shall provide staff with a copy of the deed, a copy of the property tax bill, a plot plan, substantiation of the zoning status, title search and an IRS-qualified appraisal, completed no more than 60 days prior to the gift.
- iv. Potential gifts of real estate shall have a net minimum value of \$100,000 or more to merit consideration for acceptance.
- v. If the potential gift of real estate is evaluated favorably for acceptance, the donor will be asked to pay for the following: the appraisal cost, ongoing maintenance costs, real estate taxes, insurance, closing costs, and real estate broker commissions and other costs of the transaction. In circumstances where the donor declines to pay these costs National PTA will determine on a case-by-case basis if the property is worth the expenditures.
- vi. National PTA reserves the right to disclaim a gift of real estate made via a bequest if it does not satisfy the requirements applicable to a gift of real estate made during a donor's lifetime, as determined by the National PTA Chief Financial Officer.
- vii. Donors will be informed that National PTA's practice is to dispose of real estate gifts as soon as possible.
- viii. National PTA will make every good faith effort to sell donated real estate at the highest price possible.

h. Publicly Traded Securities

- i. National PTA will accept the donation of stocks that are traded on the open market and are available to all investors, in negotiable form.
- ii. When a gift of stock is anticipated by the Resource Development staff, the National PTA Chief Financial Officer, the Director of Resource Development, and National PTA's banking institution shall be notified in advance of the donor's name, the name of the stock, the number of shares, and the day and time the transfer is anticipated.

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- iii. When the donor has physical possession of the stock certificate, the donor can: endorse the stock certificate on the back and hand-deliver the stock certificate to National PTA or take the stock certificate to a bank or brokerage house to be converted into an electronic transfer.
- iv. When the donor's stock is in a street account at a bank or brokerage house, the donor can direct her or his broker to make a gift by electronic transfer directly to a National PTA account. Donors should contact the Resource Development staff for the appropriate stock transfer account information.
- v. Gifts of publicly-traded securities will be reported, credited and recognized at the average of the high and low market value (the mean value) in accordance with IRS regulations, on:
 - 1. the day of personal delivery of signed certificate and/or stock power;
 - 2. the date the certificate and stock power is mailed; or
 - 3. the day the electronic transfer is received by National PTA.
- vi. Stock gifts shall be immediately sold by National PTA's finance office in accordance with National PTA's finance policies.
- vii. National PTA will acknowledge receipt in a timely manner to the donor.
- viii. Separately, National PTA will provide as a courtesy, a letter that describes the gift's value: the stock's high and low values on the day of transfer, and the mean value. The donor shall be reminded that National PTA is not providing this information officially and that she or he should consult with a tax advisor before claiming a charitable income tax deduction.
- ix. The Resource Development team will credit the donor's record with the mean average value of the stock.

i. Bequest Intentions & Revocable Gifts

- i. National PTA has a bequest intention form that should be completed by the donor and returned to National PTA. The donor is invited to share a copy of appropriate sections of his/her will, but it is not required.
- ii. The Resource Development team will track this as a "future" expectancy of National PTA at the value established in writing by the donor bequest intention form.
- iii. Donors of revocable future gifts will be recognized separately from donors of current gifts and irrevocable gifts.
- iv. Revocable gift commitments will be reported in the accounting system, credited and recognized, subject to the donor's specific request and intent, only when the funds are irrevocably committed to National PTA or when the gift matures.

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- v. Bequests will be reported in the accounting system, credited, and recognized at the value established at the time of probate and/or at the fair market value on the date of the transfer of asset(s).

j. Life Insurance

- i. National PTA will immediately cash in a paid-up life insurance policy. For this reason, donors of paid-up life insurance policies should identify the designation of the gift upon transfer.
- ii. National PTA does not accept gifts from donors for purchasing life insurance on the donor's or anyone else's life.
- iii. Gifts of term life insurance shall be accepted when National PTA is named the owner and sole beneficiary of the policy, and will be tracked internally by the Resource Development team like revocable bequests; however, no gift income will be reported, credited or recognized unless the policy is executed.
- iv. Gifts of whole life insurance to National PTA will be made by either designating National PTA as the beneficiary of the policy or as both owner and beneficiary.
 - 1. If National PTA is both the owner and beneficiary of the policy, the gift is irrevocable, and the donor will receive gift credit for the cash surrender value of the policy, which is also the tax basis of the gift. As payments are made to National PTA for the policy premiums, they will also be credited to the donor.
 - 2. If National PTA is the beneficiary of the policy, no gift income will be reported, credited or recognized unless the policy is executed.

- V. CORPORATE GIVING POLICY** - National PTA's corporate funding relationships range from advertising in our publications, email newsletters and online, to sponsorship of signature programs and National PTA events. The process to initiate, explore, negotiate, and finalize a corporate partnership is led by National PTA Resource Development staff and varies in terms of process and timing for every funding opportunity.

a. Discovery and Due Diligence

- i. Based on interest and budget, some businesses and companies enter more of a transactional relationship with National PTA – purchasing advertising space in our publications, e-newsletter, or online; or purchasing an exhibit booth at National Convention.
- ii. Other corporate discussions can lead to a more strategic, collaborative, and financially beneficial relationship where the company is providing funding (6-figure+ commitment and often in-kind support) for National PTA to develop, grow and launch programs tied to our mission.

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- iii. All proposed corporate agreements are negotiated by the National PTA staff and agreements of \$50,000 or more must be approved in concept by the National PTA President and Executive Director before a contract can be signed.
- iv. In addition, National PTA must first secure approval from the PTA president of a specific state or local PTA before including that PTA by name in an agreement.

b. Corporate Relationship Standards

- i. Align with Our Mission: The company must be committed to promoting and supporting the purpose of National PTA. The company's business must not conflict with any of our programs or areas of focus.
- ii. Align with our Values and Policies: National PTA will not partner with any organization whose values, principles, or policies are not consistent with those of National PTA. National PTA will not partner with any company or organization who has a primary commercial interest in any of the following:
 - 1. Firearms or any other weapons
 - 2. Tobacco
 - 3. Alcohol
 - 4. Gambling
 - 5. Adult Content
- iii. Engage with entities that will make a financial investment commensurate with the benefits expected in return (i.e., advertising, logo rights, etc.). National PTA does not enter any revenue-share only opportunities (i.e., affinity programs).

c. No Endorsement

- i. National PTA's relationship with a corporation is not an endorsement of any specific corporation or industry. National PTA will allow the use of its name and logo only if the terms of the contract allow for a preapproved, limited use.

d. Contractual Agreements

- i. For all levels of corporate relationships, a contract outlines the terms and conditions of the agreement.
- ii. National PTA will not partner with an organization that does not agree to the terms provided in the agreements.
- iii. National PTA uses a template agreement approved by National PTA legal counsel. PTA reserves the right to conduct a separate legal review if there are material changes from the template.
- iv. All contracts are signed by the Executive Director.

Gift Acceptance Policy

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e. Recognition and Stewardship

- i. National PTA has established a recognition program to acknowledge companies making a significant investment in the mission and programs of PTA.
- ii. Companies entering an advertising-only relationship with PTA are not formally recognized as donors to the association.
- iii. In-kind contributions will be recognized in the PTA Annual Report in the amount related to the “retail value” of the products, time or services donated.

f. Gifts from Foundations

- i. National PTA may solicit and accept donations from national, local, community, or family foundations including those directly connected to a business entity or a business/professional association.
- ii. Gifts from foundations are recognized on the PTA website and in the Annual Report.
- iii. All foundation proposals must be approved in concept by the National PTA President and Executive Director before a proposal can be submitted.
- iv. National PTA cannot include a specific state or local PTA in a grant proposal without first securing approval from the named PTA.

g. Honoraria

- i. On occasion, an honorarium may be provided for a National PTA staff member, officer, or volunteer who speaks to a group on behalf of the National PTA.
- ii. Speakers must arrange for the honorarium to be paid directly to the National PTA; these donations will benefit The Endowment Fund. Donor organizations will receive an acknowledgement of their gift.
- iii. Please note that an honorarium paid directly to an individual who spoke on behalf of the National PTA will cause personal tax issues for the speaker and undue accounting complexity for National PTA.

VI. DONOR RIGHTS POLICY - In accordance with the standards established by the Association of Fundraising Professionals, National PTA adheres to the following donor bill of rights which notes that a donor has the right to:

- a. Be informed of the association’s mission, of the way the association intends to use donated resources, and of its capacity to use donations effectively for their intended purposes.
- b. Be informed of the identity of those serving on the association’s governing board, and to expect the board to exercise prudent judgment in its stewardship responsibilities.
- c. Have access to the association’s most recent audited financial statements.
- d. Be assured their gifts will be used for the purposes for which they were given.

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- e. Receive appropriate acknowledgement and recognition.
- f. Be assured that information about their donation is handled with respect and with confidentiality to the extent provided by law.
- g. Expect that all relationships with individuals representing associations of interest to the donor will be professional in nature.
- h. Be informed whether those seeking donations are volunteers, employees of the association or hired solicitors.
- i. Have the opportunity for their names to be deleted from National PTA's mailing lists.
- j. Feel free to ask questions when donating and to receive prompt, truthful and forthright answers.

Advertising Policy			
Document #	FIN-POL-5.3	Document Owner	
Date Approved		Approved by	

Purpose

To explain the policy related to National PTA's advertising revenue stream.

Applicability or Scope

This policy applies to all advertising sold by National PTA.

Policy

The name “National PTA” or use of PTA’s logo is not permitted unless permission has been specifically granted under separate contract. Any advertiser utilizing PTA’s logo without permission will be asked to remove it from its materials.

The acronyms “PTA” or “PTSA” cannot be utilized in any advertiser’s materials without approval from National PTA’s Director of Resource Development for specific use as purchased. National PTA copyrights both names. No other use is authorized.

Advertisers cannot promote lobbying of any government agency or official.

Advertisers cannot disseminate information that is political or religious in nature.

Advertisers’ materials must be in accordance with National PTA’s position statements and resolutions, and any advertiser whose products, services or materials are in direct opposition to National PTA’s position statements or resolutions will not be approved.

Advertising that promotes school fundraisers must refrain from exploiting children.

An advertiser cannot have a **commercial** interest in any of the following, regardless of the educational nature of the proposed product or program:

- Tobacco
- Firearms
- Alcohol
- Adult Content
- Gambling

Advertisers must agree to indemnify and hold harmless National PTA, its officers, agents and employees against expenses (including legal fees) and losses resulting from the publication of the contents of the advertisement, including, without limitation, claims or suits for libel, violation of privacy, copyright infringement, or plagiarism.

National PTA may reject any advertisement or commercial content at any time, for any reason.



Advertising Policy			
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Date Approved		Approved by	

Acceptance of advertising does not indicate an endorsement by National PTA of the products or services promoted, the company, or the claims made.

Bank Deposit Policy

Document #	FIN-POL-5.4	Document Owner	
Date Approved		Approved by	

Purpose

To document the policy related to bank deposit processing by Finance Staff.

