

LTHS PTO Standing Rules

Article XII of the bylaws states that “the Executive Board may adopt standing rules according to the needs of the organization. The secretary shall keep a record of the standing rules for reference as needed.”

Section 1: Financial Policies

Budget

- A. All spending of the organization shall be in accordance to the budget as adopted by the membership. The budget shall consist of revenue and expense categories. Spending approval shall be given by the General Membership on the category level. Each category may consist of multiple line items. The board may approve changes in budget line items within a category as long as the total for the category does not change. General membership approval is required for changes in budget category revenues or expenses.
- B. When an actual expense exceeds the estimated amount in the adopted budget, it may be paid if the actual expense is within 10% and less than \$100 of the budget amount. Any expense exceeding this guideline will require membership vote to review and adopt a revised budget.
- C. The PTO Board may authorize the treasurer to pay for expenses greater than the line item budget amount if the increase in expense is a direct result of an increase in revenue without approval from the PTO General Membership. For example, if an increase in directory production expenses and directory sales expenses are a direct result from the increase in the sales of the directory, the board may authorize payment for the expense without approval from the general membership.
- D. To ensure our fiscal security from year to year, a PTO Reserve Fund shall be carried over each year. The reserve fund is generally defined as those expenses that may be incurred prior to September fund raising activity.

Organizational Insurance	\$770.00
No Hassle Fundraiser/ Friend of the PTO	\$600.00
Office Supplies	\$100.00
Teacher Appreciation (Aug. & Sept. Events)	\$1000.00
<u>Homecoming</u>	<u>\$1200.00</u>
Reserve Fund Recommendation	\$3700.00 (rounded up)

- E. Every effort shall be made to create a budget that is balanced with expenses not exceeding income inside a fiscal year. However, if the Executive Board deems it appropriate to put forward an unbalanced budget for membership consideration, the resulting shortfall shall not deplete the estimated available cash AND shall not affect the PTO Reserve Fund.

Disbursements

- A. All requests for disbursements by check shall be made with an LTHS PTO check request form accompanied by appropriate documentation. Acceptable forms of documentation include:
 - 1) an invoice to the LTHS PTO where the check is remitted directly to the provider of goods or services.
 - 2) an invoice indicating “paid” or a receipt for payment in which case the check is made payable to the designated payee.
 - 3) a “pro forma” invoice where the check is remitted directly to the provider of goods or services **prior** to receipt of said goods or services

LTHS PTO Standing Rules

- B. All requests for debit card or ACH payment shall be made with an LTHS PTO Debit Card/ACH Payment Request Form accompanied by appropriate documentation. Acceptable forms of documentation include:
 - 1) an invoice to the LTHS PTO where the debit card or ACH payment is made directly to the provider of goods or services.
 - 2) a “pro forma” invoice where the debit card or ACH payment is made directly to the provider of goods or services **prior** to receipt of said goods or services
- C. All Debit card or ACH payment requests shall be reviewed and approved by the LTHS PTO President and Treasurer.
- D. Only the LTHS PTO President or Treasurer shall make all Debit Card or ACH payments from the LTHS PTO bank account for the Organization.
- E. Debit cards issued for the LTHS PTO account shall be issued only to the LTHS PTO President and Treasurer.
- F. The LTHS PTO President and Treasurer shall maintain custody of debit cards issued to them for the LTHS PTO bank account and shall destroy the debit cards when their term in office expires or if they resign or otherwise vacate the office prior to the expiration of the term.
- G. If the disbursement is a donation to a non-profit organization, appropriate documentation for check disbursement includes a request for donation and a copy of the approved budget with the donation category or line item highlighted or PTO meeting minutes documenting General Membership or Board approval of the donation amount to be paid by the PTO to the beneficiary of the donation.
- H. If the disbursement is a payment to an appointed check signing Officer (see Bylaws Article XI Section 3), this officer may not be one of the co-signatures authorizing the disbursement.
- I. In the event that any type of refund is made to a payment from LTHS, the amount of the refund must be returned to the PTO and shall not be spent on anything other than what the original payment in its full amount was intended.

Deposits

- A. All checks received shall be recorded on an LTHS PTO Check Deposit form or recorded on a list attached to an LTHS PTO Check Deposit form.
- B. All funds shall be deposited in the organizational bank account by the PTO Treasurer. If necessary, the treasurer may delegate funds deposit to an authorized check signer on a case by case basis.

