

# Douglas Elementary Parent Teacher Organization

## Financial Policies & Procedures – 02/19/2026

*(Adopted pursuant to Articles of the Bylaws)*

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### 1. Purpose

The purpose of this Financial Policy is to ensure responsible stewardship of PTO funds, maintain transparency and accountability, safeguard assets, and protect the Corporation’s 501(c)(3) tax-exempt status in accordance with Michigan law and IRS regulations.

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### 2. Fiscal Year

The fiscal year of the Corporation shall be July 1 through June 30, as defined in **Article X** of the Bylaws.

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### 3. Bank Accounts & EIN

- All funds shall be maintained in a bank account in the legal name:  
**Douglas Elementary Parent Teacher Organization**
  - The Corporation’s IRS Employer Identification Number (EIN) shall be used — never a personal Social Security number.
  - The Board of Directors shall designate approved financial institutions.
  - A minimum of two unrelated Officers shall be authorized signers on all accounts.
  - No PTO funds may be deposited into or withdrawn from personal accounts.
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### 4. Authorized Signers & Separation of Duties

- Authorized signers may include the President, Vice President, and Treasurer as approved by the Board.
  - No Officer may approve a payment to themselves.
  - Wherever possible, duties shall be separated so that no one individual controls authorization, custody, and recordkeeping of funds.
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### 5. Budget

- The Treasurer shall present a proposed annual budget at the first regular meeting of the fiscal year in accordance with **Article 11.5** of the Bylaws.

- The budget must be approved by a majority vote of the Board of Directors.
  - Budgeted expenses may be paid without further approval.
  - Unbudgeted expenses:
    - Over \$500 require majority Board approval (meeting or electronic vote).
    - \$500 or less may be approved by any Officer, as permitted by the bylaws.
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## 6. Income Handling & Cash Controls

- All money collected shall be counted by two unrelated individuals.
  - A written cash count record shall be completed and signed.
  - Funds shall be deposited into the approved financial institution in a timely manner.
  - Cash shall never be stored in homes, vehicles, or classrooms beyond the minimum time necessary.
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## 7. Expenses and Reimbursements

- All expenditures must support the Corporation's mission and charitable purposes.
  - Receipts or invoices are required for all expenses, payments and reimbursements.
  - Checks shall not be written to "cash."
  - Electronic payments, if used, must be documented.
  - Reimbursement requests must be submitted in a timely manner unless otherwise approved.
  - Reimbursements shall be paid only after approval by an Officer other than the requester.
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## 8. Checks & Payments

- All checks shall include a description of the expense in the memo line.
  - Check signing authority shall follow **Article 11.2** of the Bylaws.
  - Two signatures are strongly recommended for checks over \$1,000, even if not required by the bank.
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## 9. Investments

- All investments must support the Corporation's charitable mission and comply with its 501(c)(3) status.
- Investments must safeguard excess PTO funds not immediately required for operations while preserving capital and maintaining liquidity.
- All investments must be approved by a majority vote of the Board of Directors.
- No individual Officer may independently open, close, or materially change an investment account without Board approval.

- Investments must be FDIC-insured, US Treasury securities or insured/government-backed money market accounts.
  - PTO shall not invest in stocks, mutual funds, cryptocurrencies, derivatives, private lending or other speculative investments.
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## **10. Treasurer Responsibilities**

The Treasurer shall:

- Maintain complete and accurate financial records using Board approved software.
  - Provide a financial report including investment balances at each regular Board meeting.
  - Reconcile bank statements monthly.
  - Ensure required IRS filings are completed annually (Form 990-N, 990-EZ, or 990 as applicable).
  - Facilitate an annual financial review or audit.
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## **11. Financial Review / Audit**

- An annual financial review shall be conducted at the close of each fiscal year or sooner if Board of Directors deems necessary.
  - The review shall be performed by a committee or individual not authorized on the bank account.
  - Findings shall be reported to the Board of Directors.
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## **12. Bonding & Insurance**

- The Board of Directors may require bonding for Officers with access to funds, pursuant to **Article 11.6** of the Bylaws.
  - The Corporation may maintain insurance coverage as permitted under **Article XIV** of the Bylaws.
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## **13. Conflict of Interest & Private Inurement**

- No Officer or Director may personally benefit from PTO funds or investments.
  - All financial decisions must comply with the Corporation's Conflict of Interest Policy under **Article XIX** of the Bylaws.
  - Any potential conflict must be disclosed and the individual shall abstain from voting.
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## 14. Record Retention

Financial records, including bank statements, receipts, budgets, audits, and tax filings, shall be retained for at least seven (7) years.

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## 15. Dissolution

Upon dissolution, all remaining funds shall be distributed in accordance with **Article XVII** of the Bylaws and IRS 501(c)(3) requirements.

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## Adoption

This Financial Policy was adopted by the Board of Directors of **Douglas Elementary Parent Teacher Organization** on \_\_\_\_\_.

**President:** \_\_\_\_\_ Raechel Hardin

**Treasurer:** \_\_\_\_\_ Renee Russell