

**BYLAWS OF  
ROGERS PARENT TEACHER ORGANIZATION, INC.  
AND IT'S MEMBER ORGANIZATIONS**

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**Purpose :** The Rogers Parent Teacher Organization (RPTO) Inc. Treasurer and the respective PTO Treasurers are responsible for financial controls and keeping accurate books and records of their respective organization. The following are required policies and procedures to be put in place in each organization:

**Policies :**

**Article 1: Authorized Signatures**

Only the following officers will be allowed to sign checks for the PTO: President, Vice President, Treasurer and Secretary. At least two Executive Board member's names should appear on all bank account signature cards. Two signatures are required on all checks, only officers on the bank signature card are authorized to sign.

**Article 2: Cash Receipts**

All cash and checks received from all sources (i.e. membership drive, fundraisers) shall be counted immediately at the close of the event, the deposit slip prepared, and the cash deposited in the bank on that same day. A Cash Receipts Form will also be filled out. For an event such as a membership drive that takes place over several days, deposits should be made daily where practical. In cases where cash must be held overnight (i.e. a fundraiser held in the evening), all receipts will be placed in a locked box or moneybag and will then be placed in a locked room or cabinet in the school that is only accessible by a staff member of the school. Ideally, this will be in a locked cabinet within a locked room. In the event that there is no access to the school, the money will be held by the Treasurer, another officer, or the committee chair after it is counted. All funds will be counted by at least two people to include an officer or the committee chair. Document income with a cash count sheet and have both members sign off when the count is complete. All Cash Receipts Forms will be filed in an orderly fashion.

**Article 3: Authorized Expenditures**

Receipts are required for all purchases. All expenditures for any unbudgeted item must be voted on and approved by the PTO members at a regular meeting or an authorized special meeting. The Treasurer will ensure that any proposed expenditure is an Authorized Expenditure as defined here and is recorded in the minutes of the meeting prior to committing to the expenditure of the funds.

#### **Article 4: PTO Bank Accounts**

- A. Bank Statements are to be mailed to the school address, instead of to an individual.
- B. The Treasurer should reconcile the checkbook using the Bank Statement each month. A PTO member other than the Treasurer should review the bank statement for the following: the account balance, two (2) signatures on all checks, valid expenses paid and match all receipts and disbursements from the account to supporting documentation as outlined above. Both the Treasurer and PTO member reviewing the bank statement should sign and date the bank statement indicating once reviewed. All statements should be available at monthly meetings for public review.
- C. No electronic banking.
- D. No debit or credit cards may be issued/used on any PTO bank accounts.
- E. PTO bank account information and signature card must be updated each year with current board member information by August 1. To change the signature card at the bank, you must take a copy of the PTO minutes in which your new executive board was elected. In these minutes it should be stated that you desire to remove the former officer's names and place the new officer's names onto the bank account. The copy of the minutes must be signed by the secretary. You must also bring proper documentation such as a driver's license and social security card for each person that is to be placed on the account.

#### **Article 5: Pay Taxes**

In the state of Arkansas, non-profits must pay taxes on all fundraisers, products and foods. We can be fined for not paying taxes so please make sure your PTO does.

#### **Article 6: Tax Identification Number**

The Tax Identification number (EIN) for Rogers Parent Teacher Organization Inc. is to be used by member PTO units only. No other groups may use our EIN.

#### **Article 7: Annual Budget**

The Annual Budget will be prepared by the Treasurer and the Executive Committee at the beginning of the school year. The budget will be submitted for approval at the first PTO meeting of the school year. Until the Annual Budget is approved, only funds available and spent in accordance with prior year PTO authorization can be spent. For items that are above the prior year authorization but no more than 10% above this amount, and where the funds carried over are available, can be authorized by the Executive Board of the PTO.

#### **Article 8: Financial Reports**

The Treasurer will prepare a monthly summary of cash receipts and disbursements of the PTO for all accounts. These reports along with the bank statement will be presented at Regular PTO meetings for approval by the PTO. The Treasurer will ensure that all funds are accounted for and reported accurately.

