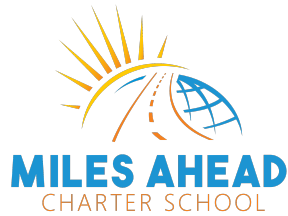




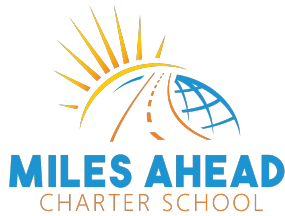
Fiscal Policies

Last reviewed/approved Month X, 2022 (include the minutes and voting here)

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Finance and Accounting Policies

Enclosed is the Fiscal Policy Manual, which the Board of Directors of MACS will ratify, annually review and maintain a separate Fiscal Policy Manual to cover the robust breadth and depth of fiscal compliance and governance. This Policy Manual will contain clear policies to provide for legal compliance, best practices in alignment with Generally Accepted Accounting Principles and best-in-class fiscal governance.

In order to establish these policies, Miles Ahead Charter School will consult with a back-office provider (for 2022, EdTEC) in creating a draft financial policy handbook which will ultimately be approved by the Board. The policies and procedures will detail the internal institutional controls necessary in reporting, procurement, purchasing, and all transactional approvals. The Executive Director, Director of Operations, and Treasurer will serve as the three chief financial agents of the organization; all processes requiring the disbursement and management of funds will require the proper segregation of duties and double approvals necessary to ensure fiscal oversight, and compliance with the law and GAAP. Minimally, the policies will outline:

- Preparation of financial statements such as Balance Sheets, Cash Flow, YTD Actuals to ensure timely, accurate review by the Finance Committee and Board of Directors
- Budgeting, and creating an approval process which allow for thorough review by the Finance Committee and approval for timely submission to the authorizer
- Securing a reputable auditor, and engaging in an annual audit
- Bank account management and segregation of duties between issuing and signing checks, opening and closing accounts, and completing monthly reconciliations
- Petty cash management policy and deposit policy
- Contracting and Request For Proposal (RFP) thresholds processes and policies
- Purchasing controls and segregation of duties

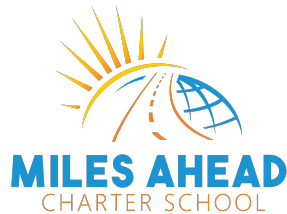
I - Accounting

a. GAAP

The accounting procedures used by Miles Ahead Charter School shall conform to Generally Accepted Accounting Principles (GAAP) to ensure accuracy of information and compliance with external standards.

b. Accounting Basis

- Miles Ahead Charter School uses the accrual-basis of accounting at year-end, meaning that revenues are recognized in the fiscal year they are earned, and expenses are recognized in the fiscal year that the liability is incurred. This is regardless of when the receipt of or payment of cash takes place.
- Throughout the year, revenues will also be recognized as they are earned and when contributions are received or awarded in accordance with GAAP.
- Monthly per pupil payments will be recognized in the appropriate month with any early payments for a future month deferred and recognized in the appropriate month. A final adjustment will be posted based on an annual reconciliation of average enrollment for the fiscal year.
- Cost reimbursement grants such as CSP, Title I, and Title II will be recognized when those



funds are earned when eligible expenses are made. Additional considerations are separately enumerated under "Section XI. Federal Grant Compliance."

c. Restricted Grant Tracking

Miles Ahead Charter School shall maintain its general ledger using grant tagging codes for the purposes of tracking restricted revenues and expenses. This is with the specific intention to prevent double-dipping of expenses or use of restricted revenue sources.

d. Cost Center Accounting

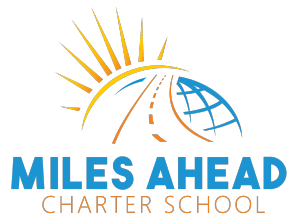
Miles Ahead Charter School shall maintain its general ledger using site codes for tracking revenues, expenses, and balance sheet activity by site if applicable in alignment with SCSC accounting guidance. The codes will match the GADOE codes whenever and wherever applicable.

e. Capitalization and Depreciation

- Miles Ahead Charter School will capitalize and depreciate annually all assets of \$5,000 or more to coincide with federal fund guidance on capitalization threshold.
- All assets purchased with an individual value less than \$5,000, but purchased in bulk and exceeding \$5,000 in bulk, will be considered as meeting the capitalization threshold. All other assets will be charged annually to an expense in the year incurred. Capitalized assets are recorded at cost and depreciated under the straight-line method over their estimated useful lives which can range from:
 - Leasehold improvements: Lease term or 10 years, whichever is shorter
 - Facility purchases: 30 years
 - Building and site improvements: 30 years
 - Computers and associated technology: 3 years
 - Furniture & equipment: 5 years
- Repair and maintenance costs, which do not extend the useful lives of an asset, are recognized as expenses.
- Throughout the year, items will be recognized as expenses. They will be reviewed at year-end for possible capitalization and depreciation. Depreciation will be calculated from when the item was purchased and will be treated as placed in service at that time unless otherwise specified.
- Items will be tagged when placed in service by the Director of Operations.
- As part of the annual close, the Director of Operations will conduct an inventory of all assets, noting condition and location.
- Assets sold, retired, lost, or stolen and related amounts of accumulated depreciation will be eliminated from the asset accounts, and any resulting gain or loss will be recognized within that year.
- Nothing in this practice is to prevent Miles Ahead Charter School from maintaining an estimated impact of capitalization and depreciation on operating income and fund balance for the year on interim financial statements.

f. Bank Reconciliations

- A reconciliation of all bank accounts, whether checking or savings accounts, will be performed monthly by an external back-office provider accountant. The accountant does not have the ability or authority to disburse funds or approve expenses.
- Miles Ahead Charter School will provide the back-office provider with either online access or paper copies of the monthly statements no later than the 2nd business day of the following month.



