

PTA e-Finance: Quick Reference Guide

Essential information for secure and compliant use of electronic financial tools by PTAs.

PTAs may use electronic financial tools but must prioritize security and compliance. All transactions require two-signature approval before payment, and income must be deposited directly into the PTA's bank account, never into personal accounts.

Required Practices

- Obtain two-signature approval before any electronic payment.
- Send all funds directly to the PTA bank account, never personal accounts.
- Establish standing rules (policies and procedures) for each e-Finance tool and review annually.
- Track and reconcile all fees and income monthly.
- Research fraud policies and confirm insurance coverage.

Categories of e-Finance Tools

Category	Tools
Green (OK)	Online banking Givebacks, Stripe, Square, Zeffy Zelle (income only)
Yellow (Caution)	Bank bill-pay, ACH payments Debit cards
Red (Do Not Use)	Credit cards PayPal, PayPal for Business/Charity Venmo, CashApp, or other peer-to-peer systems

Additional Security Actions

- Provide read-only online banking access for non-signers for transaction review.
- Debit cards: Only for treasurer, no cash withdrawals, transactions require pre-approval.
- Do not use peer-to-peer payment apps. PTA use violates provider terms and lacks accountability.
- Reconcile all electronic transactions monthly, including Givebacks payouts.

Please carefully review the detailed guidance in the Complete Guide on the following pages.

PTA e-Finance Complete Guidance

In addition to the well-established financial processes for cash receipts and check payments that PTAs have used for years, many electronic financial (e-Finance) tools are now available. This document provides guidance on which tools are appropriate for PTAs to use and best practices for using them.

E-Finance basics

Fraud/theft protection

Electronic transactions increase the potential for fraud or theft. PTAs do not need to use any or all e-Finance options and should carefully consider whether they are truly needed. Research any e-Finance system to determine their policies on fraud or theft, particularly debit cards. Ask your insurance provider if your policy covers a particular electronic finance tool.

PTA accounts only

Incoming money must be deposited directly into the PTA's bank account. It must not be collected in a personal account for later transfer to the PTA account.

E-Payments require a 2nd signature

Electronic payments of any type must have a 2nd signature, the same as with a paper check. This 2nd signature must occur **before** the payment is made. Here are some examples of how to document a 2nd signature:

- Use an electronic funds transaction request form for two signatures
- Two signers approve (sign) a paper copy of the invoice or check request form
- Print a copy of an email trail between the treasurer and a second signer approving payment
- If your board uses WhatsApp, group text, or similar messaging apps, use the same chat to confirm payments.

Have PTA standing rules or policies for each e-Finance tool

For every e-Finance system the PTA decides to use, policies and procedures must be defined. Annually review the rules and policies, update as needed, and eliminate the use of systems that are unused or do not perform as desired. Include a rule defining how e-Finance tool fees will be budgeted and tracked.

You can download a template for an electronic funds transaction request form and sample standing rules at <https://michiganpta.org/pta-leader-resources> under Financial Guidance.

Categories of e-Finance Tools

Category	Tools for Income (receipts, payment collection)	Tools for Expenses (payments by the PTA)
Green (OK)	Online banking Givebacks, Stripe, Square, Zeffy Zelle (income only)	Checks
Yellow (Caution)	ATM/Debit card (deposit only)	Bank bill-pay, ACH payments Debit cards
Red (Do Not Use)	PayPal, PayPal for Business/Charity Venmo, CashApp, or other peer-to-peer systems	Credit cards PayPal, PayPal for Business/Charity Zelle (payments) Venmo, CashApp, or other peer-to-peer systems

Online Banking & Bill Pay

Green: Access to the **online banking system** for multiple board members is important to ensure access in case the treasurer is unavailable and to review transactions. Full access to the account is recommended for the treasurer and president. Other board members and appointed non-signer reviewers should have read-only access to provide valuable checks and balances.

Yellow: **Online bill-pay** (e-checks) is probably not needed but may be used if a 2nd signature form is completed prior to the transaction. Confirm with your bank if there is a fee for this service.

Debit Cards – payments only

Yellow: A debit card may be used with caution. Credit cards are not permitted (**Red**).

- A debit card may be issued only to the treasurer. No cash transactions via the card are permitted (ATM, cash back, etc.), and the bank should configure this restriction at the time of card issuance.
- Before a debit card transaction, a debit card transaction request form must be completed with two signatures (typically the president and treasurer), just as with a check. Following the purchase, the receipt must be verified by the 2nd signer and attached to the request form.
- If the card is lost or stolen, it should be cancelled immediately, and two non-cardholders must reconcile the account to identify any unauthorized transactions. Notify the bank of any fraudulent transactions.
- Risks of debit cards include losing the card, having your card number stolen, and having no bank protection (reimbursement) for unauthorized use.
- At the end of the treasurer’s term, or upon their resignation or removal from office, the card must be surrendered to the PTA and destroyed.

Online Payment Collection Services

Red: Peer-to-peer payment tools such as Venmo and Cash App are not permitted. These apps are tied to a personal phone number and not to the PTA’s bank account. Additionally, using a personal account for business violates the providers’ terms and agreements.

Red: PayPal for Business / PayPal Charity is not permitted. Although the account can be linked to the PTA’s bank account, it is hard to change the name of the “owner” of the business when PTA officers change. Venmo Charity is linked to PayPal Charity and cannot be used.

Yellow: Zelle may be used with caution, for income only. Do not make payments using Zelle, as you have no recourse if there is a problem. Income received via Zelle may be difficult to track because Zelle provides limited functionality for the payor to indicate the purpose of the payment.

Green: Givebacks, Zeffy, Stripe, and Square are allowed. These PCI-compliant payment processors are linked directly to your PTA’s bank account. Note that the processors will require the personal information of a responsible party (officer) of the PTA, which must be updated when the officers change. These tools generally charge fees to process transactions; be sure to find out what those fees are. Track and reconcile income and fees from these tools monthly.

Supporting Materials

Templates for forms and documents that support the safe use of e-Finance tools can be downloaded from the Michigan PTA website, in the PTA Leader Resources section (<https://michiganpta.org/pta-leader-resources>), under Financial Guidance.

- Debit card user agreement form template
- Electronic funds transaction request form template
- Sample e-Finance standing rules (policies and procedures)

You can customize these forms with your PTA/PTSA’s information.

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