



# ATLANTA NEIGHBORHOOD CHARTER SCHOOL

helping students learn to use their minds well

## Atlanta Neighborhood Charter School

### ANCS Governing Board Meeting

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#### Date and Time

Monday November 16, 2020 at 6:30 PM EST

#### Location

<https://us02web.zoom.us/j/89252317450>

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*Notice of this meeting was posted on the ANCS website in accordance with O.C.G.A. § 50-14-1.*

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#### Agenda

##### I. Opening Items

Opening Items

- A. Record Attendance and Guests
- B. Call the Meeting to Order
- C. Brain Smart Start
- D. Public Comment

Public comment can be used to share comments that are of general interest to the school community and/or related to an item on the meeting agenda.

- E. Approve Minutes from Prior Board Meeting

Approve minutes for ANCS Governing Board Meeting on October 19, 2020

- F. PTCA President Update

**G. Principals' Open Forum**

Standing monthly opportunity for ANCS principals to share highlights from each campus.

**II. Executive Director's Report**

**A. Charter Renewal Update**

**B. COVID-19 Update**

**III. Business & Operations**

Business & Operations

**A. Presentation of Annual Audit**

Aleisa Howell, External Auditor (Mauldin & Jenkins)

Jerry Hanes, External CFO (Wesley Peachtree Group)

**B. Vote to Approve Annual Audit**

**C. Monthly Business & Operations Report**

**D. Facilities Update**

**IV. Governance**

**A. Monthly Governance Report**

**B. Vote on Establishment of Nominations Task Force**

2020-2021 Nominations Task Force

Jordache Avery

Rhonda Collins

Kristen Frenzel

Kristi Malloy (chair)

Chuck Meadows (non voting school representative)

Ben Sutton

**C. Vote on Policy Revisions**

**V. Fund Development**

**A. Monthly Fund Development Report**

**VI. New Business**

- A. Vote on Diversity, Equity & Inclusion Task Force Recommendations

**VII. Closing Items**

- A. Adjourn Meeting

# Coversheet

## Approve Minutes from Prior Board Meeting

**Section:** I. Opening Items  
**Item:** E. Approve Minutes from Prior Board Meeting  
**Purpose:** Approve Minutes  
**Submitted by:** Jason Rhodes  
**Related Material:** Minutes for ANCS Governing Board Meeting on October 19, 2020

APPROVED



## ATLANTA NEIGHBORHOOD CHARTER SCHOOL

helping students learn to use their minds well

# Atlanta Neighborhood Charter School

## Minutes

### ANCS Governing Board Meeting

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#### Date and Time

Monday October 19, 2020 at 6:30 PM

#### Location

<https://us02web.zoom.us/j/89252317450>

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*Notice of this meeting was posted on the ANCS website in accordance with O.C.G.A. § 50-14-1.*

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#### Directors Present

Angela Christie (remote), Barrett Coker Krise (remote), Ben Sutton (remote), Carla Wells (remote), Emily Ormsby (remote), Hanah Goldberg (remote), Jason Rhodes (remote), Jordache Avery (remote), Kristen Frenzel (remote), Kristi Malloy (remote), Lee Kynes (remote), Rhonda Collins (remote)

#### Directors Absent

Sabrina Sexton

#### Guests Present

Ashley Deck (remote), Cathey Goodgame (remote), Chuck Meadows (remote), Lara Zelski (remote), Mark Sanders (remote), Nicole King (remote), Paige Teusink (remote)

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### I. Opening Items

#### A. Record Attendance and Guests

#### B. Call the Meeting to Order

Kristen Frenzel called a meeting of the board of directors of Atlanta Neighborhood Charter School to order on Monday Oct 19, 2020 at 6:32 PM.

**C. Brain Smart Start**

Nicole King led attendees in a Brain Smart Start

**D. Public Comment**

There were no public comments

**E. Approve Minutes from Prior Board Meeting**

Barrett Coker Krise made a motion to approve the minutes from ANCS Governing Board Meeting on 09-21-20.

Jason Rhodes seconded the motion.

The board **VOTED** unanimously to approve the motion.

**F. PTCA President Update**

Paige Teusink provided the PTCA Update, noting an increase in membership and progress toward meeting their fundraising goal. Brittney Gove was appointed PTCA co-president. The Fall PTCA grant cycle has been postponed until January. See Board Packet for full report.

**G. Principals' Open Forum**

**II. Executive Director's Report**

**A. Announcement of CREATE Grant**

Elizabeth Hearn announced that CREATE has secured 2 large federal grants, securing the continuance of the program for at least the next 3 years.

**B. Business Office Update**

Chuck Meadows announced that the reorganization of the Business Office is now complete. Jerry Hanes is serving in the position of Chief Financial Officer, while Business Managers Martha Kessenich, Markecia Jacobs, and Paige Teusink are respectively responsible for Cash and Accounting, Budget and Personnel, and Advancement and Marketing.

**C. Charter Renewal Update**

Chuck Meadows provided an overview of recent developments in the charter renewal process. APS responded to the submitted charter renewal application with a list of items for which they requested clarification or additional information. The response to these requests is due October 28. The State Board of Education will vote on the charter renewal petition in February or March. See Board Packet for full report.

#### **D. COVID-19 Update**

Chuck Meadows provided an overview of the School Family Survey which asked faculty/staff and parents/caregivers for feedback regarding the school's response to the COVID pandemic. Over 80% of respondents to the School Family Surveys either approved or strongly approved of the schools' response to the COVID-19 pandemic thus far. Chuck also provided an ANCS COVID-19 Health Safety Overview. The 3 key components of the Health Safety Plan are to:

1. Take active measures to ensure that no one with COVID-19 enters the building
2. Base safety procedures and protocols on the assumption that everyone has COVID-19
3. Maintain student groupings in such a way that allows for containment of an outbreak

This overview included discussion of the school's response in the event that a student tests positive for COVID, as well as of new fixtures and equipment that are being purchased to ensure a safe, sanitary environment.

See Board Packet for full report.

### **III. Business & Operations**

#### **A. Monthly Business & Operations Report**

Emily Ormsby provided the Business & Operations Committee report. Health insurance for school employees is being renewed through Open Enrollment in November. The school has secured a 1% reduction in premiums from last year. The Committee is working with the Business Office to revamp finance reports for usefulness and efficiency. The annual audit is currently underway, and will be completed by the November Board Meeting. See Board Packet for full report.

#### **B. Facilities Update**

Jordache Avery provided the Facilities Update. Asbestos was found and has been removed from the Middle Campus. Air quality tests have been completed and passed. An automated, secure entry at the middle campus is being installed. Brick sealing and cleaning is being done in preparation of return to school.

### **IV. Educational Excellence**

#### **A. Monthly Educational Excellence Report**

Hanah Goldberg provided the Educational Excellence Committee report. The Committee has been working with Chuck and GCSA to address APS' requests for clarification regarding the charter renewal application, specifically those related to outreach and the lottery. The Committee is also working on drafting a temporary attendance policy for use

during virtual/hybrid instruction, and will present this policy to the Board for consideration.

## **B. Measures of Academic Progress (MAP) Update**

## **V. New Business**

### **A. Update on Diversity, Equity & Inclusion Task Force**

Jason Rhodes provided the update on the Diversity, Equity and Inclusion (DEI) Task Force. The DEI Task Force met with Equity Support Coordinator Tilifayea Griffin to discuss how the Board might improve the effectiveness of its support for DEAT. Suggestions discussed at this meeting included Board support for a DEAT budget as well as for additional support provided to Tilifayea and DEAT for diversity outreach efforts. These suggestions will be further discussed at the next Task Force meeting. The Task Force has also discussed proposals designed to increase socioeconomic diversity on the Board. A set of recommendations regarding Board support for DEAT and the school's diversity outreach efforts, as well as efforts to increase socioeconomic diversity on the Board, will be presented for Board consideration at the November meeting.

## **VI. Executive Session**

### **A. Executive Session**

The Board did not go into Executive Session.

## **VII. Closing Items**

### **A. Adjourn Meeting**

Jason Rhodes made a motion to adjourn the meeting.

Rhonda Collins seconded the motion.

The board **VOTED** unanimously to approve the motion.