- The back-office provider will maintain the banking reconciliation documentation for the audit.
- Un-cleared checks older than six months will be reviewed for reissuance, voidance, or escheatment proceedings in compliance with Georgia State law.
- Financial irregularities discovered during the banking reconciliation process will be brought to the attention of the Executive Director, Director of Operations, and Board Treasurer.

g. Financial Record Retention and Destruction

- All financial records will be retained for no less than 7 years. Records include but are not limited to transaction ledgers, bank statements, canceled and voided checks, payroll records, audits, and tax filings.
- To the extent that Miles Ahead Charter School is working with a back-office provider, that provider shall be considered the custodian of financial records. At termination of the relationship, the back-office provider will transfer all financial records to Miles Ahead Charter School.
- After 7 years, Miles Ahead Charter School may evaluate its documents for secure destruction or alternatively, archival.
- Retaining electronic or digital copies of records will be considered compliant with this file retention policy.
- Nothing in this section will be considered to supersede the organization's broader record retention and destruction policies.

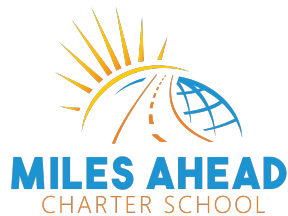
II - Banking

a. Checking Account

- The Board shall authorize the establishment of business or commercial checking account(s).
- Accounts must be with a federally insured banking institution for the purposes of school operations and the Board will ensure that applicable FDIC insurance coverage applies to all accounts.
- The established checking account(s) shall be the primary account(s) for school financial obligations, as well as the primary account(s) for deposit and receipt of all funds. Authorized signatories to this account shall be the Executive Director, Board Treasurer, and Board Chair.
 - Checks between 5,001- \$10,000 will require the signature of both the Executive Director, Board Treasurer, or Board Chair
 - Checks of \$10,000 or more will require the signature of the Executive Director, Board Treasurer and Board Chair.
 - Checks payable to the Executive Director must be signed by the Board Treasurer. Checks payable to the Executive Director of \$10,000 or more will require the approval of the Board Chair AND the signature of Board Treasurer.
 - Under no circumstances should the recipient of a check also be a signatory on his or her own check.
- No additional checking accounts shall be established without Board approval.
- Board approval is also required to close a checking account.

b. Savings Account

- The Board shall authorize the establishment of business or commercial saving account(s).
- Accounts must be with a federally insured banking institution for the purposes of school operations and the Board will ensure that applicable FDIC insurance coverage applies to all accounts.



- Checks will not be written out of the savings account, and any transfer of funds to or from the savings account to the general checking account will be done in consultation with the Board Treasurer and the back-office provider and the school's most current cash forecast.
- No additional savings accounts shall be established without Board approval. Board approval is also required to close a savings account.

c. Line of Credit

Upon charter authorization, Miles Ahead Charter School intends to secure a traditional line of credit product with a locally-established banking institution. The line of credit amount, rates, and banking institution must be reviewed by the Finance Committee and approved by the full Board of Directors. This line of credit is only to be used when there is a short-term liquidity need to cover expenses or a reimbursable grant necessitates having the ability to cover and pay for expenses until the grant expenses can be reimbursed. The line of credit is not intended to be used to address the basic needs of the school and is not expected to be used as a long-term financing solution. If the line is drawn, it will be paid off as soon as revenue is received to avoid or minimize interest costs.

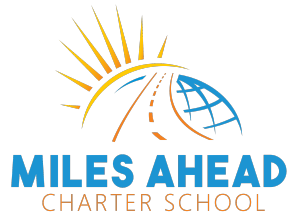
d. Federal Deposit Insurance

- Miles Ahead Charter School recognizes that deposits are only insured up to \$250,000 per qualified banking institution, not per account, and its bank balance may otherwise exceed the \$250,000.
- The Board shall review ongoing opportunities to cost-effectively insure excess cash or otherwise diversify its account holdings at federally insured banking institutions, while also evaluating risk and convenience.
- Miles Ahead Charter School will comply with [O.C.G.A. Section 45-8-12](#) to ensure all accounts over \$250,000 of public funds are designated by our bank as "public funds" to allow the account(s) to be added to the State collateral pool which insures funds above \$250K.

e. Deposits of Receipts

Miles Ahead Charter School will deposit all funds received on a weekly basis. In line with this:

- The Operations Assistant will open all mail daily, immediately sort and log all checks or money orders and forward them to the Director of Operations for logging.
- Cash payments, whether for student activities or donations or otherwise, will be strongly discouraged. Miles Ahead Charter School will direct individuals to use a service such as PayPal, Venmo, or CashApp to make a payment electronically to the school in the alternative. If this is not possible, all cash payments received will be logged using a cash receipt book with a carbon copy retained. The Director of Operations or Executive Director will review the cash receipt book each week to ensure that the total collected matches the supporting documentation. In the event that there are discrepancies that cannot be resolved, these will be reported to the Board Treasurer and Finance Committee.
- Checks and cash waiting to be deposited will be stored in a secure location, only accessible by the Director of Operations and Executive Director.
- The Director of Operations or Executive Director will restrictively endorse ("For Deposit Only") the checks or money orders to the checking account and deposit them, along with any cash collections. The Director of Operations will then forward on a completed log and copy of associated backup to the back-office provider, including any revenue coding.



