

# **The Accelerated Schools Fiscal Policies & Procedures**

BOARD APPROVED June 20, 2024

## Table of Contents

<b>Introduction</b> .....	<b>1</b>
<b>Accounting Procedures</b> .....	<b>1</b>
<b>Basis of Accounting</b> .....	<b>1</b>
<b>Bank Reconciliations</b> .....	<b>1</b>
<b>Record Keeping</b> .....	<b>2</b>
<b>Internal Controls</b> .....	<b>2</b>
<b>Lines of Authority</b> .....	<b>2</b>
<b>Spending Limits</b> .....	<b>3</b>
<b>Segregation of Duties</b> .....	<b>3</b>
<b>Financial Planning &amp; Reporting</b> .....	<b>4</b>
<b>Budgeting Process</b> .....	<b>4</b>
<b>Internal Financial Reports</b> .....	<b>4</b>
<b>Audit</b> .....	<b>4</b>
<b>Tax Compliance</b> .....	<b>5</b>
Exempt Organization Returns .....	5
<b>Revenue &amp; Accounts Receivable</b> .....	<b>5</b>
<b>Cash Receipts</b> .....	<b>5</b>
<b>Deposits</b> .....	<b>6</b>
<b>Expense &amp; Accounts Payable</b> .....	<b>6</b>
<b>Payroll</b> .....	<b>6</b>
Time Sheet Preparation & Approval .....	6
Payroll Additions, Deletions, and Changes .....	7
Payroll Preparation & Approval .....	7
Pay Upon Termination .....	8
<b>Purchases &amp; Procurement</b> .....	<b>8</b>
<b>Purchase Orders</b> .....	<b>10</b>
<b>Contracts</b> .....	<b>10</b>
<b>Credit Cards</b> .....	<b>11</b>
<b>Debit Cards</b> .....	<b>12</b>
<b>Invoice Approval &amp; Processing</b> .....	<b>12</b>
<b>Cash Disbursements</b> .....	<b>12</b>
Bank Check .....	12
Nvoicepay/Corpay (outsourced payment provider) .....	13
ACH Payment Initiated by Business Services .....	13

<b>Wire Transfers and Bank ACH Transactions .....</b>	<b>13</b>
<b>Petty Cash .....</b>	<b>14</b>
<b>Employee and Volunteer Expense Reimbursements.....</b>	<b>14</b>
Travel Expenses.....	15
Governing Board Expenses.....	15
Allowable and Questionable Expenses .....	16
<b>Asset Management .....</b>	<b>16</b>
<b>Cash Management and Investments .....</b>	<b>16</b>
<b>Capital Equipment.....</b>	<b>16</b>
<b>Loans .....</b>	<b>17</b>
<b>Insurance .....</b>	<b>17</b>
<b>Parking Lot Liability .....</b>	<b>17</b>
<b>Operating Reserves .....</b>	<b>18</b>
<b>Extraordinary Events .....</b>	<b>18</b>
<b>Independent Contractors.....</b>	<b>18</b>

## 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; payroll; and CALPADS reporting.

## Accounting Procedures

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

### Basis of Accounting

**Policy:** The School uses the accrual-basis of accounting, meaning that revenue and matching expenses are recognized when they are generated—not when money actually changes hands.

**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 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 no later than 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 monthly.

**Procedures:**

- The ExED Accounting Associate or Senior Accounting Associate (AA/SAA) assigned to the School will print the bank statements directly from the online banking system. If online banking is unavailable, the School will make copies of the original statement available to ExED.
- The ExED AA/SAA will prepare the bank reconciliation.
- The ExED Accounting Manager or Vice President, School Finance assigned to the School will review and approve the bank reconciliation by initialing and dating the report.
- The School's Chief Business Officer (CBO), Accounting Manager, and/or Director of Fiscal Services shall periodically review the monthly bank reconciliation for timeliness and reporting. The bank reconciliation will be used to ensure outstanding checks are not over 90 days old.

## The Accelerated Schools FISCAL POLICIES AND PROCEDURES

BOARD APPROVED June 20, 2024

- Interest and investment income from pooled cash and investments will be allocated monthly to all sites based upon the prior month-end cash and investment balance of each site and as a percentage of the month-end total pooled cash and investment balance. Each month, the CBO, Director of Fiscal Services, or Accounting Manager will review the calculation, along with the month-end reconciliation, for timeliness, accuracy, and appropriateness.