Applicability or Scope

This policy applies to remittances in the form of cash, check, or money order received by National PTA.

Policy

Finance Staff are responsible for the timely and accurate processing and deposit of cash, checks, or money orders to maintain timely and accurate records, and abide by the appropriate internal controls. Detailed procedures will speak to the specific internal controls applied, and will reinforce the requirement that all procedures performed by Finance Staff will use the preparer, reviewer, approver methodology to ensure correct and complete transactions.

Cash received from donations will be deposited in the bank when received. In the event cash is received when the bank branch is closed, the deposit will be made the next business day.

Checks and money orders are restrictively endorsed when received and deposited on the same day or, if the bank branch is closed, the next business day.

Related Documents

FIN-POL-3.2 Separation of Duties Policy

FIN-POL-3.3 Preparer, Reviewer, Approver Structure Policy

FIN-POL-3.5 Asset Security Policy

FIN-POL-5.1 Invoicing & Accounts Receivable Policy

FIN-POL-6.10 Petty Cash Policy

Credit Card Deposit Policy

Document #	FIN-POL-5.5	Document Owner	
Date Approved		Approved by	

Purpose

To document the policy related to credit card processing by Finance Staff.

Applicability or Scope

This policy applies to remittances in the form of credit cards received by National PTA.

Policy

Finance Staff are responsible for the timely and accurate processing and deposit of cash, checks, or money orders to maintain timely and accurate records, and abide by the appropriate internal controls. Detailed procedures will speak to the specific internal controls applied, and will reinforce the requirement that all procedures performed by Finance Staff will use the preparer, reviewer, approver methodology to ensure correct and complete transactions.

National PTA staff or volunteers may never retain credit card information in any format.

National PTA's database does not retain any detailed credit card information.

Customer or donor credit card information received at National PTA's headquarters will be immediately processed by the Finance Staff through National PTA's database when received. Once the credit card is processed successfully the credit card information will be immediately shredded.

Credit card transactions requiring further information to successfully process will always be maintained in a secured location until the issues are resolved.

Credit card transactions processed off site will use a chip reader, when possible, and be processed through National PTA's bank's approved credit card processing software. An electronic signature authorizing the transaction and an email confirming the transaction are required.

Related Documents

FIN-POL-3.2 Separation of Duties Policy

FIN-POL-3.3 Preparer, Reviewer, Approver Structure Policy

FIN-POL-3.5 Asset Security Policy

FIN-POL-5.1 Invoicing & Accounts Receivable Policy

Receivable Write-Offs & Bad Debts Policy

Document #	FIN-POL-5.6	Document Owner	
Date Approved		Approved by	

Purpose

To document National PTA's policy related to writing off uncollectable accounts receivable.

Applicability or Scope

This policy applies to all accounts receivable on the books of National PTA.

Policy

Finance Staff is responsible for keeping National PTA's records current, and this includes ensuring the all accounts receivable included on the Statement of Financial Position represent valid amounts that National PTA currently expects to receive in full within a 12-month period.

To accomplish this, a detailed review of the aging of accounts receivable should be and completed by the CFO monthly.

All reasonable attempts will be made to collect on accounts older than 60 days, with an escalation in collection efforts up until the 120 day past due mark is reached.

Writing off a bad debt may only be authorized in accordance with the FIN-POL-3.1 Delegation of Financial Authority Policy.

Related Documents

FIN-POL-3.1 -Delegation of Financial Authority Policy

FIN-POL-5.1 Invoicing & Accounts Receivable Policy

5.6.1 Receivable Write-Offs & Bad Debt Expense Procedure

Life Achievement Award Policy

Document #	FIN-POL-5.7	Document Owner	
Date Approved		Approved by	

Purpose

To document National PTA's policy related to Life Achievement Awards.

Applicability or Scope

This policy applies to the National Congress of Parents and Teachers and The Endowment Fund of the National Congress of Parents and Teachers.

Policy

National PTA may confer National PTA Life Achievement Awards upon persons who have distinguished themselves in service to children and youth. The Life Achievement Award may be bestowed upon an individual by the President, Board of Directors, or any constituent association. The number of awards conferred by the President or the Board of Directors shall be determined in accordance with their respective budgets. The Life Achievement Award may not be bestowed upon a current or past National PTA staff member. All proceeds from these awards shall be transferred to the Endowment Fund.

Related Documents

FIN-POL-4.1 Budget Policy

Membership Dues Policy

Document #	FIN-POL-5.8	Document Owner	
Date Approved		Approved by	

Purpose

To document National PTA's policy related to Membership Dues.

Applicability or Scope

This policy applies to the National Congress of Parents and Teachers.

Policy

National PTA dues are \$2.25 annually. Individual memberships may be paid by donations and contributions from private sources, including individual donations, and grants from private industry. If dues are paid from a government source, these funds are not to be used for any lobbying activities.

The membership year for all PTA memberships will begin on July 1st and end on June 30th. All memberships shall be eligible for membership benefits during this period and must be renewed annually.

State PTAs must report all membership dues collected monthly. Requests for the refund of National PTA membership dues must be made within 90 days from the date the dues are received by National PTA. Requests must be made in writing and include all necessary supporting documentation.

Related Documents

FIN-POL-4.1 Budget Policy

DISBURSEMENTS, EXPENDITURES, & ACCOUNTS PAYABLE

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Payroll & Benefits Policy

Document #	FIN-POL-6.1	Document Owner	
Date Approved		Approved by	

Purpose

To document the policy for documenting, recording and issuing payments for payroll transactions.

Applicability or Scope

This policy applies to all payroll transaction processing for National PTA.

Policy

National PTA's policy is to determine the pay of its Executive Director as follows:

- The Board of Directors is responsible for approving the contract with the Executive Director.
 - Once the contract is approved by the Board, the President is authorized to sign the contract.
- The Board of Directors approves any compensation changes or additional compensation for the Executive Director at its sole discretion.
 - The President or Secretary-Treasurer is responsible for ensuring changes to the Executive Director's compensation or additional compensation is processed in a timely and accurate manner by the Finance Staff.

National PTA's policy is to pay all employees as follows:

- Payroll is run twice per month; there are 24 pay periods in each year.
- Timely receipt of approved timesheets is required, so that pay can appropriately reflect hours worked and vacation/sick leave taken.
- Required federal, state, and local payroll taxes and unemployment insurance will be withheld from each employee's paycheck.
- The employee's portion of the cost of benefits will be withheld from each employee's paycheck.
- The employee's requested contributions to their employee retirement account will be withheld from each employee's paycheck.
- The employee's net pay will be deposited into their bank account via direct deposit.
- Each employee will be provided with a pay stub that shows their gross pay, deductions, net pay, and vacation/sick leave accrued balance.
- Upon termination, the employee's final pay check will include accrued vacation time not taken.

Proper internal controls will be followed to ensure that only valid and authorized paychecks are processed, that federal and state payroll liabilities are remitted, and that federal and state payroll filings are submitted. Accounting procedures will be implemented, including a preparer, reviewer, approver process, to ensure the accuracy of amounts, coding of general ledger accounts, and appropriate timing of payments.

Payroll & Benefits Policy

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Segregation of Duties

- The person entering new employees into the accounting system does not approve paychecks.
- The person processing payroll does not make general ledger entries.
- The person processing the checks or electronic funds transfers ("EFT") does not also prepare the bank reconciliation.

Financial Institution Safeguards

- When online banking is utilized the system must use dual administrators.
- National PTA uses positive pay for all check disbursements.
- The person submitting a positive pay file to the bank should not be the person processing checks.
- The CFO reviews all positive pay exceptions.

Related Documents

FIN-POL-3.2 Separation of Duties Policy

FIN-POL-3.3 Preparer, Reviewer, Approver Structure Policy

Accounting Manual Instructions - 6.1.A - Monthly Time Processing Instructions

Accounting Manual Instructions - 6.1.B - Payroll Preparation & Approval Instructions

Accounting Manual Instructions - 6.1.C - Payroll Liability Payment Instructions

Purchase & Procurement Policy

Document #	FIN-POL-6.2	Document Owner	
Date Approved		Approved by	

Purpose

To provide guidance regarding National PTA's procurement process, so that employees purchasing goods and/or services on behalf of National PTA will execute these transactions using appropriate principles and internal controls.

Applicability or Scope

This policy applies to procurement of all materials, products, and services for National PTA. This policy does not cover travel-related expenditures.

Policy

Goods and services must be procured by National PTA to support ongoing activities, and these goods and services can be purchased in one of three ways:

Purchaser	Documentation	Payment
National PTA	Invoice sent to National PTA	Vendor paid by National PTA
Employee or Officer with Corporate Credit Card	Receipt given to employee or Officer at time of purchase	Credit card company paid by National PTA
Employee, Board Member, or Volunteer with Cash	Receipt given to employee, board member, or volunteer at time of purchase	Employee, board member, volunteer is reimbursed by National PTA

The same procurement principles apply regardless of the purchase method used:

Budgeted v. Unbudgeted Items

The annual budgeting process provides a detailed spending plan for the upcoming fiscal year by line item for each cost center/department/unit. All aspects of the budget are approved by management and the board. Any proposed departure from the approved budget, (e.g., a larger-than-budgeted purchase or shifting of budgeted funds to other categories) is considered an unbudgeted expenditure. All unbudgeted expenditures must be approved prior to procurement by the Executive Director, President, or board (please see 3.1 Delegation of Financial Authority Policy for approval limits).

Required Approval to Procure Budgeted Operating Expense & Capital Expenditure Items

The procurement of budgeted operating expenses can be approved by appropriate business area Directors, Deputy Executive Directors, CFO or Executive Director (please see 3.1 Delegation of Financial Authority Policy for approval limits); however, budgeted capital expenditures can only be approved by

Purchase & Procurement Policy

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the CFO or Executive Director. Out-of-pocket reimbursement transactions must be reviewed as indicated in the following table.

Title of Submitter	Title of Approver
President	Secretary-Treasurer
Officer other than Secretary-Treasurer	Secretary-Treasurer
Secretary-Treasurer	President
Executive Director	President
Deputy Executive Director or CFO	Executive Director
Directors and all other staff	Immediate supervisor and Finance Staff

Approved Vendors and Performance Standards

National PTA only purchases products and services that conform to specified requirements. This process begins with the selection of appropriate vendors that have the capability and systems to provide products, materials and services to satisfy National PTA's requirements. Suppliers are controlled to the extent necessary based on the effect of the purchased items on the quality of National PTA's products and services. In addition, vendor performance may be inspected to verify compliance with National PTA's policies and requirements.

It is the policy of National PTA to procure goods or services from vendors with whom National PTA has an existing account. Only the Executive Director or CFO may authorize new vendor accounts.

Procurement of Independent Contractor Services

Without exception, all contracts entered into on behalf of National PTA must be approved per the Delegation of Financial Authority Policy 3.1 and signed by the Executive Director or the President, if necessary. National PTA's outside legal firm may be enlisted to review complex or large value contracts prior to presentation to the Executive Director, and if necessary, the President and/or Board for approval.