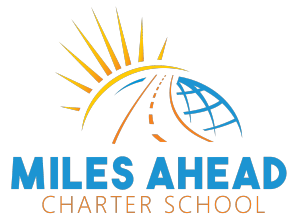
III - Purchases

a. Authorization of Expenditures

- All purchases of goods and services shall be consistent with the most recently Board-approved budget.
- These expenditures shall not require additional Board approval, except for contracts for professional services that will exceed or are likely to exceed a total annual amount greater than \$25,000, or if the term will go past one year.
- Otherwise, all expenditures must be approved by the Executive Director or the Director of Operations, who will review to determine whether it is consistent with the Board-approved budget.
- Nothing in this section shall prevent the Executive Director from making an assessment to rebalance individual line items within the approved budget, provided the adjustments do not otherwise jeopardize the financial health of the school or disrupt the school's educational program. Adjustments greater than \$25,000 or that otherwise will decrease projected operating income by more than 2% should be discussed with the Board Treasurer.

b. Contracts and Bidding

- All professional services shall be provided for under a contract.
- Any contracts between \$10,000-\$25,000 will require review and feedback on vendor selection by the Finance Committee. The Executive Director can execute single year contracts for professional services that will not exceed or are not likely to exceed \$25,000.
- Any purchases \$25,000 and above shall be purchased through competitive bidding or comparative pricing by at least three vendors, and approval of selected vendors by a majority vote at a meeting of the Board of Directors.
- For contracts for professional services that will exceed or are likely to exceed a total annual amount greater than \$25,000 or the term will extend for a period greater than one year, Board approval will be required prior to execution. Length of contracts shall be at the discretion of the Board in consultation with the Executive Director, and multi-year contracts shall not be prohibited.
- Should a contract require Board approval per the above, but timing or other circumstances require execution prior to being approved at a Board meeting, the Executive Director, with the approval of both the Board Chair and Board Treasurer, may conditionally execute said contract. The contract will need to then be formally approved at the next Board meeting.
- Unless otherwise expressly required by conditions of a funding source, Miles Ahead Charter School shall not be required to conduct a formal bid process for contracted services and goods. However, the Executive Director or the Director of Operations shall make good faith efforts to secure multiple quotes and proposals to ensure a prudent, cost-effective use of funds.
- Nothing in this section shall require or be interpreted to require Miles Ahead Charter School to choose or select the lowest cost provider of goods or contracted services, and Miles Ahead Charter School will have discretion in what criteria it gives most weight when selecting vendors and providers.
- Any rules or regulations governing expenditure of local, state, and federal funds shall supersede the above when otherwise contradictory.



c. Purchasing

Once sufficient diligence has been done by way of quotes, proposals, and research and an expenditure has been approved, the Director of Operations or an employee with approval will either request an invoice from a vendor or submit a formal purchase order to request an invoice.

d. Invoice Processing and Requests for Payment

- On a weekly basis, the Director of Operations will review invoices for accuracy, as well as review invoices for goods against received goods and packing slips, and address any inconsistency with vendors.
- Each week, the Director of Operations will collate and code all invoices received, including both expense and grant tagging coding.
- Regardless if the school will be requesting payment or not, the Director of Operations will transmit the invoices and coding to the back-office provider.
- The back-office provider will then generate a payment approval report, which lists all invoices submitted for processing, and it will request payment by the school.
- Notwithstanding the above, the school shall abide by the back-office provider accounts payable policies and procedures set forth separately regarding documentation requirements, systems, timelines, and submissions.

e. Payment Approvals and Payroll Processing

- Payments under \$5,000 can be approved by one of the following authorized positions: Director of Operations, Executive Director, Board Treasurer, or Board Chair
- Payments between \$5,001 and \$10,000 must be approved by two of the following authorized positions: Executive Director, Board Treasurer, or Board Chair
- Payments for \$10,000 or more must be approved by the Executive Director AND (a) Board Treasurer or (b) Board Chair
- For recurring payments, such as rent, when the amount is fixed, annual approval is allowed.
- Once the back-office provider receives all the required approvals, The back-office provider will issue payments with the required authorizer signatures. The back-office provider will then generate a check register and send it back to the school as a record of issuance. The check register will be collated with all the check registers for a month and included in the Board packet.

f. Credit Card Usage

- Subject to Board approval, the school may establish a credit card account.
- Said credit card account may be of a rewards-bearing variety, but all rewards should be retained for the exclusive use of the school.
- The use of a credit card shall be allowed with a maximum authorized credit limit of \$10,000 per card holder, subject to credit approval.
- Credit cards shall only be issued to and used by the Executive Director and Director of Operations. Use by any other person is prohibited.
- An individual charge should not exceed \$2,000, except with the approval by the Executive Director and Board Treasurer. Total charges in a month shall not exceed the credit card limit.
- Authorized credit card holders are responsible for submitting itemized receipts or other printed documentation from the vendor for all transactions and providing sufficient reporting as to the necessity of the charge. Credit card statements may not be considered as sufficient supporting documentation.
- For any purchases that are charged without adequate supporting documentation and



justification, the card holder may be required to reimburse the school the amount of such purchases.