There being no further business to be transacted, and upon motion duly made, seconded and approved, the meeting was adjourned at 8:38 PM.

Respectfully Submitted,

Jason Rhodes

There being no further business to be transacted, and upon motion duly made, seconded and approved, the meeting was adjourned at 8:38 PM.

Respectfully Submitted,

Jason Rhodes



### **Documents used during the meeting**

- 2020\_09\_21\_board\_meeting\_minutes (1).pdf
- PTCA Report - 10.19.20 Governing Board Meeting.pdf
- Executive Director's Report 9\_21\_20 (1).pdf
- October Board Governance Report.docx
- BusOps Comm BOD Update\_Oct 2020.pdf
- Educational Excellence Committee Report 10\_2020.pdf
- MAP Growth Summary - Fall 2020.pdf

# Coversheet

## PTCA President Update

**Section:** I. Opening Items  
**Item:** F. PTCA President Update  
**Purpose:** FYI  
**Submitted by:** Brittney Gove & Paige Teusink  
**Related Material:** PTCA Report - 11.16.20 Governing Board Meeting.pdf

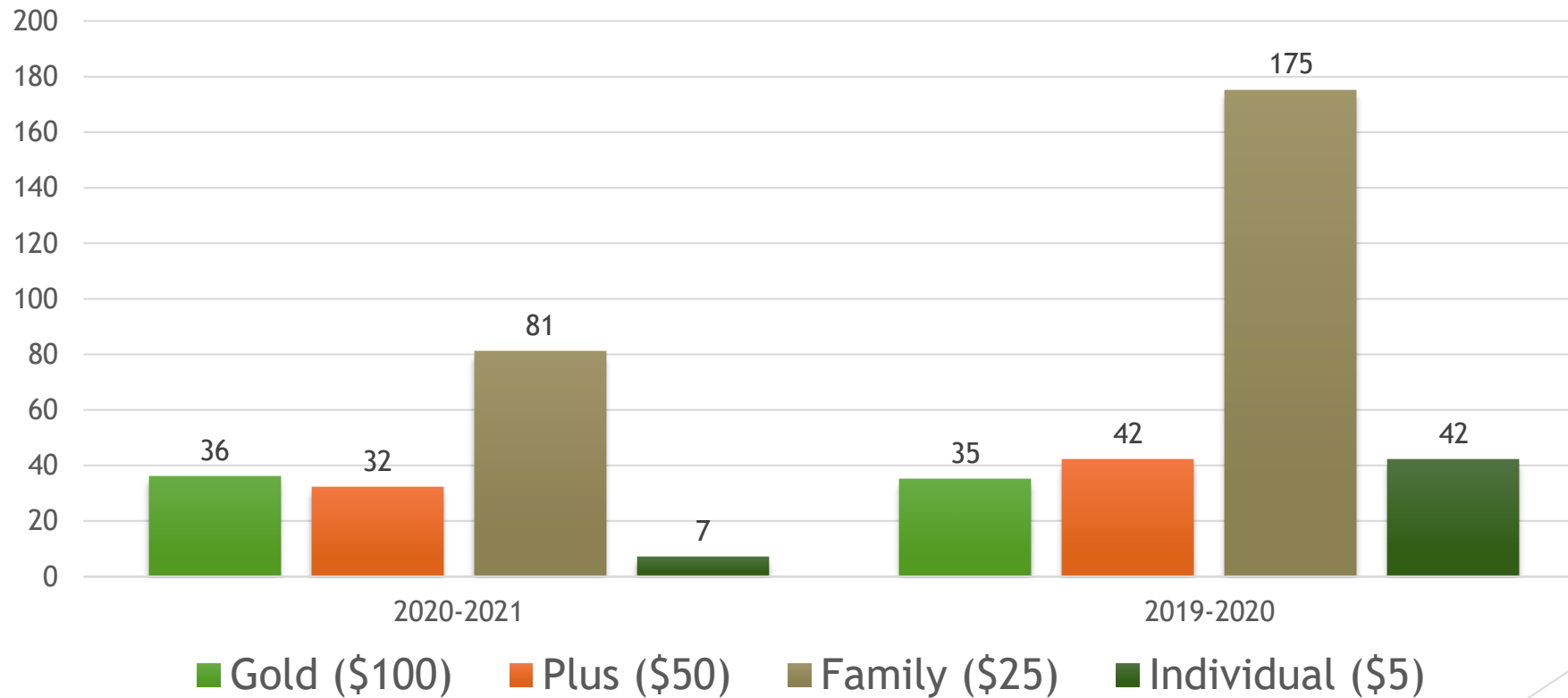
# PTCA Report

Governing Board Meeting  
November 16, 2020



# Membership Report

- ▶ Goal: \$11,000
- ▶ YTD: \$7,296 (66% to goal)
- ▶ 6 classes 50%+ participation
- ▶ 53% membership participation for school family compared to prior year



# Event Updates

- ▶ October Dine-Out (Take-Out) at Doc Chey's brought in over \$600
- ▶ Halloween Photo Contest: 31 photos and videos posted
- ▶ November Cooking with ANCS pushed back to December 10<sup>th</sup>
- ▶ 3<sup>rd</sup> Thursday Happy Hour: December 17<sup>th</sup>
- ▶ Brainstorming a Holiday Connection Idea
- ▶ Plan is to move forward with events that can be done virtually in order secure sponsorships and build school community connections

# Committee Updates

- ▶ School Store Pop-Up brought in \$1,510

# PTCA Grant Cycle

- ▶ January Grant Cycle TBD based on in-person school resuming



# Coversheet

## COVID-19 Update

**Section:** II. Executive Director's Report  
**Item:** B. COVID-19 Update  
**Purpose:** Discuss  
**Submitted by:**  
**Related Material:** Executive Director's Report 11\_16\_20.pdf

