



Policy on E-Commerce For Local/Council PTAs

A PTA's membership must vote to authorize e-commerce transactions by amending their standing rules or, in the absence of standing rules, adopting a separate policy. PTA's should note that all adopted policies must be reviewed and adopted annually.

PTA's who vote to authorize one or more of the following e-commerce options must include the corresponding language in the standing rules or policy.

Option 1: Online Statement Review

- Banking and credit card statements may be reviewed online; however, a statement must continue to be mailed to the PTA's official mailing address for a non-signer to review before the treasurer receives the statement.
- For PTAs who utilize the school address, arrangements should be made with the principal to pick up the statements from the school over the summer or long holidays to ensure accounts are reviewed and necessary payments are made.

Option 2: Use of Credit/Debit Cards

- 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 checkout 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 funds request should be completed and submitted. Following the purchase, the receipt should be given to the treasurer and attached to the funds request.
- No cash transactions will be allowed (ATM, cash back, etc.)
- A 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.

Option 3: Electronic Banking

Online Account Access

Password for online accounts should be changed:

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

Recurring Payments

Recurring payments for PTA expenses must 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.

Online Payment Collection Systems

- The PTA membership must approve the use of an online payment collection system.
- The online payment collection system (PayPal, et.) 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.

Option 3: Electronic Banking (continued)

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.
- Third-party deposits are processed the same as a traditional bank deposit.
 - Proper documentation is required for each deposit.
 - The documentation need not have counters' signatures as you are receiving a bulk deposit.
 - Document on the deposit form the amount of the deposit and which budget lines are impacted.
 - Attach a copy of the online transaction to the deposit form.
 - For daily deposits, a weekly summary of the deposits may 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, the PTA will receive training from your third-party processing company on handling cards that do not read correctly.
- Card numbers must not be written down for any reason. Only swiped transactions that are immediately authorized (via Internet or phone access) will be accepted.
- The PTA will not swipe or store transactions for later settlement.

Disputes

- PTA will confirm with the third-party processor that only the PTA treasurer may confirm a refund to the customer. 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, goods and services will be withheld until the dispute is cleared.
- If the dispute is not resolved favorably, treat this action in the same manner as a non-sufficient funds check.