Bank Statements

All bank statements shall be reviewed, signed, and dated on a monthly basis by the officer appointed by the board to review and sign monthly bank statements. See LTHS bylaws Article XI Section 3.

LTHS PTO Standing Rules

PayPal Account (Online donation & payment system)

- A. The primary email on the PayPal account shall be an LTHS PTO email that forwards to at minimum the following LTHS PTO email addresses:

president@lthspto.org
fundraisingvp@lthspto.org
treasurer@lthspto.org
nohasslefundraiser@lthspto.org
membership@lthspto.org

Each officer or committee chair who is a check signer or responsible for funds raised through PayPal shall have the primary email address forwarded to the PTO email address associated with her/his position.

- B. Beginning July 1, 2014, each officer or committee chair who is a check signer or responsible for funds raised through PayPal shall once a quarter print a PayPal generated email which they received during that quarter. If they receive multiple emails during the quarter, they may choose which to print. If they receive no emails during the quarter they should report to the board that they did not receive any emails during the quarter. The printed emails should be reviewed by the board member or committee chair who prints them, initialed and given to the Secretary for the audit notebook.
- C. Beginning July 1, 2014 an officer who does not have signature authority nor is responsible for fundraising shall receive all emails generated by PayPal for the organization PayPal account and shall print, review, and initial each email. The printed copies of each email shall be submitted to the Secretary each month for the audit notebook.
- D. The No Hassle Fundraiser (NHF) chair & Membership VP shall each maintain a spreadsheet of individual donations and purchases made through the LTHS PTO Website and regularly submit this spreadsheet to the treasurer. Each position will reconcile with the treasurer their spreadsheet with PayPal transaction records to verify that all online transactions have been correctly recorded, resolving any discrepancies as needed. Results will be reported at each Executive Board meeting and recorded in the meeting minutes. Note: The "spreadsheet" may be the original reports generated by, but not limited to, Jotform, PayPal, Square, and Benevity, for example.

Square Up Account (On-Site Credit Card Acceptance System)

- A. The primary email on the Square account shall be an LTHS PTO email that forwards to at minimum the following LTHS PTO email addresses:

president@lthspto.org
fundraisingvp@lthspto.org
treasurer@lthspto.org
nohasslefundraiser@lthspto.org
membershipvp@lthspto.org

Each officer or committee chair who is a check signer or responsible for funds raised through Square shall have the primary email address forwarded to the PTO email address associated with her/his position.

- B. Beginning July 1, 2017 each officer or committee chair who is a check signer or responsible for funds raised through Square shall at a minimum, once a quarter print a Square generated email

LTHS PTO Standing Rules

which they received during that quarter. If they receive multiple emails during the quarter, they may choose which to print. If they receive no emails during the quarter they should report to the board that they did not receive any emails during the quarter. The printed emails should be reviewed by the board member or committee chair who prints them, initialed and given to the Secretary for the audit notebook.

- C. Beginning July 1, 2017 an officer who does not have signature authority nor is responsible for fundraising shall receive all emails generated by Square for the organization Square account and shall print, review, and initial each email. The printed copies of each email shall be submitted to the Secretary each month for the audit notebook.
- D. The No Hassle Fundraiser (NHF) chair & Membership VP shall each maintain a spreadsheet of individual donations and purchases made through the LTHS PTO Website and regularly submit this spreadsheet to the treasurer. Each position will reconcile with the treasurer their spreadsheet with Square transaction records to verify that all online transactions have been correctly recorded, resolving any discrepancies as needed. Results will be reported at each Executive Board meeting and recorded in the meeting minutes. Note: The “spreadsheet” may be the original reports generated by, but not limited to, Jotform, PayPal, Square, and Benevity, for example.

Cheddar Up Account (Online donation & payment system)

- A. The primary email on the Cheddar Up account shall be an LTHS PTO email that forwards to at minimum the following LTHS PTO email addresses:
 - president@lthspto.org
 - fundraisingvp@lthspto.org
 - treasurer@lthspto.org
 - nohasslefundraiser@lthspto.org
 - membership@lthspto.org

Each officer or committee chair who is a check signer or responsible for funds raised through Cheddar Up shall have the primary email address forwarded to the PTO email address associated with her/his position.