### **Article 9: Check Disbursements**

All disbursements must be approved by the Treasurer before funds are committed to be spent. The Treasurer will ensure that the proposed expenditure is a budgeted item in the PTO Budget or has been voted on and approved in a PTO meeting. The Treasurer will then sign the invoice or receipt to authorize payment and will prepare the check for signature. Two Authorized Signatories will then sign the check. All receipts for expenditures will be kept and filed in an orderly fashion for review by the Audit Committee.

### **Article 10: Reimbursement for Expenditures**

At times, it may be necessary for members of the PTO to purchase items for the benefit of the PTO. At no time will a cash advance or a blank check be given to any member, officer, or to a school for a purchase. In these instances, the purchase must be made using the member's or officer's personal funds, and the receipt, along with a Reimbursement Form, must be presented to the Treasurer for payment. The receipt must be an electronically printed receipt or a written receipt with a printed letterhead or tax ID number. The Treasurer will sign the Reimbursement Form to authorize payment of the reimbursement. If a purchase is made for a school through the bookkeeper and a P.O. is issued for the item, a copy of the purchase order should be used as a receipt for the purchase. The amount of the check should reflect the exact amount of the purchase order.

### **Article 11: Change Fund**

During a fundraising event where a change fund will be necessary, the Treasurer will authorize the funding of the change fund through the issuance of a Cash Box Request Form. A check made payable to "Cash" will be signed by one PTO Officer and committee chair and will be presented to the bank by the Treasurer for amounts under \$300. For cash amounts over \$300 the Treasurer and one PTO Officer must be present. The Change Fund will be secured in a locked box, and the Treasurer will maintain control of the keys. Any cash leftover from the change fund should be deposited back into the PTO bank account separate from the profits of the fundraising event.

### **Article 12: Audit**

An audit committee will be formed for each school year and will consist of two members. A Chairman will be named to lead the committee. The Audit Committee will be appointed by the Executive Committee of the PTO. The Chairman should have a financial background and understand accounting and internal controls. An Audit Committee member cannot be related to an officer of that PTO. An audit committee member must be a voting member of the PTO, may be a school staff member as long as he/she is a PTO member but may not include the Principal of your school. The duties of the Audit Committee are to complete a review of the finances of the PTO at the end of the school year and provide a timely report to the Rogers PTO Inc. regarding any exceptions to the Financial Controls outlined below. This review will include the following:

- A review of all bank reconciliations to ensure accuracy and timeliness of the reconciliations for all accounts held.
- A review of all cash receipts to ensure proper accounting of all cash received by the PTO.
- A review of all cash disbursements to ensure proper documentation and accounting of all expenditures by the PTO.

- A review of cancelled checks to ensure two signatures are included on each check by Authorized Signatories of the PTO.

## **Audit Procedures**

### **Responsibilities**

To certify the accuracy of the books and records of the PTO Treasurer.

To assure the membership that the PTOs resources/funds are being managed in a businesslike manner within the regulations established for their use.

Auditing involves following financial transactions through records to be sure that receipts have been properly accounted for and expenditures made as authorized in the minutes and in conformity with PTO bylaws, standing rules, and budget limitations.

The outgoing treasurer cannot pay bills after the books are closed for audit. Upon assuming office, the incoming treasurer may deposit funds in the PTO bank account. During the audit process it is recommended that expenditures within an adopted budget be limited to those of an emergency nature. The auditors need to complete their report by one week after the end of the fiscal year.

### **Frequency of Audit**

An audit is to be conducted annually, at the close of the fiscal year. An audit may also be requested anytime someone suspects that anything improper has occurred with the books or finances or when a new person becomes treasurer (other than at the beginning of each fiscal year).

### **Books & Records**

**ALL** past & present books/financial records are the property of the PTO. The treasurer is only the custodian of them. Rogers Parent Teacher Organization Executive Board and the school PTO Board needs copies of **all** of the treasurers' records. A checklist is included to assist in the collection process of records.

### **Audit Categories Defined**

#### **Income**

All income received by the PTO in any form must be reported. Examples of income include the following:

Cash, Check or Gift Cards

Membership Dues- Dues must be listed separately for audit. A membership list should be maintained with dues collected as supporting documentation.

Fundraisers- Any income generated by fundraising events sponsored by your PTO. Examples might include: spirit sales, vendor sales, carnivals, fun runs, school stores, Supper w Santa etc.