During the procurement phase, all independent contractors must provide a signed Form W9 to National PTA. This is required before any invoice payments can be made by National PTA.

Delivery of Invoices & Receipts to National PTA for Payment

- If procured directly by National PTA, the vendor should be made aware that all invoices must be delivered either by email directly to a permanent, standard email address @npta.org or by the U.S. Mail or shipping service directly to a single, permanent mailbox address determined by the Finance Staff.

Purchase & Procurement Policy

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- If procured via Corporate Credit Card, the employee is responsible for delivering the receipt or a facsimile thereof to the Finance Staff as transaction documentation.
- If procured directly by an employee, board member, or volunteer, then the receipt or a facsimile thereof must be included in the expense report for reimbursement to occur.

Related Documents

FIN-POL-3.1 Delegation of Financial Authority Policy

FIN-POL-6.3 Invoice Approval, Processing, & Payment Policy

FIN-POL-6.5 Corporate Credit Card Policy

Invoice Approval, Processing, & Payment Policy

Document #	FIN-POL-6.3	Document Owner	
Date Approved		Approved by	

Purpose

To document the policy for documenting, recording and issuing payments for external vendor transactions.

Applicability or Scope

This policy applies to all payment for materials, products, and services procured directly by National PTA.

Policy

It is National PTA's policy to pay vendor invoices on a timely and accurate basis as agreed to at the time of procurement. It is the vendor's responsibility to ensure that all invoices are directly delivered to National PTA Finance Staff (via email or US Mail or shipper) at the specified standard addresses.

Finance Staff will enter these invoices into the accounts payable system, and invoices will be electronically routed to the appropriate approvers (see FIN-POL-3.1 Delegation of Financial Authority Policy). Finance Staff will provide final approval to pay the invoices, and payments will either be made by Electronic Funds Transfer ("EFT") or check.

Proper internal controls will be followed to ensure that only valid and authorized payables are recorded and paid. Accounting procedures will be implemented, including a preparer, reviewer, approver process, to ensure the accuracy of amounts, coding of general ledger accounts, and appropriate timing of payments.

Segregation of Duties

- The person entering new vendors into the accounting system does not approve invoices or approve new vendors.
- The person processing invoices does not make general ledger entries.
- The person processing the checks or EFTs does not also prepare the bank reconciliation.
- The person processing the check or EFT to pay an invoice will not be the sole approver of the invoice.
- Preparation of cash disbursements, approval, and making entries to the general ledger should all be separate functions. When this is not the case, transactions should be reviewed by at least two different persons.

Invoice Approval, Processing, & Payment Policy			
Document #	FIN-POL-6.3	Document Owner	
Date Approved		Approved by	

Approval Authority

- Approval authority is detailed in the National PTA Delegation of Authority Policy 3.1.
- Expenses will only be paid from an approved vendor invoice.
- Expenses are never paid from a vendor statement.
- Approval from the approval authority is documented electronically using a secure accounts payable system.

Financial Institution Safeguards

- When online banking is utilized, the system must use dual administrators.
- National PTA uses positive pay for all check disbursements.
- The person submitting a positive pay file to the bank should not be the person processing checks.
- The CFO reviews all positive pay exceptions.
- Two persons are required to set up and approve an automated clearing house (“ACH”) payments and ACH payment templates; one person creates the ACH payment or ACH payment template and a separate person approves the ACH payment or ACH payment template.

Definitions

Accounts Payable Cycle – This is the process of keeping track of National PTA’s financial obligations. It involves the acceptance of invoices from vendors, recording the invoices in the computer system, and payment to vendors.

Internal Controls – This is a process for assuring achievement of an organization's objectives in operational effectiveness and efficiency, reliable financial reporting, and compliance with laws, regulations and policies.

Related Documents

FIN-POL-3.1 National PTA Delegation of Authority Policy
FIN-POL-3.2 Separation of Duties Policy
FIN-POL-3.3 Preparer, Reviewer, Approver Structure Policy
FIN-POL-6.2 Purchase & Procurement Policy
FIN-POL-6.5 Corporate Credit Card Policy

Meeting Venue Policy

Document #	FIN-POL-6.4	Document Owner	
Date Approved		Approved by	

Purpose

To document National PTA's policy related to the scheduling of off-site meetings.

Applicability or Scope

This policy applies to the entire National PTA organization and to meetings and/or events funded by the NPTA, including, but not limited to:

- All standing and special NPTA governance committee meetings and events
- All National PTA task force meetings and events
- All grant-funded meetings and events

This policy excludes the Annual Convention and Legislative Conference, as the location of these events is approved by the board.

Policy

Any meetings/events funded by the National PTA (including grant-funded meetings/events) are to be held in Alexandria, Virginia. Where possible and/or practical, the headquarter facilities in Alexandria, VA should be used as the primary site/facility, and National PTA staff should be used to support the needs of the organizers and attendees.

In some cases, it may be to the organization's benefit to hold a National PTA funded meeting/event in an alternate location. When this occurs after the budget has been approved by the board for the current fiscal year, the President and Executive Director may jointly approve a meeting/event location outside of Alexandria, VA.

Related Documents

FIN-POL-6.2 Purchase & Procurement Policy

FIN-POL-6.6 Staff Travel Policy

FIN-POL-6.7 Officer Travel Policy

FIN-POL-6.8 Volunteer Travel Policy

Corporate Credit Card Policy

Document #	FIN-POL-6.5	Document Owner	
Date Approved		Approved by	

Purpose

To document National PTA's policy for the issuance of corporate credit cards to officers and staff.

Applicability or Scope

This policy describes the responsibilities of individual officers/staff who are National PTA corporate credit card holders.

Policy

The intent of issuing corporate credit cards is to provide certain individual officers/staff with a means to conveniently and effectively manage the corporate resources that have been entrusted to them. National PTA issues corporate credit cards on a selective basis to certain National PTA staff. Corporate credit cards are issued to National PTA Board Officers upon their request. The need for assigning National PTA staff a corporate credit card will be determined by the Executive Director or CFO, with the criteria including, but not limited to:

- Support of Delegated Financial Authority Policy – National PTA staff directors and above may be issued a corporate credit card to enable their teams to make purchases on behalf of the National PTA. The spending limits on these credit cards will be the lesser of their team's annual operating expense budget or the limits assigned to their role in the Delegated Financial Authority Policy 3.1.
- Support of Frequent Travel – National PTA staff or board officers who travel frequently on behalf of National PTA may be issued a corporate credit card with an appropriate spending limit as determined by the Executive Director or CFO.
- Support of Remote Employees – National PTA staff who work remotely may be issued a corporate credit card to support their office and travel needs; the Executive Director or CFO will determine an appropriate spending limit.

Once a corporate credit card has been issued, the cardholder is responsible to ensure that:

- The card is always safeguarded and loss or theft of the card is reported immediately to Wells Fargo Bank and Finance Staff.
- No personal charges are made; only allowable National PTA expenses are charged to the card as indicated in NPTA Governance Policy Manual 2.04.
- Travel guidelines provided regarding obtaining appropriate travel approval, travel reservations, and event registration and attendance must be followed.
- Upon receipt of the corporate credit card bill, cardholders must provide an appropriate allocation of expenses to the correct general ledger accounts within the Concur System.

Corporate Credit Card Policy

Document #	FIN-POL-6.5	Document Owner	
Date Approved		Approved by	

- Upon termination of employment, the corporate credit card must be returned to an immediate supervisor
- All corporate credit cards are the sole property of National PTA, and can be revoked at any time for any reason

Credit card transactions must be reviewed as indicated in the following table.

Title of Credit Card User	Title of Credit Card Approver
President	Secretary-Treasurer
Officer other than Secretary-Treasurer	Secretary-Treasurer
Secretary-Treasurer	President
Executive Director	President
Deputy Executive Director or CFO	Executive Director
Director	Deputy Executive Director

Upon terminating a role with National PTA, officer or staff, the credit card will be immediately canceled and returned to National PTA. National PTA may cancel a user's credit card at its sole discretion at any time.

Related Documents

FIN-POL-3.1 Delegation of Financial Authority Policy

FIN-POL-3.5 Asset Security Policy

FIN-POL-6.2 Purchase & Procurement Policy

FIN-POL-6.6 Staff Travel Policy

FIN-POL-6.7 Officer Travel Policy

Staff Travel Policy

Document #	FIN-POL-6.6	Document Owner	
Date Approved		Approved by	

Purpose

To provide guidelines for travel expenses as they are incurred and account for all advances in a timely and accurate manner.

Applicability or Scope

This expense policy applies to all employees of National PTA when they travel for business purposes.

Policy

National PTA recognizes that employees who travel away from home to represent National PTA's business interests must forego their living accommodations and may forfeit personal time. Accordingly, National PTA will make efforts to provide comfortable and secure accommodations for lodging, meals and travel for employees.

National PTA has resources for employees to use when making travel arrangements to minimize the organization's economic costs; in addition, National PTA also wishes to empower its employees to make appropriate decisions regarding the productivity costs associated with travel. National PTA wants to encourage employees to consider all the options available, weigh the costs and the benefits in terms of both time and money, and apply their best judgment to make informed decisions that are in keeping with organizational goals.

All reservations required for business travel will be made through National PTA's designated travel reservation system. Travel advances may be requested by National PTA staff; requests must be received at least two weeks in advance of travel start date. Expenses are to be within established guidelines and will only be reimbursed with proper documentation.

The employee or travel arranger will book the most appropriate mode of transportation, based on the best combination of value and convenience. Staff productivity should be taken into consideration when selecting transportation.

Employees fulfilling assignments and responsibilities approved for reimbursement by National PTA shall be reimbursed for out-of-pocket expenses while performing these duties based on this policy.

Travel expenses, to include any applicable registration fees, for convention will be paid based on current travel policies for staff.

Staff Travel Policy

Document #	FIN-POL-6.6	Document Owner	
Date Approved		Approved by	

Expense Guidelines

Receipts

- Receipts are required for all expenses equal to and greater than \$25.

Air and Rail Travel

- Airline reservations must be made a minimum of 21 days in advance of the departure date. Exceptions may be approved in advance by the Executive Director for Staff and the President for the Executive Director.
- Rail travel reservations do not have an advance purchase requirement.
- Employees will fly coach class unless extenuating circumstances apply; exceptions will be approved by the Executive Director or CFO on a case-by-case basis.
- Employees will travel in coach class for rail unless extenuating circumstances apply; exceptions will be approved by the Executive Director or CFO on a case-by-case basis.
- Employees will book the most economical flight options available; this is usually an indirect route or a direct flight. Non-stop flight reservations will be approved by the Executive Director or CFO on a case-by-case basis.
- An employee's preferred airline can be utilized provided the cost differential for a ticket is less than \$100 when compared to the lowest available airfare for the same itinerary.
- Airfare will be directly billed to the employee's company credit card or, if a company credit card has not been provided, it will be directly billed to the company's travel credit card account.
- On rare occasions, employees may have no alternative but to book their own flight. If this is the case, employees must use regularly scheduled airlines and obtain the lowest (discount) fare available. Purchase of such tickets must be approved in advance by the Executive Director or CFO on a case-by-case basis.
- Ticket changes will be reimbursed on a case-by-case basis and approved by the Executive Director.

