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Local PTA Guidance on Cash Payment Apps

As many Local PTAs move to online banking and payment systems, it is important to understand the possible liabilities and rules regarding such.

'Peer to peer' cash payment applications such as Venmo, Zelle or Cash App should NOT be used for PTA banking needs, for the following reasons:

1. Cash payment applications are 'peer to peer' platforms, and do not support nonprofit accounts or offer bank level security.

2. The use of Venmo for any financial transactions related to your Local PTA (including accepting payments for membership dues) **violates the terms of Venmo's own user agreement.**

3. **Despite Venmo's new 'Venmo Business,' PTAs should not use this app for any payments, as it is still considered a 'peer to peer' platform**.

4. Venmo Business has this added language, which would put you as a PTA leader in an unacceptable liability situation:
   Authority of Officers and Employees. You agree that all officers, employees, agents, representatives and others having access to the username and/or password shall be vested by you with the authority to use Venmo and to legally bind you. You shall be responsible for all actions by current and former officers, employees, agents, representatives and others, regardless of whether authorized by you, that access the Venmo Services using your username and password. YOU ASSUME THE ENTIRE RISK FOR THE FRAUDULENT, UNAUTHORIZED OR OTHERWISE IMPROPER USE OF YOUR PASSWORD. WE SHALL BE ENTITLED TO RELY ON THE GENUINENESS AND AUTHORITY OF ALL INSTRUCTIONS RECEIVED BY US WHEN ACCOMPANIED BY SUCH PASSWORD, AND TO ACT ON SUCH INSTRUCTIONS.

5. There is little to no financial protection for your Local PTA, or for you as a local leader, when using cash payment applications.

6. **Your Fidelity Bond (Crime) Coverage through AIM is NOT intended to cover claims for loss of funds related to the use of Venmo or other like cash payment applications for the aforementioned reasons.**

Local PTAs that want to accept electronic or credit card payments can use programs like MemberHub, PayPal, Cheddar Up, Stripe or Square. These programs have sufficient banking and financial protections for your unit, and for you as a Local PTA officer.