- B. Beginning July 1, 2018, each officer or committee chair who is a check signer or responsible for funds raised through Cheddar Up shall once a quarter print a Cheddar Up generated email which they received during that quarter. If they receive multiple emails during the quarter, they may choose which to print. If they receive no emails during the quarter they should report to the board that they did not receive any emails during the quarter. The printed emails should be reviewed by the board member or committee chair who prints them, initialed and given to the Secretary for the audit notebook.
- C. Beginning July 1, 2018 an officer who does not have signature authority nor is responsible for fundraising shall receive all emails generated by Cheddar Up for the organization Cheddar Up account and shall print, review, and initial each email. The printed copies of each email shall be submitted to the Secretary each month for the audit notebook.
- D. The No Hassle Fundraiser (NHF) chair & Membership VP shall each maintain a spreadsheet of individual donations and purchases made through the LTHS PTO Website and regularly submit this spreadsheet to the treasurer. Each position will reconcile with the treasurer their spreadsheet with Cheddar Up transaction records to verify that all online transactions have been correctly recorded, resolving any discrepancies as needed. Results will be reported at each Executive Board meeting and recorded in the meeting minutes. Note: The “spreadsheet” may be the

LTHS PTO Standing Rules

original reports generated by, but not limited to, Jotform, PayPal, Square, and Benevity, for example.

Section 2: Record Retention Policy

Article XI, Section 7 of the LTHS PTO Bylaws states that, “The Executive Board shall maintain a standing rule defining the record retention policy of the Organization. This policy shall define record custodianship, retention methods, and shall be reviewed for compliance at the first meeting of the Executive Board.”

This policy, to the best of our ability and knowledge, provides guidance as to which organization documents must be retained, in what form, and for how long. An audit of our record retention compliance will be conducted within the scope of our yearly organizational and financial audit.

Permanent records of the organization: *to be kept hard copy with digital copy as back up*

- → Articles of Incorporation
- → IRS Employee Identification Number (EIN)
- → IRS Form 1023 and documentation
- → IRS 501(c)(3) Determination Letter
- → State of Texas Sales Permit
- → State of Texas Tax Exemption letter

Permanent Records per fiscal year: *to be kept digitally with all records for fiscal year on a portable digital storage device, such as a CD or flash drive.*

- → Bylaws
- → Standing Rules
- → Record Retention Policy
- → Conflict of Interest Policy
- → Annual Review Statement (signed)
- → Annual audit report
- → List of officers and committee chairs
- → Meeting agendas and minutes
- → Year-end treasurer reports including income and expense
- → List of donors and cash / non-cash contribution amount
- → Insurance policy, accident reports, claims

Records to be retained for 7 years: *to be kept in hard copy only, unless electronic file is more practical (e.g. Quickbooks company back-up file for transactions)*

- → IRS Forms 990, 990-EZ, 990-N
- → State sales tax returns
- → Bank statements
- → Check registers
- → Canceled checks
- → Deposit slips
- → Payment documentation (expense request / invoice / purchase order) with check stub
- → Documentation of donations or gifts to LTHS valued over \$1000

Records to be retained for 3 years: *to be kept digitally only if IRS policies concur; if not, then paper*

- → Monthly treasurer reports

LTHS PTO Standing Rules

Section 3: Minutes Approval Policy

The minutes of the Executive Board and general membership meetings may be approved by committee. The secretary shall request officers and members in attendance to serve on the Minutes Approval Committee at each meeting. For executive board meetings, the committee shall consist of two executive board members other than the secretary. For general membership meetings, the committee shall consist of one executive board member other than the secretary and two general members. The committee shall be created by the Executive Board as outlined in Article X, Section 1 of the bylaws. The secretary shall submit the completed minutes to the committee for approval. After the committee has approved the minutes, the secretary shall post the approved minutes and notify the board that the approved minutes are posted. The minutes may be submitted, approved, and posted electronically.