Lodging

- The traveler or the travel coordinator will make lodging arrangements based on value and convenience for the traveler. Reimbursable lodging expenses are limited to the contracted room rate, applicable taxes, basic internet service, and general parking for a rental car.

Meals

- Employees will be reimbursed based on the U.S. Government per diem rates published by the GSA. Meals for travel days will be reimbursed based on the travel schedule and departure and arrival cities. When pre-planned meal functions are included at an event the reimbursements that would normally be claimed for those meals will not be reimbursed.

Staff Travel Policy

Document #	FIN-POL-6.6	Document Owner	
Date Approved		Approved by	

Car Rentals

- Advance arrangements should be made through National PTA's designated travel reservation system, if a car is required. Vehicle selection will be based upon the most cost-effective class that satisfies requirements for the employee(s).
- The National PTA's liability insurance will cover a traveler when renting a vehicle for official National PTA business. However, all travelers should purchase the rental company's Physical Damage Waiver, often referenced to as a Collision Damage Waiver (CDW).

Incidentals

- The following incidentals may be reimbursed:
 - Personal car mileage to the airport (less your normal commute for travel that occurs from Monday through Friday) using the current standard mileage rates for business as published by the IRS.
 - The most economical parking option at the airport.
 - Baggage fees are generally reimbursable as follows:
 - Travel that is less than 4 days – 1 bag
 - Travel that is greater than 4 days – up to 2 bags
 - *NOTE: It may be more cost effective to send meeting materials directly to your hotel 2-3 days in advance via FedEx Ground instead of carrying meeting materials as baggage.*
 - Airport transfers as authorized (e.g., taxi, bus, rail, shuttle).
 - Internet service for flights greater than 2 hours.
 - Tips as reasonable and appropriate, except for tips related to meals, which are covered under the per diem amounts.

Local Travel

- Reimbursement for the use of personal automobiles will be calculated using the current standard mileage rates for business as published by the IRS. If an employee opts to use their personal automobile in lieu of air or rail for a destination that is greater than 300 miles one way, the employee will be reimbursed the lesser of the actual mileage reimbursement calculation or the most economical round-trip coach airfare, booked no less than twenty-one (21) days in advance.

Reimbursement & Expense Report Guidelines

- Expense reports must contain receipts (or receipt facsimiles) for expenses exceeding \$25.
- Expense reports must be approved and submitted to Finance Staff within 30 days after the completion of travel.

Staff Travel Policy

Document #	FIN-POL-6.6	Document Owner	
Date Approved		Approved by	

- EZ Pass toll expenses are an exception; travelers will be given an extra 30 days to submit these expenses for reimbursement with their EZ Pass statement as documentation.
- If an expense form is not filed within this timeframe, any funds due to the employee will be forfeited and considered a donation to National PTA's general fund, and any travel advances taken will be deducted from the employee's next paycheck.
- Upon receipt of the corporate credit card bill, cardholders must provide an appropriate allocation of travel expenses to the correct general ledger accounts within the Concur System.

Definitions

Travel Reservation System includes the online reservation system and the Meetings & Travel Coordinator.

Related Documents

Governance Policy 7.0 - Travel Procedures

FIN-POL-6.4 - Meeting Venue Policy

FIN-POL-6.5 - Corporate Credit Card Policy

6.7 - Board Member Travel Policy

Purpose

To provide guidelines for travel expenses as they are incurred and account for all advances promptly and accurately.

Applicability or Scope

This expense policy applies to all Board members of National PTA when they travel for business purposes.

Policy

Board member travel must be approved in advance by the National PTA President. Travel for Board meetings and meetings/events is considered authorized when the President calls for a Board meeting to take place and when the expense for the travel/meeting is included in the budget, respectively.

National PTA recognizes that board members who travel away from home to represent National PTA's business interests must forego their living accommodations and may forfeit personal time. Accordingly, National PTA will make efforts to provide comfortable and secure accommodations for lodging, meals and travel for board members.

National PTA budgets limited resources for board members to use when making travel arrangements to minimize the organization's economic costs; in addition, National PTA charges its Board members to make appropriate decisions regarding the productivity costs associated with travel. National PTA accountability requires Board members to consider all the options available, weigh the costs and the benefits in terms of both time and money, and apply their best judgment to make informed decisions that are in keeping with organizational goals and the current fiscal year budget.

All reservations required for business travel will be made through National PTA's designated travel reservation system. Expenses are to be within established guidelines and will only be reimbursed with proper documentation.

Board members fulfilling assignments and responsibilities approved for reimbursement by National PTA shall be reimbursed for out-of-pocket expenses while performing these duties based on this policy.

Travel expenses, to include any applicable registration fees, for convention will be paid based on the National PTA Board's approved budget.

6.7 - Board Member Travel Policy

Expense Guidelines

Receipts

- Receipts are required for all expenses equal to and greater than \$25.

Air and Rail Travel

- Airline reservations must be made a minimum of 21 days in advance of the departure date. Exceptions may be approved in advance by the President for board members and the Secretary-Treasurer for the President. Airline reservations made within 20 days of travel and without advanced approval of the President must be paid by the board member and will not be reimbursed.
- Rail travel reservations do not have an advance purchase requirement.
- Board members will fly coach class unless extenuating circumstances apply; exceptions will be approved by the President for board members and the Secretary-Treasurer for the President, on a case-by-case basis.
- Board members will travel in coach class for rail unless extenuating circumstances apply; exceptions will be approved by the President for board members and the Secretary-Treasurer for the President, on a case-by-case basis.
- Board members will book the most economical flight options available; this is usually an indirect route or a direct flight. However, board members will be allowed to take a non-stop flight if the price differential does not exceed the value of an indirect flight by \$200 for the round trip.
- A board member's preferred airline can be utilized provided the cost differential for a ticket is less than \$100 when compared to the lowest available airfare for the same itinerary.
- Airfare booked at least 21 days from the date of travel will be directly billed to the board member's company credit card or, if a company credit card has not been provided, it will be directly billed to the company's travel credit card account.
- On rare occasion, board members may have no alternative but to book their own flight. If this is the case, board members must use regularly scheduled airlines and obtain the lowest (discount) fare available. Purchase of such tickets must be approved in advance by the President for board members and the Secretary-Treasurer for the President, on a case-by-case basis.
- Ticket changes will be reimbursed on a case-by-case basis and must be approved by the President for board members and the Secretary-Treasurer for the President.

Lodging

- The traveler or the travel coordinator will make lodging arrangements based on value and convenience for the traveler. Reimbursable lodging expenses are limited to the contracted room rate, applicable taxes, basic internet service, and general parking for a car.

6.7 - Board Member Travel Policy

Meals

- Board members will be reimbursed based on the U.S. Government per diem rates published by the GSA. Meals for travel days will be reimbursed based on the travel schedule and departure and arrival cities. When a pre-planned meal functions are included at an event the reimbursements that would normally be claimed for those meals will not be reimbursed.

Car Rentals

- Advance arrangements should be made through National PTA's designated travel reservation system, if a car is required. Vehicle selection will be based upon the most cost-effective class that satisfies requirements for the Board member(s).
- The National PTA's liability insurance will cover a traveler when renting a vehicle for official National PTA business. However, all travelers should purchase the rental company's Physical Damage Waiver, often referenced to as a Collision Damage Waiver (CDW).

Incidentals

- The following incidentals may be reimbursed:
 - Personal car mileage to the airport using the current standard mileage rates for business as published by the IRS.
 - The most economical parking option at the airport
 - Baggage fees are generally reimbursable as follows:
 - Travel that is less than 4 days – 1 bag
 - Travel that is greater than 4 days – up to 2 bags
 - *NOTE: It may be more cost effective to send meeting materials directly to your hotel 2-3 days in advance via FedEx Ground instead of carrying meeting materials as baggage.*
 - Airport transfers as authorized (e.g., taxi, bus, rail, shuttle).
 - Internet service for flights greater than 2 hours.
 - Tips as reasonable and appropriate, except for tips related to meals, which are covered under the per diem amounts.

Local Travel

- Reimbursement for the use of personal automobiles will be calculated using the current standard mileage rates for business as published by the IRS. If a board member opts to use their personal automobile in lieu of air or rail for a destination that is greater than 300 miles one way, the board member will be reimbursed the lesser of the actual mileage reimbursement calculation or the most economical round-trip coach airfare, booked no less than twenty-one (21) days in advance.

6.7 - Board Member Travel Policy

Reimbursement & Expense Report Guidelines

- Expense reports must contain receipts (or receipt facsimiles) for expenses exceeding \$25.
- Expense reports must be approved and submitted using National PTA's designated expense reimbursement system within 30 days after the completion of travel.
 - EZ Pass toll expenses are an exception; travelers will be given an extra 30 days to submit these expenses for reimbursement with their EZ Pass statement as documentation.
- If an expense form is not filed within this timeframe, any funds due to the board member will be forfeited.
- Upon receipt of the corporate credit card bill, cardholders must provide an appropriate allocation of travel expenses to the correct general ledger accounts within National PTA's designated expense reimbursement system.

Definitions

Travel Reservation System includes the online reservation system with support from the Meetings Department.

Related Documents

FIN-POL-6.4 - Meeting Venue Policy

FIN-POL-6.5 - Corporate Credit Card Policy

Volunteer Travel Policy

Document #	FIN-POL-6.8	Document Owner	
Date Approved		Approved by	

Purpose

To provide guidelines for travel expenses as they are incurred and account for all advances promptly and accurately.

Applicability or Scope

This expense policy applies to all volunteers of National PTA when they travel for business purposes.

Policy

Volunteer travel must be approved in advance by the National PTA President. Travel for Board meetings and meetings/events is considered authorized when the President calls for a Board meeting to take place and when the expense for the travel/meeting is included in the budget, respectively.

National PTA recognizes that volunteers who travel away from home to represent National PTA's business interests must forego their living accommodations and may forfeit personal time. Accordingly, National PTA will make efforts to provide comfortable and secure accommodations for lodging, meals and travel for volunteers.

National PTA has resources for volunteers to use when making travel arrangements to minimize the organization's economic costs; in addition, National PTA also wishes to empower its volunteers to make appropriate decisions regarding the productivity costs associated with travel. National PTA wants to encourage volunteers to consider all the options available, weigh the costs and the benefits in terms of both time and money, and apply their best judgment to make informed decisions that are in keeping with organizational goals.

All reservations required for business travel will be made through National PTA's designated travel reservation system. Expenses are to be within established guidelines and will only be reimbursed with proper documentation.

Volunteers fulfilling assignments and responsibilities approved for reimbursement by National PTA shall be reimbursed for out-of-pocket expenses while performing these duties based on this policy.

