



Office of Family and
Community Empowerment

Guidance to Facilitate Conducting Financial Transactions and Fundraising

Created by: School-Based Liaisons Team

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GROUP NORMS

1. Please **mute yourselves** upon entry. **Background noise** will **interfere** with your ability to **hear** the presentation.
2. If you have **questions**, please use the **chat feature** on Teams. Make sure to **add your name** and **school** to the text when asking your question.
3. Be Present.

AGENDA

1. Training Purpose
2. 2. Financial Transactions :
 - Conditions
 - Paying Vendors
 - Refunds
 - Paying for Goods & Services
3. Fundraising
4. Questions & Answers



Financial Transactions

- PA/PTAs are responsible for their own financial affairs but must operate within rules that protect the organization
- With the closing of school buildings for the duration of the Covid-19 emergency, coupled with social distancing measures, PA/PTAs have had difficulty transacting business in strict compliance with the requirements of A-660. While PA/PTAs are under no obligation to conduct new business such as implementing fundraisers or make expenditures already approved by the membership, they should try as much as possible to fulfill existing obligations such as payments to vendors who have already provided goods and services and refunds to parents who have paid for events that have been canceled such as proms, graduation ceremonies and trips.

Payments to Vendors

PA/PTAs that have outstanding invoices for completed purchases must make every effort to pay those invoices. Until the PA/PTA has access to physical checks, payments can be made in one of two ways:

Online access to the checking account.

Via their bank's electronic bill payment system or, if the PA/PTA does not have online access to the checking account, by a member willingly advancing the funds.

A member advances the funds.

By a member willing advancing the funds to be reimbursed later.

Payments to Vendors

PA/PTAs that have established online access to the checking account are able to make payments through their bank's online bill payment system. Payees receive an actual check, mailed to the address entered by the PA/TA officer.

- Some accounts include an option to require **dual authorization** of payments made online; if this option is enabled, the transaction will comply with A-660. This feature is available principally for business accounts.
- If your PA/PTA's account does not offer an equivalent feature, you may consider creating a protocol that allows 2 officers to simultaneously authorize the transaction and produces a printable record
- Payment systems such as *Zelle* or *CashApp* are prohibited

Payments to Vendors

A member advances the funds, to be reimbursed later. A-660 allows members to be reimbursed for out-of-pocket expenses. Given the potential risks, this option should be used only if absolutely necessary (e.g., if the vendor threatens legal action). These are the factors to consider:

- PA/PTA bylaws may define the kinds of kinds of expenses a member may pay out-of-pocket and set a maximum dollar amount.
- The expense must have been approved by the membership, but reimbursement is not subject to approval.
- The member must provide a receipt.
- The member must understand that they will not be reimbursed until the PA/PTA regains access to the building to retrieve the checkbook, and risks not being reimbursed at all

Refunds

With the cancellation of in-person events after March 13, several PA/PTAs find themselves unable to spend moneys collected from parents for specific activities. These payments should be refunded but the mechanism for doing so, and whether they can be refunded at all, depends on several factors. To make any refunds:

- The PA/PTA must have access to online banking as described above. No refunds may be made using the out-of-pocket expenditure provisions in A-660 or the bylaws.
- The member requesting the refund must be able to produce receipts or other proof that the money was actually paid to the PA/PTA.
 - The PA/PTA can only issue refunds of payments that were deposited into its account and were never transferred to the school.
 - Where funds were transferred to the school, refunds must be issued by the school, not the PA/PTA.

Refunds (continued)

- Parents who made payments or donations by check will be able to stop payment if the check has not been deposited. In case of payments (but not donations) made by credit card, parents may be able to obtain a refund through the credit card company's dispute resolution mechanism as a last resort.
- PA/PTAs are prohibited from offering refunds of pure donations (where the parent receives nothing in return) that were made in cash once the funds have been deposited.

Paying for Goods & Services

PA/PTAs should carefully consider making expenditures while school activities are suspended. Recognizing that the loss of end-of-year activities has been traumatic for many students and particularly so for graduating seniors, 5th and 8th graders, some PA/PTAs may decide to purchase items such as recognition plaques, sweatshirts, notebooks or other items for students. Other PA/PTAs may want to purchase office supplies they will need once schools reopen or pay for subscriptions to remote meeting platforms while they are closed.

Paying for Goods & Services

If the expense has already been approved by the membership, goods and services may be purchased provided the PA/PTA has a way to pay for them.

