Guidelines for US Bank Accounts

INCOMING FUNDS

- **Cash**: Create a paper trail from the point of collection to the bank. See attached "Cash Handling & Fiscal Responsibility" document.

- **Zelle**: Track incoming Zelle funds appropriately.

- **Venmo/Apple Pay/Square**: Establish accounts for the individual booster club, do not have funds sent to personal accounts. Maintain two-person verifications for incoming funds.

- **Fusion Pay**: New way to receive credit card payments. Service offered by US Bank for a fee (see attached flyer).

OUTGOING FUNDS

- **Debit Cards / Credit Cards:** Use of debit cards is not authorized.

- **Checks:** Two signers required on all checks.

- **Zelle/Venmo/Online Bill Pay**: The current requirement for two signatures on paper checks provides a strong control but exposes us to risks associated with paper checks like fraud, lost checks and postal delays. With online banking at our disposal, an email-based approval system can replicate the dual-authorization requirement, improving efficiency and record-keeping. See attached "Email Based Electronic Approval Process" which must be strictly adhered to for all electronic outgoing funds.

BANK RECONCILIATIONS – PREPARED MONTHLY

- Reconcile the amount of cash in the bank as of the statement date to the amount of cash available after accounting for checks that have not cleared the bank and deposits in transit.

- Should be prepared and reviewed by someone independent of the check writing and deposit process.

REPORTING TO SUPER BOOSTER TREASURER

- Email bank statements on a quarterly basis to BeckmanSBTreasurer@gmail.com

- End-of-Year Financials: Fiscal Year is June 1 – May 31. Email Profit & Loss and Balance Sheet by June 15.

RESERVES

- Confirm with previous year treasurer any anticipated coaching stipends or other expenses that will carry over to new school year.

- Review budget to determine how much is needed and add an additional 15-20% for unexpected expenses.

CASH HANDLING AND FISCAL RESPONSIBILITY

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TOPICS

- Finance best practices and fraud prevention
- Cash handling procedures
- Deposits
- Disbursements
- Transfers of responsibilities
- Headlines
- Questions

FINANCE BEST PRACTICES AND FRAUD PREVENTION

MONTHLY REPORTS

- At a minimum, the organization treasurer/controller/bookkeeper, should prepare an income statement (P&L), balance sheet and bank reconciliations for all accounts no later than two weeks after the close of the month.
- These financial reports should be reviewed by the organization as a normal and recurring item during meetings.

BALANCE SHEET

- Lists all assets and liabilities as of a specific date
- Statement should be prepared and reviewed on a monthly basis
- Provides a "snap-shot" of the organization's fiscal health

PROFIT AND LOSS STATEMENT

- Shows the activity of the organization for a specific period of time (i.e. one month, one quarter, year to date, etc.) and the size of the overall operations
- Depending on the nature of the activity of the organization, it may be beneficial to review P&L's for year to date, as well as current month only

BANK RECONCILIATIONS

- Reconciles the amount of cash in the bank as of the statement date (typically the end of the month) to the amount of cash available after accounting for checks that have not cleared the bank and deposits in transit
- Should be prepared and reviewed by someone independent of the check writing and deposit process

BANK ACCOUNTS

- Require dual signatures for checks
  - Ideally, neither should be the individual responsible for making deposits, preparing the financial reports, or reconciling the bank accounts
- Never pre-sign blank checks
- Establish a relationship with your bank to ensure, authorized signors and individuals with access to the account can be changed as needed
- Limit the number of people who can access the bank account

AUDITS

- Audit Committee
  - Should be composed of a few members of the organization
  - Conduct a review of the financial activity of the organization on a yearly basis
  - Establish operating procedures
- Independent Audit
  - Consider the need for an annual independent audit
  - Will help establish best practices and areas which may not have adequate safeguards

FRAUD PREVENTION

- The best way to stop fraud is to prevent it from happening
- Transparency
  - Financial reports should be reviewed monthly
  - An audit committee will help establish more accountability
  - Dual signatures – establishes a second set of eyes to review all expenses

CASH HANDLING PROCEDURES

BEFORE A FUNDRAISER/EVENT OCCURS

- Prepare a revenue potential
  - Budget document – projects sales, expenses, net proceeds
- Establish procedures/guidelines for the event
  - Determine the most appropriate way to reconcile sales to revenue (create a paper trail from the point of collection to the bank)
  - Who will collect cash?
  - How many cash boxes will be used? How much change will be needed?
  - Who will cash and receipts be turned into at the end of the event?
  - Where will money be kept before it is taken to the bank?