Corporate Donations- Any income donated by a corporate donor including Box Top for Education, Campbell Soup Labels, spirit nights, grants, gift cards, or checks. Donors name and amount must be listed on audit.

Rogers Public School Volunteer Stipend- A yearly stipend school receives for submitting the volunteer hours performed by your school's volunteers.

Other Forms of Income- Any other form of income which does not fit into the above categories.

### **Expenses**

Any expenses incurred by your PTO during the year of operation.

Membership- Expenses incurred in promoting members to PTO. Examples of expenses: membership cards or membership incentives.

Fundraising- Any expenses used to operate fundraisers which could include: prizes, rental fees, supplies, or food.

Teacher Appreciation- All supply costs to operate teacher appreciation events should be included in this category.

School Enrichment- Any item or event purchased on behalf of the school to enrich the student environment. Examples: playground equipment, sound systems, electronics, author visits, assemblies, RIF, classroom book sets

Postage: Any costs associated with mailing documents to parents, vendors, or redemption programs (i.e. Box Tops for Education) on behalf of the PTO or school.

Insurance & Tax Prep- Fees assessed by Rogers PTO Inc. to have accountant review member PTOs audits and prepare yearly tax return for Rogers PTO Inc.

Bonnie Grimes Scholarship- Contribution made to two scholarships given by Rogers PTO Inc. for HHS and RHS Seniors.

Rogers Annex Donation- Contribution made to the Annex PTO unit which supports the Annex Programs for students in Rogers.

Parent Involvement Events- Events organized to bring parents to the school such as: Back to School Night, Conferences, Math and Science Night, etc.

Other- Checks, Bank Fees – Fees in this section could include checking account supplies, stop check fee etc. Any other expenses which do not fit in the categories listed.

### **Checklist to Perform the Audit**

The treasurer should assemble and deliver the following for the auditors:

Copy of the last year's audit report

Copy of current By-laws

Bank Statements and Deposit Receipts

Checkbook and Canceled Checks

Copy of Audit Worksheet

Treasurer's Ledger Book

Receipt Book

All Treasurers' Monthly Reports

Itemized Statements and Receipts of Bills Paid

Check Request and Cash Verification Forms, if applicable

Adopted budget and any approved amendments for the audit period

Copies of all Board & General Meeting Minutes (especially if impacting the PTO's financial dealings)

Any other requested documentation requested

## **1. Audit Procedure**

Start the audit with the records posted after the last audit. Check to see if the amount shown on the bank statement corresponds to the starting balance recorded in the checkbook and ledger. Reconcile bank statements with the cancelled checks. Make sure that every check written is substantiated with a check request or a bill of some kind showing reason for disbursement. Bank account reconciliation should have been conducted on a monthly basis to facilitate this process.

Verify that all income and expenditures are allocated into the same categories that constitute the approved budget.

Make certain that money collected for a specific purpose (special projects, scholarship funds, dues, etc.) has been disbursed.

Reconcile each deposit slip with bank statement and checkbook entries. Make sure additions and subtractions are correct in all instances.

Check all cash receipt slips issued and verify with proper entry in ledger.

Check each month's ledger entries for error, and crosscheck against checks issued and receipts posted. Cross-reference checkbook stubs with checks issued.

If a check was issued and no check request can be substantiated, check to see if it was an approved budgeted item.

Check treasurer's reports and checkbook entries for accuracy.

After any errors have been corrected by the treasurer and the committee is satisfied that the financial accounts are correct, draw a line across the checkbook ledger where the audit concludes, and sign and date the checkbook ledger using a different color ink: "Examined and found correct. (Name) (Date)."

Ensure that all checks were accounted for – including voided checks; make sure that all checks are imprinted with sequential numbers and that all checks were signed by (2) officers.

## **2. Audit Reporting**

If all is in order, the PTO audit reviewers should prepare a report (see "Audit Report" attached) and each reviewer should sign it. If the report reflects that additional information and verification is needed, the treasurer should be present to answer questions and provide any request information or documentation.

No statements, implicit or explicit, shall be made regarding any person if problems are detected by the auditor(s). If mismanagement of funds is suspected, contact the Rogers Parent Teacher Organization Inc. Executive Board immediately for assistance.

The annual audit is to be kept in the treasurer's records. If the validity of the audit is questioned, an independent certified public accountant should be engaged. At any time during the process, the President or Vice-President may be contacted for information or assistance.

