



Policy on Electronic Banking

Passwords on All Accounts Should be Changed:

- at least once a year,
- when there is a change in signer, or
- when there is a financial reconciliation

Online Payment Collection Systems

- The PTA membership must approve the use of an online payment collection system.
- The online payment collection system, i.e. PayPal, must be in the PTA's name.
- Associated fees are budgeted as an expense line item and must be accounted for and reported on the financial statement. The PTA must ensure that they are checking for these fees often to ensure that the financial statement is accurate.
- All revenue must be accounted for and reported in every financial report in the budgeted income category
- Bank reconciliations must occur on a monthly basis and should a manual transfer be required from the third party processing company, documentation of the transfer should be filed with the bank reconciliation.

Accepting Payments by Credit Card

- The third party processing company (PayPal/Square) account must be in the PTA's name.
- Third party processing company(PayPal/Square) statements must be clear and detailed and accessible on a real-time basis. The PTA must have immediate access to know who has paid, the purpose of the payments, and the expected cash transfer amount.
- The third party processing company(PayPal/Square) must be Certified Compliant with the Payment Card Industry Data Security Standards (PCI DSS). Reference the Discover, MasterCard, and Visa List of Compliant Service Providers before the PTA signs the agreement.
- The same internal control procedures apply as with a bank deposit. Proper documentation is required for each deposit. The documentation need not have counters signature as you are receiving a bulk deposit. Document on the deposit form the amount of the deposit and which budget lines they were for. Attach a copy of the online transaction to the deposit form. If deposits are made every day, then a weekly summary of the deposits can be documented on a single deposit form
- Associated fees are budgeted as an expense line item and reported on the financial report.
- For swiped transactions, receive training from your third party processing company on how to handle cards that do not read correctly. Do not write down the card number for **any** reason. Only accept swiped transactions that are immediately authorized (requires Internet or phone access). Do not swipe and store transactions for later settlement.

Disputes

- Require from the third party processing company that only the PTA may confirm a refund to the customer. The treasurer is the only person authorized to confirm the refund. Confirming a refund requires the same approvals and documentation as required for a request for a check to be issued for disbursement.
- The authorized refund must be recorded in the check registry prior to withdrawal.
- The third party processing company must provide the PTA guidance on challenging a disputed payment.
- Any challenge of payment must be responded to promptly and accurately.
- If merchandise has not already been provided, withhold goods and services until the dispute is cleared.
- If the dispute is not resolved favorably, treat this action in the same manner you treat a non-sufficient funds check.

Use of Credit/Debit Cards

- Use of credit or debit cards should be approved by the membership.
- Signers on the credit and debit cards:
 - **Option A:** Card is issued to authorized signers, including name of the PTA, and should be the same signers as on the bank account.
 - **Option B:** Card is issued in the name of the PTA only. The card is in the possession of the treasurer and is used via a check out log. The log is then reconciled to the statement prior to payment.
- The credit limit should not exceed half of the income on the budget approved at the Annual Meeting.
- Prior to use of the credit or debit card, a check request should be filled out. Following the purchase, the receipt should be given to the treasurer and attached to the check request
- No cash transactions will be allowed (ATM, Cash Back, etc.)
- Change in signer on the checking account will require a change in signer on the credit card and a financial reconciliation should be performed. This also applies when a card is lost/stolen/compromised.

Viewing Bank and Credit Card Statements Online

- Statement can be viewed on line however a hard copy of the statement must still be mailed to the school for a non signer to review prior to the treasurer receiving it.
- Be aware of statements mailed during summer months or long holidays. Arrangements can be made with the principal to pick up the mail and ensure accounts are reviewed and payments made in a timely manner.

Recurring Payments

If the PTA has recurring payments, these should be set up to be deducted directly from the bank account. At the first Association meeting of the year, a motion would be made to approve the recurring payment.