Travel expenses, to include any applicable registration fees, for convention will be paid based on current travel policies for the following:

- A. Members of the National PTA Board of Directors
- B. Members of National PTA committees that are required and approved to attend
- C. Members of the Nominating and Leadership Development Committee
- D. Candidates nominated by the Nominating and Leadership Development Committee
- E. Invited guests

Volunteer Travel Policy

Document #	FIN-POL-6.8	Document Owner	
Date Approved		Approved by	

- F. Nominees from the floor who are elected shall be reimbursed for expenses incurred from the time elections are announced.

Expense Guidelines

Receipts

- Receipts are required for all expenses equal to and greater than \$25.

Air and Rail Travel

- Airline reservations must be made a minimum of 21 days in advance of the departure date. Exceptions may be approved in advance by the President.
- Rail travel reservations do not have an advance purchase requirement.
- Volunteers will fly coach class unless extenuating circumstances apply; exceptions will be approved by the President or the Secretary-Treasurer on a case-by-case basis.
- Volunteers will travel in coach class for rail unless extenuating circumstances apply; exceptions will be approved by the President on a case-by-case basis.
- Volunteers will book the most economical flight options available; this is usually an indirect route or a direct flight. However, volunteers will be allowed to take a non-stop flight if the price differential does not exceed the value of an indirect flight by \$200 for the round trip.
- A volunteer's preferred airline can be utilized provided the cost differential for a ticket is less than \$100 when compared to the lowest available airfare for the same itinerary.
- Airfare will be directly billed to the company's travel credit card account.
- On rare occasion, volunteers may have no alternative but to book their own flight. If this is the case, volunteers must use regularly scheduled airlines and obtain the lowest (discount) fare available. Purchase of such tickets must be approved in advance by the President on a case-by-case basis.
- Ticket changes will be reimbursed on a case-by-case basis and approved by the President.

Lodging

- The traveler or the travel coordinator will make lodging arrangements based on value and convenience for the traveler. Reimbursable lodging expenses are limited to the contracted room rate, applicable taxes, and general parking when traveling by car.

Meals

- Volunteers will be reimbursed for meals based on the following rates: \$10 for breakfast, \$15 for lunch, and \$25 for dinner. Meals for travel days will be reimbursed based on the travel schedule and departure and arrival cities. When a pre-planned meal functions are included at an event the reimbursements that would normally be claimed for those meals will not be reimbursed.

Car Rentals

Volunteer Travel Policy

Document #	FIN-POL-6.8	Document Owner	
Date Approved		Approved by	

- Advance arrangements should be made through National PTA's designated travel reservation system, if a car is required. Vehicle selection will be based upon the most cost-effective class that satisfies requirements for the volunteer(s).
- The National PTA's liability insurance will cover a traveler when renting a vehicle for official National PTA business. However, all travelers should purchase the rental company's Physical Damage Waiver, often referenced to as a Collision Damage Waiver (CDW).

Incidentals

- The following incidentals may be reimbursed:
 - Personal car mileage to the airport using the current standard mileage rates for business as published by the IRS.
 - The most economical parking option at the airport
 - Baggage fees are generally reimbursable as follows:
 - Travel that is less than 4 days – 1 bag
 - Travel that is greater than 4 days – up to 2 bags
 - *NOTE: It may be more cost effective to send meeting materials directly to your hotel 2-3 days in advance via FedEx Ground instead of carrying meeting materials as baggage.*
 - Airport transfers as authorized (e.g., taxi, bus, rail, shuttle).
 - Tips as reasonable and appropriate, except for tips related to meals, which are covered under the per diem amounts.

Local Travel

- Reimbursement for the use of personal automobiles will be calculated using the current standard mileage rates for business as published by the IRS. If a volunteer opts to use their personal automobile in lieu of air or rail for a destination that is greater than 300 miles one way, the volunteer will be reimbursed the lesser of the actual mileage reimbursement calculation or the most economical round-trip coach airfare, booked no less than twenty-one (21) days in advance.

Reimbursement & Expense Report Guidelines

- Expense reports must contain receipts (or receipt facsimiles) for expenses exceeding \$25.
- Expense reports must be approved and submitted to Finance Staff within 30 days after the completion of travel.
 - EZ Pass toll expenses are an exception; travelers will be given an extra 30 days to submit these expenses for reimbursement with their EZ Pass statement as documentation.

Volunteer Travel Policy

Document #	FIN-POL-6.8	Document Owner	
Date Approved		Approved by	

- If an expense form is not filed within this timeframe, any funds due to the volunteer will be forfeited and considered a donation to National PTA's general fund.

Definitions

Travel Reservation System includes the online reservation system and the Meetings & Travel Coordinator.

Related Documents

Governance Policy 7.0 - Travel Procedures

FIN-POL-6.4 - Meeting Venue Policy

President's Stipend Policy			
Document #	FIN-POL-6.9	Document Owner	
Date Approved		Approved by	

Purpose

To document National PTA's policy related to the President's stipend.

Applicability or Scope

This policy applies to the National Congress of Parents and Teachers.

Policy

The amount and timing of the President's stipend will be recommended by the Finance Committee and forwarded for approval to the Board of Directors as part of the annual budget approval process. The President will be issued a Form 1099-MISC at the end of each calendar year.

Related Documents

FIN-POL 4.1 Budget Policy

FIN-PRO 4.1.1 Budget Procedures

Petty Cash Policy

Document #	FIN-POL-6.10	Document Owner	
Date Approved		Approved by	

Purpose

To Document National PTA's policy related to the use of petty cash.

Applicability or Scope

This policy applies to the entire National PTA organization.

Policy

National PTA provides corporate credit cards to certain individuals; the flexibility and convenience provided by these credit cards essentially eliminates the need for the ongoing maintenance of a petty cash fund. Therefore, no permanent petty cash fund will be maintained at the corporate office.

There may be occasions (e.g., at conventions) when cash is given to the National PTA either as donations or in payment for small goods and/or services. It will be necessary to maintain a certain amount of petty cash at these events to make change for these small transactions. These temporary petty cash funds will be safeguarded by the CFO.

All customers paying cash to the National PTA must receive a receipt, and these receipts will serve as the accounting records for petty cash transactions.

Petty cash transactions will be recorded in Dynamics GP upon return to the office, the cash will be deposited in the bank, and the petty cash fund will be closed.

Instructions for establishment, use, and control of a temporary petty cash fund, including required journal entries, can be found in accounting manual instructions 6.7.A.

Related Documents

FIN-POL-3.5 Asset Security Policy

Accounting Manual Instructions – 6.10.A Temporary Petty Cash Fund Instructions

ASSET MANAGEMENT

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FIN-POL-7.1 - Investment Policy

Purpose

To document National PTA's investment policy.

Applicability or Scope

This policy applies to all National PTA investment accounts.

Policy

CUSTODIAN OF SECURITIES INVESTMENT AND ADVISOR

National PTA engages an independent investment advisory firm ("investment advisor") to hold, administer, and invest funds until such time as either party severs the agreement. The investment advisor will provide information on investment results on a regular basis and meet with the Finance Committee at least annually to monitor and re-evaluate investment allocations in reference to the approved asset classes.

INVESTMENT OBJECTIVES

The investment portfolio seeks to provide for the long-term financial needs of the association and to support the association's operations related to carrying out its mission and strategic plan. The goals of the investment fund are to achieve long-term capital growth through maximizing the investment fund's total return, while preserving assets.

Long-term growth of capital – To emphasize the long-term growth of principal while avoiding excessive risk. Short-term volatility consistent with the volatility of a comparable market index is anticipated, though management should strive to contain it.

Maximize the investment fund's total rate of return – To achieve returns in excess of the rate of inflation plus spending over the investment time horizon in order to preserve purchasing power of agency and fund assets. Risk control is an important element in the investment of the fund's assets.

Investment assets are to be managed in a fashion consistent with a reasonable risk and diversification convention and within the specific, outlined guidelines below.

PORTFOLIO BENCHMARKS

Total Account: The total account should achieve a rate of return in excess of the rate of inflation, as measured by the Consumer Price Index over a full market cycle (5 years).

FIN-POL-7.1 - Investment Policy

Equities:	The common stocks held should achieve a rate of 1 percent in excess of the S& P 1500 Index over a full market cycle (5 years).
Fixed Income:	The fixed income securities held should achieve a rate of return in excess of the Barclays Capital Aggregate Bond Index over a full market cycle (5 years).

APPROVED EQUITY INVESTMENT VEHICLES

- Equity securities of large, mid, and small capitalization U.S. entities
- Convertible bonds, and preferred stocks
- Listed American Depositary Receipt issues
- International equities.

GUIDELINES FOR INVESTMENTS

Equities

- Holdings of any one issue shall be limited to 5% of the equity portfolio, exclusive of mutual funds.
- Holdings in the international market may not exceed 15% of the total portfolio.
- Direct investments in liquor, gambling, firearms, and tobacco companies are prohibited.
- All guidelines shall apply at time of purchase.

Fixed Income

- Holdings of any one issuer shall be limited to 5% of the fixed income portfolio market value with the exceptions of securities of the U.S. Government, its agents or instrumentalities, and mutual funds.
- Direct investments in liquor, gambling, firearms, and tobacco companies are prohibited.
- Securities rated within the “BBB” range cannot exceed 20% of the fixed income portfolio market value.
- Securities of the United States Government, including its agencies and instrumentalities.
- Demand/Master notes rated A2 by Standard and Poor’s and P2 by Moody’s, or higher.
- Domestic Commercial Paper rated A2 by Standard and Poor’s and P2 by Moody’s, or higher.
- Bank Obligations - Direct obligations of banks (e.g., certificates of deposit, time deposits, banker’s acceptances which are organized and operating in the United States and are members of the FDIC). Such issues must have a rating of A2 by Standard and Poor’s and P2 by Moody’s, or higher, for short-term deposits, or BBB+ by Standard and Poor’s and BAA3 by Moody’s, or higher, for longer-term deposits.

FIN-POL-7.1 - Investment Policy

- Repurchase agreements collateralized by the securities of the U.S. Government, its agencies, and its instrumentalities.
- Domestic corporate securities (including medium-term notes) rated BBB+ by Standard and Poor's and BAA3 by Moody's, or higher.
- Mortgage-backed securities rated BBB+ by Standard and Poor's and BAA3 by Moody's or higher, or issued by agencies of the U.S. Government.
- Asset-backed securities rated BBB+ by Standards and Poor's and BAA3 by Moody's, or higher.
- Mutual funds rated above average or better by Lipper or Morningstar.
- State or local government (or subdivisions thereof) securities rated A- by Standard and Poor's and A by Moody's, or higher.
- All guidelines shall apply at the time of purchase.

Cash & Cash Equivalents

- Treasury Bills
- Money Market Funds
- Domestic Commercial Paper (investment grade, at least BBB rating, or higher)
- Bank Obligations - Direct obligations of banks (e.g. certificates of deposit, time deposits, commercial paper, banker's acceptances which are organized and operating in the United States and are members of the FDIC). Such issues must be investment grade and have a rating of at least BBB, or higher.
- Repurchase agreements collateralized by the securities of the U.S. Government, its agencies, and its instrumentalities.

