

Franklin County Schools

Administrative Procedure

Electronic Payment by SSOs

2.404.8

1 Purpose

2 This administrative procedure outlines the internal control procedures for the use of Electronic
3 Payment such as Venmo by school support organizations (SSOs). The intent is to ensure that all funds
4 collected through electronic payment are handled responsibly, transparently, and in compliance with
5 financial practices established by the State of Tennessee and the local school district.

6 Account Setup and Authorization

- 7 • **Prior Approval Required:** Before opening an electronic payment account for the SSO, written
8 notification must be submitted to the school principal and central office for review and
9 approval.
- 10 • **Official Ownership:** The account must be created using an email address and phone number
11 registered to the SSO—not personal contact information.
- 12 • **Account Limits:** Each SSO may operate no more than two (2) electronic payment accounts,
13 designated for clearly defined purposes (e.g., general fundraising, event-specific collections).
- 14 • **Assigned Custodian:** The SSO treasurer or another designated officer must be named as the
15 primary account custodian, with at least one additional officer having access

16 Access and Security

- 17 • **Organizational Access Only:** The electronic payment account must be accessed only from a
18 device owned or managed by the SSO. Personal mobile devices should not be used.
- 19 • **Login Credentials:** Passwords must be complex, stored securely, and accessible only to
20 designated officers. Access must be revoked immediately when roles change.
- 21 • **Dual Oversight:** Two officers should regularly review activity to ensure no single individual
22 controls the account without oversight.

23 Permissible Use of Electronic payment

- 24 • **Approved Collections Only:** Electronic payment may only be used for collecting funds related
25 to pre-approved SSO activities, such as:
 - 26 ○ Fundraisers
 - 27 ○ Club dues
 - 28 ○ Event ticket sales
 - 29 ○ Merchandise
- 30 • **Restricted Use:** Electronic payment may not be used for:
 - 31 ○ Paying vendors or staff
 - 32 ○ Reimbursing individuals

- Depositing into personal accounts
- General operational expenses not tied to specific events
- **Linked Accounts:** All electronic payment funds must be transferred to the SSO's official checking account within 3 days of receipt. Holding funds in electronic payment is not allowable.

Documentation and Recordkeeping

- **Transaction Detail Requirements:** Each transaction must include:
 - Payer name
 - Amount received
 - Date of transaction
 - Description of the activity or event
- **Issuing Receipts:** Electronic or paper receipts should be issued for every electronic payment transaction. When feasible, use prenumbered receipts to maintain consistency with manual collection practices.
- **Record Retention:** Monthly electronic payment statements and transaction histories must be saved and included with the SSO's financial records for a minimum of five years.

Reconciliation and Reporting

- **Monthly Reconciliation:** The SSO treasurer must reconcile all electronic payment transactions monthly with the organization's bank statements and accounting ledger.
- **Review and Sign-off:** Reconciliations must be reviewed and signed by at least one other officer or committee member not directly responsible for deposits.
- **Activity Reports:** A summary of electronic payment collections should be included in financial reports to the SSO board and school administration.

Internal Monitoring and Review

- **Transaction Oversight:** All transactions should be reviewed regularly to detect unauthorized activity, such as unapproved refunds or payments.
- **Change in Access:** If an officer with account access steps down or changes roles, their access must be removed immediately, and passwords must be updated.
- **Audit Readiness:** Records must be maintained in a format that allows external or internal auditors to verify the completeness and accuracy of electronic payment activity.

Alternative Collection Methods

- **Preferred Options:** SSOs are encouraged to use district-approved payment platforms that provide enhanced reporting and oversight features when available.
- **Cash Handling Consistency:** This administrative procedure supplements but does not replace traditional cash-handling procedures. Standard internal controls apply to all forms of collections.

Compliance

- **Regulatory Adherence:** All electronic payment usage must comply with the Tennessee Comptroller’s guidelines and local school board policies related to school support organizations.
- **Enforcement and Consequences:** Violations of this policy—including unauthorized accounts, lack of documentation, or misuse of funds—may result in revocation of privileges and could require restitution or further administrative action.

Reviewed By:

[SSO President Name]

[Date]

Reviewed By:

[SSO Treasure Name]

[Date]

Reviewed By:

[School Principal Name]

[Date]