# Executive Director's Report October 19, 2020

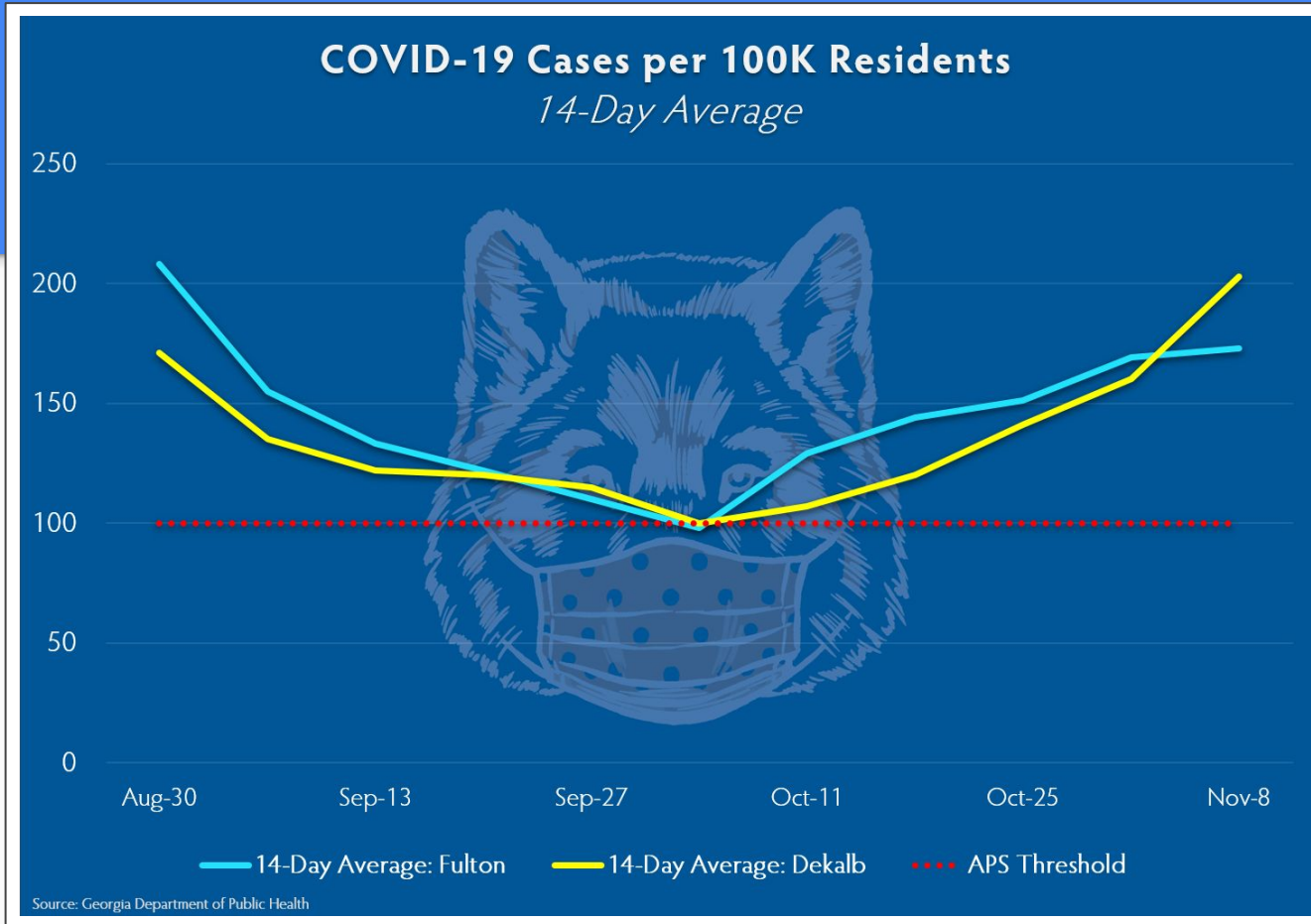
# Charter Renewal Update



# Remaining steps

- NPU approval process
  - NPU-V complete
  - NPU-W on 11/18
- APS staff recommendation to Superintendent
- Superintendent recommendation to Atlanta Board of Education
- Atlanta Board of Education vote
- State Board of Education vote

# COVID-19 Update



# Happening this week:

11/17: Leadership planning continues

11/18: Dialogue with faculty & staff

11/19: Q&A session with parents/caregivers - 6:30pm via Zoom

# In-person supplemental instruction

1. **Identify** underperforming **students** that would benefit the most from supplemental, in-person instruction
2. **Create** a support **program** for those students with specific learning goals/skill development objectives over a designated period of time
3. **Staff** program with faculty who are willing and well-suited to teach designated students
4. **Secure commitments from parents** to support their students' participation in the program
5. **Enact** all necessary **safety measures** and procedures to minimize health safety risks
6. **Monitor progress** of participating students toward identified learning goals

# COVID-19 financial planning

- **Finalizing equipment/materials lists**
- **Orders will be placed in the coming weeks**
- **Recurring costs will be forecast next month**
- **Complete pro forma/revised budget to be presented in December**

# Looking ahead

# Planning for 2021-2022

- **Gather & Grow: End of the year giving campaign**
- **Promotional video planning process underway to replace in-person tours**
  - **Should be complete by January**
- **Telling our Story series to continue**
- **Teacher recruitment planning process underway**
- **Planning for lost instructional time**



# Coversheet

## Presentation of Annual Audit

**Section:** III. Business & Operations  
**Item:** A. Presentation of Annual Audit  
**Purpose:** FYI  
**Submitted by:** Mauldin & Jenkins  
**Related Material:**  
Atlanta Neighborhood Charter School Inc 2020 Financial Report - Long (3).pdf

**ATLANTA NEIGHBORHOOD  
CHARTER SCHOOL, INC.**

**FINANCIAL REPORT**

**JUNE 30, 2020**

# ATLANTA NEIGHBORHOOD CHARTER SCHOOL, INC.

## FINANCIAL REPORT JUNE 30, 2020

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## INDEPENDENT AUDITOR'S REPORT

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**To the Board of Directors  
Atlanta Neighborhood Charter School, Inc.  
Atlanta, Georgia**

### **Report on the Financial Statements**

We have audited the accompanying financial statements of **Atlanta Neighborhood Charter School, Inc.**, a Georgia not-for-profit organization, which comprise the statements of financial position as of June 30, 2020 and 2019, and the related statements of activities and cash flows for the years then ended, and the related notes to the financial statements.

### **Management's Responsibility for the Financial Statements**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### **Auditor's Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### **Opinion**

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Atlanta Neighborhood Charter School, Inc. as of June 30, 2020 and 2019, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

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## Other Matters

### *Other Information*

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the financial statements as a whole.

### Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated October 30, 2020, on our consideration of Atlanta Neighborhood Charter School, Inc.'s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. The report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Atlanta Neighborhood Charter School, Inc.'s internal control over financial reporting and compliance.

*Mauldin & Jenkins, LLC*

Atlanta, Georgia  
October 30, 2020

**ATLANTA NEIGHBORHOOD CHARTER SCHOOL, INC.****STATEMENTS OF FINANCIAL POSITION  
JUNE 30, 2020 AND 2019**

<u>Assets</u>	<u>2020</u>	<u>2019</u>
Current assets		
Cash	\$ 4,289,062	\$ 1,648,004
Certificates of deposit	565,043	548,990
Grants receivable	-	87,996
Current portion of contributions receivable	-	50,000
Prepaid expenses	15,513	-
Total current assets	<u>4,869,618</u>	<u>2,334,990</u>
Other assets		
Reserve accounts	244,457	238,634
Contributions receivable, net of current portion	-	100,000
Property and equipment, net	2,778,024	2,829,266
Total other assets	<u>3,022,481</u>	<u>3,167,900</u>
Total assets	<u>\$ 7,892,099</u>	<u>\$ 5,502,890</u>
 <b><u>Liabilities and Net Assets</u></b>  		
Current liabilities		
Accounts payable	\$ 43,574	\$ 55,445
Accrued payroll and benefits	1,203,369	1,112,918
Current portion of notes payable	866,721	50,270
Total current liabilities	<u>2,113,664</u>	<u>1,218,633</u>
Long-term liabilities		
Notes payable, net of current portion and unamortized loan costs	<u>1,906,981</u>	<u>923,543</u>
Total liabilities	<u>4,020,645</u>	<u>2,142,176</u>
Net assets		
Without donor restrictions	3,700,680	3,163,277
With donor restrictions	170,774	197,437
Total net assets	<u>3,871,454</u>	<u>3,360,714</u>
Total liabilities and net assets	<u>\$ 7,892,099</u>	<u>\$ 5,502,890</u>

**See Notes to Financial Statements.**

**ATLANTA NEIGHBORHOOD CHARTER SCHOOL, INC.**  
**STATEMENTS OF ACTIVITIES**  
**FOR THE YEAR ENDED JUNE 30, 2020**

	2020		
	Without Donor Restrictions	With Donor Restrictions	Total
<b>Public support and revenue</b>			
Atlanta Public School funding	\$ 10,626,414	\$ -	\$ 10,626,414
Contributions and grants	325,320	13,800	339,120
Federal grants	1,108,012	-	1,108,012
Other government grants	163,555	-	163,555
Student meal income	254,886	-	254,886
Other program income	453,496	-	453,496
Other income	38,426	-	38,426
	<hr/>	<hr/>	<hr/>
Total public support and revenue	12,970,109	13,800	12,983,909
<b>Net assets released from restrictions</b>			
Satisfaction of restrictions	40,463	(40,463)	-
	<hr/>	<hr/>	<hr/>
<b>Total public support, revenue, and net assets released from restrictions</b>	<b>13,010,572</b>	<b>(26,663)</b>	<b>12,983,909</b>
<b>Expenses</b>			
Program services			
Instructional expenses	6,472,325	-	6,472,325
Facilities expenses	715,275	-	715,275
Staff development expenses	1,537,435	-	1,537,435
After school program expenses	317,513	-	317,513
Student meal expenses	546,135	-	546,135
Other program expenses	24,783	-	24,783
Total program services	9,613,466	-	9,613,466
Supporting expenses			
Fundraising expenses	138,785	-	138,785
Management and general	2,720,918	-	2,720,918
	<hr/>	<hr/>	<hr/>
<b>Total expenses</b>	<b>12,473,169</b>	<b>-</b>	<b>12,473,169</b>
<b>Change in net assets</b>	<b>537,403</b>	<b>(26,663)</b>	<b>510,740</b>
<b>Net assets, beginning of year</b>	<b>3,163,277</b>	<b>197,437</b>	<b>3,360,714</b>
	<hr/>	<hr/>	<hr/>
<b>Net assets, end of year</b>	<b>\$ 3,700,680</b>	<b>\$ 170,774</b>	<b>\$ 3,871,454</b>
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

See Notes to Financial Statements.