DURING THE FUNDRAISER

- Assign cash boxes/drawers to individuals that will be collecting cash.
- Assign a "supervisor" (should be an adult) to monitor the individuals collecting cash.
- Ensure that only individuals assigned to collect cash are collecting cash.

AFTER THE FUNDRAISER

- Immediately after the event, have cash collectors re-count all monies collected and sign off on a coin and currency count sheet.
- Cash turned in should be accompanied by coin and currency count and the receipts from the point of sale.
- If the event occurs in the evening or over the weekend, make sure that the cash is adequately safeguarded before the deposit occurs.

GENERAL GUIDELINES

- Use pre-numbered cash receipts, except when cash registers or ticket logs are used
- Record and deposit intact. Make sure deposits are complete and timely
- Establish a paper trail from the point of sale to the bank deposit
- Fundraising activities should be accompanied by a revenue potential

CASH BOX

- Cash boxes with a pre-determined amount of change should be checked out to individuals responsible for collecting cash
- A cash and coin count sheet should be kept with each cash box
- The amount of "start-up" cash should be noted on the cash and count sheet ahead of time, so that it is not included in the sales reconciliation

TICKET CONTROL WORKSHEET

- When tickets are used to record sales, a ticket control worksheet should be used to reconcile the used tickets to the cash collected
- Record the beginning ticket number before the event occurs and record the ending ticket after the event is over
- Difference between the last ticket and the beginning ticket number will equal the number of tickets sold
- Multiple the number of tickets sold to the sales price to determine the amount of cash that should have been collected
- Treat the tickets like cash, and keep in a safe when not in use

Recommendations:

- Use different colored tickets for differently priced items
- Record the beginning ticket number for **ALL** ticket rolls that will be used

BAKE SALES

- Cash should be collected in a central location where individuals receive tickets.
- The tickets should then be collected at the actual booths or by the individuals selling the food items.

CARNIVALS

- Consider the use of a ticket sales booth, so that cash can be collected and safeguarded in a central location
- Alternatively, each booth should keep a tally sheet or receipts for all items sold
  - The tally sheet should be used to reconciles the sales to the amount of cash collected by each booth

TALENT SHOWS

- If admission is charged, use pre-numbered receipts, tickets or a cash register

SILENT AUCTIONS

- Create a log of all items that will be sold, use this log to tabulate the winners of the silent auction.
- Total the sales price of all items sold
- Reconcile the sales log of all items to the cash collected

CASH RECEIPTS

- Books should be pre-numbered and controlled by the treasurer
- All numbers should be accounted for
- Should be in triplicate:
  - One copy to person turning in cash
  - One copy to accompany deposit
  - One copy to remain in book
- Cash over/short must be closely monitored

GENERAL GUIDELINES

Cash Control Procedure	Events
Pre- numbered Tickets	Dances
	Entertainment events
	Car washes
	Festivals
Cash Register	Concession stands
Pre- numbered Receipt Books	Publication sales
	Sale of advertising space
Tally Sheets	Car washes
	Bake sales
Inventory Control	Candy sales

CASH AND COIN COUNT SHEETS

- A log of the actual cash collected by the event, broken out by bill and coin denomination and check
- Use this in addition to the receipt documentation from the point of sale
- Require two separate individuals to recount the cash
  - At least one of the individuals should not have been collecting the cash