- Because documentation issues might otherwise prevent the back-office provider from having the adequate documentation to pay a with credit card statement balance in its entirety or documentation may pertain to the following month's statement, the Executive Director or the Director of Operations must request and specify the amount of all payments towards a credit card statement balance each time. However, every effort should be made to pay the current balance due in full and otherwise mitigate financing charges.
- Credit card transactions will be enumerated on a credit card register to accompany the financial statements provided to the Board monthly.

g. Sales Tax Exemption

- Provided Miles Ahead Charter School has applied for and secured recognition of sales tax-exempt status, Miles Ahead Charter School is considered exempt from sales tax on goods purchased for their own internal use.
- The Director of Operations will ensure all vendors have a copy of the sales tax exemption letter.
- Prior to submission to the back-office provider, the Director of Operations will ensure all invoices have sales tax removed. Otherwise, the back-office provider will process invoices as submitted.
- Sales tax paid by employees for purchases made on behalf of the school and submitted for reimbursement will also be reimbursed.

h. Electronic Payments

- To preserve payment approval processes and internal controls, electronic methods (wire or ACH) shall not be permitted for payment of any expenses or reimbursements, except for payroll and associated employer and employee liabilities.
- Any exception will require approval by the Board Treasurer.

i. Non-Travel Related Employee Reimbursements

- Employees, except for the Executive Director, will limit purchases made with personal funds that will be submitted for reimbursement to no more than \$500 at a given time, except if the purchases are meals or incidental expenses during school-related travel.
- Should an employee need to make a purchase with personal funds on behalf of the school for more than \$500, prior approval by the Executive Director or Director of Operations will be required.
- Employees shall submit a reimbursement request with supporting documentation to the Director of Operations no later than thirty (30) days from each purchase. A bank or credit card statement will not be considered adequate documentation, and lack of adequate documentation (original receipt/Invoice required) or timely submission may be grounds for non-reimbursement.
- The Executive Director can decline to approve reimbursements at his/her/their discretion. The following will never be reimbursed: first-class upgrades in air travel or entertainment cost including movies, liquor, or bar costs. Under no circumstances shall the purchase of alcohol be reimbursed.
- Nothing in this section is to be considered to supersede any personnel policies regarding eligible, reimbursable expenses.



j. Travel-Related Employee Reimbursements

- All employees must receive prior approval by the Executive Director for all school-related travel.
- All efforts should be made to make cost-effective, efficient travel arrangements as expeditiously as possible to mitigate cost escalation. This applies to airfare, accommodations, and registration fees.
- Travel arrangements should be made and paid for directly by the school by check or by the Director of Operations using his or her credit card.
- Meals during school-related travel are considered reimbursable. Meals should be modest but otherwise appropriate with the circumstances and within guidance set by the Internal Revenue Service per diem rates. Receipts or documentation should be retained.
- Incidental purchases made during school-related travel and otherwise necessary, such as taxi service, are considered reimbursable. Receipts or documentation should be retained.
- Employees shall submit a reimbursement request with supporting documentation to the Director of Operations no later than one month from each purchase. A bank or credit card statement will not be considered adequate documentation (original receipt/invoice required), and lack of adequate documentation or timely submission may be grounds for non-reimbursement.
- Under NO circumstances shall the purchase of alcohol be reimbursed. Nothing in this section is to be considered to supersede any personnel policies regarding eligible, reimbursable expenses.

k. Employee Mileage Reimbursements

- All employees are reimbursed at the current standard mileage rate per mile as determined by the Internal Revenue Service for use of their own vehicle for school-related travel. If mileage is expected to exceed 100 miles or more, it must be pre-approved by the Executive Director or Director of Operations.
- All employees requesting such mileage reimbursement are required to document the destination of each trip, its purpose, miles driven, and any associated parking fees and tolls, within one month after the travel date, supported by receipts, if applicable.
- Per IRS guidance, mileage of an employee driving from his or her residence to the school or vice versa is not considered reimbursable.
- Nothing in this section is to be considered to supersede any personnel policies regarding eligible, reimbursable expenses.

l. Personal Use of School Funds

Use of school funds for personal use is prohibited. Violation of this policy may result in discipline up to and including dismissal or in case of a Board member, removal.

IV - Payroll

a. New Employees

- The Executive Director shall hire all employees at both headcount and compensation levels consistent with the approved annual personnel budget.
- New employees shall complete an application for employment and all necessary paperwork for payroll addition.
- New employees shall be fingerprinted and background checked consistent with Georgia State



law. Fingerprint and background clearance must be received by the school before any employee may start work.