### Record Keeping

**Policy:** Financial records will be retained for a minimum of seven years.

**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 School for storage for the remaining years of the seven-year retention period.
- At the discretion of the Governing Board or CBO/CFO, 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 School 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 School employs various electronic systems and processes to complete the work associated with its fiscal operations (e.g., SpendBridge, Paycom). The electronic systems the School chooses to use may change over time and new electronic systems may be introduced. The School will configure the electronic systems to ensure they align to the School's internal controls.

### Lines of Authority

The School's fiduciary responsibility lies with the following:

**Governing Board**

- Approves the Fiscal Policies and Procedures and delegates administration of the policies and ensures that the fiscal policies and procedures are current. The Fiscal Policies and Procedures will be reviewed and updated annually.
- Approves the opening and closing of bank accounts and the list of authorized signers and the School's 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.

## The Accelerated Schools FISCAL POLICIES AND PROCEDURES

BOARD APPROVED June 20, 2024

- 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 Business Officer

- 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>
Principals/Managers	Up to \$5,000
Directors	Up to \$10,000
C-level	To budget and/or up to \$50,000
Board of Trustees	Over \$100,000

All purchase requests will be reviewed by the Accounting Clerk and/or Director of Fiscal Services to ensure accountability and appropriate use of resources. The CBO and/or Director of Fiscal Services shall sign off on purchase requests, according to the limits above.

## Segregation of Duties

**Policy:** The School'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 School'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.
- All administrative employees are asked 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, CBO, 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 CBO will work together with all program/department 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 School'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 School reviews regular financial reports monthly.

**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):
  - Financial Analysis/Dashboard
  - Income Statement including budget to actual variances
  - Balance Sheet
  - Cash Flow Projection
  - Check register
- The CBO 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 School'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 *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

## The Accelerated Schools FISCAL POLICIES AND PROCEDURES

BOARD APPROVED June 20, 2024

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 School shall 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 School 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 School's tax returns.
- The CFO 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

BOARD APPROVED June 20, 2024

- All cash or checks will be collected by Business Services for each event (e.g., fundraising, etc.).
- 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 the Front Office Clerk 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 shall 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 Accounting Clerk, Accounting Manager, or Director of Fiscal Services is responsible for making bank deposits.

**Procedures:**

- The Accounting Clerk, Accounting Manager, or Director of Fiscal Services will restrictively endorse each check received (e.g., For Deposit Only The Accelerated Schools).
- The Accounting Clerk, Accounting Manager, or Director of Fiscal Services 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 CBO will review and approve the deposit packet.
- The Accounting Clerk, Accounting Manager, or Director of Fiscal Services will make the deposit and attach the deposit receipt to the deposit packet.
- The Accounting Clerk, Accounting Manager, or Director of Fiscal Services 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 (15<sup>th</sup> and last business day of the month). Under the supervision of the CBO, 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:**

- All 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

BOARD APPROVED June 20, 2024

- 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:** All payroll changes shall be made through the third-party system with proper internal controls. The process shall be distributed among multiple people to help ensure protection from fraud and error.

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

#### **Procedures:**

- Human Resources shall process a new hire using the School's third-party payroll provider.
- 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.
- Business Services will approve the new hire for processing in payroll.

### Payroll Preparation & Approval

**Policy:** Business Services will prepare payroll in accordance with the School'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.

Business Services will review all timecards and the supporting Personnel Action Forms as submitted by HR for accuracy and completeness. ExED will submit payroll to the 3<sup>rd</sup> party payroll provider for check and direct deposit processing.

The 3<sup>rd</sup> party payroll provider will deliver the payroll package to the School address on file one day prior to the check date.

## The Accelerated Schools FISCAL POLICIES AND PROCEDURES

BOARD APPROVED June 20, 2024

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

### 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 Services 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 School.

### Purchases & Procurement

**Policy:** All requested supplies are to be made using the school's purchasing process by emailing to [TASsupplies@accelerated.org](mailto:TASsupplies@accelerated.org), [ACESsupplies@accelerated.org](mailto:ACESsupplies@accelerated.org) or [WAHSsupplies@accelerated.org](mailto:WAHSsupplies@accelerated.org)

Any total expenditure more than \$50,000 for the purchase of a single item should have bids from at least 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 \$100,000.