DIVERSIFICATION

Acceptable Range of Investments

Fixed income – 30% to 60% of the investment portfolio balance

Equities – 40% to 70% of the investment portfolio balance

Cash & Cash Equivalents – 0% to 100% of the investment portfolio balance

Should the portfolio fall out of compliance within the acceptable range of investments due to the investment advisor's professional judgment, the Finance Committee must be notified within 10 business

FIN-POL-7.1 - Investment Policy

days from the date of non-compliance. A meeting of the Finance Committee will be convened to evaluate the actions of the investment advisor and determine if the Acceptable Range of Investments should be adjusted accordingly.

Related Documents

FIN-POL-3.1 Delegation of Financial Authority Policy
FIN-POL-3.4 Accounting System Security Policy
FIN-POL-3.5 Asset Security Policy
FIN-POL-5.1 Invoicing & Accounts Receivable Policy
FIN-POL-5.4 Bank Deposit Policy
FIN-POL-5.5 Credit Card Deposit Policy
FIN-POL-6.1 Payroll & Benefits Policy
FIN-POL-6.3 Invoice Approval, Processing, & Payment Policy
FIN-POL-7.4 Operating Reserve Policy

Endowment Fund Policy

Document #	FIN-POL-7.2	Document Owner	
Date Approved		Approved by	

Purpose

To document the policy for establishing and maintaining an Endowment Fund.

Applicability or Scope

This policy applies to the National Congress of Parents and Teachers and to the Endowment Fund of the National Congress of Parents and Teachers.

Policy

National PTA shall have and maintain an Endowment Fund held and administered by a separate legal entity incorporated in the state of Illinois. The Endowment Fund will have and maintain a tax-exempt status under section 501(c)(3) of the Internal Revenue Code.

The Board of Directors must ratify proposed changes to Bylaws in order for those changes to be adopted.

Honoraria, gratuities, fees, or other compensation received by National PTA representatives for services rendered in the name of National PTA shall be credited to the account of the Endowment Fund.

Capital Equipment Policy

Document #	FIN-POL-7.3	Document Owner	
Date Approved		Approved by	

Purpose

To explain National PTA's policies and principles for the recording of capital equipment acquisitions and subsequent depreciation and amortization.

Applicability or Scope

This policy applies to all acquisitions of capital assets for the National PTA and National PTA Properties, LLC.

Policy

National PTA will always purchase capital assets outright rather than entering capital leasing arrangements, when possible.

The approval(s) required to purchase a capital asset is outlined by the delegation of financial authority policy 3.1, including the approval(s) necessary to utilize the National PTA's line of credit to finance these purchases.

Individual asset acquisitions with an estimated useful life of greater than one (1) year and with a cost of \$1,500 or greater will be capitalized and depreciated for National PTA.

Asset acquisitions with an estimated useful life of greater than one (1) year and with a cost of \$10,000 or greater will be capitalized and depreciated for National PTA Properties, LLC.

National PTA's policy is that maintenance expenses should not be capitalized. This policy applies to the cost of long-term maintenance contracts as well.

Definitions

Capitalization – This is the process of recording the purchase of a capital/fixed asset that is generally recorded individually on an asset schedule. Examples of capital expenditures are purchases of land, buildings, building improvements, leasehold improvements, office furniture, office equipment, and software.

Depreciation – This is the systematic, rational allocation of the cost of a tangible asset over its estimated useful life.

Amortization – This is the systematic, rational allocation of the cost of an intangible asset over its estimated useful life.

Related Documents

FIN-POL-3.1 Delegation of Financial Authority Policy

Accounting Manual 2.3.F - Fixed Asset, Depreciation, & Amortization Journal Entry Instructions

Operating Reserve Policy

Document #	FIN-POL-7.4	Document Owner	
Date Approved		Approved by	

Purpose

To document National PTA's policies and principles for the maintenance of an operating reserve.

Applicability or Scope

This policy applies to National PTA in its entirety.

Policy

An operating reserve is the accumulation of unrestricted surpluses that are liquid (as opposed to invested in fixed assets) and thus available for use at the discretion of an organization's board. The presence of an operating reserve increases an organization's ability to take mission-related risks and to absorb or respond to temporary changes in its environment or circumstances, such as the unanticipated event of significant unbudgeted increases in operating expenses and/or losses in operating revenues. In keeping with National PTA's stated policy to manage its finances in a conservative, responsible, and sustainable manner, National PTA is committed to building an operating reserve.

National PTA's operating reserve will be measured as the number of months of average monthly expense being held in reserve. Operating reserves will be calculated as the average monthly expense budget multiplied by the number of months of expense to be maintained in reserve.

National PTA's policy is that an adequate operating reserve is equivalent to 6 - 12 months of the annual expense budget.

Definitions

Annual expense budget – this is the sum of the Total Personnel Expense budget plus the Total Operating Expense budget for a given fiscal year

Average monthly expense budget – this is the annual expense budget divided by 12 months

Related Documents

FIN-POL-3.5 Asset Security Policy

FIN-POL-3.6 Financial Business Continuity Policy

FIN-POL-7.1 Investments Policy

Operating Reserve Policy			
Document #	FIN-POL-7.4	Document Owner	
Date Approved		Approved by	

Risk Management Policy

Document #	FIN-POL-7.5	Document Owner	
Date Approved		Approved by	

Purpose

To ensure National PTA to manages risk appropriately and minimize the adverse effects of risk.

Applicability or Scope

This policy applies to the National Congress of Parents and Teachers, The Endowment Fund of the National Congress of Parents and Teachers, and National PTA Properties LLC, referred to collectively as National PTA.

Policy

National PTA will obtain insurance to protect its fiscal and human assets.

Line of Credit Policy

Document #	FIN-POL-7.6	Document Owner	CFO
Date Approved		Approved by	

Purpose

To authorize the use of a line of limited to covering short term operational cash flow needs.

Applicability or Scope

This policy applies to National Congress of Parents and Teachers.

Policy

National PTA Board of Directors must approve the establishment of a line of credit with a financial institution as provided in item **[E]** as outlined in section 3.1 Delegation of Financial Authority.

Related Documents

3.1 Delegation of Financial Authority

PROCEDURES

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Budgeting Procedures

Document #	4.1.1	Document Owner	
Date Approved		Approved by	

Purpose

To document the procedures for preparing, reviewing, and approving the annual fiscal year budget.

Applicability or Scope

These procedures apply to National PTA and National PTA Properties LLC.

Procedures

- I. A draft timeline for preparing, reviewing, and approving the budget for the next fiscal year is prepared by management.
- II. The Finance Committee approves the draft timeline no later than October 31st.
- III. Management compiles the draft budget beginning November 1st each year.
 - a. Governance budgets are prepared collaboratively by Management with the appropriate Governance volunteers.
- IV. The Finance Committee meets face-to-face over a 2-day period to review the draft budget with management.
 - a. The Vice-President of Membership and the Vice-President of Advocacy are invited to attend the meeting.
 - b. Representatives from Management include the Executive Director, CFO, Deputy Executive Directors, and other staff as needed.
 - c. The budget meeting should be scheduled for no later than the 1st weekend in February of each year.
 - d. Budget materials are emailed to each attendee no later than 1 week prior to the scheduled meeting date.
- V. Management incorporates the information and feedback received from the Finance Committee budget meeting into a revised draft of the budget.
- VI. The Finance Committee meets via teleconference to review and approve the revised budget for Board approval during the last 2 weeks of February.
- VII. The revised budget is posted to the Board website and the Board is notified by the Secretary-Treasurer that they have access to review the revised budget.
- VIII. The Finance Committee conducts a “town hall” meeting on the revised budget 1 day prior to the start of the March Board meeting.
- IX. The Finance Committee moves to have the annual fiscal year approved by the Board during the March Board meeting.
- X. The approved Budget is posted to the Board website.

Budgeting Procedures

Document #	4.1.1	Document Owner	
Date Approved		Approved by	

[Related Documents](#)

FIN-POL-4.1 Budgeting Policy

Audit Firm Selection Procedures

Document #	4.4.1	Document Owner	
Date Approved		Approved by	

Purpose

To document the procedures for selecting an independent certified public accounting firm to conduct an annual audit of National PTA's financial statements.

Applicability or Scope

This policy applies to the National Congress of Parents and Teachers, The Endowment Fund of the National Congress of Parents and Teachers, and National PTA Properties LLC, referred to collectively as National PTA.

Procedures

- I. The Finance Committee has an annual standing agenda item for the Fall face-to-face meeting to review the potential to change the current certified public accounting firm conducting the National PTA audit.
 - a. Factors to consider in making a change in firms include, but are not limited to:
 - i. The cost/benefit of the audit services;
 - ii. The quality of the audit services received; and,
 - iii. The length of time the incumbent audit firm has been engaged in conducting our audit (i.e., 5 or more years may necessitate a change.
- II. A motion is approved to change or retain the current audit firm.
 - a. If the motion is to change the current audit firm.
 - i. A Request for Proposal (RFP) is prepared by the Chief Financial Officer (CFO) and reviewed by the Secretary-Treasurer.
 - ii. The RFP is distributed to regional and local CPA firms based on the headquarters location of National PTA before January.
 - iii. Responses to the RFP are received by the CFO and a summary of the responses is prepared for the Finance Committee to review at its March face-to-face meeting.
 - iv. The Finance Committee reviews the proposals and summary and approves a motion to be presented to the National PTA Board of Directors at the March face-to-face meeting. The Finance Committee may want to present their recommendation during the budget town hall meeting, which occurs prior to the Board meeting.
 - b. If the motion is to retain the current audit firm.
 - i. The Finance Committee reports on its decision to the Board.
- III. The Secretary-Treasurer signs the audit firm's Engagement Letter prior to the end of the fiscal year for that year's audit.

Audit Firm Selection Procedures			
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Document #	4.4.1	Document Owner	
Date Approved		Approved by	

Related Documents

FIN-POL-4.4 External Audit Policy

Annual Audit Procedures

Document #	4.4.2	Document Owner	
Date Approved		Approved by	

Purpose

To document the procedures for overseeing the annual audit of National PTA's financial statements.

Applicability or Scope

This policy applies to the National Congress of Parents and Teachers, The Endowment Fund of the National Congress of Parents and Teachers, and National PTA Properties LLC, referred to collectively as National PTA.

Procedures

- I. The Secretary-Treasurer signs the audit firm's engagement letter for the current fiscal year prior to the fiscal year end.
- II. The Finance Committee discusses the audit with the audit firm, without Management present, prior to the audit firm beginning their fieldwork.
- III. The audit is conducted from September to October.
- IV. The draft audit report and related correspondence is presented to the Finance Committee at its Fall face-to-face meeting.
 - a. The audit report, related correspondence, and financial statements are reviewed with the Finance Committee and Management.
 - b. Management exits the meeting.
 - c. The Finance Committee and the audit firm discuss the audit.
 - d. Management returns to the meeting.
 - e. The Finance Committee approves the draft audit and a motion to the Board to accept the audit and related correspondence.
 - i. If there are pending items to be resolved, the motion is deferred until such time the final audit report and related correspondence is complete.
- V. The Finance Committee reviews the final audit report, related correspondence, and financial statements with the Board of Directors.
- VI. The Board votes to approve the audit and related correspondence.