**ATLANTA NEIGHBORHOOD CHARTER SCHOOL, INC.**  
**STATEMENTS OF ACTIVITIES**  
**FOR THE YEAR ENDED JUNE 30, 2019**

	2019		
	Without Donor Restrictions	With Donor Restrictions	Total
<b>Public support and revenue</b>			
Atlanta Public School funding	\$ 9,837,645	\$ -	\$ 9,837,645
Contributions and grants	514,672	125,210	639,882
Federal grants	1,153,128	-	1,153,128
Other government grants	1,425	-	1,425
Student meal income	312,925	-	312,925
Other program income	537,344	-	537,344
Other income	33,713	-	33,713
	<hr/>	<hr/>	<hr/>
Total public support and revenue	12,390,852	125,210	12,516,062
<b>Net assets released from restrictions</b>			
Satisfaction of restrictions	85,286	(85,286)	-
	<hr/>	<hr/>	<hr/>
<b>Total public support, revenue, and net assets released from restrictions</b>	<hr/>	<hr/>	<hr/>
	12,476,138	39,924	12,516,062
<b>Expenses</b>			
Program services			
Instructional expenses	5,589,756	-	5,589,756
Facilities expenses	637,200	-	637,200
Staff development expenses	2,579,871	-	2,579,871
After school program expenses	365,273	-	365,273
Student meal expenses	495,312	-	495,312
Other program expenses	17,000	-	17,000
Total program services	<hr/>	<hr/>	<hr/>
	9,684,412	-	9,684,412
Supporting expenses			
Fundraising expenses	139,520	-	139,520
Management and general	2,556,776	-	2,556,776
	<hr/>	<hr/>	<hr/>
<b>Total expenses</b>	<hr/>	<hr/>	<hr/>
	12,380,708	-	12,380,708
<b>Change in net assets</b>	95,430	39,924	135,354
<b>Net assets, beginning of year</b>	<hr/>	<hr/>	<hr/>
	3,067,847	157,513	3,225,360
<b>Net assets, end of year</b>	<hr/>	<hr/>	<hr/>
	\$ 3,163,277	\$ 197,437	\$ 3,360,714

**See Notes to Financial Statements.**



**ATLANTA NEIGHBORHOOD CHARTER SCHOOL, INC.**  
**STATEMENTS OF CASH FLOWS**  
**FOR THE YEARS ENDED JUNE 30, 2020 AND 2019**

	2020	2019
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Change in net assets	\$ 510,740	\$ 135,354
Adjustments to reconcile change in net assets to cash provided by operating activities:		
Depreciation	251,590	227,907
Amortization	2,127	2,127
(Increase) decrease in prepaid expenses	(15,513)	6,941
Decrease (increase) in grants and contributions receivable	237,996	(4,436)
(Decrease) in accounts payable and accrued expenses	(11,871)	(9,345)
Increase in accrued payroll and benefits	90,451	129,505
Net cash provided by operating activities	1,065,520	488,053
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Investment in certificates of deposit	(16,053)	(18,162)
Purchase of property and equipment	(200,348)	(342,568)
Net cash used in investing activities	(216,401)	(360,730)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Principal payments on note payable	(52,238)	(41,593)
Proceeds from note payable	1,850,000	-
Net cash provided by (used in) financing activities	1,797,762	(41,593)
Net increase in cash and cash equivalents	2,646,881	85,730
Cash and cash equivalents at beginning of year	1,886,638	1,800,908
Cash and cash equivalents at end of year	\$ 4,533,519	\$ 1,886,638
Operating	\$ 4,289,062	\$ 1,648,004
Reserve accounts	244,457	238,634
Cash and cash equivalents at end of year	\$ 4,533,519	\$ 1,886,638
<b>SUPPLEMENTAL DISCLOSURES</b>		
Interest paid during the year	\$ 41,434	\$ 52,079

**See Notes to Financial Statements.**

## ATLANTA NEIGHBORHOOD CHARTER SCHOOL, INC. NOTES TO FINANCIAL STATEMENTS

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### NOTE 1. ORGANIZATION

Neighborhood Charter School, Inc. (NCS), a Georgia not-for-profit organization, was formed on November 20, 1998 to operate a charter elementary school in Grant Park to serve Grant Park, Ormewood Park, and other in-town areas of Atlanta, Georgia. Southeast Atlanta Charter Middle School, Inc. (ACMS), a Georgia not-for-profit corporation, was formed on June 20, 2003 to operate a charter middle school in Ormewood Park to serve Grant Park, Ormewood Park, and other in-town areas of Atlanta, Georgia.

Effective May 19, 2011, the two schools merged and became Atlanta Neighborhood Charter School, Inc. (the "School"). The School was granted a charter by the Board of Education of the City of Atlanta for a five year term ending on June 30, 2016. The charter was renewed for an additional five-year term beginning on July 1, 2016 and expiring on June 30, 2021. The Charter permits the School to operate as a Charter School under the Atlanta Public School system, provided the School operates within the guidelines of the Charter and all applicable state and federal laws. Under the terms of the Charter, the School receives an allocation from the Atlanta Public Schools (APS) which is based on enrollment. The School's support comes primarily from state and local funding through the Atlanta Public Schools and from grants and contributions.

The mission of the School is to provide a learning environment for all students that demands high educational standards and high levels of parent/guardian involvement and responsibility.

Combined enrollment for the two campuses for the years ended June 30, 2020 and 2019 was 627 and 614 students, respectively.

### NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

#### Basis of Accounting

The School prepares its financial statements in accordance with Financial Accounting Standards Board (FASB) Accounting Standards Codification (ACS) 958-205, *Not-For-Profit Entities*. Under FASB ACS 958, the School reports information regarding its financial position and activities according to two classes of net assets: with donor restrictions and without donor restrictions.

*Net Assets Without Donor Restrictions* – Net assets available for use in general operations and not subject to donor-imposed restrictions which are used to account for resources available to carry out the purposes of the School in accordance with the limitations of its bylaws. Board designated net assets are without donor restrictions but are designated by the Board to be spent for specific purposes. At both June 30, 2020 and 2019, the Organization had no board designated net assets.

*Net Assets With Donor Restrictions* – Net assets subject to donor-imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both. Restricted funds received and spent in the same fiscal year with no remaining restricted balance are classified as without donor restriction on the statement of activities.

#### Contributions

Contributions are recognized when the donor makes a promise to give to the School that is, in substance, unconditional. Contributions that are restricted by the donor are reported as increases in net assets with donor restriction depending on the nature of the restrictions. When a restriction expires, net assets with donor restriction are reclassified to net assets without donor restriction.

## NOTES TO FINANCIAL STATEMENTS

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### NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### Contributed Services

Many individuals volunteer their time and perform a variety of tasks that assist in the School's activities. The School receives numerous volunteer hours each year that are not valued in the financial statements.

#### Revenue Recognition

Revenue from Atlanta Public Schools funding and revenue from program fees are recognized in the period the service is delivered. Grants are recognized as revenue when the related required expenditures have been incurred.

#### Cash

For the purpose of reporting cash flows, the School considers all demand notes and short-term investments with maturities of 90 days or less to be cash equivalents. At times, the School's cash balances exceed the federally insured limit.

#### Loan Closing Costs

Loan closing costs are amortized to interest expense on a straight-line basis over the life of the loan which approximates the effective interest method.

#### Fair Values of Financial Instruments

At June 30, 2020 and 2019, the carrying value of financial instruments such as cash, receivables, accounts payable, and borrowings under notes payable approximated their fair values.

#### Property and Equipment

The School capitalizes all expenditures for property and equipment in excess of \$5,000. Property and equipment are recorded at cost or fair value, if donated. Leasehold improvements are amortized over the life of the lease. Other property and equipment are depreciated using straight-line methods over their estimated useful lives as follows:

Building and building improvements	40 years
Computer equipment and software	5 years
Library books	7 years
Other equipment, furniture and fixtures	7 years

#### Tax Status

The School is exempt from income taxes under Section 501(c)(3) of the U.S. Internal Revenue Code and is classified as an organization which is not a private foundation under Section 509(a) of the U.S. Internal Revenue Code. The School qualifies for the charitable contribution deduction. Management does not believe there are any uncertain tax positions as defined by FASB ASC 740, *Income Taxes*.