#### 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

## The Accelerated Schools FISCAL POLICIES AND PROCEDURES

BOARD APPROVED June 20, 2024

- The requestor will email the Office Managers on their order requests.
- The Office Managers will collect the submitted requests from the requestors and complete the order information on the Purchase Request template provided by Business Service. The Office Managers will submit the Purchase Request template to the Site Administrator and/or Department Lead for review and approval.

- Upon approval by the respective Site Administrator and/or Department Lead, the Office Managers submit the Purchase Request form within the ExED/SpendBridge system.
  - The following information must be included before orders are processed: Description of requested item
    - Quantity
    - Price (if known) [Object Code](#)
    - Department
    - [LCAP Action/Services](#)
    - [Funding Source](#)

Depending on availability and supply chain, orders will be fulfilled within 10 business days. Three weeks may be needed for special items that are not in regular stock.

- All Goods ordered must be delivered to the School address/location.
  - In the event that Goods are delivered to a non-School address, documentation will be provided by a School administrator and/or Director acknowledging that the Goods were received by the School in good condition.

### Step 2

Business Service will review the Purchase Request form for sufficient budget, spending limits, and accuracy.

### Step 3

Business Service will submit orders to vendor. Requestors will be able to monitor the progress of orders on the Ticket [Dashboard](#).

The following are TAS'x preferred vendors (as approved on ExED's Spendbridge):

Staples  
School Specialty  
Waxie

Amazon  
HD Supply

Office360  
Lakeshore

### Step 4

Upon receipt of order, Business Services will deliver items to the requestor.

### Step 5

The Ticket will be closed upon fulfillment of request.

However, if the requestor has not received the item within 2-3 weeks after placing the ticket, Business Service will research where the request is in the process.

Figure 1. Flow chart of procurement process



## Purchase Orders

All purchases over \$2,500 require a purchase requisition. The CBO 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.

## 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, Chief Business Officer, and Chief Human Resource 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 CBO will consider in-house capabilities to accomplish services before contracting for them.
- Business Services will keep and maintain a contract file evidencing the competitive bids obtained (if any were required) for any contract over \$100,000.
- Business Services 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 CBO may also require that contract service providers list the school as an additional insured.
- The CBO will approve proposed contracts and modifications in writing.
- Contract service providers will be paid in accordance with approved contracts as work is performed.
- The CBO will be responsible for ensuring the terms of the contracts are fulfilled.

## The Accelerated Schools FISCAL POLICIES AND PROCEDURES

BOARD APPROVED June 20, 2024

- Potential conflicts of interest will be disclosed upfront, and the CBO 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:** The School's credit cards shall only be issued with the formal approval of the Governing Board and may only be used for school-related expenditures.

The preferred method of payment is by School check. All ordering and procurement must be processed through the normal process. The School's credit card 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	\$15,000
CBO	\$55,000
Director of Operations	\$15,000

#### Procedures:

- Purchase requisition and other documentation requirements apply to credit card purchases.
- The credit card will be kept under the supervision of the card holder.
- An itemized receipt should be turned in for all purchases.
- If business meals are purchased, the purchaser shall submit additional documentation detailing the following information:
  - Reason for the Business Meal
  - Agenda and/or Event details
  - All Names of Participants
    - If there are more than 12 individuals, then a group with a name can be listed if it is descriptive enough to identify affiliation.
- 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 CBO. 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 School and the cardholder as authorized by the Governing Board.
- No personal charges are permitted.
- 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 School.
- Upon termination, the employee shall immediately return the credit card and all receipts to Business Services.
- All Goods ordered must be delivered to the School address/location.
- In the event that Goods are delivered to a non-School address, documentation will be provided by a School administrator and/or Director acknowledging that the Goods were received by the School in good condition.

## Debit Cards

**Policy:** Any debit cards for the School are not permitted.

**Procedures:**

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

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

## Invoice Approval & Processing

**Policy:** The CBO or his/her designee must approve all invoices. The following procedures will be performed either manually or electronically.

