



# Penncrest Band Parent Association, Inc.

134 Barren Road, Media, Pennsylvania 19063  
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## Finance Policies

(approved August 28, 2017 except where noted)

### 1) Basis of Accounting

The organization uses the accrual basis of accounting. The accrual basis is the method of accounting whereby revenue and expenses are identified with specific periods of time, such as a month or year, and are recorded as incurred. This method of recording revenue and expenses is without regard to date of receipt or payment of cash.

### 2) Bank Reconciliations

All bank statements will be opened and reviewed in a timely manner. Bank reconciliation and approval will occur within 30 days of the close of the month.

### 3) Financial Reports

The treasurer will prepare monthly operating reports during the school year to be presented at Board of director's meetings and General Membership meetings. If there is no meeting that month, the financial reports will be emailed to the board of directors by the 30<sup>th</sup> of the following month.

The financial reports report will consist of the following:

- Statement of Activity by fund (Income Statement)
- Statement of Financial Position (Balance Sheet)

### 4) Operating Reserve

- a) The target minimum operating reserve fund for the organization is \$4,000 for the Operating Account fund and \$2,000 for the Indoor Program Account.
- b) The amount of the operating reserve will be reviewed each year after approval of the annual budget, reported to the Board of Directors, and included in regular financial reports.
- c) The operating reserve will be funded with surplus unrestricted operating funds. The Board of Directors may from time to time direct that a specific source of revenue be set aside for operating reserves. Examples may include one-time gifts or bequests, special grants, or special appeals.
- d) To use the operating reserves, the Band Director will submit a request to the Board of Directors. The request will include the analysis and determination of the use of funds and plans for replenishment. The organization's goal is to replenish the funds used within twelve (12) months to restore the operating reserve fund to the target minimum amount.

### 5) Budgeting Process

The organization's annual budget is prepared and approved annually for all departments. The budget is prepared by the Treasurer in conjunction with the Board of Directors. The budget is to be approved by the Board of Directors prior to the start of each fiscal year. The budget is revised during the year only if approved by the Board of Directors.

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## 6) Band Trip Financial Assistance Policy (approved March 30, 2017)

- a) To fulfill the Penncrest Band Parents Association's mission to provide financial, moral, and logistical support for the Penncrest High School Band Program we will commit to providing financial supplement to the members who participate in the annual Band Trip.
- b) This policy will outline the obligations of the Penncrest Band Parents Association (the Association), as well as the obligations of the members and the Penncrest Administration.
- c) The Association will set the price of the trip based on the actual cost of the trip divided by the total members and parent chaperones who have committed to the trip. Commitment is satisfied by submitting the trip application and making a timely deposit payment.
- d) To make an accurate assessment of the cost of the trip, all invoices, estimates and other bills related to the trip must be submitted to the Treasurer three weeks prior to the first payment due date.
- e) Upon full assessment of the cost of the trip the Board of Directors will make a determination as to the cost to each member of the trip, and may, at their discretion, reduce the cost of the trip based on available funds at that time.
- f) The Board of Directors may at their discretion make further reductions in the cost of the trips based on fundraising efforts made by the Association during the period of time between the first payment date and the final payment date.

## 7) Expense Reimbursement

### a) Purpose

The purpose of the Expense Reimbursement Policy is to protect the Penncrest Band Parent Association's (the Association) non-profit status by providing operating procedures for reimbursement of valid, Association business expenses. This policy addresses advance payment request and reimbursement payment requests. To ensure appropriate financial controls and approvals are in place, all Association expenses will follow these procedures. This policy is intended to supplement but not replace any applicable state and federal laws governing nonprofit and charitable organizations.

### b) Definitions/Policies/Procedures

#### Expense

Any payable item directly related to and caused by operational activities of the Association. Expenses must be directly or indirectly related to the mission of the Association.

#### Member

Only active members acting on behalf of the Association and executing Association business may submit advance payment requests or expense reimbursement requests.

#### Request Types

*Advance Payment Request (Check Request)* is submitted when Association expense, vendor and amount are known sufficiently in advance to secure an advance payment via Association check.



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*Expense Reimbursement Request* is submitted after a pre-approved Association expense has been paid by a member. Whether the member chooses to donate the expense amount or not, an Expense Reimbursement Request Form will be submitted for all valid the Association expenses. All amounts on the expense reimbursement form must be accompanied by an actual receipt (copies, scans and photos are acceptable, but must be clear and legible).

Advanced payments and Expense reimbursements may both be requested by using the *Check/Reimbursement request Form* located on the band website

#### **Authorization**

All Association related expenses are authorized either by the annual budget process or, by the Board of Directors. Only the President, Vice President or Treasurer of the Association may authorize payments.

#### **Timing**

Expenses must be turned into the Treasurer for reimbursement no later than 30 days from expenditure date. This ensures sufficient timing to close the Association financial books. Valid Association expenses submitted after the above dates will not be reimbursed.