



## **Fiscal Policies and Procedures**

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## **OVERVIEW AND GENERAL BUSINESS POLICIES**

The Board of Allegiance STEAM Academy (or "ASA") has reviewed and adopted the following policies and procedures to ensure the most effective use of the funds of ASA to support the mission and to ensure that the funds are budgeted, accounted for, expended, and maintained appropriately.

1. The Board approves financial policies and procedures, delegate's administration of the policies and procedures to the CEO and reviews operations and activities on a regular basis.
2. The CEO has responsibility for all operations and activities related to financial management. However, the Board can appoint someone else to perform the CEO's responsibilities in the case of absence.
3. Financial duties and responsibilities must be separated so that no one employee has sole control authorizing transactions, recording financial transactions and custody of assets.
4. ASA will maintain in effect the following principles in its ongoing fiscal management practices to ensure that:
  - a. Expenditures are authorized by and in accord with amounts specified in the board-adopted budget,
  - b. ASA's funds are managed and held in a manner that provides a high degree of protection of the school's assets, and
  - c. All transactions are recorded and documented in an appropriate manner.

### **Budget Development, Oversight Calendar and Responsibilities**

The School will develop and monitor its budget in accord with the annual budget development and monitoring calendar as specified below.

#### ***January - April***

Charter Impact works with CEO to review the Governor's proposed state budget for the upcoming fiscal year, and identify the likely range of revenues for the school's upcoming fiscal year (July 1 - June 30) based on projected enrollment. Once the revenue estimates are complete, Charter Impact and the CEO develop the remainder of the budget including staffing levels, review of fixed costs and discretionary spending. Then a five-year budget projection is developed in accordance with the schools' established strategic and growth plans.

#### ***May - June***

Charter Impact and the CEO reviews revenue projections subsequent to the Governor's annual "May Revise" budget figures, fine-tunes the upcoming fiscal year budget to accommodate any changes. This budget will include monthly cash flow projections. The Board reviews and formally adopts a budget for upcoming fiscal year before June 15. A copy of the final budget is provided to the authorizing agencies.

#### ***July - August***

Books for prior fiscal year are closed by Charter Impact, all transactions are posted, and records assembled for audit. The budget is reviewed subsequent to the adoption of the state Budget Act and necessary adjustments are made. A copy of the revised final budget is provided to the authorizing agencies, if applicable.

#### ***September - December***

The independent auditor performs audit of the closed fiscal year and prepares audit report for submission to the Audit Committee. At the end of the first full week of school, the CEO reviews ASA's actual attendance figures and notifies the Board if actual attendance is below budget projections. If needed, the school's budget is revised to match likely revenues.

The Audit Committee of the Board reviews a copy of the audit. The CEO and Board address any audit exceptions or adverse findings. Once the Board approves the audit report, it is submitted to the authorizing agencies.

On a monthly basis, the CEO and Board reviews current year actual versus budgeted revenues and expenditures and other financial reports as presented by Charter Impact. The Board approves any needed changes to the annual budget.

### **Budget Transfers**

The CEO may transfer up to \$10,000 from one unrestricted budget item to another without board approval, but shall notify the Board of the transfer at the next regularly scheduled meeting.

## **Banking Arrangements**

ASA will maintain its accounts either in the County Treasury or at a federally insured commercial bank or credit union. Funds will be deposited in non-speculative accounts including federally-insured savings or checking accounts or invested in non-speculative federally-backed instruments or in the County's Pooled Money Investment Fund. If funds are held in accounts outside of the County Treasury, the Board must appoint and approve all individuals authorized to sign checks or warrants in accord with these policies and all checks over \$50,000 must be signed by two authorized signatories. Charter Impact will reconcile the school's ledger(s) with its bank accounts or accounts in the county treasury on a monthly basis.

## **Record Keeping**

Transaction ledgers, canceled/duplicate checks, attendance and entitlement records, payroll records, and any other necessary fiscal documents will be maintained by school staff in a secure location for at least three years, or as long as required by applicable law, whichever is longer.

Appropriate back-up copies of electronic and paper documentation, including financial and attendance accounting data, will be regularly prepared and stored in a secure off-site location, separate from the school.

Charter Impact will retain electronic records at their site for a minimum of two (2) years; after which, the remaining five years will be the responsibility of the School.

## **Property Inventory**

The CEO shall establish and maintain an inventory of all non-consumable goods and equipment worth over \$1,000. This inventory shall include the original purchase price and date, a brief description, serial numbers, and other information appropriate for documenting the school's assets. This property will be inventoried on an annual basis and lists of any missing property shall be presented to the Board.