Related Documents

FIN-POL-4.4 External Audit Policy

FIN-PRO-4.4.1 Audit Firm Selection Procedures

Receivable Write-Offs & Bad Debts Procedures

Document #	5.6.1	Document Owner	
Date Approved		Approved by	

Purpose

To explain the procedures related to writing off uncollectable accounts receivable by Finance Staff.

Applicability or Scope

These procedures applies to all accounts receivable on the books of National PTA.

Policy

Accounting is responsible for keeping National PTA's books current, and this includes ensuring the all accounts receivable included on the Balance Sheet represent amounts that National PTA currently expects to receive in full within a 12 month period.

To accomplish this, a detailed review of the aging of accounts receivable should be and completed by the CFO on a quarterly basis. If there are any accounts older than 60 days, efforts should be made to contact the invoiced party and collect these receivables prior to the next quarterly accounts receivable aging review. The CFO should be updated on collection efforts and progress made as part of the month-end review process.

If, at the next quarterly accounts receivable aging review, these invoices have not been paid, collection efforts should be escalated to the CFO. Collection efforts should continue until the unpaid amounts reach the 120 day aging category. At this point, the bad debt write off process should commence.

Documentation of collection efforts should be gathered in preparation for presentation to the appropriate approver of bad debt write offs:

- The Board must approve the write off of any amounts equal to or greater than \$200,000
- The President & Executive Director must jointly approve the write off of any amounts greater than \$100,000 and less than \$200,000

After the appropriate approvals have been obtained, the write off itself will be made during the next scheduled closing cycle. The journal entry should be:

DR	Bad Debt Expense	\$xxx.xx	
	CR	Accounts Receivable	\$xxx.xx

To close out this process, a post mortem of the circumstances surrounding the write off should be documented in a memo. In addition, the customer name should be noted in the accounting system to ensure that no additional write offs will be required in the future.

Related Documents

FIN-POL-5.1 Invoicing & Accounts Receivable Policy

FIN-POL-5.6 Receivable Write-Off & Bad Debt Expense Policy

Payroll Reference Data Maintenance Procedures

Document #	6.1.1	Document Owner	
Date Approved		Approved by	

Purpose

To explain the policy governing all National PTA's payroll information.

Applicability or Scope

This policy applies to all payroll information maintained by/for National PTA.

Policy

National PTA outsources its payroll processing to Kelly Payroll Service. The information used and stored by Kelly Payroll Services is of three types, (1) employee level reference data, (2) company level reference data, and (3) input data for a specific pay period.

Employee level reference data includes:

- Name, address, phone number, SSN
- Full time or part time status
- Hourly or salaried status
- Hourly or annual pay rate
- Number of federal and state withholding exemptions
- Bank account number(s) for direct deposit
- Benefit elections
- Employee retirement account number and contribution rate

Company level reference data includes:

- EIN and bank account numbers
- Address and contact information
- Payroll cycle frequency and timing
- Vacation and sick leave accrual rates
- Cost of benefit elections
- Employee retirement account financial service vendor information

Input data for specific pay periods includes:

- Hours worked per employee
- Vacation and/or sick time taken per employee

Payroll Reference Data Maintenance Procedures

Document #	6.1.1	Document Owner	
Date Approved		Approved by	

It is the National PTA's policy to safeguard the confidential data that is used in the payroll process by using a password protected portion of the X: drive to store payroll information, minimizing the need for maintaining hard copies of this information (and keeping required hard copies under lock and key).

Outside of the input for each specific pay period, payroll reference data for individual employees may change. National PTA requires that the Finance Team use the preparer, reviewer, approver methodology to ensure that the reference data additions and/or changes provided to Kelly Payroll Services are complete and correct.

Circumstances that requires Kelly to change payroll data include:

- Termination of an employee
- Addition of a new employee
- Employee name change
- Changes to an existing employee's:
 - Federal or state withholding
 - Pay rate
 - Hourly v. salaried status
 - Full time v. part time status
 - Retirement account contribution rate
 - Benefit elections

Alternative Meeting Venue Procedures

Document #	6.4.1	Document Owner	
Date Approved		Approved by	

Purpose

To document the procedures for obtaining approval for holding a National PTA meeting at an alternative location to the National PTA headquarters in Alexandria, VA.

Applicability or Scope

These procedures apply to the entire National PTA organization and to meetings and/or events funded by the National PTA, including, but not limited to:

- All standing and special NPTA governance committee meetings and events
- All NPTA task force meetings and events
- All grant-funded meetings and events

Procedures

- I. Requests to hold a meeting or event funded by the National PTA are made during the budget cycle for the upcoming fiscal year by the appropriate National PTA staffmember.
 - a. The request is included in the draft budget and prominently noted in the assumptions section of the related budget.
 - b. An explanation justifying the request is in the best interest of the National PTA must be included.
- II. The Executive Director reviews the request.
 - a. If the Executive Director denies the request, the budget is updated to reflect the meeting or event will take place in Alexandria, VA.
 - b. If the Executive Director approves the request, the request is forwarded to the Finance Committee.
- III. The Finance Committee reviews the request.
 - a. If the Finance Committee denies the request, the budget is updated to reflect the meeting or event will take place in Alexandria, VA.
 - b. If the Finance Committee approves the request, the request is forwarded to the Board.
- IV. The Board reviews the request.
 - a. If the Board denies the request, the budget is updated to reflect the meeting or event will take place in Alexandria, VA.
- V. In some cases it may be to the organization's benefit to hold a meeting outside of Alexandria, VA after the budget has been approved by the Board.

Alternative Meeting Venue Procedures

Document #	6.4.1	Document Owner	
Date Approved		Approved by	

- a. A request to hold a meeting/event outside of Alexandria, VA should be submitted at least 30 days in advance of the meeting/event with the justification to support the decision to the President and Executive Director.
- b. The President and Executive Director will review the request, and jointly decide to approve or deny it.

Related Documents

4.1 Budget Policy

4.1.1 Budget Procedures

6.4 Meeting Venue Policy

Officer Credit Card Procedures

Document #	6.5.1	Document Owner	
Date Approved		Approved by	

Purpose

To document the procedures for obtaining approval for holding a National PTA meeting at an alternative location to the National PTA headquarters in Alexandria, VA.

Applicability or Scope

These procedures apply to officers of the National PTA.

Procedures

- I. Assigning officer corporate credit cards.
 - a. An officer of the organization may request the use of a corporate credit card by contacting the President and Secretary-Treasurer.
 - b. The Secretary-Treasurer emails the Chief Financial Officer (CFO) the request and copies the President and Executive Director.
 - c. The CFO completes the online form through National PTA's financial institution.
 - d. The financial institution sends the corporate credit card to the CFO via overnight delivery, which may take up to 2 business days depending on the timing of the request.
 - e. The CFO adds the corporate credit card to the officer's Concur Expense account.
 - f. The CFO sends the credit card via 2-day delivery to the officer.
 - g. The CFO emails the instructions for uploading receipts and submitting corporate credit card reports through Concur Expense to the officer.
 - h. If requested, an online demonstration will be conducted for the officer by a member of the Finance Staff.
- II. Processing officer corporate credit card transactions.
 - a. Each time the corporate credit card is used the detailed transaction is automatically updated to the officer's concur expense account within 1 business day.
 - b. The officer logs into Concur Expense and clicks the new credit card transaction.
 - c. The officer uploads a receipt and codes the transaction per the instructions provided in I. g.
 - d. The Finance Staff emails the officer the monthly corporate credit card statement activity on the 2nd business day of the month.
 - e. The officer matches the statement transactions to the monthly Concur Expense report.
 - i. If there are discrepancies between the statement total and the report, the officer reconciles the transaction accordingly.
 - ii. Once the statement total equals the Concur Expense report, the report is submitted for approval.
 - f. The authorized approver reviews the monthly corporate credit card report.

Officer Credit Card Procedures

Document #	6.5.1	Document Owner	
Date Approved		Approved by	

- i. The report is reviewed for accuracy and that all receipts are attached.
 - g. The authorized approver approves the report to be processed by accounting.
 - h. The CFO reviews the monthly corporate credit card report.
 - i. The report is reviewed for accuracy and that all receipts are attached.
 - i. The CFO processes the corporate credit card report in Concur Expense.
 - j. The Finance Staff uploads the electronic corporate credit card transactions to the accounting software, Dynamics GP.
- III. Closing officer corporate credit cards.
 - a. Officer corporate credit cards are closed when the officer's term ends.
 - b. The CFO closes the corporate credit card using the online form through National PTA's financial institution.
 - c. The corporate credit card is cancelled immediately.
 - d. The CFO acknowledges the account is closed by emailing the officer and copying the President, Secretary-Treasurer, and Executive Director.

Related Documents

FIN-POL-3.1 Delegation of Financial Authority Policy

FIN-POL-6.5 Credit Card Policy

Budgeting Procedures

Document #	4.1.1	Document Owner	CFO
Date Approved	Pending	Approved by	NPTA BoD

Purpose

To document the procedures for preparing, reviewing, and approving the annual fiscal year budget.

Applicability or Scope

These procedures apply to National PTA and National PTA Properties LLC.

Procedures

- I. A draft timeline for preparing, reviewing, and approving the budget for the next fiscal year is prepared by management.
- II. The Finance Committee approves the draft timeline no later than November 30
- III. Management compiles the draft budget beginning no sooner than November each year.
 - a. Governance budgets are prepared collaboratively by Management with the appropriate Governance volunteers.
- IV. The Finance Committee meets to review the draft budget with management in February.
 - a. The Vice-President of Membership and the Vice-President of Advocacy are invited guests.
 - b. Representatives from Management include the Executive Director, CFO, Deputy Executive Directors, and other staff as needed.
 - c. Budget materials are emailed to each attendee no later than 1 week prior to the scheduled meeting date.
- V. Management incorporates the information and feedback received from the Finance Committee budget meeting into a revised draft of the budget.
- VI. The Finance Committee meets to review and approve the revised budget to be submitted for Board approval.
- VII. The revised budget is posted to the Board SharePoint site and the Board is notified that they have access to review the revised budget.
- VIII. The Finance Committee conducts a “town hall” meeting on the revised budget prior to the Board’s official meeting to approve the budget.
- IX. The Budget approved by the Board is posted to the Board SharePoint site.

Related Documents

FIN-POL-4.1 Budgeting Policy

Audit Firm Selection Procedures

Document #	4.4.1	Document Owner	CFO
Date Approved	Pending	Approved by	NPTA BoD

Purpose

To document the procedures for selecting an independent certified public accounting firm to conduct an annual audit of National PTA's financial statements.

