

LAGUNA PARENT TEACHER ORGANIZATION, INC.

OPERATING AGREEMENT

WHEREAS, the Laguna Parent Teacher Organization, Inc. ("Corporation") is governed by the Amended and Restated Bylaws of Laguna Parent Teacher Organization, Inc. ("Bylaws");

WHEREAS, the Bylaws vest the authority of the Corporation in its Board of Directors ("Board");

WHEREAS, the Board wishes to enumerate certain powers and duties among the Board, the Executive Board and Committee Chairs;

NOW THEREFORE, the Board hereby adopts this Operating Agreement, which may be amended, modified or revoked at any time by the Board.

Section 1. Requirements for Directors, Officers and Committee Chairpersons. In addition to any requirements set forth in the Bylaws, each Director, Officer and Committee Chairperson shall be required to sign the Code of Conduct ("Code of Conduct") as soon as such Director, Officer or Committee Chairperson assumes their position or takes office. Any Director, Officer or Committee Chairperson who refuses to sign the Code of Conduct or later breaches the Code of Conduct may be deemed ineligible to serve.

Section 2. Authority of Board. The following items shall be brought before the Board for approval:

- (a) Budget approval;
- (b) Master calendar of events;
- (c) New major fundraisers (defined as those which exceed \$5,000.00 in gross revenue);
- (d) New community outreach.

Such approval shall be made via a motion and vote, the results of which shall be entered into the Board meeting minutes.

Section 3. Authority of Committee Chairperson and Individual Directors. Each Committee Chairperson and each Director shall have the authority to perform the duties incident to his/her position and as prescribed by the Board, so long as such duties are performed in line with the current financial policy established by the Treasurer (attached hereto as EXHIBIT A). Furthermore, in the event any Committee Chairperson or Director deems it necessary to exceed the budgeted amount allocated for a given event or project, the following shall apply:

- (a) If the expended amount is to exceed the budgeted amount by \$250.00 or ten percent (10%), whichever is less, the prior written approval of the Treasurer must be obtained;
- (b) If the expended amount is to exceed the budgeted amount by \$500.00 or more, the prior written approval of the Executive Board must be obtained.

Section 4. Authority of Executive Board. Unless otherwise provided in this Operating Agreement, the Bylaws or the Articles of Incorporation, all other powers and duties of the Board and the Corporation shall be vested in the Executive Board.

This Operating Agreement is hereby adopted by the Board of Directors effective _____, 2016.

Krisse B. Kelly, President

EXHIBIT A

Financial Policy

Budgeting and Reporting

- (a) Treasurer will present the BOD a draft budget for approval by the 2nd meeting of the fiscal year.
- (b) Monthly, Treasurer will distribute QuickBooks report, Bank Balances and Reconciliation Report.
- (c) Treasurer will reconcile bank accounts timely via QuickBooks. After completing, he/she will provide a copy of the bank statements with reconciliation reports to an appointed volunteer with non-checking signing authority for review (I.e., Outgoing President, VP or Laguna Parent volunteer). Appointed person will report back confirmation of reconciliation.
- (d) Check requests or expenses needing reimbursement will be submitted via email or PTO box with Expense Reimbursement form and receipt.

Cash & Check Handling

- (a) Any forms containing checks, cash or credit card info to be deposited into PTO lock box in the school office.
- (b) Event representative will check out key from office staff to process forms. Checks and cash will be counted and detailed using Deposit Form. Deposit Form and money to be returned to the lock box or school vault. If left in the vault, office staff needs to be notified and signature for SUSD guidelines. Notify Treasurer funds are ready for bank deposit.
- (c) Treasurer will count and process the funds within 2-3 days and take to bank.
- (d) Upon deposit and entry into QuickBooks, Treasurer will email a report detail to Event Chairs/Directors as applicable.
- (e) Utilizing online or cashless solutions is preferred. If accepting credit transactions, credit card data should not be collected via paper, instead, payments should be processed directly online or credit card processing device.
- (f) Petty cash requests need to be made using Cash Box Request form 2-3 days in advance. Upon completion of use of cash, must be counted daily and be put in PTO Room safe or PTO Lock Box following above procedures.

Fundraising Events

- (a) Event Chair/Treasurer or Fundraising Director will create and manage a budget per event. For Tax purposes, the budget must include the following detail of expenses

Gross receipts; Portion of receipts that is a charitable contribution; Cash prizes; Value of non-cash prizes; Food & Beverage; Entertainment; Rent / facility cost; and Other direct expenses
- (b) Any cash from the event should be counted by end of the event by two persons and locked in PTO room safe or Office Vault. Cash sweeps and multiple counts are encouraged if large event following above procedures.
- (c) Post event, Treasurer will provide a QuickBooks P&L report to compare vs. event budget.