- Employees shall accrue paid time off (PTO) based on the personnel policies and handbook of the school.

b. Timekeeping for Hourly Employees & Payroll Changes

- The Director of Operations shall track or implement an electronic system for the accurate and timely preparation of timesheets for hourly employees.
- Based on policies and timelines delineated separately by the back-office provider, the Director of Operations will submit hourly information prior to each pay day, along with any payroll changes for all staff including salary or rate changes, deduction changes, or other payroll items.

c. Payroll Processing and Accounting

- The Director of Operations and back-office provider create and maintain system to track days off (vacation, sick, personal, jury duty, bereavement, excused absences for professional development) and research ways to automate tracking and communicate to staff members
- The Director of Operations manages all payroll responsibilities including relationship with payroll vendor, electronic pay-roll processing, W-2 and 1099 distribution, timesheet management, posting payroll expenses in the accounting system, and filing of related documents. Director of Operations will add additional details from back-office provider in the founding year.
- Once the back-office provider receives the payroll changes from the Director of Operations, The back-office provider will enter the information into the payroll processing system.
- The back-office provider will generate a payroll preview or Excel worksheet summary and send it to the Executive Director and the Director of Operations for approval.
- Once payroll has been approved and issued, the back-office provider will upload the payroll information to the accounting system and reconcile the payroll activity to the banking activity.

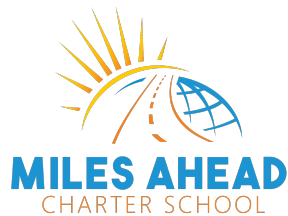
d. Independent Contractor vs. Employee

- Unless otherwise specified, Miles Ahead Charter School shall treat individuals as employees unless he or she meets the IRS test for classification as an independent contractor.
- If someone is determined to be an independent contractor, he or she will need to provide a W-9, as well as proof of insurance depending on the nature of his or her work on behalf of the school.
- All independent contractors shall be formally engaged under a contract that is approved by the Executive Director or the Board, based on the contract approval criteria previously enumerated.
- Payments to an independent contractor shall be made pursuant to an invoice for services generated by the independent contractor to the school.
- Miles Ahead Charter School, through the back-office provider's assistance, will generate a 1099-Misc for all independent contractors that received \$600 or more in the prior tax year.

V - Property and Equipment Policies

a. Responsibilities

1. The Director of Operations and the Executive Director are responsible for ensuring that accurate inventories are maintained so that all assets are safeguarded.



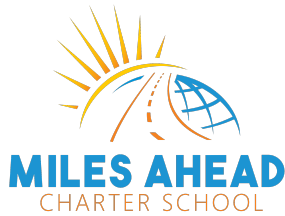
2. The School's Director of Operations is responsible for maintaining the equipment and all necessary asset inventories. All assets must be recorded both in the accounting system's general ledger under the fixed asset category and in a separate fixed asset inventory spreadsheet, created in Excel. All property and equipment subject to the school's Capitalization policy must be recorded in the manner described below and depreciated according to the school's Depreciation policy.
3. In addition, the asset name, inventory number, and book value must be entered in the accounting system's general ledger under the fixed asset category.
4. Each item is also physically tagged in a visible area on the item and with the asset number and indication whether the item is property of Miles Ahead Charter School.
5. All government-furnished property and equipment is also recorded and tagged, with identification information indicating it has been acquired through a government contract. Because the governmental agency owns the item, it is recognized as an expense and is not capitalized. In the event of charter revocation, the item is returned as property of the governmental agency.
6. No employee may use any of the school property, equipment, material, or supplies for personal use without the prior approval of the Executive Director.
7. No item of property or equipment shall be removed from the premises without prior approval of the Executive Director.
8. All lease agreements for real property will be evidenced by a lease or sublease agreement approved by the Board of Directors and signed by the Executive Director. The agreement will identify all the terms and conditions of the lease. Any real estate agreement to rent or sell will require a beneficial interest disclosure.

b. Capitalization Policy

1. The cost threshold for items purchased by the School to capitalize is \$5,000. Items with an acquisition cost of less than \$5,000 or a useful life of less than one year are expensed in the year purchased. Items with an acquisition cost of more than \$5,000 are capitalized and are subject to the school's depreciation policy, outlined below.
2. There may be instances where depending upon the nature of the purchase, and the expected useful life of the purchase, an item costing less than \$5,000 may be capitalized. For example, a piece of software, which costs \$500 and comes with a license for three years, may be capitalized even though the cost was less than \$5,000. Some assets individually may fall below the capitalization threshold but may be purchased in large quantities by the School (e.g., computers). The School may choose to capitalize these assets as a group. The choice to capitalize an expenditure will be left to the discretion of the Executive Director.

c. Inventory Policy

1. The Director of Operations performs annual inventory audits, verifying and updating the data contained in the Excel fixed asset inventory spreadsheet. The Director of Operations should also note if inventory appears to be impaired, damaged, or obsolete. Once complete, this inventory is compared to the fixed assets listed in the general ledger to ensure the value of the assets per the accounting system matches the value of the assets per the spreadsheet. Differences are reconciled by the Director of Operations and communicated to the third-party service provider for adjustment in the general ledger.
2. The Executive Director should be notified if any inventory items are lost, damaged, stolen, or in any way impaired.



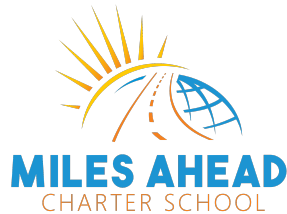
d. Depreciation Policy

1. Any items subject to the Capitalization policy described above are subject to depreciation. The third party service provider will account for depreciation based on the school’s inventories and Depreciation policy. Depreciation associated with the fixed assets will be calculated based on the fixed assets’ useful lives using the straight-line depreciation method.
2. Any item that is rendered obsolete (damaged beyond use) will be taken out of service and fully written off the accounting records.