#### Functional Allocation of Expenses

The costs of providing the various programs and other activities have been summarized on a functional basis in the statements of activities. Accordingly, certain indirect costs have been allocated among the programs and supporting services benefited. The expenses that are allocated include salaries and benefits which are allocated on the basis of estimates of time and effort.

## NOTES TO FINANCIAL STATEMENTS

### NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

#### Recent Accounting Pronouncement

In June 2018, FASB issued ASU 2018-08, Not-for-Profit Entities (Topic 958): Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made, which clarifies and establishes standards for characterizing contributions (nonreciprocal) subject to ASC Topic 958 or as exchange transactions (reciprocal) subject to ASC Topic 606. For the year ending June 30, 2020, the School adopted ASU 2018-08 and has adjusted the presentation in these financial statements accordingly. The adoption of ASU 2018-08 did not have an effect on the timing of revenue recognition of contributions.

In November 2016, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) No. 2016-18, Statement of Cash Flows (Topic 230): Restricted Cash. The School adopted the provisions of this new standard during the year ended June 30, 2020. The update requires that the statement of cash flows explains the change during the period in the total cash, cash equivalents, and amounts generally described as restricted cash or cash equivalents. Therefore, amounts generally described as restricted cash and restricted cash equivalents have been included with cash and cash equivalents when reconciling the beginning of year and end of year cash total amounts shown on the accompanying statements of cash flows. The accompanying information from the 2019 financial statements has been adjusted to conform to the 2020 presentation and disclosure requirements of ASU 2016-18. This adjustment did not have an effect on total net assets or the change in net assets for 2019.

### NOTE 3. LIQUIDITY AND AVAILABILITY

The School manages its liquidity by developing annual budgets that provide sufficient funds for general expenditures in meeting its liabilities and other obligations as they become due. Cash needs of the School are expected to be met on a monthly basis from contributions received without donor restriction, Atlanta Public School Funding, grant revenue, and other sources for general expenditures. Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the statements of financial position as of June 30, 2020 and 2019, comprise of the following:

	2020	2019
Financial assets at year-end:		
Cash and certificates of deposits	\$ 4,683,331	\$ 2,149,557
Grants receivable	-	87,996
Total financial assets without donor or other restrictions	\$ 4,683,331	\$ 2,237,553
available for general use within one year		

## NOTES TO FINANCIAL STATEMENTS

### NOTE 4. PROPERTY AND EQUIPMENT

Property and equipment as of June 30, 2020 and 2019 is composed of the following:

	2020	2019
Buildings and building improvements	\$ 2,022,297	\$ 2,022,297
Leasehold improvements	1,704,822	1,651,783
Computer equipment and software	628,810	538,029
Library books	198,613	185,448
Other equipment	497,371	454,007
Furniture and fixtures	297,396	297,396
Less accumulated depreciation	(2,571,285)	(2,319,694)
Net property and equipment	\$ 2,778,024	\$ 2,829,266

Depreciation expense amounted to \$251,590 and \$227,907 for the years ended June 30, 2020 and 2019, respectively.

### NOTE 5. NOTES PAYABLE

In June 2014, the School refinanced existing debt with a \$1,165,000 loan bearing a 5.11% fixed interest rate. On the fifth anniversary of the closing date, the interest rate will be adjusted to the greater of 4.5% or the mid-market semi-annual swap rate for USD swap transactions with a 2 year maturity plus 3.35%. The note requires monthly principal and interest installments based on a 20 year amortization with a final payment of all unpaid principal and interest due on its July 2021 maturity date. The loan is subject to a prepayment premium. The outstanding balance at June 30, 2020 and 2019 was \$925,829 and \$978,067, respectively.

The loan requires that the School maintain a minimum balance of \$225,000 in a reserve account providing additional collateral for the loan. The balance in the reserve account was \$244,457 and \$238,634 at June 30, 2020 and 2019, respectively.

The loan is secured by the building and improvements and requires minimum liquidity and debt service coverage ratio as described in the loan documents. At June 30, 2020 and 2019, the School was in compliance with these covenants.

Future maturities of the note payable are as follows:

Year ending June 30:		
2021	\$	53,096
2022		872,733
	\$	925,829

The net unamortized amount of debt issuance cost as of June 30, 2020 and 2019 amounted to \$2,127 and \$4,254, respectively. The unamortized loan cost includes \$14,889 of loan costs at June 30, 2020 and 2019, and accumulated amortization of \$12,762 and \$10,635, respectively. Amortization expense amounted to \$2,127 for both the years ending June 30, 2020 and 2019.

## NOTES TO FINANCIAL STATEMENTS

### NOTE 5. NOTES PAYABLE (Continued)

On April 14, 2020, the School qualified for and received a loan pursuant to the Paycheck Protection Program, a program implemented by the U.S. Small Business Administration under the Coronavirus Aid, Relief, and Economic Security Act, from a qualified lender for an aggregate principal amount of \$1,850,000 (the "PPP Loan"). The PPP Loan bears interest at a fixed rate of 1.0% per annum, with the first ten months of interest deferred, has a term of two years, and is unsecured and guaranteed by the U.S. Small Business Administration. The principal amount of the PPP Loan is subject to forgiveness under the Paycheck Protection Program upon the School's request to the extent that the PPP Loan proceeds are used to pay expenses permitted by the Paycheck Protection Program, including payroll costs, covered rent and mortgage obligations, and covered utility payments incurred by the School. The School intends to apply for forgiveness of the PPP Loan with respect to these covered expenses. To the extent that all or part of the PPP Loan is not forgiven, the School will be required to pay interest on the PPP Loan at a rate of 1.0% per annum, and commencing in October 2021 principal and interest payments will be required through the maturity date in April 2022. The terms of the PPP Loan provide for customary events of default including, among other things, payment defaults, breach of representations and warranties, and insolvency events. The PPP Loan may be accelerated upon the occurrence of an event of default.

Future maturities of the note payable are as follows:

Year ending June 30:		
2021	\$	813,625
2022		<u>1,036,375</u>
	\$	<u>1,850,000</u>

Notes payable as of June 30, 2020 and 2019 is composed of the following:

	<u>2020</u>	<u>2019</u>
Note payable	\$ 925,829	\$ 978,067
PPP Loan Payable	<b>1,850,000</b>	-
Less unamortized loan cost	<u>(2,127)</u>	<u>(4,254)</u>
Note payable, net of unamortized loan cost	<b>2,773,702</b>	973,813
Less current portion	<u>(866,721)</u>	<u>(50,270)</u>
	<b>\$ 1,906,981</b>	<b>\$ 923,543</b>

Total interest expense on all debt for the years ended June 30, 2020 and 2019 amounted to \$41,434 and \$52,079, respectively.

### NOTE 6. COMMITMENTS AND CONTINGENCIES

#### Operating Lease - Facility

The School (elementary campus) leases its building from the Atlanta Public Schools. The lease extends through August 31, 2021 unless the School loses its charter or Atlanta Public Schools needs the property in which case the lease requires sixty days' notice to be given. The School is not responsible for payment of any rent; however, the School is responsible for maintaining and repairing the property.

#### Operating Lease - Other

The School leases a modular building unit and various office equipment under non-cancelable operating leases. Rent expense for the years ended June 30, 2020 and 2019 amounted to \$36,828 and \$36,828, respectively. The leases require payments for the year ending June 30, 2021 of \$34,661.

## NOTES TO FINANCIAL STATEMENTS

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### NOTE 7. RESTRICTIONS ON NET ASSETS

Net assets with donor restriction at June 30, 2020 and 2019 are available as follows and are included in contributions receivable and cash:

	2020	2019
CREATE Teacher Residency program	\$ 170,774	\$ 197,437
	\$ 170,774	\$ 197,437

Of this amount, \$- and \$150,000 is also time restricted in line with the contributions receivable, for the years ended June 30, 2020 and 2019, respectively.