**Procedures:**

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

### Bank Check

- Once an invoice is approved by the Senior Accountant for payment, the ExED Accounting Analyst will prepare an in-sequence check and will submit the check to the ExED AM or VP.
- The CBO will review transaction activity on a weekly basis to ensure for accuracy and reasonableness.
- The ExED AM or VP will review the supporting documentation for completeness and the check for accuracy and will sign the check with the facsimile signature stamp of approved signers, which is maintained in a secured location when not in use.
- The School's approved check signers are the following:
  - Board President
  - CEO
  - CBO
  - Director of Operations



## The Accelerated Schools FISCAL POLICIES AND PROCEDURES

BOARD APPROVED June 20, 2024

- Director of Fiscal Services
- 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.

### Nvoicepay/Corpay (outsourced payment provider)

- Once an invoice is approved by the Accounting Clerk, Accounting Manager, or Director of Fiscal Services for payment, the ExED Accounting Analyst will submit the invoice to Nvoicepay for payment. The ExED AM or VP will review the payments submitted to Nvoicepay and will approve or reject each vendor payment.
- The CBO will review transaction activity on a weekly basis to ensure for accuracy and reasonableness.
- After ExED AM or VP has approved a vendor payment, Nvoicepay will electronically withdraw funds from the organization’s bank account and transfer the funds to a Nvoicepay trust account. Each vendor payment will be a separate bank withdrawal and a separate line on the bank statement. Nvoicepay will then issue payments to the organization’s vendor. The payments are disbursed from Nvoicepay’s trust account via one of three payment methods: Check, ACH, or payment card. The payments will include a Reference ID that ExED will record as the transaction number in ExED’s accounting system. The Reference ID will not be in sequence as it is based on Nvoicepay’s numbering system.
- Nvoicepay will save an electronic check copy for any paper checks issued and Nvoicepay will save vendor remittances for any ACH or payment card payments issued.
- Nvoicepay will stale date payments after 90 days. When this situation happens, Nvoicepay will void the payment and credit the funds back to the organization's bank account. ExED may also
  - direct Nvoicepay to reissue a payment prior to the 90-day deadline. In this case, Nvoicepay will void the original payment and issue a new payment. The new payment will be recorded as a payment modification and will be linked to the original payment in Nvoicepay. The new payment will have a new Reference ID for tracking purposes; however, the new Reference ID will not be updated in ExED’s accounting system where the original Reference ID is recorded as the new transaction is only impacting Nvoicepay’s account.

### ACH Payment Initiated by Business Services

- Once an invoice is approved by the Accounting Manager or CBO for payment, the ExED Accounting Analyst will enter the ACH payment online and will submit the payment documentation to the ExED AM or VP.
- The CBO will review transaction activity on a weekly basis to ensure for accuracy and reasonableness.
- Any new ACH payees or changes in payment methods will be independently verified before entering the change into the online banking platform.

### Wire Transfers and Bank ACH Transactions

**Policy:** Wire transfers and Bank ACH Transactions initiated by the School’s CBO or ExED will be executed upon receipt of appropriate documentation (e.g., vendor invoice, purchase order, packing slip, etc.). Any transactions over \$500,000 must also receive approval from a member of the Board.

Procedures for client initiated and executed wire transfers:

- The Accounting Clerk, Accounting Manager, or Director of Fiscal Services shall prepare all supporting documentation for the wire transfer.
  - Routine wires initiated:



## The Accelerated Schools FISCAL POLICIES AND PROCEDURES

BOARD APPROVED June 20, 2024

- List purpose of transfer (i.e., semi-monthly Payroll, LACOE Retirement contributions, workers compensation payments)
- CBO (wire approver) will review all supporting documentation and approve in writing.
- Accounting Clerk, Accounting Manager, or Director of Fiscal Services will send all documentation to ExED

### Procedures for ExED executed wire transfers:

- ExED executed wire transfers will adhere to the following procedures:
  - CBO will review all supporting documentation and approve. The school will then send all documentation to ExED.
  - ExED will execute the wire transfer.

## Petty Cash

**Policy:** Business Services will keep a petty cash box not to exceed \$500. 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.).

### Procedures:

- Business Services will manage the petty cash fund.
- The Accounting Clerk, Accounting Manager, or Director of Fiscal Services 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 CBO 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 \$500.
  - When the petty cash balance falls below \$100, the Accounting Clerk, Accounting Manager, or Director of Fiscal Services 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 CBO will review and approve the petty cash reimbursement form and supporting documentation.
    - The Accounting Clerk, Accounting Manager, or Director of Fiscal Services 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 CBO in the amount of the total petty cash disbursement.
    - It is the Accounting Clerk, Accounting Manager, or Director of Fiscal Services 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 School will reimburse pre-authorized school-related expenses that are accompanied by an original receipt or other appropriate documentation. Only the CEO and CBO 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

## The Accelerated Schools FISCAL POLICIES AND PROCEDURES

BOARD APPROVED June 20, 2024

from the CBO.