Section 4: Communications Policy

Scope

- A. The primary scope of LTHS PTO communications is to communicate and publicize activities of the organization through the LTHS PTO website and the *LTHS PTO eNews* (email newsletter).
- B. Secondly, as a service to LTHS staff and families, news of approved school activities may be compiled and included in *PTO eNews*. This includes news and information from the classroom, clubs and organizations, extra-curricular and athletic events. This also applies to other activities within LTISD.
- C. Thirdly, as a service to the LTHS staff and families, non-school related news may be considered for inclusion in the PTO email newsletter as long as the following guidelines apply:
 - consistent with and does not contradict the charter and purpose of the organization
 - organization or event is non-exclusionary
 - directly promotes the students' well-being, welfare, and educational or extra-curricular pursuits
 - organization or event is not for-profit or for the financial gain of an individual or business. An exception to this is advertising for a fundraising partner of the organization as an approved activity of the LTISD district program office.
 - news item shall be limited to publication of two times per month in the *PTO eNews*
- D. Organizations designated as appropriate for inclusion in PTO communications are: events of any other LTISD school, LTEF, LTYA, Bee Cave Library, Lake Travis Library, and Relay for Life.
- E. Social media (SM) tools may be used as additional avenues to promote and share activities and accomplishments with and to encourage the engagement of our LTHS community members. Minimum guidelines for PTO presence on SM include:
 - All tools use **LTHSPTO** as identifier or search term.
 - All tools use a description similar to **Lake Travis High School PTO connects our community of learners, educators, administration and parents by sharing, supporting, and funding programs, events and projects that enrich the education of each student.**
 - All tools must be approved by PTO Executive Board prior to launch and have at least one board member in an administrative role.
 - All messages follow LTISD social media guidelines.

Recipients

- A. The audience of PTO email based communications shall be restricted to those individuals who have given their consent by providing their addresses directly to the organization or indirectly via the district directory information.
- B. It is the discretion of the PTO board of directors whether to broadcast the *LTHS PTO eNews* to any and all or to limit broadcast to members of the PTO as a benefit of membership and/or recognition of a donation.

LTHS PTO Standing Rules

Restrictions

- A. Names and/or photographs of students can be released via the *PTO eNews*, provided that the photographs and/or names were submitted to the PTO by a person authorized by LTISD staff/administration to release. Names and/or photographs of students cannot be posted on the PTO website.
- B. At no time shall the email addresses be shared with any other individual or organization other than the parent teacher organization of LTHS.
- C. Given that PTO communications may not be available to each and every family at LTHS, the *LTHS PTO eNews* should not be the sole source of communicating school-specific information.
- D. Fundraisers of other organizations may not be posted on the LTHS PTO website.

Section 5: Nominating Committee Procedures

Article X, Section 2a of the Bylaws specifies the formation and activities of a **Nominating Committee**. Once the committee has been appointed and approved, the Organization President or designee should ensure the proper support mechanisms are in place.

The President (or designee) will:

- 1. Request the webmaster assign the committee member emails to the nominations@lthspto.org forwarding email.
- 2. Schedule an orientation meeting with the newly appointed nominations committee. This meeting is to provide guidance, advice regarding communication tools (e-news and website) available, and important reference documents. During this meeting,
 - A. All committee members will be reminded that the President does NOT serve as a member of this committee. The president can answer questions and clarify, but should not be directing or participating in the process after the initial charge is given to the committee at this meeting. The nominating committee serves the PTO members, NOT the Executive Board.
 - B. The board-appointed **Nominating Committee Chair** should be introduced. The Chair serves as the committee liaison with the Executive Board and ensures all work is completed accurately, timely, and in compliance with the Organization's Bylaws and Standing Rules.
 - C. Reference documents should be provided and reviewed for clarity.
 - 1) Current copy of the Organizational Bylaws and Standing Rules
 - a. **Bylaws: Reference Article VII, Section 2 b-d, Section 3, Section 4**
 - b. **Standing Rules: Section 5 (this page)**
 - 2) Current copy of Organizational Officer and Chair Position Descriptions
 - 3) Nominations worksheet with current Officer and Chair names and contacts
 - 4) Nominations worksheet BLANK (to be submitted and presented for vote)
 - D. Important dates and deadlines and expectations should be communicated, including the **election date** and the date by which the slate must be published via e-News and website for member review. At least one member of the committee must present the slate for vote at the general membership election meeting.

LTHS PTO Standing Rules

Section 6: Executive Board Voting

The majority of each position filled shall constitute a quorum and each office shall have a single vote on the board. In the case of a shared position, the position will have only one vote. In the event that the co-officers cannot agree on a vote to cast, they shall abstain from voting.

Section 7: Audit Plan

The LTHS PTO Bylaws require an Audit Committee be appointed by the Executive Board and approved by the General Membership and that an audit be conducted each fiscal year. The following audit plan has been reviewed and approved by executive board members for use by the audit committee.

Audit Procedure

Audit Objective: The purpose of the audit is to certify the accuracy of the books and records of the LTHS PTO and to document to the membership that the PTO's resources/funds are being managed in a business-like manner according to the procedures and guidelines established by the LTHS PTO Executive Board.

