

The Accelerated Schools Fiscal Policies & Procedures

DRAFT Submitted to the Board of Directors, October 29, 2020

The Accelerated Schools Fiscal Policies & Procedures

Table of Contents

Introduction	1
Accounting Procedures	1
Basis of Accounting.....	1
Bank Reconciliations.....	1
Record Keeping	2
Internal Controls	2
Lines of Authority.....	2
Spending Limits.....	3
Segregation of Duties	3
Financial Planning & Reporting	4
Budgeting Process.....	4
Internal Financial Reports	4
Audit.....	4
Tax Compliance	5
<i>Exempt Organization Returns</i>	5
Revenue & Accounts Receivable	5
Cash Receipts.....	5
Deposits	6
Expense & Accounts Payable	6
Payroll	6
<i>Time Sheet Preparation & Approval</i>	6
<i>Payroll Additions, Deletions, and Changes</i>	7
<i>Payroll Preparation & Approval</i>	7
<i>Pay Upon Termination</i>	8
Purchases & Procurement	8
Credit Cards	11
Debit Cards	12
Independent Contractors	12
Invoice Approval & Processing.....	12
Cash Disbursements	13
Wire Transfers and Bank ACH Transactions.....	13
Petty Cash	13
Employee and Volunteer Expense Reimbursements.....	14
<i>Travel Expenses</i>	15
<i>Governing Board Expenses</i>	15
Asset Management	15
Cash Management and Investments	15
Capital Equipment.....	15
Loans.....	16
Insurance.....	16
Parking Lot Liability	16
Operating Reserves.....	17

Introduction

The Governing Board of The Accelerated Schools has reviewed and adopted the following policies and procedures to ensure the most effective use of the funds of The Accelerated Schools to support its mission and to ensure that the funds are budgeted, accounted for, expended and maintained appropriately.

The Accelerated Schools has contracted with ExED for various business services including budgeting, financial reporting, and forecasting; accounting and bookkeeping; cash management; and CALPADS reporting.

This Fiscal Policy has been updated to account for school closure during the COVID-19 pandemic.

Accounting Procedures

This section covers basic accounting procedures for the organization. The accounting procedures used by the organization shall conform to Generally Accepted Accounting Principles (GAAP) to ensure accuracy of information and compliance with external standards.

Basis of Accounting

Policy: The organization uses the accrual-basis of accounting at year-end, meaning that revenues are recorded when earned, and expenses are recorded when a liability is incurred regardless of when the receipt or payment of cash takes place.

Procedures:

- Throughout the fiscal year, revenue is recorded in the month in which it is received and expenses are recorded in the month in which they occur.
- At the close of the fiscal year, all revenue earned in the fiscal year, but not received is accrued. All expenses that have been incurred but not paid are also accrued. This ensures that that the year-end financial statements reflect all revenue earned and all expenses incurred during the fiscal year.
- Year-end books, inclusive of adjusting journal entries, are closed by December 15, the date by which the audit report must be submitted to the state controller and respective reporting agencies.

Bank Reconciliations

Policy: Bank reconciliation and approval will occur on a monthly basis.

Procedures:

- The ExED Accounting Associate or Senior Accounting Associate (AA/SAA) assigned to the organization will print the bank statements directly from the online banking system. If online banking is unavailable, the organization will make copies of the original statement available to ExED.

The Accelerated Schools FISCAL POLICIES AND PROCEDURES

Draft Submitted to the Board of Directors, October 29, 2020

- The ExED AA/SAA will prepare the bank reconciliation.
- The Accounting Manager or Vice President, School Finance assigned to the organization will review and approve the bank reconciliation by initialing and dating the report.

Record Keeping

Policy: Financial records will be retained for a minimum of seven years or as outlined in the 990 policy.

Procedures:

- ExED will retain financial records, including transaction ledgers, canceled/duplicate checks, attendance and entitlement records, payroll record, and any other necessary fiscal documentation at its site until the prior year audit has been completed.
- ExED will deliver financial records to the organization for storage for the remaining years of the seven-year retention period.
- At the discretion of the Governing Board or Chief Financial Officer, certain documentation may be maintained for a longer period.
- Financial records will be shredded at the end of their retention period.
- Backup copies of electronic and/or paper documentation should be stored in a secure location.