DEPOSITS

DEPOSIT GUIDELINES

- Money should be kept in a safe until the deposit is made
  - Who has access to the safe?
  - What security measures are in place over the safe?
- Bank deposits should be made at least once per week
  - Important to not have a set route and time for deposits
  - Deposits should never "sit" for an extended period of time
- Deposits should be reconciled to receipt numbers for an "audit trail"

THE PAPER TRAIL

- Each deposit should be accompanied by the following:
  - All event receipts contained in that deposit
  - Cash and coin count sheets
  - Deposit slip

Recommendation:

- File by deposit, rather than by event or activity
- If necessary, keep an activity log so that events deposits can easily be looked up

DISBURSEMENTS

DISBURSEMENTS

- Never pay someone performing work on behalf of the organization directly out of the revenue generated from the sales activity.
- All individuals performing work on behalf of the organization should have a valid W-9 on file prior to receiving payment

DISBURSEMENTS

- All checks should require dual signatures
- Before the expense is incurred the organization should establish a pre-approval form or process
- This will help ensure that individuals are not purchasing items that the organization has not budgeted

TRANSFER OF RESPONSIBILITY

TRANSFER OF RESPONSIBILITY

- Always make sure there are two individuals with access/authority to make changes to the bank account
  - In case one is not available
- If new officers are elected, promptly ensure that the bank is aware of the new signors or individuals that need to have access to the account
- Make sure that individuals who should no longer have access to the accounts are promptly removed

RECORDS AND DOCUMENTATION

- Most common issue: outgoing treasurer "lost" all of the prior year records
- Establish a procedure for record retention and filing
  - Maintain a back-up set of records
  - Consider the use of a cloud drive, where multiple people can access records
    - Be sure that only certain people can modify the records and that hard copies are still maintained
- Don't forget the IRS record retention rules for 501c3 organizations
  - Typically three years, some items are permanent
  - Refer to IRS Publication 4221 and 557

HEADLINES

PTO/BOOSTERS IN THE NEWS

- Mount Olive School PTO treasurer charged with fraud after $1,956 goes missing
  - August 2012
  - Discovered by new treasurer
  - Lack of transparency
- PTO President Accused of Embezzling Money from Huntington Beach School Funds
  - May 2012
  - Embezzled over $22K
  - Wrote unauthorized checks for personal expenses