All non-consumable school property lent to students shall be returned to the school no later than 5 working days after end of the school year. Any excess or surplus property owned by the school may be sold or auctioned by the CEO provided the CEO engages in due diligence to maximize the value of the sale or auction to the school. The sale or auction of property owned by the school with a fair market value in excess of \$1,000 shall be approved in advance by the Board.

The CEO will immediately notify Charter Impact of all cases of theft, loss, damage or destruction of assets.

## **Attendance Accounting**

The CEO will establish and maintain an appropriate attendance accounting system to record the number of days students are actually in attendance at ASA and engaged in the activities required of them by ASA. The annual audit will review actual attendance accounting records and practices to ensure compliance. The attendance accounting practices will be in conformance with the Charter Schools Act and the applicable California Administrative Code sections defining Charter School Average Daily Attendance. Therefore:

1. ADA will be computed by dividing the actual number of days of student attendance by the number of calendar days of instruction by the School.
2. The School's instructional calendar will include at least 175 days of instruction to avoid the fiscal penalty for providing fewer than 175 days of instruction as provided by the Administrative Code regulation. The calendar must also document that the school offers an amount of annual minutes of instruction as required pursuant to applicable law.

## **Annual Financial Audit**

The Board will annually appoint an audit committee by January 1 to oversee the independent auditors for that fiscal year. Any persons with expenditure authorization or recording responsibilities within the school may not serve on the committee. The committee shall annually contract for the services of an independent certified public accountant to perform an annual fiscal audit. The audit shall include, but not be limited to (1) an audit of the accuracy of the school's financial statements, (2) an audit of the school's attendance accounting and revenue claims practices, and in conjunction with (1) and (2) above, review the school's internal controls over financial reporting. If the school expends over the federal limit, the audit shall be prepared in accordance with any relevant Office of Management and Budget audit circulars. The Audit shall be completed, reviewed by the Board, and submitted to the charter-granting agency, the County Office of Education, the Office of the State Controller, and California Department of Education prior to December 15 of each year.

## **Required Budget and Other Fiscal Reports**

The CEO, working in conjunction with Charter Impact, will produce and submit to the authorizing agencies, fiscal reports as may be required by state or federal law, or mandated by the terms of the school's charter. These include, but are not limited to, attendance reports, enrollment and other data reports required by the California Basic Education Data System, and other related data.

## **Property and Liability Insurance**

The CEO shall ensure that the school retains appropriate property and liability insurance coverage. Property insurance shall be obtained and address business interruption and casualty needs, including flood, fire, earthquake, and other hazards with replacement cost coverage for all assets listed in the school's Property Inventory and consumables. Premises and Board errors and omissions liability insurance shall also be obtained and kept in force at all times on a "claims made" form with a self-insured retention of no more than \$50,000 per occurrence and limit of no less than \$5 million per occurrence. ASA's CEO and other staff who manage funds shall be placed under a fidelity bond.

## **Board Compensation**

Board members shall serve without compensation, but may be reimbursed for actual and necessary expenses. Expenses for travel necessary to attending board meetings and meetings of board committees need not be approved in advance by the board. All other expenses shall be approved in advance by the board. Travel expenses reimbursed shall not exceed levels that would be subject to federal or state income tax. All expenses reimbursed shall be documented by receipts and in no event may reimbursements exceed actual expenses.

## **Fundraising, Grant Solicitation, and Donation Recognition**

All fundraising or grant solicitation activities on behalf of the school must be approved in advance by the Board. The Board shall be informed of any conditions, restrictions, or compliance requirements associated with the receipt of such funds, including grants or categorical programs sponsored by the state or federal government. The Board shall be notified no later than the next regular board meeting of the award or receipt of any funds and shall approve the receipt of any grants, donations, or receipts of fundraising proceeds prior to their deposit in the school's accounts.

## **Contracts**

Consideration will be made of in-house capabilities to accomplish services before contracting for them. Except as otherwise provided in these policies, the CEO may enter into contracts and agreements not to exceed \$10,000 without Board approval, provided funds sufficient for the contract or agreement are authorized and available within the school's board-adopted budget. Contracts and agreements in excess of \$10,000 must be submitted for board approval and may be executed by the CEO or other person specifically designated by the Board after the Board has duly approved the contract or agreement.

