

OPERATING GUIDANCE

Support for Virginia PTA's Units & Councils



Virginia
PTA
everychild. onevoice.®

Electronic Commerce: Online Banking, Debit/Credit Cards

A PTA's membership may vote to authorize one or more e-commerce options via the standing rules. The standing rules should contain specific policies and procedures for each e-commerce option and should be reviewed and approved annually.

Recurring Payments

Recurring payments for PTA expenses may be set up to be deducted directly from the PTA's bank account. At a general membership meeting, a motion should be made to approve the recurring payment to the specific vendor. The recurring payment should fit into the approved budget; otherwise, the budget must be amended.

ACH Transfers or Electronic Checks

Prior to the use of an ACH transfer or e-check, an electronic transaction request form should be completed with two signatures (typically president and treasurer), just like a check would be. The receipt or invoice should be given to the treasurer and attached to the request form.

Debit or Credit Cards

Cards may only be issued to an authorized signer on the bank account (president, treasurer, or a third officer, none of whom may be related or live in the same household). The standing rules should specify which officer(s) can be issued a card. No cash transactions via the card are permitted (ATM, cash back, etc). Prior to the use of the debit or credit card, an electronic transaction request form should be completed with two signatures (typically president and treasurer), just like a check would be. Following the purchase, the receipt should be given to the treasurer and attached to the request form. If the card is lost or stolen, it should be cancelled, and the account should be reconciled by a non-signer to identify any unauthorized transactions. Upon the end of the officer's term, or upon their resignation or removal from office, the card should be surrendered to the PTA and destroyed.

Online Payment Collection Systems (such as PayPal, Stripe, Square, etc.)

PTAs may only use payment collection systems that are available for non-profit use. Person to person systems (such as CashApp) are not set up for non-profits. Some services, such as Venmo and Zelle, can be linked to a non-profit account via PayPal or a local bank. These services usually require a personal cell phone number to operate; given the frequent turnover of officers, their use is strongly discouraged. All PTA accounts should be registered using the EIN assigned to the PTA and ensure that the treasurer's contact information is kept updated. Treasurers should keep a list of the online transactions in their treasurer records. Any cash balance should be transferred to the PTA's bank account at the end of each month. Monthly statements from the online system should be included alongside bank statements and used as part of the reconciliation process. Fees paid for online transactions should be reported in every financial report.

Fraud/Theft

Electronic transactions open the potential for fraud or theft. It is essential that the PTA has specific written policies and procedures in their standing rules to insure effective internal controls. PTAs do not need to use any or all e-commerce options and should carefully consider whether they are truly needed. Research any e-commerce platform to determine their policies on fraud or theft, particularly debit and credit cards. Read your PTA's insurance policy to see what it covers. It is crucial that there is documentation for all transactions and that PTA accounts be reconciled monthly by a non-signer to ensure that fraud and theft does not occur.