### NOTE 8. NET ASSETS RELEASED FROM RESTRICTIONS

Net assets were released from donor restrictions during the years ended June 30, 2020 and 2019 by incurring expenses or acquiring capital assets satisfying the restricted purposes specified by donors as follows:

	2020	2019
CREATE Teacher Residency program	\$ 40,463	\$ 85,286
	\$ 40,463	\$ 85,286

### NOTE 9. RETIREMENT PLAN

The School participates in the Teachers Retirement System of Georgia (TRS). TRS, a cost-sharing multiple employer defined benefit plan (the "Plan"), is administered by the TRS Board of Trustees. Participation is available to all full-time public school employees as defined by the Plan. Participant employees contributed 6% of their annual salary for the years ended June 30, 2020 and 2019. The School contributed 21.14% and 20.90% of each participant's annual salary for the years ended June 30, 2020 and 2019, respectively. School contributions totaled \$1,347,158 and \$1,284,817 for the years ended June 30, 2020 and 2019, respectively.

## NOTES TO FINANCIAL STATEMENTS

### NOTE 10. FUNCTIONAL EXPENSES

Expenses for the year ended June 30, 2020 were as follows:

	<u>Program</u>	<u>Management and General</u>	<u>Fundraising</u>	<u>Total</u>
Salary and benefits	\$ 6,328,046	\$ 2,131,015	\$ 65,000	\$ 8,524,061
Pension	1,347,158	-	-	1,347,158
Payroll taxes	543,432	-	-	543,432
Professional fees	139,153	74,108	-	213,261
Advertising	-	-	15,141	15,141
Office	108,275	39,466	-	147,741
Technology	48,228	18,634	-	66,862
Occupancy	481,651	45,553	-	527,204
Travel	92,522	-	-	92,522
Conferences, conventions, and meetings	35,206	-	-	35,206
Insurance	-	58,473	-	58,473
Professional development	32,078	-	-	32,078
Classroom expenses	163,182	-	-	163,182
Nutrition program expenses	175,653	-	-	175,653
Other	118,882	102,079	58,644	279,605
Depreciation	-	251,590	-	251,590
	<u>\$ 9,613,466</u>	<u>\$ 2,720,918</u>	<u>\$ 138,785</u>	<u>\$ 12,473,169</u>



## NOTES TO FINANCIAL STATEMENTS

### NOTE 10. FUNCTIONAL EXPENSES (Continued)

Expenses for the year ended June 30, 2019 were as follows:

	<u>Program</u>	<u>Management and General</u>	<u>Fundraising</u>	<u>Total</u>
Salary and benefits	\$ 5,990,645	\$ 2,018,548	\$ 65,000	\$ 8,074,193
Pension	1,284,817	-	-	1,284,817
Payroll taxes	511,520	-	-	511,520
Professional fees	244,178	65,351	-	309,529
Advertising	-	-	9,948	9,948
Office	163,137	41,007	-	204,144
Technology	18,729	9,417	-	28,146
Occupancy	445,187	53,173	-	498,360
Travel	86,034	20,607	-	106,641
Conferences, conventions, and meetings	19,581	-	-	19,581
Insurance	-	45,971	-	45,971
Professional development	318,475	-	-	318,475
Classroom expenses	189,524	-	-	189,524
Nutrition program expenses	194,075	-	-	194,075
Other	218,510	72,668	64,572	355,750
Depreciation	-	230,034	-	230,034
	<u>\$ 9,684,412</u>	<u>\$ 2,556,776</u>	<u>\$ 139,520</u>	<u>\$ 12,380,708</u>

### NOTE 11. EFFECTS OF COVID-19 CORONAVIRUS

As a result of the spread of the COVID-19 coronavirus, economic uncertainties have arisen which are likely to negatively impact the change in net assets. Other financial impacts could occur through the extent of potential impact is unknown at this time.

For the education sector, many school districts have significantly changed instruction delivery to online. Within Atlanta Public Schools, it was determined that the school district will remain with online instruction until further notice or guidance is provided from local, state, and federal agencies, such as the Georgia Department of Education (GaDOE), the Georgia Department of Public Health (DPH), the Fulton County Board of Health (BOH), the DeKalb County Board of Health, and the Centers for Disease Control (CDC) for the latest information on this disease.

### NOTE 12. SUBSEQUENT EVENTS

The School has evaluated subsequent events, through October 30, 2020, the date the financial statements were available to be issued.

## **SINGLE AUDIT SECTION**

**ATLANTA NEIGHBORHOOD CHARTER SCHOOL, INC.****SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED JUNE 30, 2020**

<b>Pass-Through Grantor/Program Title</b>	<b>Date of Service</b>	<b>Grant Award #</b>	<b>Federal CFDA Number</b>	<b>Expenditures</b>
U.S. Department of Education				
Collaboration and Reflection to Enhance Atlanta Teacher Effectiveness in Mathematics and Science	1/1/15-12/31/19	U411C140133	84.411C	\$ 161,953
Passed Through Georgia State University:				
Collaboration and Reflection to Enhance Atlanta Teacher Effectiveness in Mathematics and Science	9/1/17-8/31/22	SP00013145-01	84.411C	\$ 769,579
Total 84.411C				<u>931,532</u>
<b>TOTAL FEDERAL AWARDS</b>				<u><u>\$ 931,532</u></u>

**See Accompanying Notes to Schedule of Expenditures of Federal Awards.**

**ATLANTA NEIGHBORHOOD CHARTER SCHOOL, INC.  
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED JUNE 30, 2020**

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**NOTE 1. BASIS OF PRESENTATION**

The accompanying Schedule of Expenditures of Federal Awards (the "Schedule") includes the federal grant activity of Atlanta Neighborhood Charter School, Inc. under programs of the federal government for the year ended June 30, 2020. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*. Because the Schedule presents only a selected portion of the operations of Atlanta Neighborhood Charter School, Inc., it is not intended and does not represent the financial position, changes in net assets, or cash flows of Atlanta Neighborhood Charter School, Inc.

**NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Expenditures reported on the schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

**NOTE 3. INDIRECT COST RATE**

Atlanta Neighborhood Charter School, Inc. has not elected to use the 10-percent de minimis indirect cost rate allowed under the Uniform Guidance.



**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER  
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS  
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED  
IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***

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**To the Board of Directors  
Atlanta Neighborhood Charter School, Inc.  
Atlanta, Georgia**

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Atlanta Neighborhood Charter School, Inc. (a not-for-profit organization), which comprise the statement of financial position as of June 30, 2020, and the related statements of activities and cash flows for the year then ended, and the related notes to the financial statements, which collectively comprise the Organization's financial statements, and have issued our report thereon dated October 30, 2020.

**Internal Control Over Financial Reporting**

In planning and performing our audit, we considered Atlanta Neighborhood Charter School, Inc.'s internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control. Accordingly, we do not express an opinion on the effectiveness of the Organization's internal control.

*A deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. *A material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. *A significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and, therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Organization's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

### **Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Organization's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Organization's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*Mauldin & Jenkins, LLC*

Atlanta, Georgia  
October 30, 2020



## INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

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**To the Board of Directors  
Atlanta Neighborhood Charter School, Inc.  
Atlanta, Georgia**

### **Report on Compliance for Each Major Federal Program**

We have audited Atlanta Neighborhood Charter School, Inc.'s (a not-for-profit organization) compliance with the types of compliance requirements described in *OMB Compliance Supplement* that could have a direct and material effect on each of the Organization's major federal programs for the year ended June 30, 2020. Atlanta Neighborhood Charter School, Inc.'s major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

### **Management's Responsibility**

Management is responsible for compliance with the federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

### **Auditor's Responsibility**

Our responsibility is to express an opinion on compliance for Atlanta Neighborhood Charter School, Inc.'s major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the uniform guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Atlanta Neighborhood Charter School, Inc.'s compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of Atlanta Neighborhood Charter School, Inc.'s compliance.

### **Opinion on Each Major Federal Program**

In our opinion, Atlanta Neighborhood Charter School, Inc. complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2020.

## Report on Internal Control Over Compliance

Management of Atlanta Neighborhood Charter School, Inc. is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Atlanta Neighborhood Charter School, Inc.'s internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Atlanta Neighborhood Charter School, Inc.'s internal control over compliance.