Office staff will keep and maintain a contract file evidencing the competitive bids obtained (if any) and the justification of need for any contracts over \$10,000. Competitive bids will be obtained where required by law or otherwise deemed appropriate and in the best interests of ASA.

Written contracts clearly defining work to be performed will be maintained 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 worker's compensation insurance currently in effect. The CEO may also require that contract service providers list the school as an additional insured.

If the contract service provider is a sole proprietor or a partnership (including LP, and LLP), the Chief Operations Officer will obtain a W-9 from the contract service provider prior to submitting any requests for payments to Charter Impact.

The CEO will approve proposed contracts and modifications in writing. Contract service providers will be paid in accordance with approved contracts as work is performed. The CEO will be responsible for ensuring the terms of the contracts are fulfilled. Potential conflicts of interest will be disclosed upfront, and the CEO and/or Member(s) of the Governing Board with the conflict shall excuse themselves from discussions and from voting on the contract.

## **PURCHASING AND VENDOR PAYMENT**

### **Segregation of Duties**

ASA will develop and maintain purchase order forms to document the authorization of non-payroll expenditures. All proposed expenditures must be approved by the CEO who will review the proposed expenditure to determine whether it is consistent with the Board-adopted budget. In the absence of a vendor invoice, ASA will develop and maintain a check request form to document the approval of payment for specific items.

All transactions will be posted in an electronic general ledger maintained by Charter Impact. To ensure segregation of recording and authorization, the bookkeeper may not co-sign check requests for purchase orders.

### **General Purchasing Procedures**

All purchases over \$10,000 must include documentation of a good faith effort to secure the lowest possible cost for comparable goods or services. The CEO, Chief Academic Officer, and Principal shall not approve purchase orders or check requests lacking such documentation. Documentation shall be attached to all check and purchase order requests showing that at least three vendors were contacted and such documentation shall be maintained for three years. All purchases in excess of \$10,000 shall be bid by a board-approved process, except in the case of emergencies that necessitate the purchase of emergency response supplies, equipment, or services.

The CEO may authorize expenditures and may sign related contracts within the approved budget. The Board shall review all expenditures. This will be done via approval of a check register which lists all checks written during a set period of time and includes check number, payee, date, and amount. The Board must also approve contracts and non-budgeted expenses over \$10,000. When approving purchases, the CEO must:

- a. Determine if the expenditure is budgeted
- b. Determine if funds are currently available for expenditures (i.e. cash flow)
- c. Determine if the expenditure is allowable under the appropriate revenue source
- d. Determine if the expenditure is appropriate and consistent with the vision, approved charter, school policies and procedures, and any related laws or applicable regulations
- e. Determine if the price is competitive and prudent.

Any individual making an authorized purchase on behalf of the school must provide appropriate documentation of the purchase. Individuals other than those specified above are not authorized to make purchases without pre-approval.

Individuals who use personal funds to make unauthorized purchases will not be reimbursed. Authorized purchases will be promptly reimbursed by a bank check upon receipt of appropriate documentation of the purchase.

The CEO may authorize an individual to use a school credit card to make an authorized purchase on behalf of the school, consistent with guidelines provided by the CEO and/or Board. The following provisions apply to credit card purchases:

1. Credit cards will bear the school name of Allegiance STEAM Academy and may be held by the CEO, Chief Academic Officer, Chief Operations Officer, and Principal.
2. The Principal's card will be kept under strict locked supervision in the Principal's office, and authorized individuals must sign the credit card out and must return the credit card and related documentation of all transactions within 24 hours of the purchase(s), unless otherwise authorized by the CEO.
3. If receipts are not available or are "missing", the individual responsible for the charge be required to sign off on a Credit Card Missing Receipt form detailing the purchase and circumstances surrounding the missing receipt. The approved form will be submitted to Charter Impact. The individual will be held responsible for payment.
4. Credit card reconciliations will be completed by the Chief Operations Officer and must be reviewed and all transactions approved by the CEO.

### **Petty Cash**

The Chief Operations Officer will manage the petty cash fund, which will be capped at \$500. All petty cash will be kept in a locked petty cash box in a locked drawer or file cabinet. Only the Chief Operations Officer and CEO will have keys to the petty cash box and drawer or file cabinet. All disbursements will require documentation of purchase. A register receipt for all purchases must be provided. The following are general petty cash operating procedures:

1. At all times the petty cash box will contain receipts and cash totaling \$500. A register receipt must support the petty cash slip. The individual using the petty cash to make a purchase is responsible for submitting the receipt for the petty cash slip to the Chief Operations Officer within 24 hours of withdrawing the petty cash.
2. When expenditures total \$400 (when cash balance is reduced to \$100), the Chief Operations Officer will total the disbursements, complete a Petty Cash Reimbursement Form, and obtain the approval of the CEO. This should be done on at least a quarterly basis. The supporting receipts will be attached to the reimbursement request form and forwarded to Charter Impact.
3. Petty cash fund reimbursement checks will be made payable to the CEO.
4. Any irregularities in the petty cash fund will be immediately reported in writing to the CEO.
5. Charter Impact will conduct surprise counts of the petty cash fund.