Internal Controls

The organization employs several safeguards to ensure that financial transactions are properly authorized, appropriated, executed and recorded.

All documentation related to financial matters will be completed by computer, typewriter, or ink. Completion by pencil is not permitted. The organization employs various electronic systems and processes to complete the work associated with its fiscal operations (e.g., SpendBridge, Paycom). The electronic systems the organization chooses to use may change over time and new electronic systems may be introduced. The organization will configure the electronic systems to ensure they align to the organization's internal controls.

During school closure, only written form of approvals is acceptable which include:

- Scanned copies of hand-written memos
- Emails
- Internal Communication channels, such as Slack
- Digital Signatures, such as PDFs

Lines of Authority

Governing Board

- Approves the fiscal policies and procedures and delegates administration of the policies and procedures to the CEO and/or CFO.
- Ensures that the fiscal policies and procedures are current, meaning that they have been reviewed and updated annually.

The Accelerated Schools FISCAL POLICIES AND PROCEDURES

Draft Submitted to the Board of Directors, October 29, 2020

- Approves the opening and closing of bank accounts and the list of authorized signers and the organization address on record.
- Approves all third-party loans.
- Approves the opening of business credit cards.
- Reviews and approves the annual budget.
- Reviews annual and monthly financial statements, including the monthly check register and the ExED-prepared financial dashboard and budget-to-actual variance analysis.
- Reviews the CEO's performance annually and establishes the salary.
- Commissions the annual financial audit by an independent third-party auditor approved by the State of California.
- Approves the annual financial audit by December 15.
- Appoints someone else to perform the duties of the CEO in the case of absence.

Chief Financial Officer

- Is responsible for all operations and activities related to financial management.
- Develops the annual budget with ExED.
- Oversees the adherence to all internal controls.
- Appoints someone else to perform his/her duties in case of absence.

Spending Limits

Policy: The School community is to understand the purchasing process. It provides guidance to the end user on the correct procedures and assist in expediting departmental purchasing and to ensure financial responsibility and accountability for expenditures made on behalf of the School.

The following positions have the authorized expenditure limits up to budget for a single purchase:

<u>Position</u>	<u>Expenditure Limits</u>
Board of Trustees	In excess of budget
C-level	To budget and/or up to \$50,000
Directors	Up to \$10,000
Principals/Managers	Up to \$5,000
Asst Principals/Office Managers	Up to \$1,500

All purchase requests will be reviewed by Business Services to ensure accountability and appropriate use of resources.

Segregation of Duties

Policy: The organization's financial duties shall be distributed among multiple people to help ensure protection from fraud and error. The distribution of duties aims for maximum protection of the organization's assets while also considering efficiency of operations.

Procedures:

- Procedures for each section of this document will identify the position responsible for carrying out each function so that no single person or entity has sole control over cash receipts, disbursements, payrolls, and reconciliation of bank accounts.

The Accelerated Schools FISCAL POLICIES AND PROCEDURES

Draft Submitted to the Board of Directors, October 29, 2020

- All administrative employees are required to take annual vacations of at least five (5) consecutive days. During the mandatory vacation, responsibilities shall shift to another employee who has been cross-trained in those responsibilities.

Financial Planning & Reporting

Budgeting Process

Policy: In consultation with the CEO, CFO, and Finance Committee, ExED will prepare the annual budget for approval by the Governing Board. The budget is to be approved by the Governing Board prior to the start of each fiscal year.

Procedures:

- The CFO will work together with the Director of Operations and all program managers to ensure that the annual budget is an accurate reflection of programmatic and infrastructure goals for the coming year.
- ExED will ensure that the budget is developed using the organization's standard revenue recognition and cost allocation procedures.
- ExED, in consultation with the Governing Board, will set a target net income goal to meet strategic goals and/or comply with existing loan covenants.
- ExED will present a draft budget to the Finance Committee prior to the end of the fiscal year.
- The Finance Committee shall review and approve a recommended fiscal year budget and submit it for approval to the Governing Board.
- The Governing Board will review and approve the budget no later than its last meeting prior to the start of the fiscal year.
- ExED will prepare financial statements displaying budget vs. actual results for presentation to the Governing Board at each board meeting.