*A deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

*Mauldin & Jenkins, LLC*

Atlanta, Georgia  
October 30, 2020



**ATLANTA NEIGHBORHOOD CHARTER SCHOOL, INC.**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**FOR THE YEAR ENDED JUNE 30, 2020**

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**SECTION I - SUMMARY OF AUDITOR'S RESULTS:**

**Financial statements:**

	<b>Unmodified</b>	
	<b>Yes</b>	<b>No</b>
Type of auditors' report issued		
Internal control over financial reporting:		
Material weaknesses identified?		<b>X</b>
Significant deficiencies identified not considered to be material weaknesses?		<b>None reported</b>
Noncompliance material to the financial statements noted?		<b>X</b>

**Federal Awards:**

Internal controls over major programs:

Material weaknesses identified?		<b>X</b>
Significant deficiencies identified not considered to be material weaknesses?		<b>None reported</b>

Type of auditors' report issued on compliance for major programs

**Unmodified**

Audit findings required to be reported in accordance with the Uniform Guidance

**None**

**Identification of major programs:**

Collaboration and Reflection to Enhance Atlanta Teacher Effectiveness in Mathematics and Science	<b>84.411C</b>	
Dollar threshold used to distinguish between type A and type B programs	<b>\$ 750,000</b>	
	<b>Yes</b>	<b>No</b>
Auditee qualified as low-risk auditee?	<b>X</b>	
Financial statement findings?		<b>X</b>
Findings and questioned costs for Federal awards?		<b>X</b>

**ATLANTA NEIGHBORHOOD CHARTER SCHOOL, INC.  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED JUNE 30, 2020**

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**SECTION II – FINANCIAL STATEMENT FINDINGS**

**None reported.**

**SECTION III – FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS**

**None reported.**

**ATLANTA NEIGHBORHOOD CHARTER SCHOOL, INC.  
SCHEDULE OF PRIOR AUDIT FINDINGS AND QUESTIONED COSTS  
YEAR ENDED JUNE 30, 2019**

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**SECTION II – FINANCIAL STATEMENT FINDINGS**

**None reported.**

**SECTION III – FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS**

**None reported.**

## **SUPPLEMENTAL INFORMATION**



## INDEPENDENT AUDITOR'S REPORT ON SUPPLEMENTAL INFORMATION

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**To the Board of Directors  
Atlanta Neighborhood Charter School, Inc.  
Atlanta, Georgia**

We have audited the financial statements of Atlanta Neighborhood Charter School, Inc. as of and for the year ended June 30, 2020, and have issued our report thereon dated October 30, 2020, which contained an unmodified opinion on those financial statements. Our audit was conducted for the purpose of forming an opinion on the financial statements taken as a whole.

The supplemental statement of net position, statement of activities, balance sheet - governmental fund, statement of revenues, expenditures, and changes in fund balances - governmental fund and related reconciliations and selected notes are presented in accordance with Government Accounting Standards Board pronouncements as required by Atlanta Public Schools and the Georgia Department of Education and are not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

*Mauldin & Jenkins, LLC*

Atlanta, Georgia  
October 30, 2020

**ATLANTA NEIGHBORHOOD CHARTER SCHOOL, INC.****STATEMENT OF NET POSITION****JUNE 30, 2020****ASSETS AND DEFERRED OUTFLOWS OF RESOURCES**

Assets:	
Cash	\$ 4,289,062
Certificates of deposit	565,043
Prepaid expenses	15,513
Long term assets	
Debt service reserve accounts	244,457
Capital assets (net of accumulated depreciation)	<u>2,778,024</u>
Total assets	<u>7,892,099</u>
Deferred outflows of resources:	
Related to defined benefit pension plan	<u>3,245,314</u>
Total deferred outflows of resources	<u>3,245,314</u>
Total assets and deferred outflows of resources	<u>\$ 11,137,413</u>

**LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION**

Liabilities:	
Accounts payable	\$ 43,574
Accrued payroll and benefits	1,203,369
Long term liabilities	
Note payable due within one year	866,721
Note payable due in more than one year	1,909,108
Proportionate share of collective net pension liability	<u>10,281,303</u>
Total liabilities	<u>14,304,075</u>
Deferred inflows of resources:	
Related to defined benefit pension plan	<u>318,280</u>
Total deferred inflows of resources	<u>318,280</u>
Net Position:	
Net investment in capital assets	2,778,024
Restricted for:	
Restricted for use in future years	170,774
Nonspendable	244,457
Unrestricted	<u>(6,678,197)</u>
Total net position	<u>(3,484,942)</u>
Total liabilities, deferred inflows of resources, and net position	<u>\$ 11,137,413</u>

**See Independent Auditor's Report on Supplemental Information.**

**ATLANTA NEIGHBORHOOD CHARTER SCHOOL, INC.****STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2020**

	<u>Expenses</u>	<u>PROGRAM REVENUES</u>		<u>Net Revenues (Expenses) and Changes in Net Positions</u>
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	
<b>GOVERNMENTAL ACTIVITIES</b>				
Instruction	\$ 6,796,287	\$ 453,496	\$ -	\$ (6,342,791)
Support services				
Pupil services	22,225	-	-	(22,225)
Improvement of instructional services	1,782,041	-	1,581,428	(200,613)
Federal grant administration	881,624	-	-	(881,624)
General administration	46,935	-	-	(46,935)
School administration	1,275,848	-	-	(1,275,848)
Business administration	233,337	-	-	(233,337)
Maintenance and operation of plant services	1,030,831	-	-	(1,030,831)
Other support services	82,512	-	-	(82,512)
Operations of non-instructional services				
Debt service	41,434	-	-	(41,434)
After school services	317,513	-	-	(317,513)
Food services	636,142	254,886	38,187	(343,069)
	<u>        </u>	<u>        </u>	<u>        </u>	<u>        </u>
Total governmental activities	\$ 13,146,729	\$ 708,382	\$ 1,619,615	\$ (10,818,732)
<b>GENERAL REVENUES</b>				
Atlanta Public Schools Board of Education				\$ 10,626,414
Investment earnings				29,498
				<u>        </u>
Total general revenues				10,655,912
<b>CHANGE IN NET POSITION</b>				(162,820)
<b>NET POSITION - BEGINNING OF YEAR</b>				<u>(3,322,122)</u>
<b>NET POSITION - END OF YEAR</b>				<u>\$ (3,484,942)</u>

See Independent Auditor's Report on Supplemental Information.

**ATLANTA NEIGHBORHOOD CHARTER SCHOOL, INC.****BALANCE SHEET - GOVERNMENTAL FUND****JUNE 30, 2020****ASSETS**

Cash	\$ 4,289,062
Certificates of deposit	565,043
Reserve accounts	244,457
Other assets	<u>15,513</u>
Total assets	<u><u>\$ 5,114,075</u></u>

**LIABILITIES AND FUND BALANCES**

Liabilities	
Accounts payable	\$ 43,574
Accrued payroll and benefits	<u>1,203,369</u>
Total liabilities	<u>1,246,943</u>
Fund balances	
Nonspendable	244,457
Restricted	170,774
Unassigned	<u>3,451,901</u>
Total fund balances	<u>3,867,132</u>
Total liabilities and fund balances	<u><u>\$ 5,114,075</u></u>

**See Independent Auditor's Report on Supplemental Information.**



**ATLANTA NEIGHBORHOOD CHARTER SCHOOL, INC.**  
**RECONCILIATION OF THE GOVERNMENTAL FUND BALANCE SHEET**  
**TO THE STATEMENT OF NET POSITION**  
**JUNE 30, 2020**

<b>TOTAL FUND BALANCES - GOVERNMENTAL FUND</b>	\$	3,867,132
Amounts reported for Governmental Activities in the Statement of Net Position are different because:		
Capital assets used in Governmental Activities are not financial resources and, therefore, are not reported as assets in governmental funds		
These assets consist of:		
Buildings and building improvements	\$	2,022,297
Leasehold improvements		1,704,822
Computer equipment and software		628,809
Library books		198,578
Other equipment		497,407
Furniture and fixtures		297,396
Accumulated depreciation		<u>(2,571,285)</u>
		2,778,024
Deferred outflows and inflows of resources related to the School's pension plans are applicable to future periods and, therefore, are not reported in the funds		3,245,314
The School's net pension liability is not due and payable to the current period and, therefore, is not reporting in the funds		(10,281,303)
Deferred inflows of resources related to the School's pension plans are applicable to future periods and, therefore, are not reported in the funds		(318,280)
Long-term liabilities, including notes payable, are not due and payable in the current period and, therefore, are not reported in the funds		<u>(2,775,829)</u>
<b>NET POSITION OF GOVERNMENTAL ACTIVITIES</b>	<b>\$</b>	<b><u><u>(3,484,942)</u></u></b>