What is an Audit? An audit involves following financial transactions through the records kept by the organization to ensure that receipts have been properly accounted for and expenditures are made as authorized in the budget, as approved by the Executive Board and the General Membership, and in conformity with LTHS PTO's Bylaws and established guidelines. An audit must review all accounts of the PTO.

The audit committee should be concerned with the following things, at a minimum:

- > The adequacy of internal control (i.e., that there is a system in place in which financial functions can be broken down into elements that are performed by different people, each checking the work of the others)
- > The accuracy of the records and the reports to the PTO's Executive Board
- > The proper authorization of activities and expenditures
- > A review of the tax-exempt status and identification of any activities that may endanger it
- > Determine that licenses, sales taxes, and other taxes and corporate reports (e.g., Form 990) are properly filed in a timely manner

Composition of the Audit Committee: The committee is composed of not less than three (3) members of the LTHS PTO and are appointed by the Executive Board per Article X Section 3.b of the LTHS PTO Bylaws . No one who is an authorized check signer on any bank account held by the LTHS PTO may serve on the audit committee.

When is an Audit Performed? An audit must be performed at the end of each LTHS PTO fiscal year in accordance to Article XI Section 5 of the bylaws. It is also recommended that an audit be performed when any authorized check signer is added or deleted on any bank account and at any other time deemed necessary by the President of the PTO Executive Board or upon the written request of three or more PTO members made to the Executive Board.

- ^ **Preparing for the Audit:** The Treasurer serving during the time period being audited is responsible for putting the financial records in order for the Audit Committee and for responding to requests from the Committee for specific documents and/or information. The Treasurer should deliver (or make available) the following items: A copy of the last audit report.
- ^ Treasurer's books or detailed Quickbooks reports for (a) balance sheet (b) bank reconciliation (c) list of outstanding checks (d) final income & expense report, (e) general ledger detail sorted by date for all income/receipts, and (f) general ledger detail sorted by date for all expense/disbursement transactions.
- ^ Checkbooks, cancelled checks, voided checks, unused checks and unused deposit slips for all accounts.
- ^ Bank statements and monthly reconciliations.
- ^ Documentation including bank tickets for all deposits made.
- ^ Documentation and receipts for all disbursements made.
- ^ PayPal transaction report for the audit period.
- ^ Square Up transaction report for the audit period, if applicable.
- ^ Cheddar Up transaction report for the audit period.
- ^ No Hassle Fundraiser (NHF) detail spreadsheet for the audit period with PayPal, Square Up, and Cheddar Up donation transactions as provided by the NHF committee chair.
- ^ Friend of the PTO (FOPTO) detail spreadsheet for the audit period with PayPal, Square Up, and Cheddar Up donation transactions as provided by the Membership VP/FOPTO Chair.
- ^ Copies of the first and the last financial reports for the period to be audited.

LTHS PTO Standing Rules

- ^ Adopted budget, as amended.
- ^ Returns filed with taxing authorities including Form 990 with IRS and sales tax with state of Texas.
- ^ All correspondence with any taxing authority.
- ^ Listing of the members of the Executive Board.
- ^ Minutes from all General Membership and Executive Board meetings (starting from board-elect meetings).
- ^ Calendar of meeting dates of the Executive Board and General Membership.
- ^ Current Bylaws* and Standing Rules*, if applicable.
- ^ Current Conflict of Interest Policy* and signed Annual Review Statement.
- ^ Documentation of insurance policy coverage.
- ^ Documentation identifying the primary email address on the PayPal, Square Up, and Cheddar Up accounts, and the LTHS PTO email addresses to which the primary email address is forwarded. This can be a screenprint from the lthspto.org email account.
- ^ Access during the audit to an LTHS PTO officer who has access to the LTHS PTO PayPal, Square Up, and Cheddar Up accounts and can generate reports in the presence of audit committee members if requested by the audit committee.
- ^ Mechanism for financial data backup, if applicable.
- ^ Any other information requested by the Audit Committee.

** all revisions that applied during the audit period, if updates occurred*

Once the records are turned over to the Audit Committee, the outgoing Treasurer can no longer write checks. The Treasurer should go to all banks with accounts held by the LTHS PTO with the incoming Treasurer and additional authorized check signers to change the signature cards. During the audit, checks should only be written in the case of an emergency and should be signed by the incoming Treasurer. If the Treasurer is serving a term of more than one year (i.e., there is no “outgoing” or “incoming” Treasurer), then only emergency checks should be issued, per the standard procedure, until the audit is completed.