Internal Financial Reports

Policy: The organization reviews regular financial reports on a monthly basis.

Procedures:

- ExED is responsible for producing the following year-to-date reports within 45 days of the end of each month (in August through June): Income Statement including budget to actual variances, Balance Sheet, Financial Analysis, and Cash Flow Projection.
- ExED will also present a check register at each board meeting.
- The CFO and Board Finance Committee will review financial reports each month.
- ExED and/or the Finance Committee will present the financial reports to the Governing Board at each meeting.

Audit

Policy: The Governing Board will contract annually with a qualified independent certified public accounting firm to conduct an audit of the organization's financial statements in accordance with auditing standards generally accepted in the United States of America, *Government Auditing Standards* issued by the Comptroller General of the United States, and, if applicable,

The Accelerated Schools FISCAL POLICIES AND PROCEDURES

Draft Submitted to the Board of Directors, October 29, 2020

the *U.S Office of Management and Budget's Circular A-133*. The selected audit firm must be familiar with these standards, related State of California and Charter School regulations, and the *Standards and Procedures for Audits of California K-12 Local Education Agencies Audit Guide* (which can be found at <http://eaap.ca.gov/audit-guide/current-audit-guide-booklet/>), in order to properly conduct the audit engagement.

After six consecutive fiscal years, the organization will contract with a new audit firm or require a change/rotation in audit partners in the seventh year, unless a waiver is obtained from the Educational Audit Appeals Panel. (Education Code 41020).

Procedures:

- The Governing Board will appoint an Audit Committee of one or more persons by January 1 of each year.
- The Audit Committee may include persons who are not members of the board. In addition, any person with expenditure authorization or recording responsibilities within the organization may not serve on the committee.
- The Audit Committee will be responsible for contracting with an audit firm by March 1 of each year, unless the existing contract is a multi-year contract.
- The Audit Committee will be responsible for reviewing the results of the annual audit and developing a corrective action plan to address all relevant weaknesses noted by the auditor.
- The Governing Board will review and approve the audit no later than December 15.
- The audit firm will be responsible for submitting the audit to all reporting agencies no later than December 15.

Tax Compliance

Exempt Organization Returns

Policy: The audit firm contracted by the Governing Board to conduct the annual financial audit will prepare the annual Federal Form 990 and the California Form 199. The tax forms are to be filed no later than May 15 of each year.

Procedures:

- ExED will work with the tax preparer to complete the organization's tax returns.
- The Executive Director will review the tax returns before submitting to the Governing Board for final approval prior to May 15.
- The Form 990 will be available to the public via GuideStar, an information service specializing in reporting on U.S. nonprofit companies.

Revenue & Accounts Receivable

Cash Receipts

Policy: Cash receipts (including check or cash payments received via mail or in person and deposits received via Electronic Fund Transfer) shall be recorded completely and accurately to prevent the misappropriation of assets.

Procedures:

The Accelerated Schools FISCAL POLICIES AND PROCEDURES

Draft Submitted to the Board of Directors, October 29, 2020

- All cash or checks will be collected by Business Services for each fundraising or other event.
- Business Services will record each transaction in a receipt book or document each item sold at the time the transaction is made in a log or similar.
- Mail (including anything official such as governmental notices, invoices and checks) received at the school must be opened by Business Services members and stamped with a “received” stamp. If possible, the person opening the mail should not also be responsible for making bank deposits.
- Copies of Cash Receipt records should be sent to ExED for posting into the general ledger.
- When utilizing merchant or online web contribution services, appropriate segregation of duties shall be in place to ensure that no single person is able to perform incompatible functions (custody, recording, approving).

Deposits

Policy: The CFO is responsible for making bank deposits.

Due to the nature of school closure, the CFO will ensure that all checks are deposited within a week of receipt of receipt.

Procedures:

- The Accounting Clerk will restrictively endorse each check received (e.g. For Deposit Only The Accelerated Schools).
- The Accounting Clerk will prepare a deposit packet itemizing the amount, source, and purpose of each check or cash payment received. The deposit packet will include a copy of each check and a bank deposit slip.
- The CFO will review and approve the deposit packet.
- The CFO will make the deposit and attach the deposit receipt to the deposit packet.
- The CFO will forward the deposit packet to ExED.
- ExED will reconcile the cash receipts to the deposit slip and the bank statement as part of the monthly close process.