Applicability or Scope

This policy applies to the National Congress of Parents and Teachers, The Endowment Fund of the National Congress of Parents and Teachers, and National PTA Properties LLC, referred to collectively as National PTA.

Procedures

- I. The Finance Committee may make a recommendation to the Board of Directors to change audit firms based on 4.4 External Audit policy.
 - a. Factors to consider in making a change in firms include, but are not limited to:
 - i. The cost/benefit of the audit services;
 - ii. The quality of the audit services received; and,
 - iii. The length of time the incumbent audit firm has been engaged in conducting our audit (i.e., 5 or more years may necessitate a change in firm or a change in the partner overseeing the engagement).
- II. The CFO conducts a Request for Proposal (RFP) and summarizes the proposal results for the Executive Director.
- III. The summarized results and the proposals are provided to the Finance Committee members.
- IV. The Finance Committee reviews the proposals and summary and approves a motion to be presented to the National PTA Board of Directors.

Related Documents

FIN-POL-4.4 External Audit Policy

Annual Audit Procedures

Document #	4.4.2	Document Owner	CFO
Date Approved	06/15/2017	Approved by	NPTA BoD

Purpose

To document the procedures for overseeing the annual audit of National PTA's financial statements.

Applicability or Scope

This policy applies to the National Congress of Parents and Teachers, The Endowment Fund of the National Congress of Parents and Teachers, and National PTA Properties LLC, referred to collectively as National PTA.

Procedures

- I. The Secretary-Treasurer signs the audit firm's engagement letter for the current fiscal year prior to the fiscal year end.
- II. The Finance Committee discusses the audit with the audit firm, without Management present, prior to the audit firm beginning their fieldwork.
- III. The audit is conducted from September to October.
- IV. The draft audit report and related correspondence is presented to the Finance Committee at its Fall face-to-face meeting.
 - a. The audit report, related correspondence, and financial statements are reviewed with the Finance Committee and Management.
 - b. Management exits the meeting.
 - c. The Finance Committee and the audit firm discuss the audit.
 - d. Management returns to the meeting.
 - e. The Finance Committee approves the draft audit and a motion to the Board to accept the audit and related correspondence.
 - i. If there are pending items to be resolved, the motion is deferred until such time the final audit report and related correspondence is complete.
- V. The Finance Committee reviews the final audit report, related correspondence, and financial statements with the Board of Directors.
- VI. The Board votes to approve the audit and related correspondence.

Related Documents

FIN-POL-4.4 External Audit Policy

FIN-PRO-4.4.1 Audit Firm Selection Procedure

Receivable Write-Offs & Bad Debts Procedures

Document #	5.6.1	Document Owner	CFO
Date Approved	06/15/2017	Approved by	NPTA BoD

Purpose

To explain the procedures related to writing off uncollectable accounts receivable by Finance Staff.

Applicability or Scope

These procedures apply to all accounts receivable on the books of National PTA.

Policy

Accounting is responsible for keeping National PTA's books current, and this includes ensuring the all accounts receivable included on the Balance Sheet represent amounts that National PTA currently expects to receive in full within a 12 month period.

To accomplish this, a detailed review of the aging of accounts receivable should be and completed by the CFO on a quarterly basis. If there are any accounts older than 60 days, efforts should be made to contact the invoiced party and collect these receivables prior to the next quarterly accounts receivable aging review. The CFO should be updated on collection efforts and progress made as part of the month-end review process.

If, at the next quarterly accounts receivable aging review, these invoices have not been paid, collection efforts should be escalated to the CFO. Collection efforts should continue until the unpaid amounts reach the 120 day aging category. At this point, the bad debt write off process should commence. Documentation of collection efforts should be gathered in preparation for presentation to the appropriate approver of bad debt write offs:

- The Board must approve the write off of any amounts equal to or greater than \$200,000
- The President & Executive Director must jointly approve the write off of any amounts greater than \$100,000 and less than \$200,000

After the appropriate approvals have been obtained, the write off itself will be made during the next scheduled closing cycle. The journal entry should be:

DR	Bad Debt Expense	\$xxx.xx	
	CR	Accounts Receivable	\$xxx.xx

To close out this process, a postmortem of the circumstances surrounding the write off should be documented in a memo. In addition, the customer name should be noted in the accounting system to ensure that no additional write offs will be required in the future.

Related Documents

FIN-POL-5.1 Invoicing & Accounts Receivable Policy

FIN-POL-5.6 Receivable Write-Off & Bad Debt Expense Policy

Payroll Reference Data Maintenance Procedures

Document #	6.1.1	Document Owner	CFO
Date Approved	06/15/2017	Approved by	NPTA BoD

Purpose

To explain the policy governing all National PTA's payroll information.

Applicability or Scope

This policy applies to all payroll information maintained by/for National PTA.

Policy

National PTA outsources its payroll processing to the authorized payroll service. The information used and stored by the authorized payroll services is of three types, (1) employee level reference data, (2) company level reference data, and (3) input data for a specific pay period.

Employee level reference data includes:

- Name, address, phone number, SSN
- Full time or part time status
- Hourly or salaried status
- Hourly or annual pay rate
- Number of federal and state withholding exemptions
- Bank account number(s) for direct deposit
- Benefit elections
- Employee retirement account number and contribution rate

Company level reference data includes:

- EIN and bank account numbers
- Address and contact information
- Payroll cycle frequency and timing
- Vacation and sick leave accrual rates
- Cost of benefit elections
- Employee retirement account financial service vendor information

Input data for specific pay periods includes:

- Hours worked per employee
- Vacation and/or sick time taken per employee

It is the National PTA's policy to safeguard the confidential data that is used in the payroll process by using a password protected portion of the X: drive to store payroll information, minimizing the need for maintaining hard copies of this information (and keeping required hard copies under lock and key).

Outside of the input for each specific pay period, payroll reference data for individual employees may change. National PTA requires that the Finance Team use the preparer, reviewer, approver methodology to ensure that the reference data additions and/or changes provided to the authorized payroll services are complete and correct.

Circumstances that requires Kelly to change payroll data include:

- Termination of an employee
- Addition of a new employee
- Employee name change
- Changes to an existing employee's:
 - Federal or state withholding
 - Pay rate
 - Hourly v. salaried status
 - Full time v. part time status
 - Retirement account contribution rate
 - Benefit elections

Alternative Meeting Venue Procedures

Document #	6.4.1	Document Owner	CFO
Date Approved	06/15/2017	Approved by	NPTA BoD

Purpose

To document the procedures for obtaining approval for holding a National PTA meeting at an alternative location to the National PTA headquarters in Alexandria, VA.

Applicability or Scope

These procedures apply to the entire National PTA organization and to meetings and/or events funded by the National PTA, including, but not limited to:

- All standing and special NPTA governance committee meetings and events
- All NPTA task force meetings and events
- All grant-funded meetings and events

Procedures

- I. Requests to hold a meeting or event funded by the National PTA are made during the budget cycle for the upcoming fiscal year by the appropriate National PTA staff member.
 - a. The request is included in the draft budget and prominently noted in the assumptions section of the related budget.
 - b. An explanation justifying the request is in the best interest of the National PTA must be included.
- II. The Executive Director reviews the request.
 - a. If the Executive Director denies the request, the budget is updated to reflect the meeting or event will take place in Alexandria, VA.
 - b. If the Executive Director approves the request, the request is forwarded to the Finance Committee.
- III. The Finance Committee reviews the request.
 - a. If the Finance Committee denies the request, the budget is updated to reflect the meeting or event will take place in Alexandria, VA.
 - b. If the Finance Committee approves the request, the request is forwarded to the Board.
- IV. The Board reviews the request.
 - a. If the Board denies the request, the budget is updated to reflect the meeting or event will take place in Alexandria, VA.
- V. In some cases it may be to the organization's benefit to hold a meeting outside of Alexandria, VA after the budget has been approved by the Board.
 - a. A request to hold a meeting/event outside of Alexandria, VA should be submitted at least 30 days in advance of the meeting/event with the justification to support the decision to the President and Executive Director.
 - b. The President and Executive Director will review the request, and jointly decide to approve or deny it.

Related Documents

4.1 Budget Policy

4.1.1 Budget Procedures

6.4 Meeting Venue Policy

Officer Credit Card Procedures

Document #	6.5.1	Document Owner	CFO
Date Approved	06/15/2017	Approved by	NPTA BoD

Purpose

To document the procedures for obtaining approval for holding a National PTA meeting at an alternative location to the National PTA headquarters in Alexandria, VA.

Applicability or Scope

These procedures apply to officers of the National PTA.

Procedures

- I. Assigning officer corporate credit cards.
 - a. An officer of the organization may request the use of a corporate credit card by contacting the President and Secretary-Treasurer.
 - b. The Secretary-Treasurer emails the Chief Financial Officer (CFO) the request and copies the President and Executive Director.
 - c. The CFO completes the online form through National PTA's financial institution.
 - d. The financial institution sends the corporate credit card to the CFO via overnight delivery, which may take up to 2 business days depending on the timing of the request.
 - e. The CFO adds the corporate credit card to the officer's Concur Expense account.
 - f. The CFO sends the credit card via 2-day delivery to the officer.
 - g. The CFO emails the instructions for uploading receipts and submitting corporate credit card reports through Concur Expense to the officer.
 - h. If requested, an online demonstration will be conducted for the officer by a member of the Finance Staff.
- II. Processing officer corporate credit card transactions.
 - a. Each time the corporate credit card is used the detailed transaction is automatically updated to the officer's concur expense account within 1 business day.
 - b. The officer logs into Concur Expense and clicks the new credit card transaction.
 - c. The officer uploads a receipt and codes the transaction per the instructions provided in I. g.
 - d. The Finance Staff emails the officer the monthly corporate credit card statement activity on the 2nd business day of the month.
 - e. The officer matches the statement transactions to the monthly Concur Expense report.
 - i. If there are discrepancies between the statement total and the report, the officer reconciles the transaction accordingly.
 - ii. Once the statement total equals the Concur Expense report, the report is submitted for approval.
 - f. The authorized approver reviews the monthly corporate credit card report.

- i. The report is reviewed for accuracy and that all receipts are attached.
 - g. The authorized approver approves the report to be processed by accounting.
 - h. The CFO reviews the monthly corporate credit card report.
 - i. The report is reviewed for accuracy and that all receipts are attached.
 - i. The CFO processes the corporate credit card report in Concur Expense.
 - j. The Finance Staff uploads the electronic corporate credit card transactions to the authorized accounting system.
- III. Closing officer corporate credit cards.
 - a. Officer corporate credit cards are closed when the officer's term ends.
 - b. The CFO closes the corporate credit card using the online form through National PTA's financial institution.
 - c. The corporate credit card is cancelled immediately.
 - d. The CFO acknowledges the account is closed by emailing the officer and copying the President, Secretary-Treasurer, and Executive Director.

Related Documents

FIN-POL-3.1 Delegation of Financial Authority Policy

FIN-POL-6.5 Credit Card Policy