Audit Committee Findings: If the Audit Committee finds irregularities in the PTO’s financial records, the following steps should be taken:

- Contact the Treasurer to secure additional records or information.
- If the matter cannot be settled to the Committee’s satisfaction, contact the PTO President(s) to determine what additional steps need to be taken.
- Document each irregularity in the Audit Report along with subsequent steps taken to correct the problem, related outcomes, and recommendations for preventing similar irregularities in the future, if applicable.

Audit Report: A member of the Audit Committee should make a report to the Board and to the General Membership at the first such meeting held after the conclusion of the audit. The PTO general membership should approve the report at that time, and a copy of the full Audit Report should be entered into the meeting minutes. A copy of the approved Audit Report also should be maintained by the Treasurer with the PTO’s permanent financial records.

In the event that a complete audit cannot be done due to the inadequacy or unavailability of necessary records, this must be reported to the membership, and steps should be recommended for adoption by the membership to correct the deficiencies.

In the event that the validity of the Audit Report is questioned by a member of the organization, an independent CPA may be engaged to review the report and its findings. The membership must approve any funds to be expended on such a review prior to engaging the services of an independent CPA, and such approval must occur at a subsequent General Membership meeting with proper notice given of such a vote in accordance with the PTO’s Bylaws.

LTHS PTO Standing Rules

Audit Report Template

**LAKE TRAVIS HIGH SCHOOL PTO
AUDIT REPORT**

Financial Review Period: July 1, 20xx – June 30, 20xx

Date(s) of Financial Review: Month date, year

Review performed by: Auditor 1 (chairperson), Auditor 2, and Auditor 3

Also present: list as necessary

Objectives of Financial Review:

- Verify that the Organization's financial records and financial reporting are accurate and complete.
- Verify that procedures and controls are in place to adequately protect the assets of the Organization.
- Verify that financial transactions are handled timely and accurately, in accordance to an approved budget, and in conformity with the Organization's Bylaws, Standing Rules, and other established guidelines.
- Verify that government obligations are met such as timely and accurate reporting and/or payment of state and federal taxes as well as demonstrating compliance with regulations governing public charities.
- Submit a report of objectives, findings, and recommendations to the Executive Board and to the General Membership, to whom the audit committee is ultimately accountable.

Bank Balance Overview:

1	BANK BALANCE (ending from last audit period)	\$	_____
2	Outstanding checks reported in last audit report	-	_____
3	Starting Balance (subtract line 2 from 1)	=	_____
4	Receipts (current audit period)	+ \$	_____
5	Expenses (current audit period)	- \$	_____
6	Ending Balance (line 3 plus line 4 minus line 5)	= \$	_____
7	BANK BALANCE as of statement dated _____ ...	\$	_____
8	Total Outstanding Checks	- \$	_____
	(list all outstanding check numbers and amounts)		
9	Available Funds (subtract line 8 from line 7)	= \$	_____

Beginning balance agrees with final balance from last audit period.

Summary:

We have examined the financial records of the Organization and find them:

- correct
- with irregularities

LTHS PTO Standing Rules

Additionally, our review resulted in:

- no findings to report
- findings of exceptions to policies, processes, or procedures (details attached)
- findings of insufficiencies in control (details attached)
- recommendations (details attached)

We have reviewed the recommendations from the previous year audit and find them:

- satisfactorily implemented and resolved
- not implemented or not sufficiently resolved

Signature of Auditor 1

Signature of Auditor 2

Signature of Auditor 3

EXCEPTIONS:

- as needed
- as needed
- as needed

DEFICIENCIES:

1. as needed
2. as needed
3. as needed

RECOMMENDATIONS:

1. as needed
2. as needed
3. as needed

LTHS PTO Standing Rules

Audit Worksheet

AUDIT WORKSHEET – SECTION 1

Initial Finding Use **ATTACHMENT F** to record findings.

A. Review checking account reconciliations for audit period and verify:

- _____ _____ 1. Reconciliations are done monthly
- _____ _____ 2. Bank statements are signed by a non-check-signing officer of the organization.
- _____ _____ 3. Select one month during audit period and verify for all checking accounts: _____
statement date
 - _____ _____ a. Reconciliation was accurate
 - _____ _____ b. Outstanding checks cleared within a reasonable period of time (e.g. 90 days)

B. Review all savings (e.g. CD's) account reconciliations, if applicable, for audit period and verify:

- _____ _____ 1. Reconciliations are done regularly (monthly or quarterly as appropriate)
- _____ _____ 2. Bank statements are signed by a non-check-signing officer of the organization.
- _____ _____ 3. Select one month during audit period and verify for all savings accounts: _____
statement date
 - _____ _____ Reconciliation was accurate

AUDIT WORKSHEET – SECTION 2

Initial Finding Use **ATTACHMENT F** to record findings.