Expense & Accounts Payable

Payroll

Policy: Employees are paid on a semi-monthly basis (20th and 5th of the following month). Under the supervision of the CFO, Business Services will be responsible for processing payroll through a third-party provider.

Time Sheet Preparation & Approval

Policy: All non-exempt employees are required to record time worked, holidays, and leave taken for payroll, benefits tracking, and cost allocation purposes.

Procedures:

- Non-exempt employees will be responsible for completing a timesheet, recording hours worked and vacation, sick or holiday time if applicable.

The Accelerated Schools FISCAL POLICIES AND PROCEDURES

Draft Submitted to the Board of Directors, October 29, 2020

- Each non-exempt employee will approve his/her timesheet via his/her signature or submission through the payroll system.
- Each supervisor will review and approve his/her employees' timesheets by signing each timesheet or approving each timesheet in the payroll system.
- Supervisors will return, either physically or via the payroll system, incomplete timesheets to the employee for revision.
- If an employee is unexpectedly absent and therefore prevented from working on the last day of the pay period or turning in his/her timesheet, the employee is responsible for notifying the signatory supervisor or for making other arrangements to submit the timesheet. The employee must still complete and submit the timesheet upon return.
- Salaried employees are responsible for requesting leave, and supervisors are responsible for tracking leave taken by salaried employees.

Payroll Additions, Deletions, and Changes

Policy: The CFO is authorized to approve all payroll changes within the scope of his/her budget authority.

Procedures:

Human Resources will submit, either physically or electronically via payroll system, new hire or employee change paperwork prior to the payroll deadline for the first pay period in which the change or addition is to go into effect.

Payroll Preparation & Approval

Policy: Business Services will prepare payroll in accordance with the organization's payroll calendar.

Procedures:

Five days prior to each check date, Human Resources will provide Business Services with updated Personnel Action Forms that includes:

- Changes made to any staff member, which includes pay rates, accounting codes, accrual rates, and classification.

Business Services will prepare payroll based upon:

- The most available timecards as entered in by the employee
- Additional contracts, such as agreed-upon extra pay and bonuses

The CFO will review all timecards and the supporting Personnel Action Forms as submitted by HR for accuracy and completeness.

- Business Services will submit payroll to the 3rd party payroll provider for check and direct deposit processing.

The 3rd party payroll provider will deliver the payroll package to the organization address on file one day prior to the check date.

- The Accounting Clerk will be responsible for opening the payroll package, reviewing reports for accuracy, and notifying the CFO of any missing checks.
- The Accounting Clerk will distribute live pay stubs to employees on the check date.

The Accelerated Schools FISCAL POLICIES AND PROCEDURES

Draft Submitted to the Board of Directors, October 29, 2020

During school closure, live checks are delivered to the CFO's place of residence to ensure timely delivery to the employees.

Pay Upon Termination

Policy: Employees who are discharged shall be paid all wages due at the time of termination. (Labor Code § 201) Employees who quit without giving prior notice shall be paid wages within 72 hours (inclusive of weekends and holidays). If the employee gives at least 72 hours' notice, the wages must be paid on the last day worked. (Labor Code § 202)

Procedures:

- Human Resources will inform Business Services of any voluntary or involuntary termination immediately and will provide an accounting of the hours/days worked since the last payroll and any accrued Paid Time Off (PTO) to be paid.
- Business Services will calculate the final check based on the hours/days worked and the employee's pay rate.
- An employee who quits without 72 hours' notice may request that his or her final wage payment be mailed to a designated address. The date of mailing will be considered the date of payment. (Labor Code § 202)
- Business Service will issue the final check using the 3rd party payroll provider.
- A copy of the check and documentation will be provided to ExED within 72 hours.
- The final check may not be provided via direct deposit unless agreed to by the employee and the organization.

Purchases & Procurement

Policy: All purchases must be authorized by the CFO. All requested supplies are to be made using the school's purchasing process (supplies@accelerated.org).

Any total expenditure in excess of \$50,000 for the purchase of a single item should have bids from three (3) suppliers if possible. Any food contract that exceeds \$250,000 (the small purchase threshold set by the US Department of Agriculture) shall follow a competitive bid process.

