



## ***The Importance of Financial Safeguards***

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Safeguards are important - and never more so than any time in which your school's administrative process may be atypical, such as periods of low board membership or if your school is on pause.

**All board members share fiduciary responsibility for the school.** You must have systems in place that hold accountable those who handle funds and allow for *all board officers* to engage in financial matters.

No one person should have sole access to and responsibility for the finances of the school. Time and time again, PCPO has seen schools fall into trouble when financial access is consolidated into one position.

- Bank Statements must be reviewed by someone that is not a check signer.
  - Look for cash withdrawals, unexpected payees and amounts.
  - Payroll and payroll taxes should appear as expected.
- Have more than one signer on your bank account.
  - Require two signatures for checks, even when inconvenient.
  - Ensure payments will continue if one person is unavailable.
- Utilize your bank's online portal.
  - Consider read-only access for non-check signers.
  - Look into online bill pay.
- Have written practices and procedures.
  - Written instructions ensure a smoother succession.
  - A payment calendar can help plan ahead or catch missed payments before it's too late.
- Financial statements must be produced on schedule and made available to board members. *Set this expectation and uphold it.*
  - Board members should know how to read and understand these statements. Take time at your meeting to go over them together.

The following list of Financial Safeguards have been created over our years of assisting schools through financial challenges. Please read them carefully with your board and have a discussion to identify things you are doing well, safeguards that need to be implemented, and what might need amendment per your current administrative needs.



## ***PCPO Financial Safeguards***

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PCPO highly encourages implementation of the following recommendations concerning financial practices and cash handling procedures as critical to the continued financial security of each school.

- ◆ More than one person understands the fiscal responsibilities of the school and can help the Treasurer if needed. Financial safeguards are re-established if the individuals change.
- ◆ Job Descriptions for officers are detailed and clear.
- ◆ President or designee (other than the Treasurer) opens and reviews all mail before distributing promptly to appropriate persons.
- ◆ President and another member (who is not a signer on the bank account) review each bank statement. All cancelled checks, copies or images of checks are reviewed for valid payees and appropriate amounts. These two people and Treasurer meet periodically as a financial committee.
- ◆ There should be no cash withdrawals. Cash transactions are avoided for routine payments. Receipts are issued for all cash received.
- ◆ Two signatures are required for withdrawal and check writing. Blank checks are never signed.
- ◆ All disbursements are by check or authorized electronic payment. An invoice or check request form is required for all disbursements. Request that the bank suspend marketing mailings.
- ◆ Establish and enforce firm policies regarding the use of any debit cards. (all purchases must be preapproved by board/president, card holder does not review accounts, etc)
- ◆ Expense reimbursements require a signed and itemized check request form accompanied by receipts. Reimbursements are made only at scheduled times.
- ◆ Savings accounts are used only to transfer funds to and from the checking account.
- ◆ The starting cash and ending cash amounts in fundraising cash boxes are documented on site by two people.
- ◆ Bank statements are reconciled monthly.
- ◆ Written financial statements are presented monthly to the board.
- ◆ Board minutes include recording of the status of payroll taxes and reports, workers' compensation, and other important financial payments and filings.
- ◆ An annual financial review is conducted.
- ◆ All computerized records are backed up regularly. Financial statements and other important financial records are routinely printed, signed, and dated.
- ◆ Only persons who are bonded or whose positions have been listed with the PCPO SELF/HELP program handle money.