Depreciation Policy	
Musical Instruments	3 years
Computers and associated technology	3 years
Furniture & equipment	5 years
Leasehold improvements	Lease term or 10 years, whichever is shorter
Facility purchases	30 years
Building and site improvements	30 years

e. Disposal of Property and Equipment Policy

1. Surplus property shall mean property that is no longer in use, is damaged beyond repair, or that the School feels will have no future value to the School’s program, and that is declared to be surplus property by the Board. If the School wishes to dispose of equipment or other surplus property with a value of \$500 or greater, the Board shall declare the property surplus and shall direct the staff on the actual means of disposal of the property, such as sale, donation, or destruction and disposal.
2. If the School wishes to sell equipment or other surplus property, the Board shall direct the staff by giving specific guidance regarding the manner in which such property is to be sold.
3. If the School wishes to donate equipment or other surplus property, the Board shall declare the property surplus and authorize the donation. Requirements for potential donee organizations shall include:
 - a. the donee organization is fully independent of the School, with none of the School’s Board members or key personnel involved in the donee organization; and
 - b. the donee organization shall be a non-profit or governmental entity related to education. In addition, the School shall secure a receipt from the donee organization for the donated property, and shall remove the asset from the School’s books and record the donation as required by state and federal audit guidelines.
4. Property Acquired with Federal Grant Funds - If the property in question cost \$5,000 or more at the time of acquisition and was acquired with federal grant funds, the School shall notify the federal contract administrator prior to donating or disposing of such property as provided above.



VI - Audits & Tax Filings

a. Annual Audit

- Each operating year, no later than April 30th, Miles Ahead Charter School shall engage an independent accounting firm, approved by the State Charter School Commission (SCSC) to perform an audit of the prior year financial statements. The audit shall be performed and the audit report shall be generated in advance of the November 1st submission deadline (or current SCSC submission deadline) with adequate review time by the Board in advance of the submission. Obtain list of/meetings with charter schools and discuss which one(s) to select with leadership team and finance committee of Board
- The Director of Operations manages the annual financial audit and tax/990 filings with auditors, by:
 - Working with back-office provider to close books for fiscal year and prepare all requested audit schedules, analyses and support documentation
 - Providing auditors with all additional open items to complete financial statements and 990s; confirm extensions are filed if/when necessary
 - Facilitating meetings between finance committee, management, qualified consultants (when applicable) and auditors to ensure transparency regarding audit results
 - Preparing plan for and implement all remedies for recommendations by auditors in management letter that accompany audited financial statements
- The audit shall include, but not be limited to, (1) an opinion on the financial statements, (2) an audit of the student accounting and restricted revenue compliance, and (3) an audit of the internal controls practices for the purposes of issuing an opinion on the financial statements.
- Should Miles Ahead Charter School expend \$750,000 or more in federal revenues over the course of a fiscal year, the audit for that fiscal year shall be prepared in accordance with any relevant and effective Office of Management and Budget audit circulars.
- Prior to submission of the audit report to SCSC, the back-office provider and the Finance Committee will review the audit and respond to any management points, findings, material weaknesses, or significant deficiencies identified during the audit. To the extent appropriate, any official change in policies or procedures necessary to address any issue identified during the audit will be brought before the Board of Directors for review.

b. Form 990 Federal Tax Return

- The independent accounting firm selected for the audit will prepare the Form 990 tax return to be submitted to the IRS by November 15th for the preceding fiscal year.
- The Board Chair, Board Treasurer, Executive Director, Director of Operations, and the back-office provider shall be notified in the event an extension will be filed by the independent accounting firm.
- Prior to submission to the IRS, a draft copy will be circulated to the Board for review for no less than 5 days.

VII - Donations & Philanthropy

a. Tax Exempt Status & Charitable Solicitation

To the extent that Miles Ahead Charter School has filed for and received recognition of its 501(c)3 status as a tax-exempt nonprofit organization, has completed all required annual return filings with



the IRS, and has completed and maintained all required registration as a charitable organization within the state of Georgia, Miles Ahead Charter School may engage in charitable solicitations for tax deductible donations as permitted by local, state, and federal law. Nothing in this section shall prevent Miles Ahead Charter School from utilizing a fiscal sponsor as an intermediary to solicit and receive donations on its behalf to the extent permitted by local, state, and federal law.

b. Donations

- The Director of Operations, separate from the depositing process, will log all cash or cash equivalent donations, recording date of donation, donor's name, donor's contact information, and donation amount.
- If we receive a check or cash donation (outside of our online donation system), the Director of Operations will provide the donor with a written acknowledgement of the donation in compliance with IRS acknowledgement requirements.

c. Donated Stock and Securities

Miles Ahead Charter School should sell all gifts of stock or securities as soon as possible to convert them into cash and transfer to the school's checking account. The value of the gift will be recorded based on the cash proceeds less any brokerage sale fees.

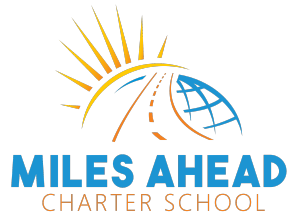
d. In-Kind Donations

- Donated goods and services provided for free or at less than market value, and suspected to exceed \$500 in fair value, should be logged at the fair value or the otherwise avoided cost.
- Fair value shall be determined as specified by the donor and may require follow up by the Director of Operations.
- The Director of Operations shall log all donated goods and services, along with their fair value, and submit this to the back-office provider no later than July 15th for the preceding fiscal year.
- The back-office provider will record all logged donated goods and services at their fair value or the otherwise avoided cost.