Goods or services purchased with federal funds must follow federal procurement guidelines as outlined in Education Department General Administration Regulations (EDGAR), Part 80—Uniform Administrative Requirements for Grants and Cooperative Agreements to State and Local Governments, Sub-part C (Post Award Requirements), Section 80.36 (Procurement) located at: <http://www2.ed.gov/policy/fund/reg/edgarReg/edgar.html>.

The Governing Board must approve any contract over \$50,000.

Procedures:

Fulfillment of supplies describes the process from (Step 1) when a request has been made to (Step 5) the satisfactory delivery of order.

Step 1

Submit ticket to supplies@accelerated.org

Requests submitted by Tuesdays will be fulfilled by Monday

The Accelerated Schools FISCAL POLICIES AND PROCEDURES

Draft Submitted to the Board of Directors, October 29, 2020

3 weeks may be needed for special items that are not in regular stock

The following information must be included before orders are processed:

Description

Quantity

Price (if known)

[Object Code](#)

Department

[LCAP Action/Services](#)

[Funding Source](#)

Step 2

Business Service will secure appropriate approvals as detailed above

Step 3

The following are the Schools preferred vendors (as approved on ExED's Spendbridge):

Amazon

HD Supply

Lakeshore

Office360

Staples

School Specialty

Waxie

In order to minimize multiple shipments, orders will not be placed with Amazon unless the pricing and availability is limited with other vendors.

Business Service will email the requester once the order has been placed.

During Distance Learning, the lead time may be longer as staffing is limited to staggered scheduling. In addition, the supply chain may be impacted due to constraints from vendors and other sources.

Step 4

Upon receipt of order, Business Service will work with Front Office staff to deliver items to the requestor.

If the requestor has not received the item within 2-3 weeks after placing the ticket, both Business Service and/or Front Office will research where the request is in the process.

The Accelerated Schools FISCAL POLICIES AND PROCEDURES

Draft Submitted to the Board of Directors, October 29, 2020



The CFO will review the ordering on a monthly basis to obtain metrics on efficiency of supply chain.

Purchase Orders

All purchases over \$2,500 require a purchase requisition. The CFO will approve the purchase requisition after determining:

- If the expenditure is budgeted.
- If funds are available for the expenditure.
- If the expenditure is allowable under the appropriate revenue source.
- If the expenditure is appropriate and consistent with the vision, approved charter, school policies and procedures and any related laws or applicable regulations.
- If the price is competitive and prudent and proper bidding procedures have been followed.

Check Register

The Governing Board will review expenditures during each board meeting through the review of a check register that will list all checks written since the Governing Board's last meeting and will include the check #, check date, payee, and check amount.

Contracts

- As defined, only approved agents of the school can enter in a contractual arrangement with vendors and employees. The approved agents are endorsed by the School's Board of Trustees and recorded by the Board Secretary. Presently the authorized agents for the School are the Chief Executive Officer and Chief Financial Officer.
- Any parties that are not approved agents will be wholly responsible for the terms of the contract. The School will not be held responsible for the terms in this contract.
- The CEO and/or CFO will consider in-house capabilities to accomplish services before contracting for them.

The Accelerated Schools FISCAL POLICIES AND PROCEDURES

Draft Submitted to the Board of Directors, October 29, 2020

- The CFO will keep and maintain a contract file evidencing the competitive bids obtained (if any were required) for any contract over \$5,000.
- The Director of Operations will confirm that the contractor is not listed in the US government's Suspended or Disbarred list via a search of the System for Award Management (www.sam.gov). The Director of Operations will keep a record of all searches.
- The Director of Operations will ensure that a written contract clearly defining work to be performed is on file for all contract service providers (i.e. consultants, independent contractors, subcontractors).
- Contract service providers must show proof of being licensed and bonded, if applicable, and of having adequate liability insurance and workers' compensation insurance currently in effect. The CFO may also require that contract service providers list the school as an additional insured.
- The CFO will approve proposed contracts and modifications in writing.
- Contract service providers will be paid in accordance with approved contracts as work is performed.
- The CFO will be responsible for ensuring the terms of the contracts are fulfilled.
- Potential conflicts of interest will be disclosed upfront, and the CFO and/or Member(s) of the Governing Board with the conflict will excuse themselves from discussions and from voting on the contract.

