



TO: PA/PTA Officers, Presidents' Council Officers

FROM: Deputy Chancellor Adrienne Austin, FACE Executive Director Sadye Campoamor

DATE: December 3, 2021

RE: Implementation Policy Guidance Related to Amended Chancellor's Regulation A-660

FINANCIAL AFFAIRS OF PARENT ASSOCIATIONS AND PRESIDENTS' COUNCILS

This document provides implementation policy guidance regarding recent amendments to Chancellor's Regulation A-660 that authorize PA/PTAs and Presidents' Councils to use online banking and debit/ATM cards. Please be advised that violation(s) of this implementation policy guidance may lead to disciplinary or corrective action, including removal from office or criminal prosecution.

I. PA/PTA and Presidents' Council Checking Accounts

A checking account in the name of the PA/PTA or Presidents' Council remains the mandatory primary financial instrument for all PA/PTAs and Presidents' Councils. All funds must be deposited into the checking account and all transactions must be made from that account.

PA/PTAs and Presidents' Councils may open other accounts, e.g., savings accounts, provided that i) they are in the name of the PA/PTA or Presidents' Council; ii) all funds deposited into those accounts come from the checking account; and iii) all withdrawals made from those accounts are in the form of transfers to the checking account.

Paper checks, whether from a conventional checkbook or printed from financial software such as QuickBooks, remain the preferred instrument of payment for goods and services. However, DOE recognizes that PA/PTAs and Presidents' Councils may need to rely on other payment methods in certain circumstances, such as when a vendor does not accept checks, or when they are unable to access the checkbook.

II. Establishing Online Access to the Checking Account

To ensure uninterrupted use of their funds, PA/PTAs should consider establishing online access to their checking account. This will allow them to pay vendors with a physical check, mailed by the bank to the address entered by the authorized PA/PTA or Presidents' Council officer, even if they do not have access to the checkbook.

A PA/PTA or Presidents' Council that sets up online access to the checking account must pay special attention

to safeguarding the log-in information, ensuring that each transaction is properly authorized and documented, and establishing fraud-control mechanisms.

- To establish online access, you will have to provide the 9-digit ABA routing number and the account number printed at the bottom of checks; you may also have to provide a debit card number (most institutions will automatically issue such a card with a checking account). The executive board must develop procedures to ensure that these numbers, along with the password, are shared with the smallest possible number of officers and that they are included in the records transferred to the incoming board.
 - The incoming board should consider changing the password.
- You will also have to link an email address. This email address is generally also the username; most importantly, it is used for two-factor authentication and communications from the bank. **The email address linked to the online account MUST be the DOE-issued outlook email account for the PA/PTA or President's Council.** *To create or access the DOE-issued outlook email account, please contact your Parent Coordinator, school administrator, or Family Leadership Coordinator.*
 - **Under no circumstance should a personal email address or phone number be used in connection with establishing online access to the PA/PTA or Presidents' Council checking account.**
- Once online access has been established, you may have the opportunity to link other accounts at the same bank or at a different bank ("external accounts"). If the PA/PTA or Presidents' Council has another account (such as savings account), it may be linked to allow transfers without the use of checks or deposit slips.
 - **Under no circumstance should a personal account be linked to the PA/PTA or Presidents' Council checking account.**

III. Controls and Safeguards

The requirement for two signatories, not related by blood or marriage, to sign every check has not changed. The executive board must develop procedures to ensure that online transactions incorporate an equivalent safeguard.

Dual authorization of payments made online is generally available only for business accounts (e.g., Chase for Business Accounts with Chase Dual Control Service Mark), which tend to be too expensive for most PA/PTAs and Presidents' Councils. If your bank does not offer this feature for your type of account, you must use a protocol that allows two signatories to simultaneously authorize the transaction and produce a record (screen shot or PDF) that can be saved electronically as well as printed.

