

Young Scholars Charter School Internal Financial Control Policy

Young Scholars Charter School (“Young Scholars”) is a charitable and educationally oriented organization whose Trustees and staff members serve the public purposes to which it is dedicated. Young Scholars requires its Trustees and employees to observe high standards of business and personal ethics in the conduct of their duties and responsibilities. As such, the intent of this internal financial control policy is to document the following controls created to minimize opportunity for fraud, in the form of financial misrepresentation and/or theft:

- 1) Monthly, the Finance and Audit Committee should review receipts and expenditures for the prior month.
- 2) Quarterly, the Finance and Audit Committee should review a budget vs. actual report for the prior quarter.
- 3) A second copy of all bank statements should be sent directly to the Chair of the Finance and Audit Committee.
- 4) Segregation of administrative financial duties must occur as follows:
 - a. The individual(s) responsible for completing bank reconciliations may not be part of the operating procedure for collecting incoming checks or cash, should not directly handle incoming checks or cash, and may not be an authorized signer on any account.
 - b. The individual(s) responsible for entering bills into QuickBooks and printing checks from QuickBooks may not be a signer on any bank account.
 - c. The individual(s) responsible for making deposits in any bank account may not be part of the operating procedure to process incoming checks or cash and/or prepare deposit slips, other than to count what has been given him or her to deposit.
- 5) There should be an Accounting Policy document, approved by the Board, which details all of the accounting procedures and policies. The creation of this document and/or recommended amendments to the document should be led or overseen by the Chief Executive Officer.