### **3. Audit Submission**

Send the completed audit and accompanying documents listed below to the RPTO treasurer.

#### **Checklist to submit audit:**

Audit Report Form

Audit Checkbook Worksheet 1

Audit Checkbook Worksheet 2

Copy of Bank Statements for fiscal year \*Please include check and deposit slip images

Copy of Checkbook Ledger and Copy of Annual Budget

**ALL COMPLETED AUDIT WORKSHEETS & SUPPORTING DOCUMENTS ARE TO BE KEPT ON FILE AT THE SCHOOL IN THE PTO FILES FOR 7 YEARS.**

#### **Article 13: Public Review of Records**

A binder is to be maintained for each school and to be made available for public review at the PTO meetings. This binder should include copies of each annual budget, monthly bank statements, disbursements, cash receipts, reimbursements, Treasurer's Report and any additional financial documentation.

#### **Article 14: Misuse of Funds or Violation of Financial Controls**

Immediately upon learning of any inappropriate use of funds or violation of these Financial Controls, an Officer or any PTO member will immediately inform the RPTO Treasurer or RPTO President. The RPTO Treasurer or RPTO President will be responsible for investigating the facts regarding the situation. A report of the situation will be given to the RPTO Executive Board as soon as is practical. If any officer has knowledge of a misuse of funds or a violation of these controls and does not follow these guidelines in reporting to the RPTO Treasurer or RPTO President, they along with the person in violation are subject to removal from their position as outlined in RPTO bylaws Article 8.

#### **Article 15: Purchases for School Groups/Activities**

- A.** PTO will purchase any items (with the exception of playground equipment) for the school in lieu of giving the school a lump sum.
- B.** PTO donations used to make purchases for the school may not be deposited into the School Activity Fund Account. Items purchased for the school must be purchased directly from the vendor with the proper receipts or invoice provided to the treasurer to allow for a check to be issued and proper documentation to be retained. (One exception to this policy is the purchase of playground equipment.)
- C.** Donations may be made to any school group or activity. Any request made to the PTO must be solicited by the requested group in written form or presented at the PTO meeting. The PTO body must vote to approve the expenditure requested.

**Article 16: Bingos and Raffles**

PTOs will not conduct bingo or raffles as fundraisers. “Raffle” means the selling of tickets to win a prize awarded through a random drawing. “Raffle” does not include any game played through the use of a machine or electronic device. For further information refer to the Arkansas Charitable Bingo and Raffle Rule, Rule 2007-4 in your RPTO Operations Manual.

**Article 17: Fundraising Companies**

PTOs need to use fundraising companies that pay Arkansas taxes.

**Article 18: Letter of Authorization**

A Letter of Authorization will be kept on file with the RPTO Treasurer(s) and renewed annually to authorize access to the member unit bank accounts for the purpose of reviewing bank account activity during yearly audits. In addition, this letter will allow RPTO Treasurer to review PTO member units bank account activity upon the reported of fraudulent activity by a PTO member or officer.

**Certification of Adoption**

The foregoing Appendix A: Treasurer’s Controls of the Corporation has been duly adopted this \_\_\_7th\_\_\_ day of \_\_\_January\_\_\_, \_\_\_2015\_\_\_, by action of the board of directors of the Corporation pursuant to the laws of the state. A majority vote a quorum of the Rogers Parent Teacher Organization, Inc. Membership, as outlined in Article 5 and Article 10 of the bylaws was held on this day to approve these Appendix A: Treasure’s Controls.

IN TESTIMONY THEREOF, witness the hand of the undersigned Executive Board of the Corporation on such date.

\_\_\_\_\_  
President

\_Kelly Miller\_\_\_\_\_  
(Print Name)

\_\_\_\_\_  
Vice President

\_Melanie Botts\_\_\_\_\_  
(Print Name)

\_\_\_\_\_  
Co-Treasurer

\_Deborah Robbins\_\_\_\_\_  
(Print Name)

\_\_\_\_\_  
Co-Treasurer

\_Amy Tennison\_\_\_\_\_  
(Print Name)

\_\_\_\_\_  
Secretary

\_Trina Davis\_\_\_\_\_  
(Print Name)