### **Purchase Orders**

All non-recurring purchases require the use of a Purchase Order, which must be approved by the Principal.

1. The Chief Operations Officer will create a PO in Excel format and assign PO numbers in sequential order.
2. The numbered PO is then logged into an Excel sheet which lists all issued PO's.
3. The printed PO is then given to the CEO for approval and signature.
4. The PO is then scanned and emailed to the vendor or copied and mailed. The original (or copy if original was mailed) is then placed in the Open PO folder.

### **Payment Authorization**

All original invoices will be forwarded to the CEO for approval.

1. The CEO will carefully review each invoice, attach all supporting documentation (including a PO), and verify that the specified services and/or goods were received. When receiving tangible goods from a vendor, the person designated to receive deliveries should trace the merchandise to the packing list and note any items that were not in the shipment. The packing list should be submitted to Charter Impact with the invoice.
2. Once approved by the CEO, he/she will stamp a check authorization on the invoice and complete the required information, including noting the specific budget line item that is to be charged for the specified expenditures. The invoice and supporting documentation will be sent to Charter Impact on at least a weekly basis (CEO should be aware of invoice due dates to avoid late payments). Charter Impact will then process the invoices with sufficient supporting documentation.

3. The CEO may authorize Charter Impact to pay recurring expenses (e.g. utilities) without the CEO's formal approval (signature) on the invoice when dollar amounts fall within a predetermined range. A list of the vendors and the dollar range for each vendor must be provided to Charter Impact in writing and updated on an annual basis.

### **Accounts Payable Checks**

The Board will approve, in advance, the list of authorized signers on the school account. The CEO and any other employee authorized by the Board may sign bank checks within established limitations.

1. Charter Impact does not use pre-printed check stock to avoid the risk of theft.
2. When there is a need to generate a check, the Chief Operations Officer will send appropriate approved documentation to Charter Impact. This is usually an approved invoice or Check Request Form.
3. Once approved by the CEO, Charter Impact prepares the check based on the check authorization prior to obtaining the appropriate signature(s).
4. The CEO and Board Treasurer will co-sign checks in excess of \$50,000 for all non-recurring items. All checks less than \$50,000 require only the signature of the CEO.
5. Checks may not be written to cash, bearer, or petty cash. Under no circumstance will any individual sign a blank check.
6. Charter Impact will record the check transaction(s) into the appropriate checkbook and in the general ledger.
7. Charter Impact will distribute the checks and vouchers as follows:
  - a. Original – mailed or delivered to payee
  - b. Duplicate or voucher – attached to the invoice and filed by vendor name by a Charter Impact accountant.
  - c. Canceled Checks – filed numerically with bank statements by a Charter Impact accountant.
  - d. Voided checks will have the signature line cut out and will have VOID written in ink. The original check will be attached to the duplicate and forwarded to Charter Impact who will attach any other related documentation as appropriate.

### **Bank Reconciliations**

Bank statements will be received directly, unopened, by a school site staff member that does not have access to cash or the authority to approve payments. This staff member then scans and emails the statement to Charter Impact (or Charter Impact may be granted view-only online access). Once the statement is received:

1. Charter Impact will examine all paid checks for date, name, cancellation, and endorsement. Any discrepancies regarding the paid checks or any checks over 90 days will be researched and if applicable deleted from the accounting system.
2. Charter Impact will prepare the bank reconciliation, verifying the bank statements and facilitating any necessary reconciliation.
3. Charter Impact will compare the reconciled bank balance to the cash in the bank account and to the general ledger, immediately reporting any discrepancies to the Principal.



