

## **PCEP BUDGET REIMBURSEMENT POLICY INCLUDING CASH ADVANCE EXCEPTION (Approved 05/14/02)**

The Parent Cooperative Education Program (PCEP) is a unique program where parents are actively involved in the daily educational experience of their children. From its inception, the PCEP has relied heavily on additional funding from parents to supplement the money provided from the Edmonds School District and the State of Washington. Through voluntary pledges and active fundraising by the parents, a budget was created to fund educational enhancements both in and out of the classroom.

The PCEP was incorporated in the State of Washington as a non-profit organization in 1994. As a 501(c)(3) non-profit organization, the financial standards and practices of the PCEP must be in alignment with the IRS regulations to maintain the program's tax-exempt status.

In the spring of each calendar year, a budget committee drafts a proposed budget for the following school year. The draft budget is presented first to the Board and then to the Parent group for approval at its May meeting. The PCEP group provides funds to the teachers for the classroom as approved in the annual budget. These funds are called "Classroom Budget". Allocations of funds for the support staff (e.g. band, music, PE, Speech and Language) provided in the budget. Funds are also provided for event committees (e.g. Field Day, Spring Social, etc.) and on-going committees (e.g. Enrichment, Parent Education, etc.) that promote school-wide activities. These funds are called "Committee Budget". Additional funds are provided for other administrative expenses as approved in the budget.

### **PHILOSOPHY AND PRINCIPLES**

- "Class enhancements including extra supplies and field trips are funded solely from parent support through donations (voluntary pledges) and annual fundraising."<sup>1</sup>
- PCEP is registered as a 501(c)(3) organization and receives tax-exempt status from the IRS. As such, all expenditures and activities of the PCEP must align with its stated goals and aims in order to maintain its tax-exempt status.
- All expenditures must be related directly to the health, welfare, safety, or education of children.
- "No part of the net earnings (of PCEP) shall inure to the benefit of any of its members, directors, trustees, officers, or other private persons."<sup>3</sup> This means, for example, that it is not appropriate for PCEP funds to be used to pay for any parent, teacher or officer's continuing education or salary enhancement opportunities.

### **PROCESS**

- Payment for purchases/expenditures is done by reimbursement. Payment may be made directly to the vendor/supplier with proper documentation.
- Reimbursement is always by check only, and no money will be given in advance of the purchase(s), with the exception of classroom field trip parking fees or per the **Cash Advance Exception** policy.
- The PCEP fiscal year is July 1-June 30. Reimbursement requests must be submitted prior to the end of the fiscal year. Reimbursements for the previous fiscal year will not be considered after June 30<sup>th</sup>.
- All classroom purchases/expenditures by parents must be approved by the teacher prior to making the purchase/expenditure.
- Any expenditure that would exceed the approved budget requires prior Board approval.
- School-wide committee expenses must be authorized within the budgeted amount and signed by the chair of that committee.
- No contributions to charitable organizations (e.g. Clothes for Kids, Powerful Partners, etc.) may be made out of the classroom budgets.
- Any decision to purchase items/services and to run them through the PCEP books on a "pass-through" basis is subject to prior Executive Committee approval.

- Capital expenditures including, but not limited to, office equipment, furniture, appliances, digital or electronic equipment in excess of \$250.00 or without a manufacturer's warranty need to be reviewed by the Executive Committee prior to purchase.

## **PROCEDURE**

1. Obtain request/approval from teacher/committee chair for expenditure prior to purchase.
2. Obtain a Request for Reimbursement Form (RFRF) found in the PCEP Treasurer's file located in the Parent room or on the website.
3. After purchases have been made, fill out the RFRF and attach all original receipts to be submitted. No reimbursement will be made without a receipt.
4. Obtain teacher or committee chair's signature for purchases on the RFRF.
5. Return signed, completed RFRF with attached receipts to the appropriately marked file at the Treasurer's station.
6. Several receipts for an individual or a committee may be submitted together and a single reimbursement check issued for the total amount.
7. All PCEP checks require two signatures. Reimbursements for all accurate and completed Request for Reimbursement Forms will be made as quickly as possible, usually within one week of submission.
8. Completed reimbursement checks for parents are returned to the appropriate file at the Treasurer's station for pick-up. Teacher reimbursements will be returned to the teacher's mailbox. If you wish a reimbursement check to be mailed directly to you, you are asked to include a self-addressed, stamped envelope with the reimbursement request.

## **CASH ADVANCE EXCEPTION**

This exception process is intended to provide a balance between PCEP financial integrity and responsiveness to our hard-working volunteers. The cash advance exception process is an option; committee chairs may also continue to pay for expenses in advance and request reimbursement through established procedures.

1. Chairs of program-wide, single-event committees with budgeted expenses of \$500 or more may request cash advances for event expenses.
2. The Chair may request the lesser of the following:
  - \$250
  - 20% of the approved budget
  - The remaining expense budget
3. An Advance Funds Request Form (AFRF), found in the PCEP Treasurer's file, must be completed and signed by two volunteers:
  - The Chair and a committee member – or –
  - The Chair and an Executive Committee Member
4. The completed AFRF is submitted to the Treasurer for review, approval and processing.
5. Only one cash advance draw for each qualifying committee may be outstanding at any one time.
6. Should an expense reimbursement request be submitted and a cash advance is outstanding, the expense reimbursement will be held until the cash advance has been reconciled.
7. After the purchases have been made, the committee Chair will submit the following to the Treasurer:
  - A copy of the original AFRF
  - All original receipts
  - A Cash Advance Reconciliation Form (CARF)
8. All cash advance funds must be accounted for within 21 calendar days of the receipt of the funds. Should the advance not be reconciled within 21 days, all remaining budget monies for the event will be 'frozen' until the advance is accounted for. On the 22<sup>nd</sup> day, the Treasurer will contact the committee Chair and notify the Executive Committee.
9. In the event the purchases are less than the cash advance, the committee Chair must make arrangements to meet the Treasurer (at his/her convenience) and return unspent monies to him/her personally. Both the Treasurer and the committee Chair will verify the

amount and sign/date the CARF. **Under no circumstances can PCEP monies be left on school grounds nor in the school's safe.**

### **CONCLUSION**

- Because of its legal fiduciary responsibilities, the PCEP Executive Committee is obligated to disallow any requests for reimbursement that do not meet these standards.
- Questions regarding expenditures/reimbursements may be directed to the PCEP Treasurer or President.

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<sup>1</sup>Maplewood K-8 School Student/Parent Handbook, 2001-2002