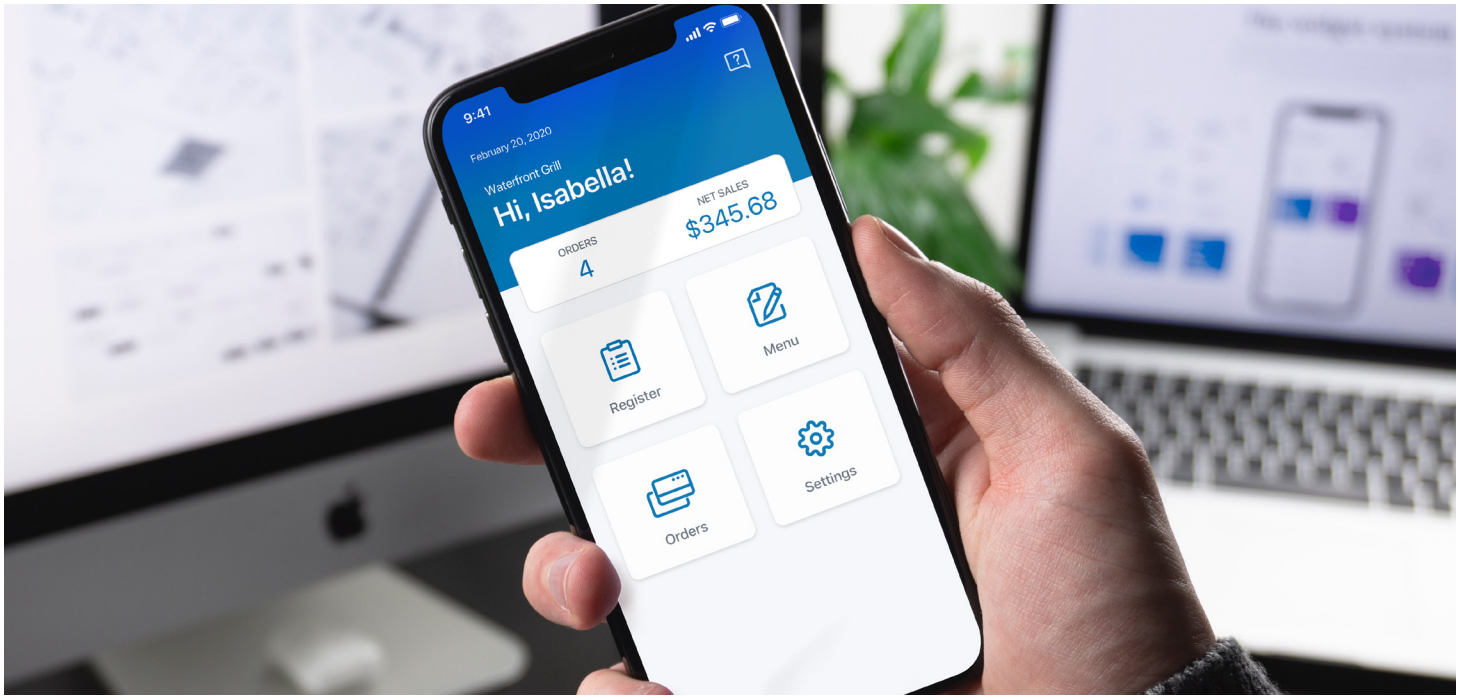
PTO/BOOSTERS IN THE NEWS

- Ex-Sunnyvale PTA treasurer to be sentenced Monday for embezzlement
  - January 2012
  - Bought gift cards, intercepted the mail and then sent them to herself
  - Discovered when bank account became overdrawn
  - Treasurer refused to provide financial reports at meetings
- Former Booster Club Treasurer In California Charged In Alleged $175K Embezzlement Case
  - Only person with access to financial records

QUESTIONS

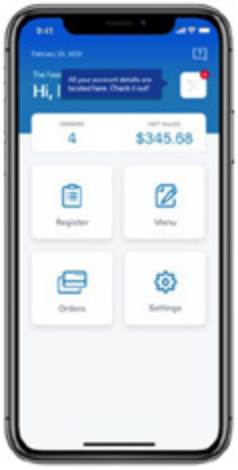
IN-BRANCH OFFER ONLY

Accept payments on the go with talech mobile.



Mobile payments made easy and affordable

Accept card payments using your iOS or Android device with talech Mobile. The Moby 5500 Bluetooth card reader integrates seamlessly with the talech Mobile app for an easy and cost-effective way to take payments on-the-go.



At-a-glance features

Quick Chip. A key feature that decreases authorization wait times and increases transaction speeds.

Payment Flexibility. Accepts all card-based payments, including EMV, NFC/Contactless, and magstripe.

Anytime, Anywhere Payments. Including at the counter, in the aisle, at the table, curbside or in the field.

Customized Transactions. Create a customized catalog of up to 100 items. Apply discounts, multi-tiered taxes and service charges.

Business Management. Reporting, discounts and taxes, SMS receipts, split tender, gift cards and more.

Everyday Funding. Get funds within hours of batch submission everyday – including weekends.

Plus, talech has a range of solutions to support your needs as your business grows.

Simple and Transparent Pricing

Card reader price	Swipe, dip, tap	Keyed rate	Monthly minimum fee	Monthly standard PCI DSS program fee
$49	**2.60% + $0.10**	**3.50% + $0.15**	**$25**	**$0**

Offers valid only for U.S. Bank customers with a direct deposit account who are not existing Payment Solutions customers and are processing less than $150,000 in annual credit card sales. Application must be submitted in Fusion by banker. Business must operate one location only. Website based businesses are not eligible. Business owner must be a U.S. citizen or U.S. resident alien. Business should not be subject to backup withholding.