## **CASH RECEIPT MANAGEMENT**

### **General Procedures for Non-Governmental Cash Receipts**

For all fundraising activities approved by the board, the School will establish internal controls to ensure the safeguarding of assets. The following are general procedures for recurring activities:

1. For each fundraising or other event in which cash or checks will be collected, a Volunteer Coordinator will be designated, who will be responsible for collecting and holding all cash and checks for the purpose of the fundraising activity.
  - a. The Volunteer Coordinator will record each transaction in a receipt book at the time the transaction is made, with a copy of the receipt provided to the donor.
  - b. The cash, checks, receipt book, and deposit summary must be given to the school Chief Operations Officer by the end of the next school day, who will immediately put the funds in a secure, locked location.
  - c. Both the Volunteer Coordinator and the Chief Operations Officer will count the deposit and verify the amount of the funds in writing.
2. Cash/checks dropped off at the school office will be placed directly into a lock box by the person dropping off the cash/checks.
  - a. All funds are deposited into the lock box in a sealed envelope, along with any notes, forms, or other descriptions of how the funds are to be used.
  - b. The Chief Operations Officer and one other staff member will jointly open the lock box to verify the cash/check amounts, and sign off on the amounts received.
  - c. The lock box will be emptied at least two times per week, corresponding to days when deposits are made.
3. All checks will be immediately endorsed with the school deposit stamp, containing the following information: "For Deposit Only"
4. A deposit slip will be completed by the Chief Operations Officer and initialed by the CEO for approval to deposit. The deposit slip will be duplicated and documentation for all receipts (copy of check, letter, etc.) will be attached to the duplicate deposit slip.
5. Deposits totaling greater than \$2,000 will be deposited within 24 hours by the designated school employee. Deposits totaling less than \$2,000 will be made weekly by the designated school employee. All cash will be immediately put into a lock box.
6. The duplicate deposit slip and deposit receipt will be attached to the deposit documentation and forwarded to Charter Impact to be filed and recorded weekly.

### **Volunteer Expenses**

All volunteers will submit a purchase requisition form to the CEO for all potential expenses. Only items with prior written authorization from the CEO will be paid/reimbursed.

### **Returned Check Policy**

A returned-check processing fee will be charged for checks returned as non-sufficient funds (NSF). Unless otherwise pre-approved by Charter Impact or the CEO, payment of the NSF check and processing fee must be made by money order or certified check.

In the event that a second NSF check is received for any individual, in addition to the processing fee, the individual will lose check-writing privileges. Payment of the NSF check, the processing fee and any subsequent payment(s) by that individual must be made by money order or certified check.

In the case of NSF checks written by parents of students, failure to pay may result in the withholding of report cards/transcripts at the end of the semester and/or school year until payment is received, unless other mutually agreeable arrangements are approved by the CEO and/or Governing Board. If unsuccessful in collecting funds owed, the school may initiate appropriate collection and/or legal action at the discretion of the CEO and/or Board.

## **HUMAN RESOURCES AND PAYROLL**

### **Payroll Services and Setup**

Charter Impact will prepare payroll checks, tax and retirement withholdings, tax statements, and to perform other payroll support functions. The CEO will establish and oversee a system to prepare time and attendance reports and submit payroll check requests. The CEO will review payroll statements monthly to ensure that (1) the salaries are consistent with staff contracts and personnel policies and (2) the proper tax, retirement, disability, and other withholdings have been deducted and forwarded to the appropriate authority. All staff expense reimbursements will be on checks separate from payroll checks.

Upon hiring of staff, the CEO will be responsible for the creation of a personnel file with all appropriate payroll-related documentation and completing or providing all of the items on the Employee Payroll Set-up/Change Form. Items include a federal I-9 form, tax withholding forms, retirement date, and an accounting of the use of sick leave.

### **Timesheets**

All classified employees will be responsible for completing a timesheet including vacation, sick, and holiday time (if applicable). The employee and the appropriate supervisor will sign the completed timesheet. Incomplete timesheets will be returned to the signatory supervisor and late timesheets will be held until the next pay period. No employee will be paid until a correctly completed timesheet is submitted. If an employee is unexpectedly absent and therefore prevented from working the last day of the pay period or turning in the timesheet (such as an employee calling in sick), the employee is responsible for notifying the signatory supervisor or for making other arrangements for the timesheet to be submitted. However, the employee must still complete and submit the timesheet upon return.

### **Overtime**

Advanced approval in writing by the authorized supervisor is required for compensatory time and overtime. Overtime only applies to classified employees and is defined as hours worked in excess of eight (8) hours within a day or forty (40) hours within a week. Any hours worked in excess of an employee's regular work schedule must be pre-approved by the supervisor, unless it is prompted by an emergency. No overtime will be paid without the approval of the employee's supervisor. Overtime will not be granted on a routine basis and is only reserved for extraordinary or unforeseen circumstances. If a supervisor identifies a recurring need for overtime in any given position, the supervisor should immediately consult with the CEO/ Principal for further guidance.