- A satisfactory protocol includes the following elements: i) a video session (Zoom or GoogleMeets, not a video call); ii) one signatory enters the information on the bank's website while a second signatory witnesses the transaction (an additional witness would be ideal); iii) the transaction is memorialized in the chat, which is saved and emailed to all the participants; iv) a screenshot is taken of the transaction confirmation screen and/or the page is printed (hard copy of PDF); and iv) all transaction records are

saved in the PA/PTA or Presidents' Council files. *Request assistance from your Family Leadership Coordinator or FACE if you are unsure of the exact steps.*

PA/PTAs that have established online access to the checking account must enable automatic notification of transactions to the PA/PTA or Presidents' Council email address. The exact type of transaction that triggers notification will vary from bank to bank; you should enable all notifications and set as low a threshold as possible so that the executive board (all officers who have access to the email account) will be notified and can take action if a transaction seems suspicious.

IV. Debit Cards

In exceptional circumstances, PA/PTAs and Presidents' Councils may use the debit card connected to their checking account as a method of payment. The debit card is to be used only to pay for goods and services that cannot be paid for by check, and not simply as a matter of convenience.

- **Under no circumstance shall the debit card be used to withdraw funds from an ATM or to obtain cash in other ways, such as cash-back from a transaction.**

A PA/PTA or Presidents' Council may have only ONE debit card, in the name of the organization and one of the signatories. The bylaws must specify which officer will be the holder of the debit card. All other cards that may be issued by the bank must be destroyed.

- A record, signed by all account signatories, must be kept of all debit cards received and the date they were destroyed.

To minimize the possibility of misuse of the debit card, the following safeguards must be put in place and incorporated into the bylaws.

- The debit card must be kept in a secure, locked location at the school or on DOE premises. • All debit card transactions must receive prior authorization by the general membership. This authorization is separate from and in addition to the approval of the expenditure.
- A [Debit Card Disbursement Form](#) must be completed for all debit card transactions; the form must be signed by 2 account signatories and filed with the PA/PTA's or Presidents' Council's financial records. (Appendix 1)
- PA/PTAs and Presidents' Councils must try to minimize both the number and amount of debit card transactions. Any expenditure in excess of \$5000 must be notified to the principal and FACE (PA/PTAs) or the superintendent and FACE (Presidents' Council), as evidenced by the appropriate signatures on the [Debit Card Disbursement Form](#).
- A debit card must not be used to obtain cash for any purpose, including reimbursement for members' out-of-pocket expenses. All such reimbursements must still be made by check.

V. Electronic Payment Systems

PA/PTAs are absolutely prohibited from:

- Making payments using any person-to-person or instant payment systems such as Venmo, Zelle, GooglePay, etc.
 - Such systems may be used to receive payments, provided they are linked only to the PA/PTA's

- or Presidents' Council checking account and/or DOE-issued outlook email address.
- Setting up mobile wallets or any payment application installed on a member's phone or mobile device.

VI. Transfer of Records: Online Banking Information and Debit Card

It is the responsibility of the outgoing officers to ensure all PA/PTA and Presidents' Council records are transferred to the newly elected officers. All financial records must be maintained on school premises (PA/PTAs) or in a DOE building (Presidents' Councils) and retained for 6 years. The June Transfer of Records meeting must occur no later than June 30th of each school year.

In addition to documents specified in Chancellor's Regulation A-660, the outgoing Executive Board must give an accounting for all financial documents to be transferred to the incoming Executive Board, including but not limited to:

- o Username and password for the online bank account(s)
- o PIN number(s)
- o [Debit Card Disbursement Form\(s\)](#)
- o Third-party application records and statements (dues and donation collections) o Interim and annual financial reports

If a debit card bears the name of a signatory in addition to the name of the PA/PTA or Presidents' Council, it must be destroyed at the end of that officer's term.

The incoming Executive Board should change all passwords and PIN numbers once it obtains access to the account(s).