

Frequently Asked Questions

How can PTOs spend their funds?

The best source for determining how your PTO can spend its funds is to check your governing documents, usually the By-Laws and Constitution. In this document, wherever By-Laws is referenced, it will refer to all the documents defining your PTO or PTSO. Your purpose may also be stated in a Mission Statement.

Example: "*Name of Your School*"
PTO Mission Statement:

The purpose of this organization shall be to provide support for the enrichment of education and to promote an open relationship between the families of our students and the staff and faculty of "name of your school".

Q.) Can the PTO give gift cards in excess of \$25 to members of its own community in need?

A.) For this you must check your by-laws. If your mission is "to support the education of all students," then taking an action to benefit an individual would not be consistent with the mission.

Some PTOs include a line item in their budget entitled "Village Fund", which is administered by the principal and the social worker. Some call this "Principal Discretionary Fund" or "Social Inclusion Fund". A "need" can be discreetly brought to the principal's attention, thus maintaining the privacy of the recipient. The PTO gives the money to the fund and the principal distributes that money, so the PTO is not directly giving to an individual. The PTO can establish the ground rules for the use of the fund, define the limits of use, the amount per year, etc., all working within your by-laws. Establishing the line item in your budget may require a membership vote. Acceptable examples of using such a fund are: providing taxi vouchers to enable parents to attend school functions; providing funds for purchase of school pictures/yearbooks and providing funds for

student project supplies. These decisions may be made at the complete discretion of the principal.

In addition, many schools use a similar method to provide event tickets for families who qualify for free or reduced lunch. The PTO does not need to know who the recipients are, just how many tickets are needed. It's a no-cost action by the PTO, but ensures the community can function together. These could be distributed through the principal, or the office.

Q.) We recently learned that "monetary gifts" have been given to employees at our school from the PTO without disclosing this information to parents. Our PTO's purpose is to raise funds for classroom enrichment for the benefit of our students. Is it wrong to utilize fundraising money to furnish holiday gifts for teachers without telling the members?

A.) Assuming that your PTO is incorporated with voting members, the members have a right to an annual financial report of the organization, and that report should show how funds were raised and detail how spent. It is inappropriate for funds raised for a specific purpose to not be used in the manner for which they were collected. The members of the organization need to know what is being done with their support. They make the decisions on how funds are spent to support the organization.

Q.) Is the PTO permitted to raise money to donate to other non-profit organizations, if they indicate that the money is being raised for that specific purpose?

A.) Yes. The key is to communicate to members that the money is being raised for a specific purpose before such fundraising is begun.