Credit Cards

Policy: Organization credit cards shall only be issued with the formal approval of the Governing Board and may only be used for organization-related expenditures.

The preferred method of payment is by School check. All ordering and procurement must be processed through the normal process. The School credit care will be used in cases of emergency or for expediency of services.

Currently the School has a Business Credit Line from California Credit Union. The following persons have the authorized credit line:

CEO	\$ 8,000
CFO	\$35,000
Accounting Clerk	\$ 7,000

Procedures:

- Purchase requisition and other documentation requirements apply to credit card purchases.
- The bank and/or consumer credit card will be kept under the supervision of the card holder.
- An itemized receipt should be turned in for all purchases.
- If receipts are not available, missing or contain an inappropriate expense, the individual making the charge will be held responsible for payment.
- In the case of a missing receipt, a missing receipt form shall be submitted and approved by the CFO. Should the CEO be required to complete a "missing receipt" form, authorization must be granted by a member of the Governing Board.
- Credit cards will bear the names of both the organization and the cardholder as authorized by the Governing Board.
- No personal charges are permitted.

The Accelerated Schools FISCAL POLICIES AND PROCEDURES

Draft Submitted to the Board of Directors, October 29, 2020

- All reward points or discounts are property of the school. Use of such points or discounts is at the discretion of the CEO and should be used for the benefit of the organization.
- Upon termination, the employee shall immediately return the credit card and all receipts to Business Services.

Debit Cards

Policy: Organization debit cards are not permitted.

Procedures:

If a debit card is automatically issued by the bank, the CFO will:

- Contact the bank to deactivate debit card service from the account.
- Destroy the physical debit card.

Independent Contractors

Policy: The organization will comply with all applicable federal and state laws relative to the use of independent contractors.

Procedures:

- The CFO has the authority to establish a contract with an independent contractor and is responsible for verifying that the person is appropriately classified as an independent contractor and not as an employee and for obtaining a Form W-9.
- School employees may not serve as independent contractors.
- Contract service providers must show proof of being licensed and bonded, if applicable, and of having adequate liability insurance and workers' compensation insurance currently in effect. The CFO may also require that contract service providers list the school as an additional insured.
- All services performed by independent contractors will be processed as accounts payable.
- At the close of the calendar year, ExED will issue a Form 1099 to all independent contractors in accordance with IRS regulations.

Invoice Approval & Processing

Policy: The CFO or his/her designee must approve all invoices. Any invoice over \$50,000 must also receive approval from a member of the Board. The following procedures will be performed either manually or electronically.

Procedures:

- The Accounting Clerk will open and review invoices and bills and will notify the CFO of any unexpected or unauthorized expense.
- When receiving tangible goods from a vendor, the Accounting Clerk will trace the merchandise to the packing list and note any items that were not in the shipment.
- The Accounting Clerk will code invoices to the correct budget line.
- Invoices are then routed to the CFO for payment approval.
- If the vendor is a sole proprietor or a partnership (including LP, and LLP) providing a service, the Accounting Clerk will obtain a W-9 from the vendor prior to submitting any requests for payments to ExED.

The Accelerated Schools FISCAL POLICIES AND PROCEDURES

Draft Submitted to the Board of Directors, October 29, 2020

- ExED will review the invoice for sufficient supporting documentation, verify the coding, and process payment.

Cash Disbursements

Policy: Bank checks will be issued upon receipt of appropriate documentation (e.g. vendor invoice, purchase order, packing slip, etc.).

Procedures:

- Once an invoice is approved by the CFO for payment, the ExED Accounting Analyst will prepare an in-sequence check and will submit the check to the ExED AM or VP.
- The ExED AM or VP will review the supporting documentation for completeness and the check for accuracy and will sign the check with the CEO's facsimile signature stamp, which is maintained in a secured location when not in use.
- ExED will distribute the check as follows:
 - Original – mailed or delivered to payee
 - Duplicate or voucher – attached to the invoice and filed by vendor name by an ExED accountant.
- Should a check need to be voided, "VOID" will be written in ink on the signature line of the check.

Wire Transfers and Bank ACH Transactions

Policy: Wire transfers and Bank ACH Transactions initiated by the client or ExED will be executed upon receipt of appropriate documentation (e.g. vendor invoice, purchase order, packing slip, etc.). Any transactions over \$50,000 must also receive approval from a member of the Board.