### **Payroll Processing**

For hourly employees, employees must sign timesheets to verify appropriate hours worked, resolve absences and compensations, and monitor number of hours worked versus budgeted. The CEO will approve these timesheets. No overtime hours should be listed on timesheets without the supervisor's initials next to the day on which overtime was worked. For salaried employees, employees must sign into a log book to verify working days for accuracy. The Chief Operations Officer will provide the designated school employee with any payroll-related information such as sick leave, vacation pay, and/or any other unpaid time.

For substitute teachers, the Chief Operations Officer will maintain a log of teacher absences and the respective substitutes that work for them. The Chief Operations Officer will verify that the substitutes initial the log next to their names before they leave for the day and that teachers, upon returning back to work, initial next to their names. The CEO will notify Charter Impact of all authorizations for approved stipends.

Payroll is processed within 10 days after the period in which it is earned for hourly employees.

1. The signatory supervisor will submit a Payroll Summary Report of timesheets to Charter Impact for processing.
2. Charter Impact will prepare the payroll worksheet based on the summary report.
3. The payroll checks (if applicable) will be delivered to the school. The CEO will document receipt of the paychecks and review the payroll checks prior to distribution.

### **Payroll Taxes and Record Keeping**

Paychex will prepare payroll check summaries, tax and withholding summaries, and other payroll tracking summaries based on the reporting submitted.

Paychex will also prepare the state and federal quarterly and annual payroll tax forms for income tax withholdings, Social Security and Medicare and submit the forms to the respective agencies on behalf of the school. Charter Impact will prepare the quarterly state returns for unemployment and disability, review the forms with the CEO, and submit the forms to the state on behalf of the school.

The designated school employee will maintain written records of all full time employees' use of sick leave, vacation pay, and any other unpaid time.

1. The designated school employee will immediately notify the CEO if an employee exceeds the accrued sick leave or vacation pay, or has any other unpaid absences.
2. Records will be reconciled when requested by the employee. Each employee must maintain personal contemporaneous records.

### **Expense Reports**

Employees will be reimbursed for expenditures within ten (10) business days of presentation of appropriate documentation. Receipts or other appropriate documentation will be required for all expenses over five dollars and all reports must be approved by the CEO. Expenses greater than two months old will not be reimbursed.

CEO expense reports must be approved by a member of the Board and always be submitted to Charter Impact for processing and payment, petty cash may not be used.

### **Travel**

Employees will be reimbursed for mileage when pre-approved by the CEO. Mileage will be reimbursed at the government-mandated rate for the distance traveled, less the distance from the employee's residence to the school site for each direction traveled. For incidental travel, mileage will only be reimbursed if the one-way mileage exceeds 10 miles.

The CEO must pre-approve all out of town travel. 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 should 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 at the established per diem rate for any breakfast, lunch, or dinner that is not included as part of the related event.

Travel advances require written approval from the CEO and receipts for all advanced funds not returned. After the trip, the employee must enter all of the appropriate information on a Travel Expense Report and submit it to the CEO for approval and then on to Charter Impact for processing. If the advance exceeds the amount of the receipts, the employee will pay the difference immediately in the form of a check. If the advance is less than the amount of the receipts, the difference will be reimbursed to the employee in accordance with the expense report.

### **Telephone Usage**

Employees will not make personal long distance calls on the telephones without prior approval from a supervisor. Employees will reimburse the school for all personal telephone calls.

## **FINANCE AND FINANCIAL REPORTING**

### **Monthly Reporting**

Charter Impact will submit a monthly financial report including:

- a. Statement of Financial Position
- b. Budget vs. Actual Report
- c. Statement of Activities by Period
- d. Accounts Payable Aging

e. Monthly Check Register

The report will be reviewed at the scheduled board meeting and action will be taken, if appropriate.

**Loans**

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

Once approved, a promissory note will be prepared and signed by the CEO and/or member of governing Board before funds are borrowed.

**Fund Balance Reserve**

A cash reserve of at least 5% of the annual expenses will be maintained. Charter Impact will provide the CEO with a Statement of Financial Position on a monthly basis. It is the responsibility of the CEO and the Board to understand the school's cash situation. It is the responsibility of the CEO to prioritize payments as needed. The CEO has responsibility for all operations and activities related to financial management.