A. From the transaction detail of disbursements by date during audit period, select one (1) disbursement out of every four (4) transactions and pull the documentation, bank statement, and cancelled checks. Verify for each disbursement (see **ATTACHMENT A**):

- _____ _____ 1. PTO Check Request Form was completed for all disbursements
- _____ _____ 2. Disbursements have supporting invoices and / or receipts.
- _____ _____ 3. Credit card receipts show itemized expenditures, not just total.
- _____ _____ 4. Reimbursements do not include sales tax, from which the PTO is exempt.
- _____ _____ 5. Payment was made in a timely manner, such as 30 to 45 days from date of invoice and / or Check Request Form.
- _____ _____ 6. Amount paid agrees with invoice or Check Request Form.
- _____ _____ 7. Payee on check agrees with invoice and/or Check Request Form.
- _____ _____ 8. Payee on check and signer are not the same
- _____ _____ 9. Checks payable to an Executive Board member are in compliance with Conflict of Interest Policy.
- _____ _____ 10. Check has two signatures and is signed by authorized signers as of that date.
- _____ _____ 11. Payment for services included a W-9 collected from and 1099 given to provider.

LTHS PTO Standing Rules

- _____ 12. The amount on the bank statement matches the entry in the ledger.
- _____ 13. The expense is allocated to the proper budget category.

B. From each month's bank statement for the audit period, identify all disbursement transactions which meet the following criteria (see **ATTACHMENT B**):

- _____ 1. Electronic transactions for anything other than usual bank fees and charges.
- _____ 2. Missing check numbers which cannot be explained (e.g. documented voided check or outstanding checks).

_____ C. Verify that funds received for a designated purpose were spent only for that purpose (e.g., grant funds, designated contributions, etc.), if applicable

AUDIT WORKSHEET – SECTION 3

Initial Finding Use **ATTACHMENT F** to record findings.

A. From the transaction detail of deposits by date during audit period, select one (1) deposit out of every ten (10) transactions and pull the documentation along with the corresponding bank deposit ticket. Verify for each deposit (see **ATTACHMENT C**):

- _____ 1. Deposit accompanied by appropriate itemized detail such as a PTO Cash or Check Deposit Form.
- _____ 2. Deposit was made in a timely manner, such as 7 to 10 days from the time when money was collected by the PTO.
- _____ 3. The deposit ticket has been validated by the bank.
- _____ 4. The amount on the deposit ticket matches the entry in the ledger.
- _____ 5. The income is allocated to the proper budget category.
- _____ B. Determine if an IRS Form 990 filing was required during the audit period. If so, confirm that return and payment (if necessary) were filed timely and accurately.

_____ C. Determine if sales tax filing was required during audit period. If so, confirm that returns and payments (if necessary) were filed timely and accurately.

AUDIT WORKSHEET – SECTION 4

Initial Finding Use **ATTACHMENT F** to record findings.

A. Review meeting calendar and minutes of Executive Board meetings and General Membership meetings to verify:

- _____ 1. Minutes are recorded of all meetings.
- _____ 2. Check signers were approved during the meeting on _____ and were
(1) _____ (2) _____ (3) _____.

LTHS PTO Standing Rules

_____ 3. Determine if tax-free fundraisers (a maximum of two per calendar year) were designated and approved by the executive board or general membership prior to the event.

(1) _____ (2) _____

4. Select a sample of three (3) each of Board and General Membership meeting minutes:

Board meetings (1) _____ (2) _____ (3) _____

General Membership meetings (1) _____ (2) _____ (3) _____

Verify:

_____ a. A quorum was present at all Board and General Membership meetings.

_____ b. Financial reports were presented at for all accounts, including Reserve Funds, if applicable.

_____ c. The budget and all amendments were adopted by the General Membership.

_____ B. Determine if Annual Review Statement was signed by all executive board members in compliance with the Organization's Conflict of Interest Policy.