Procedures for ExED executed wire transfers:

- ExED will initiate and execute wire transfers with supporting documentation for the following:
 - Routine wires initiated and executed by ExED:
 - List purpose of transfer (i.e. semi-monthly Payroll, LACOE Retirement contributions)
- All other ExED executed wire transfers will adhere to the following procedures:
 - CFO will review all supporting documentation and approve. The school will then send all documentation to ExED
 - ExED will execute the wire transfer

Procedures for client initiated and executed wire transfers:

- Someone other than the CFO (wire approver) shall prepare all supporting documentation for the wire transfer
- CFO will review all supporting documentation and approve in writing
- School will send all documentation to ExED

Petty Cash

Policy: Business Services will keep a petty cash box not to exceed \$1,000. Petty cash will be kept in a lockbox that is stored in a secure location. Access to the cash box should be limited to authorized personnel. Petty cash shall only be used for reasonable and allowable school purposes (not advances, personal uses, etc.).

The Accelerated Schools FISCAL POLICIES AND PROCEDURES

Draft Submitted to the Board of Directors, October 29, 2020

Procedures:

- Business Services will manage the petty cash fund.
- The Accounting Clerk will maintain a log of all disbursements made from the petty cash fund and will use a petty cash slip for all disbursements. The petty cash slip must be signed by the CFO and the petty cash recipient.
- Within 72 hours of the petty cash withdrawal, the petty cash recipient will submit an original receipt to Business Services who will attach the receipt to the petty cash slip and store in the petty cash box.
- At all times the petty cash box must contain receipts, petty cash slips, and cash totaling \$1,000.
- When the petty cash balance is low the Accounting Clerk will prepare a petty cash reimbursement form, totaling all the petty cash disbursements and attaching the original petty cash slips and receipts to the form. The CFO will review and approve the petty cash reimbursement form and supporting documentation.
- The Accounting Clerk will forward the petty cash reimbursement form and original supporting documentation to ExED.
- The ExED Accounting Analyst will record the petty cash disbursements in the general ledger and issue a check made payable to the Accounting Clerk in the amount of the total petty cash disbursement.
- It is the Accounting Clerk's responsibility to cash the check and to keep track of funds in the box. Reconciliation must occur when funds are replenished, and/or at a minimum, annually.
- ExED will conduct surprise counts of the petty cash fund.
- Loans will not be made from the petty cash fund.

Employee and Volunteer Expense Reimbursements

Policy: The organization will reimburse pre-authorized school-related expenses that are accompanied by an original receipt or other appropriate documentation. Only the CEO and CFO may incur school-related expenses without pre-approval.

Procedures:

- An employee or school volunteer seeking to make a school-related purchase must obtain pre-approval from the CFO.
- Employees will submit signed expense reports monthly, as necessary, to the CFO for approval. Original receipts or other appropriate documentation (e.g. e-mail receipt) must be attached to the expense report.
- CEO's expense reports must be approved by a member of the board.
- The Accounting Clerk will submit the approved expense report and supporting documentation to ExED.
- ExED will issue a reimbursement check within five business days of receipt of appropriate and complete documentation.
- Employees will submit expense reports within the fiscal year in which the expenses were incurred.
- The organization reserves the right to refuse reimbursement for any inappropriate expenses made.

The Accelerated Schools FISCAL POLICIES AND PROCEDURES

Draft Submitted to the Board of Directors, October 29, 2020

Travel Expenses

Policy: The CFO must pre-approve all school related travel. Mileage will be reimbursed at the organization-approved mileage rate, not to exceed the current IRS reimbursement rate.

