

ELM SCHOOL PTO

Expense Policy

The Treasurers are the custodians of the PTO's funds and are expected to perform their duties in a timely and accurate manner. The Treasurers must apply sound financial controls and best practices to ensure the security of the PTO's funds. They are responsible for readily providing financial information to support the group's decision-making. The Treasurers are the point persons, but the PTO at large makes decisions and sets policies for those funds based on information presented by the Treasurers.

The entire board is responsible for protecting PTO funds.

PURPOSE

The purpose of these guidelines are to set forth uniform procedures for approval and payment of expenses directly billed to the Elm School PTO and for reimbursement of expenses incurred by the Elm School PTO Board of Directors and Committee Members on behalf of the Elm School PTO.

POLICY

In order for an expense to be paid, it must be an **allowable expense**, which is submitted in a **timely manner**, and the invoice or expense report must be **approved for payment**.

ALLOWABLE EXPENSE

An expense will be considered *allowable* if it is directly related to an Elm School PTO sponsored event, activity or program, is submitted in a *timely manner*, and the expense meets one of the following criteria.

1. Included in the current year's Elm School PTO Budget, which was approved by a majority of a quorum of the Elm School PTO.
2. Included in an Elm School PTO Contract, which was approved by a majority of a quorum of the Elm School PTO.
3. Presented to, and approved by, a majority of a quorum of the Elm School PTO as a voted expense. There are two kinds of expenses that can be included as voted expenses:
 - a. In the event that an expense would result in the committee exceeding its annual budget by the lesser of 10% or \$250, the additional amounts must be approved by the Elm School PTO *prior* to incurring the expense.
 - b. Expenses submitted for activities not originally included in the budget

In the event that the PTO cannot meet in a timely fashion in order to vote on the expense, the expense may be allowed with approval from a simple majority of PTO Executive Board members. The President(s) and Treasurer(s) must be included in this group.

Sales tax is **not** an allowable expense. The Elm School PTO is a 503c3 organization and is therefore exempt from sales tax. The PTO does not reimburse for sales tax unless prior approval is obtained from the Treasurer. PTO volunteers are asked to present the **Elm School Tax Exempt Letter** when making purchases on behalf of the PTO. If you inadvertently paid sales tax with your purchase, some businesses may refund the sales tax if you return to the store with your receipt and the letter. Please review the Elm School **Sales Tax Reimbursement Policy** for more details.

TIMELINESS

Check requests for direct billed expenses to the Elm School PTO should be submitted at least 10 days before the check is needed or due. An invoice, purchase order or contract must be attached to the Requisition for Payment form.

Requests for reimbursement of expenses must be submitted to the PTO Treasurers within 45 days of incurring the expenses. Original receipts must be included for all expense items. If original receipt(s) are not possible, a written explanation that substantiates the expense must be provided. Requests for reimbursements received after 45 days must be approved by a majority of a quorum of the Elm School PTO.

Expenses incurred at the end of the school year are an exception. All Requisitions for Payments are due the last day of the school year, to allow for accurate and prompt closing of the previous year's books. Any expenses anticipated to occur after the last day of the school year's books. Any expenses anticipated to occur after the last day of the school year and before June 30th need to be brought to the PTO Treasurer's immediate attention prior to the last day of the school year to be considered for future payment.

APPROVAL FOR PAYMENT

A supply of blank Requisitions for Payment forms will be kept in the treasurer's mailbox and can also be downloaded from the Elm School PTO website <http://www.elmschoolpto.org/pto-resources/>. Members can pick up forms on their own and return the completed form and supporting documentation to the Treasurer's docket, mail to the Elm School PTO Treasurer, c/o Elm School, 15W201 60th Street, Burr Ridge, IL 60527, or scan and email to treasurer@elmschoolpto.org.

After receiving the Requisition for Payment, the PTO Treasurer will verify that it is an *allowable* expense using above criteria and all required supporting documentation is included. Incomplete Requisition for Payment forms will not be accepted and checks will not be issued until the appropriate supporting documentation or authorization from an Elm School PTO Co-President is received.

Payment for approved Requisitions for Payment are to be paid by the PTO treasurer within 30 days or before the due date, whichever comes first, unless otherwise directed by a PTO Co-President.

APPROVAL AUTHORITY

In cases where the payment of a Requisition for Payment is in dispute for any reason, the final authority for approval of payment rests with the Elm School PTO.