_____ C. Determine if the Organization operated under a current insurance policy during the audit period.

_____ D. Determine if organization records were archived in accordance to the Organization's Record Retention Policy.

_____ E. Verify that measures are taken to protect the Organization's financial data and all electronic files related to the LTHS PTO's financial records are being backed up at a regular frequency.

_____ F. Refer to previous year's Audit Report: if report included recommendations, verify whether each one has been implemented. If a recommendation has not been implemented, verify why it has not and determine if it is still applicable (see **ATTACHMENT D**).

AUDIT WORKSHEET – SECTION 5

Initial Finding Use **ATTACHMENT F** to record findings.

A. From the PayPal transaction report for the audit period, select no fewer than every third transaction and no more than every fifteenth transaction to review. The sample should include at least five transfer transactions (see **ATTACHMENT E**).

For each **transfer** transaction:

_____ 1. Transfer amount can be tied to a deposit on the bank statement within a date range of four or five days.

_____ 2. Transfer amount is equal to the sum of the net online transactions made since the last transfer.

_____ 3. Verify that total PayPal collections for the audit period match with total PayPal deposits into PTO bank account.

LTHS PTO Standing Rules

AUDIT WORKSHEET – ATTACHMENT A

Review of Disbursements – Page ___ of ___

Make additional copies as needed

Check Num	Payee	Amount	Is disbursement in compliance? (Y/N)														
			1	2	3	4	5	6	7	8	9	10	11	12	13		
1																	
2																	
3																	
4																	
5																	
6																	
7																	
8																	
9																	
10																	
11																	
12																	

1. PTO Check Request Form was completed for all disbursements
2. Disbursements have supporting invoices and / or receipts.
3. Credit card receipts show itemized expenditures, not just total.
4. Reimbursements do not include sales tax, from which the PTO is exempt.
5. Payment was made in a timely manner, such as 30 to 45 days from date of invoice and / or Check Request Form.
6. Amount paid agrees with invoice or Check Request Form.
7. Payee on check agrees with invoice and/or Check Request Form.
8. Payee on check and signer are not the same.
9. Checks payable to an Executive Board member are in compliance with Conflict of Interest Policy.
10. Check has two signatures and is signed by authorized signers as of that date.
11. Payment for services included a W-9 collected from and 1099 given to provider.
12. The amount on the bank statement matches the entry in the ledger
13. The expense is allocated to the proper budget category.

LTHS PTO Standing Rules

AUDIT WORKSHEET – ATTACHMENT B
Review of Non-check Disbursements – Page ____ of ____
Make additional copies as needed

Trx date or identifier	Payee	Amount	Issue and resolution, if known
1			
2			
3			
4			
5			
6			
7			
8			
9			
10			
11			
12			
13			
14			
15			

LTHS PTO Standing Rules

AUDIT WORKSHEET – ATTACHMENT C

Review of Deposits – Page ___ of ___

Make additional copies as needed

Deposit Date	Amount	Is deposit in compliance? (Y/N)					
		1	2	3	4	5	6
1							
2							
3							
4							
5							
6							
7							
8							
9							
10							
11							
12							
13							
14							
15							

1. Deposit accompanied by appropriate detail such as a PTO Cash or Check Deposit Form.
2. Deposit was made in a timely manner.
3. The deposit ticket has been validated by the bank.
4. The amount on the deposit ticket matches the entry in the ledger.
5. The income is allocated to the proper budget category.

LTHS PTO Standing Rules

AUDIT WORKSHEET – ATTACHMENT D
Recommendations from last audit – Page ___ of ___
Make additional copies as needed

Recommendation	Implemented? (Y/N)	If Yes, how? If No, why not?	Still applicable? (Y/N)

LTHS PTO Standing Rules

AUDIT WORKSHEET – ATTACHMENT E

Review of PayPal Transfer Transactions – Page ___ of ___

Make additional copies as needed

Transfer Transaction Date	Transfer Transaction Comment, <i>if any</i>	Can the Transfer transaction be verified in PTO records? (Y/N)	
		1	2
1			
2			
3			
4			
5			
6			
7			
8			
9			
10			
11			
12			
13			
14			
15			

For each **Transfer** Transaction

1. Transfer amount can be tied to a deposit on the bank statement within a date range of four or five days.
2. Transfer amount is equal to the sum of net online transaction amounts made since the last transfer.

LTHS PTO Standing Rules

AUDIT WORKSHEET – ATTACHMENT F

Documentation of Findings – Page ___ of ___

Make additional copies as needed

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