Procedures:

- For the purposes of mileage reimbursement, where a trip is commenced or terminated at the employee's home, the distance traveled shall be reduced by the employee's home-to-office commute distance.
- Employees will be reimbursed for overnight stays at hotels/motels when pre-approved by an administrator and the event is more than 50 miles from either the employee's residence or the school site. Hotel rates will be negotiated at the lowest level possible, including the corporate, nonprofit or government rate if offered, and the lowest rate available.
- Employees will be reimbursed up to the established per diem rate found at [US General Services Administration](#) for any meals and/or incidental expense that is not included as part of the related event. Employees will be responsible for any excess expenses beyond the established per diem rate.
- Transportation expenses such as airfare will be purchased at the lowest rate available.
- Employees should utilize bus/shuttle service whenever possible. When traveling in groups, taxis and/or ride-hailing services may be more economical. Employees should choose between long-term parking or a taxi based on whichever is the more economical for the organization.
- After the trip, the employee must enter all the appropriate information on an expense report, attach original receipts, and submit it to the CFO for approval and then on to ExED for processing.

Governing Board Expenses

- The individual incurring authorized expenses while carrying out the duties of the school will complete and sign an expense report and attach original receipts.
- CEO and/or another board member will approve and sign the expense report and submit it to ExED for payment.

Asset Management

Cash Management and Investments

Policy: All funds will be maintained in high quality financial institution or invested with the following objectives in order of priority; preservation and safety of principal, liquidity, and yield.

Procedures:

- The CFO will obtain Governing Board approval before opening or closing a bank account.
- Governing Board will adopt an investment policy before funds are to be invested.

Capital Equipment

Policy: The organization capitalizes any item, purchased or donated, with a value of \$5,000 or more and with a useful life of more than one year.

Procedures:

The Accelerated Schools FISCAL POLICIES AND PROCEDURES

Draft Submitted to the Board of Directors, October 29, 2020

- ExED will maintain a ledger of all capitalized items. The ledger will include the original purchase price and date and a brief description of the asset.
- The organization will take a physical inventory of all assets within 90 days of the end of each fiscal year, indicating the condition and location of the asset.
- The CFO will be notified of all cases of theft, loss, damage or destruction of assets.
- The Director of Operations will submit to ExED written notification of plans for disposing of assets with a clear and complete description of the asset and the date of the disposal.

Loans

Policy: The Governing Board will approve all loans from third parties. In the case of a long-term loan, approval may also be required from the chartering authority in accordance with the terms of the charter and/or other lenders in accordance with the loan documents.

Employee loans, including salary advances, are not allowed.

Procedures:

- The CFO and/or Governing Board designee shall review and sign the promissory note before funds are borrowed.
- Loan agreements should specify all applicable terms, including the purpose of the loan, the interest rate, and the repayment schedule.
- Loan covenants and reporting requirements are to be acknowledged by the board at the time of adoption.

Insurance

Policy: The organization will maintain insurance with a high-quality insurance agency at all times for:

- General Liability
- Property
- Workers' Compensation
- Professional Liability
- Directors' and Officers' Coverage

Umbrella and student accident policies are considered prudent add-ons.

Procedures:

- The CFO will carefully review insurance policies with the Broker on an annual basis prior to renewal to determine compliance with Charter authorizer and any applicable loan covenant requirements.
- The Director of Operations will forward to ExED all insurance policies and related documents (e.g. certificates of insurance, claim forms, etc.).

Parking Lot Liability

Policy: Parking lot related incidences are not covered under any school insurance policy. The organization assumes no liability for damage to cars unless a student is observed by an adult accidentally causing damage to a vehicle while engaged in a school activity.

Procedures:

The Accelerated Schools FISCAL POLICIES AND PROCEDURES

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- If a student willfully causes damage the student's parent or guardian is responsible.
- If a parent or other visitor causes damage, that individual is responsible.
- If an employee causes damage, the employee is responsible.
- If an unknown person causes damage and there is no witness, the affected individual would determine if he/she has applicable coverage through his/her individual insurance policies.

Operating Reserves

Policy: The organization will ensure adequate cash balances to meet annual cash flow needs. The target minimum operating reserve fund is recommended to be equal to 3 months of average operating costs. The amount of Operating Reserves will be calculated each year after approval of the annual budget and included in monthly financial reports.

Procedures:

- ExED will monitor the organization's reserve level and will report the reserve level to the CFO and the Governing Board on a quarterly basis.
- It is the responsibility of the CFO and the Governing Board to understand the organization's cash situation and it is the responsibility of the CFO to prioritize payments as necessary to manage cash flow.
- The Governing Board may restrict a portion of the operating reserve fund for strategic goals.
- The Governing Board may develop an additional Operating Reserve Policy to specify use of the Operating Reserves.