- Employees will submit signed expense reports monthly, as necessary, to the CBO for approval. Original receipts or other appropriate documentation (e.g. email receipt) must be attached to the expense report.
- CEO's expense reports must be approved by a member of the board.
- The Accounting Clerk, Accounting manager, or Director of Fiscal Services will submit the approved expense report and supporting documentation to the CBO.
- The CBO will approve the expense report (in SpendBridge) and forward to ExED for payment.
- 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.
- All Goods ordered must be delivered to the School address/location.
  - In the event that Goods are delivered to a non-School address, documentation will be provided by a School administrator and/or Director acknowledging that the Goods were received by the School in good condition.
- The School reserves the right to refuse reimbursement for any inappropriate expenses made.

### Travel Expenses

**Policy:** The CBO must pre-approve all school related travel. Mileage will be reimbursed at 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 School.
- After the trip, the employee must enter all the appropriate information on an expense report, attach original receipts, and submit it to the CBO for approval and then on to ExED for processing.
- If business meals are purchased, the purchaser shall submit additional documentation detailing the following information:
  - Reason for the Business Meal
  - Agenda and/or Event details
  - All Names of Participants
    - If there are more than 12 individuals, then a group with a name can be listed if it is descriptive enough to identify affiliation.

### Governing Board Expenses

- The individual incurring authorized expenses while carrying out the duties of the school will complete

## The Accelerated Schools FISCAL POLICIES AND PROCEDURES

BOARD APPROVED June 20, 2024

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.

### Allowable and Questionable Expenses

As stated in the Fiscal Crisis & Management Assistant Team's (FCMAT) California Charter School Accounting and Best Practices Manual, all purchased by a district must be in compliance with the law and local board policy and cannot be considered a gift of public funds.

In general, the constitutional prohibition against the gift of public funds is not an issue when the direct and primary public purpose results in the public receiving a benefit from the expenditure. However, if the gift is to an employee or other individual and there is no benefit to the public as a result, it can be considered a gift of public funds.

Expenditures of school funds must be for a direct and primary public purpose to avoid being a gift. "In determining whether an appropriation of public funds or property is to be considered a gift, the primary question is whether the funds are to be used for a "public" or a "private" purpose. If they are for a "public purpose", they are not a gift within the meaning of."

If an expenditure serves a primary public purpose, it is not a gift even if it incidentally benefits an individual.

## 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 CBO 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 School 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:**

- 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 School 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 CBO will be notified of all cases of theft, loss, damage, or destruction of assets.

## The Accelerated Schools FISCAL POLICIES AND PROCEDURES

BOARD APPROVED June 20, 2024

- Business Services shall 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 CBO 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 School 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 CBO 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.
- Business Services shall 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 School 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:**

- 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 will determine if he/she has applicable coverage through his/her individual insurance policies.

## Operating Reserves

**Policy:** The School 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 School’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 CBO and the Governing Board to understand the School’s cash situation and it is the responsibility of the CBO 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.

## Extraordinary Events

**Policy:** In the event where the School faces extraordinary events (e.g., pandemic, natural disaster, etc.) and must close on-campus operations, the School will still adhere to the most current Fiscal Policy and Procedures with the following exceptions:

- Place of operation, such as remote locations not at the school site.
- Place where documents are mailed and received.
- Accounting for all documents to be received electronically to ensure timely receipt and processing.
- Streamlining receipt of checks and cash to ensure timely deposit at banking institution.

**Procedures:**

- The CBO shall review the Fiscal Procedures and Policies and make changes to adjust to extraordinary conditions.
- Documentation of the changes will be submitted to ExED and the School’s Finance Committee.

Upon school reopening of the administrative and business services, the emergency measures shall cease, and normal operations resume.

## Independent Contractors

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

**Procedures:**

- The CBO 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 CBO may also require that contract service providers list the school as an additional insured.

## The Accelerated Schools FISCAL POLICIES AND PROCEDURES

BOARD APPROVED June 20, 2024

- 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.