



E-Commerce Policy Review

COMMITTEE RECOMMENDATION

These sections of the current e-commerce policy have become common practice and as such should be moved to the Treasurer's Resource Guide:

- electronic banking
- online statement review
- electronic financial documentation
- ACH/electronic payments

These sections of the current e-commerce policy should remain as the e-commerce policy and optional in standing rules:

- recurring payments
- credit/debit cards
- online & point of sale payment collection systems



Additions to Treasurer's Resource Guide

Electronic Banking

The password for an online account should be changed:

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

The PTA needs to determine who has online access to the account. The Treasurer and President should have full access, and, if possible, the additional authorized signers and non-signer statement reviewer should have read-only access.

PTA accounts cannot link to any individual accounts.

The PTA may deposit checks electronically via a mobile application or online system. Prior to deposit, the PTA should note on the check that the check is being deposited electronically along with the date of deposit to prevent accidental double deposit. After deposit, write on the front of the check, "Deposit Completed," your confirmation number, and the date deposit submitted. Consult with your bank regarding how long the check should be kept prior to destroying. Proper documentation is required as with a traditional bank deposit and a confirmation of the deposit should be attached to the deposit form.

Online Statement Review

Bank, credit card and online payment processor statements may be reviewed online by the non-signer statement reviewer if view-only access is available. Alternatively, the non-signer statement reviewer may print a copy of the statement that has been provided as a pdf to be reviewed along with the Statement Review by a Non-Signer form. After review, the original Statement Review by a Non-Signer form is kept by the Secretary and the reviewer retains a copy. The Treasurer is given a copy along with the account statement. The Secretary presents the report at the next executive board meeting.

Electronic Financial Documentation

The PTA funds request form, deposit form and Statement Review by a Non-Signer form may be signed and stored electronically. The funds request and deposit form should be stored with the associated scanned receipts and invoices. These electronic documents should be stored on a PTA's shared drive and viewable access should be granted to the executive board. This storage information should be reflected in the PTA's Records Retention Policy.

ACH/Electronic Payments

Payments to the following are allowed by ACH or eCheck. **Wire transfers of any kind are not allowed.** Proper documentation is required including signed funds request forms and any other required documentation. All expenditures, other than escrowed or liability items, must be budgeted.

- Texas PTA
- Texas Comptroller for sales tax remittance



Additions to Treasurer's Resource Guide

- AIM for insurance policy renewal
- Local PTA to Council PTA
- Council PTA to Local PTA



Proposed E-Commerce Policy

A PTA's membership must vote to authorize one or more of the following e-commerce options. The PTA must include the corresponding language in their standing rules or adopt a separate policy. PTAs that are adopting this language as a separate policy should note that all standalone policies must be reviewed and adopted annually.

Please choose one or more of the following e-commerce options that may apply to the PTA:

Recurring Payments

Recurring payments for PTA expenses may be set up to be deducted directly from the bank account. At the first membership meeting of the year, a motion is made to approve the recurring payment to the specific vendor.

Credit/Debit Cards

- Cards are issued to authorized signers on the bank account and include the name of the PTA.
- The credit limit should not exceed half of the income on the budget approved at the annual meeting.
- No cash transactions (ATM, cash back, etc.) are allowed.
- The cards are in the possession of the Treasurer and are used via a checkout log. The log should include an agreement that sales tax will not be reimbursed unless pre-approved by the executive board. The log is then reconciled to the statement prior to payment.
- Prior to use of the credit or debit card, a funds request form is completed and submitted. Following the purchase, the receipt is given to the Treasurer and attached to the funds request form.
- If sales tax is paid for the credit card purchase, the card user reimburses the PTA unless prior approval has been granted by the executive board.
- A change in signer on the checking account requires a change in signer on the credit card, and a financial reconciliation shall be performed. This applies when fraud or misuse of the card has been discovered.
- If the card is lost or stolen, the account must be reconciled to identify any unauthorized transactions.

Online & Point of Sale Payment Collection Systems

- The PTA membership must approve the use of an online and/or point of sale payment collection system (PayPal Business (Non-Profit), Square, Venmo Business, Web-Store, Transfirst/TSYS, etc.).
- The payment collection system must be in the PTA's name.
- The payment collection system's statements must be clear with detailed and accessible information 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.
- Associated fees are budgeted as an expense line item and are accounted for and reported in every financial report. The PTA must check for these fees often to ensure that the financial statement is accurate and that the fees are correct.



Proposed E-Commerce Policy

- All revenue is accounted for and reported in every financial report in the corresponding budgeted income category or categories.
- Reconciliations must occur on a monthly basis. Whether a manual or automatic transfer to the PTA bank account occurs, transfers should occur at least monthly and proper documentation is required as with a traditional bank deposit. For daily deposits, a weekly summary of the deposits may be documented on a single deposit form. The deposit form should have the online transaction confirmation attached and does not need counters' signatures as you are receiving a bulk deposit. The deposit form should include the amount of the deposit, which budget lines are impacted including the incurred fee budgeted expense. Alternatively, if fees are charged monthly, a funds request form should be used to document.
- The payment collection system must be Certified Compliant with the Payment Card Industry Data Security Standards (PCI DSS).
- For swiped transactions, the PTA should research the payment collections system's policies on handling cards that do not read correctly. Card numbers are not written down for any reason. Only swiped transactions that are immediately authorized, via internet or phone access, are accepted. The PTA does not swipe or store transactions for later settlement.
- In the case of electronic payment disputes, the PTA should research payment collection system's policies on challenging a disputed payment. The PTA confirms that only the PTA Treasurer has access to issue a refund to the customer. Any challenge of payment must be responded to promptly and accurately. Confirming a refund requires the same approvals and documentation as required for a funds request form. The authorized refund is recorded in the check registry prior to withdrawal. If merchandise has not already been provided, goods and services are withheld until the dispute is cleared. If the dispute is not resolved favorably, the action is treated in the same manner as a non-sufficient funds check.