VIII - Financial Reporting & Planning

a. Budget Approval

- The Director of Operations will manage the annual budget process (inclusive of five-year budget projections and two-year cash flow projections) reflecting vision, mission and of the schools, incorporating feedback until the budget is balanced and approved by the leadership team and the governing board.
- The Director of Operations will collaborate with the leadership team to plan and facilitate two public meetings for input on the budget prior to the board reviewing the budget for final approval.
- An annual budget shall be approved by the Board of Directors no later than June 30 prior to the start of each new fiscal year.
- The Board of Directors will ensure the budget meets all legal requirements, including that all teachers shall be members of the Georgia Teachers Retirement System and subject to its requirements.
- The approved budget will include a summary of assumptions and include both restricted and unrestricted revenues and expenses.
- During the year, the Board may adopt an amended budget as expenses and revenue



- projections change.
- The annual budget and budget modifications will be reported to SCSC by the required deadlines.

b. Monthly Financial Statements

The back-office provider shall prepare a budget vs. actuals report, balance sheet, statement of cash flow, checking account register, credit card register if applicable, as well as a financial synopsis each month. The Finance Committee and the Board of Directors shall review these materials on a monthly basis. Miles Ahead Charter School's financial reports will be made available to the public in accordance with State Charter School Commission (SCSC).

c. Quarterly Financial Reports

The back-office provider shall prepare and submit the quarterly financial reports to the SCSC.

IX - Other Practices & Financial Matters

a. Conflicts of Interest

- Any Board member with a financial interest in a matter presented to the Board shall fully disclose such interest prior to Board discussion on the issue and shall recuse themselves from the discussion and voting on the matter.
- For more information please see the board's conflict of interest policies.

b. Related Party Transactions

Miles Ahead Charter School will identify, recognize, and evaluate any related party transactions.

c. Debt

- Any debt, whether loans, notes, or lines of credit must be approved by the governing Board. Information about covenants, restrictions, and other requirements associated with the debt must be reviewed at time of approval.
- The finance committee in conjunction with the back-office provider will review ongoing compliance with incurred debt, as well as strategies to reduce debt and associated borrowing expense as expeditiously as possible.
- Miles Ahead Charter School will avoid utilizing vendor financing unless otherwise preferable to other forms of debt.

d. Political Contributions & Advocacy

- Miles Ahead Charter School will not make any direct or indirect contribution of funds, assets, or resources to a political party or individual serving in or seeking public office.
- Nothing in this section is to prevent Miles Ahead Charter School from seeking membership with charter advocacy organizations, local or otherwise, that may be engaged in political campaign activities.
- Nothing in this section is to prevent Miles Ahead Charter School from engaging in lobbying, provided it complies with IRS guidance that a substantial part of Miles Ahead Charter School's activities is NOT devoted to attempting to influence legislation. To the extent the school does engage in lobbying activities, the Executive Director or Director of Operations will provide the back-office provider with an itemization of both direct and indirect costs for entry and recording in the accounting system.



e. Approvals and Authorizations

- Throughout the financial policies and procedures, various requirements for approvals and authorizations by the Executive Director, Director of Operations, Board Treasurer, and Board Chair are enumerated. Considering current technological and business practices, an approval shall be deemed valid and in compliance with the financial policies and procedures if it comes in the form of email approval, written in the affirmative of the specific matter or attachment or set of attachments, from the approver's school email account or if unavailable, his or her regularly-used email account. Silent assent over email or verbal approval by phone will not be deemed valid.
- Board approval or authorization shall be deemed valid if provided pursuant to Board action at an official meeting of the governing Board of Miles Ahead Charter School.

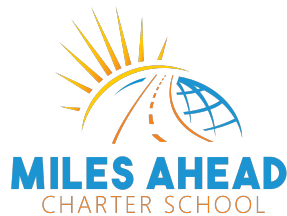
X - Federal Grant Compliance

a. EDGAR Compliance

In December 2014, the U.S. Department of Education finalized changes to EDGAR, incorporating the Uniform Grants Guidance. Title 2 CFR 200 contains all requirements in entirety. Georgia charter schools were advised to augment their written financial policies and procedures to acknowledge and incorporate these changes.

In compliance with Title 2 CFR 200, Miles Ahead Charter School will:

- Formally identify all direct federal awards in its audited financial statements with the CFDA Title and Number, along with Federal Award I.D. # if applicable, Fiscal Year of Award, and Federal Agency.
- Meet any performance reporting requirements related to a federal award as established by the U.S. Department of Education and Georgia State Education Department.
- Maintain adequate documentation for federal award expenditures.
- Implement internal controls over safeguarding of assets and ensuring use for authorized purposes.
- Have the Executive Director certify on annual and final fiscal report submissions that the report, to the best of his or her knowledge, is accurate and the expenditures are consistent with required purposes and objectives, and that fraudulent or fictitious information may subject him or her to criminal, civil, or administrative penalties.
- Compare expenditures against budgeted amounts for each award.
- Implement cash management procedures that minimize draws from federal or state agencies and actual expenditures, as well as interest earned.
- Implement cost allowability procedures in accordance with Subpart E-Cost Principles, specifically that the costs are necessary, reasonable, and allocable.
- Implement procurement procedures for federal awards that:
 - Ensure contract administration by school.
 - Checks for any conflict of interests including organizational conflicts of interest.
 - Ensure vendors are selected via a full and open competition process, specifically:
 - No competitive quote solicitation required for purchases under \$3,000.
 - Quotes for purchases between \$3,001 and \$150,000.
 - No selection of noncompetitive proposals unless noncompetitive criteria are met.
 - All procurements over \$150,000 are subject to cost or price analysis.
 - No debarred or suspended vendor participation as listed in SAM, with any