- If the PA/PTA has access to online banking, payments can be made as described in “Payments to Vendors” .
- If the PA/PTA does not have access to online banking, it will not be able to pay for the goods and services directly and should not make the purchase. In principle, a member could advance the funds, but this is never advisable in the absence of a truly compelling reason such as payment of outstanding invoices.

Paying for Goods & Services

If the expense has not been approved by the membership, the PA/PTA has two options.

- Obtain membership approval at a meeting conducted remotely.
- The executive board may authorize the expense, as allowed in A-660.III.D.2. The executive board must consult the bylaws to determine the maximum amount that may be spent and the circumstances that warrant the expenditure.
 - A-660 requires that a process for authorizing emergency expenditures be included in the bylaws. PA/PTAs should review their bylaws to ensure they address this process and make revisions if needed to ensure that it adequately covers emergencies that are likely to arise, including the closure of school buildings. FACE will assist with model language.

Paying for Goods & Services

The executive board has some latitude in deciding which specific goods and services to purchase within categories of expenses authorized by the membership and make substitutions for authorized items that become unavailable or impractical. However, the intent of the membership must be respected.

- Example: the membership authorized renting caps and gowns for 5th grade graduation. With graduation ceremonies cancelled, the executive board may decide to buy sweatshirts to be distributed to those same 5th graders (by whatever means are available). The executive board may not, however, decide to distribute the sweatshirts to other grades, or to buy items that have no connection to graduation activities.

Fundraising

In addition to their regular fundraisers, many PA/PTAs are eager to find ways to support families that have been especially hard hit by the Covid-19 pandemic, such as those who are ineligible for federal benefits. However, with in-person gatherings currently suspended and the timeline and conditions for the reopening of schools unclear, PA/PTAs should be especially careful when planning new fundraisers.

PA/PTAs may plan and implement fundraisers, including to assist members of the school community in need as a consequence of the Covid-19 pandemic. They must however consider every aspect of a proposed fundraiser carefully to minimize the risk of fraud and ensure the proceeds are distributed equitably. The regulations regarding fundraisers apply equally to fundraisers conducted to support families in the pandemic.

Fundraising

- Some fundraising activities are absolutely prohibited regardless of the pandemic or are suspended because of restrictions on in-person gatherings.
- All fundraisers in the name of the PA/PTA must be approved by the membership. The executive board does not have authority to start a fundraiser even in an emergency.
 - Individual PA/PTA members may start a GoFundMe campaign or collect funds in other ways, but it must be clear that the funds are being raised by an individual, not by the PA/PTA.
 - Membership approvals must appear in the minutes of the meeting.

Fundraising

PA/PTA fundraising plans must address:

- How the money collected will be deposited.
 - PA/PTAs that have not established access to online banking for ACH payments, and do not have a way to accept credit card payments or payments from PayPal or other platforms that can be tied to a checking account may find it impossible to accept donations in compliance with the rule that all transactions must be made through the PA/PTA's checking account.
 - Under no circumstance may donations solicited by the PA/PTA be deposited into an individual's account, or checks sent to an individual's home.

Fundraising

- How the money collected will be distributed.
 - The PA/PTA must have a plan to distribute funds in a transparent and equitable way. This is especially true if the funds are being distributed according to criteria such as “need”: how need is defined and identified can give rise to disputes.
 - The PA/PTA must map out methods of distribution and ensure detailed records are kept. Understanding that families will find cash equivalents such as gift cards most useful, the PA/PTA must detail the process of purchasing and distributing the gift cards to families, and to track each card from purchase to distribution.
 - Distribution of funds to families is complicated by the fact that A-660 prohibits the school from giving parents’ contact information to the PA/PTA. The PA/PTA may have or collect contact information from parents, but the resulting list will include many fewer parents than are in the school; this will make it difficult to implement distributions directly to families.

Fundraising

- It is advisable for the PA/PTA to work closely with the school on any fundraiser related to Covid-19 in order to maximize solutions when the PA/PTA encounters difficulties in collecting and distributing funds. For example, the PA/PTA may run the fundraiser but ask that donations be sent to the school to facilitate the distribution of proceeds. Collaboration is especially important when funds are solicited by the PA/PTA but sent to the school—each donation must be carefully tracked.
- Transparency and accountability are especially important in the remote environment. Regular updates must be given to the membership on the progress of any approved fundraiser and a Fundraising Activity Report, available at <https://www.schools.nyc.gov/school-life/getinvolved/parentassociations>, must be completed for every fundraising activity started after March 13, 2020.

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Questions & Answers Session

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Thank You