- contracts over \$25,000 requiring some form of positive verification.
- Implement equipment and supply definitions, thresholds, usage, and disposition requirements for items purchased using federal awards.

To the extent that it is compatible with and does not supersede new EDGAR requirements, Miles Ahead Charter School will adhere to OMB Circular A-87, which mandates that:

- All expenses paid with federal funds are necessary or needed for performance or administration of the federal grant in question; or
- The expenses are allocable or benefit the program in proportion to the amount of money paid.
- Expenses are reasonable, in that the LEA follows sound business practices, pays a fair market price, and acts with prudence under the circumstances.
- Funds should be targeted where the needs are greatest.
- Federal grant dollars should be used to supplement, not replace (i.e., supplant) spending that would have happened anyway using local money had the federal funds not been available.

The School will comply with maintenance of effort (MOE) and excess cost requirements. The back-office provider will be responsible for submitting grant budgets, applications and budget amendments with the final authorization provided by the Executive Director. The Executive Director and Director of Operations will ensure that reimbursement requests cover the appropriate grant period and will verify that all goods and services for which Miles Ahead Charter School is seeking federal reimbursement have not only been purchased and paid for, but have been received by the school.

b. Federal Cash Management Procedures

To comply with requirements under Title 2 CFR 200 in regards to limiting time between receipt and disbursement of funds, as well as interest earned, Miles Ahead Charter School will implement a reimbursement-only process for federal grants.

Specifically, Miles Ahead Charter School will only apply for reimbursement of actual expenditures to date and never for anticipated expenditures or expenditures that have not otherwise been approved by the GADOE.

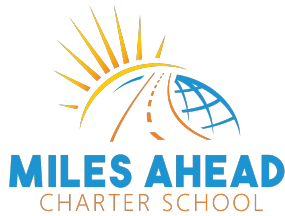
The back-office provider will review federal cash balances each quarter to ensure interest earned on any federal monies has not exceeded \$500, and if it does, the back-office provider will direct Miles Ahead Charter School to remit excess amounts to the Health & Human Services (HHS) Payment Management system.

Currently, Miles Ahead Charter School does not have any federal awards that are not otherwise pass-through formula or discretionary grants. Should Miles Ahead Charter School receive any awards directly from the U.S. Department of Education that requires use of the G5 system, Miles Ahead Charter School will revisit its federal cash management policies and procedures to ensure continued compliance with Title 2 CFR 200.

c. Federal Cost Allowability Procedures

Title 2 CFR 200 requires that federal award recipients develop procedures to implement cost allowability oversight of use of funds. Miles Ahead Charter School will follow the following procedures:

- The Executive Director, along with the back-office provider, will develop budgets for federal



grants collaboratively.

- Prior to submission to GADOE, the team will review for compliance with program requirements and remove any items not otherwise necessary for implementing the program goals. This includes but is not limited to reviewing the specific items of cost outlined starting at Title 2 CFR 200.420. This determination will be kept on file.
- Approval of the budget submitted by the applicable program office at GADOE will also be taken to mean tacit approval of the proposed expenditures as being otherwise allowable.
- Any personnel expenditures submitted to GADOE for federal grant reimbursement will require either a monthly or semi-annual certification of the individuals' time and effort spent. If the individual or individuals are paid via multiple funding sources, this will also be documented. A job description will be kept on file.

Given that Miles Ahead Charter School will only apply for reimbursement of expenditures and those expenditures will only be allowable if reimbursed by SCSC, there should be no unallowable costs paid for with federal funds. However, if an unallowable cost is somehow paid for using federal funds, Miles Ahead Charter School will refund any monies including interest to the federal government.

d. Conflicts of Interest in Federal Procurement

Title 2 CFR 200 requires that conflicts of interest and organizational conflicts of interest are identified and mitigated as part of the procurement process when using federal funds. As a matter of practice, Miles Ahead Charter School already requires any Board member with a financial interest in a matter, to present it to the Board for full disclosure prior to Board discussion on the issue and recuse themselves from the discussion and voting on the matter.

Organizational conflicts of interest occur when a vendor or potential vendor to be paid using a federal award creates an unfair competitive advantage for the vendor or the vendor's objectivity. Examples can include engaging a vendor to create procurement rules for federal awards who can then create biased rules for federal procurement to give itself an upper hand, a vendor is contracted with federal funds to evaluate the proposals or past performance of itself or a competitor, or a vendor has unequal access to information as part of its relationship with the school for future federal procurement. Miles Ahead Charter School shall identify situations where a vendor may have undue influence over the procurement process using federal funds and take steps to either mitigate or eliminate said influence completely.