**See Independent Auditor's Report on Supplemental Information.**

**ATLANTA NEIGHBORHOOD CHARTER SCHOOL, INC.**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES**  
**IN FUND BALANCE - GOVERNMENTAL FUND**  
**FOR THE YEAR ENDED JUNE 30, 2020**

**REVENUES**

Federal funding	\$ 1,108,012
State funding	163,555
Contributions	339,120
Student activity fees	453,496
Student meal income	254,886
Other revenue	38,426

Total revenues	2,357,495
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**EXPENDITURES**

Instruction	6,796,287
Pupil services	22,225
School administration	1,068,412
Business administration	233,337
General administration	46,935
Federal grant administration	756,689
Improvement of instructional services	1,529,200
Maintenance of operation of plant services	758,835
School nutrition program	566,073
After school program	317,513
Other support services	82,512
Capital outlays:	
Acquisition of capital assets	200,348
Debt service:	
Interest expense	41,434
Principal payments	52,238

Total expenditures	12,472,038
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<b>EXCESS OF EXPENDITURES OVER REVENUES</b>	(10,114,543)
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**OTHER FINANCING SOURCES**

Transfers from Atlanta Public Schools	10,626,414
Issuance of note payable	1,850,000

Total other financing sources	12,476,414
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<b>NET CHANGE IN FUND BALANCE</b>	2,361,871
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<b>FUND BALANCE AT BEGINNING OF YEAR</b>	1,505,261
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<b>FUND BALANCE AT END OF YEAR</b>	\$ 3,867,132
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**See Independent Auditor's Report on Supplemental Information.**

**ATLANTA NEIGHBORHOOD CHARTER SCHOOL, INC.  
RECONCILIATION OF THE GOVERNMENTAL FUND STATEMENT OF  
REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
TO THE STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2020**

<b>TOTAL NET CHANGES IN FUND BALANCES - GOVERNMENTAL FUND</b>	\$	2,361,871
Amounts reported for Governmental Activities in the Statement of Activities are different because:		
Capital outlays are reported as expenditures in governmental funds. However, in the statement of activities, the cost of capital assets is allocated over their estimated useful lives as depreciation expense.		
In the current period, these amounts are:		
Capital outlay	\$ 200,348	
Depreciation expense	<u>(251,590)</u>	
Excess of depreciation expense over capital outlay		(51,242)
Principal debt payments are reported as expenditures in governmental funds		
Principal payments on notes payable		52,238
Some items reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds		
Pension expense		(675,687)
Notes payable are reported as financing sources in governmental funds and thus contribute to changes in fund balance. In the government-wide statements, however, entering into note payable arrangements increase long-term liabilities in the statement of net assets and does not effect the statement of activities		
		<u>(1,850,000)</u>
<b>CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES</b>	<b>\$</b>	<b><u>(162,820)</u></b>

**See Independent Auditor's Report on Supplemental Information.**

**ATLANTA NEIGHBORHOOD CHARTER SCHOOL, INC.**  
**SELECTED NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2020**

**1. CAPITAL ASSETS**

Each class of capital assets is as follows as of and for the year ended June 30, 2020:

	<u>Cost</u>	<u>Depreciation</u>
<b>BUILDINGS AND BUILDING IMPROVEMENTS</b>		
Beginning of year balance	\$ 2,022,297	\$ 329,239
Acquisitions	-	-
Dispositions	-	-
Depreciation expense	-	28,424
	<u>                    </u>	<u>                    </u>
End of year balance	<u>\$ 2,022,297</u>	<u>\$ 357,663</u>
<b>LEASEHOLD IMPROVEMENTS</b>		
Beginning of year balance	\$ 1,651,783	\$ 1,011,578
Acquisitions	53,039	-
Dispositions	-	-
Depreciation expense	-	107,398
	<u>                    </u>	<u>                    </u>
End of year balance	<u>\$ 1,704,822</u>	<u>\$ 1,118,976</u>
<b>COMPUTER EQUIPMENT AND SOFTWARE</b>		
Beginning of year balance	\$ 538,029	\$ 383,280
Acquisitions	90,780	-
Dispositions	-	-
Depreciation expense	-	22,451
	<u>                    </u>	<u>                    </u>
End of year balance	<u>\$ 628,809</u>	<u>\$ 405,731</u>
<b>LIBRARY BOOKS</b>		
Beginning of year balance	\$ 185,448	\$ 142,661
Acquisitions	13,130	-
Dispositions	-	-
Depreciation expense	-	13,923
	<u>                    </u>	<u>                    </u>
End of year balance	<u>\$ 198,578</u>	<u>\$ 156,584</u>

**ATLANTA NEIGHBORHOOD CHARTER SCHOOL, INC.**  
**SELECTED NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2020**

**1. CAPITAL ASSETS (Continued)**

Each class of capital assets is as follows as of and for the year ended June 30, 2020:

	<u>Cost</u>	<u>Depreciation</u>
<b>OTHER EQUIPMENT</b>		
Beginning of year balance	\$ 454,007	\$ 192,716
Acquisitions	43,400	-
Dispositions	-	-
Depreciation expense	-	59,484
	<u>                    </u>	<u>                    </u>
End of year balance	<u>\$ 497,407</u>	<u>\$ 252,200</u>
<b>FURNITURE AND FIXTURES</b>		
Beginning of year balance	\$ 297,396	\$ 260,220
Acquisitions	-	-
Dispositions	-	-
Depreciation expense	-	19,911
	<u>                    </u>	<u>                    </u>
End of year balance	<u>\$ 297,396</u>	<u>\$ 280,131</u>

**2. LONG TERM LIABILITIES**

Long term liabilities are as follows as of and for the year ended June 30, 2020:

Notes payable	
Beginning of year liability	\$ 978,067
Additions	1,850,000
Reductions	52,238
	<u>                    </u>
End of year balance	<u>\$ 2,775,829</u>
Balance due within one year	<u>\$ 866,721</u>
Amounts due in future years	
Year ending June 30, 2021	866,721
Year ending June 30, 2022	1,909,108
	<u>                    </u>
	<u>\$ 2,775,829</u>

**ATLANTA NEIGHBORHOOD CHARTER SCHOOL, INC.**  
**SELECTED NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2020**

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**3. RESERVE ACCOUNTS**

Beginning of year balance	\$ 238,634
Additions	5,823
Reductions	-
End of year balance	\$ 244,457

**4. NET POSITION AND FUND BALANCE ACCOUNTS**

Nonspendable funds:	
Reserve accounts	\$ 244,457
	\$ 244,457
Restricted net assets at June 30, 2020 are available as follows:	
CREATE Teacher Residency program	\$ 170,774
	\$ 170,774

**5. RETIREMENT PLAN****Pensions**

For purposes of measuring the net pension liability, deferred outflows of resources, and deferred inflows of resources related to pensions and pension expense, information about the fiduciary net position of the Teachers Retirement System of Georgia (TRS) and additions to/deductions from TRS's fiduciary net position have been determined on the same basis as they are reported by TRS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

**Plan Description**

All teachers of the Atlanta Public School District (the "District"), as defined in §47-3-60 of the *Official Code of Georgia Annotated* (O.C.G.A.) and certain other support personnel as defined by §47-3-63, are provided a pension through the Teachers Retirement System of Georgia (TRS). TRS, a cost-sharing multiple employer defined benefit pension plan, is administered by the TRS Board of Trustees ("TRS Board"). Title 47 of the O.C.G.A. assigns the authority to establish and amend the benefit provisions to the State Legislature. TRS issues a publicly available financial report that can be obtained at [www.trsga.com/publications](http://www.trsga.com/publications).

**ATLANTA NEIGHBORHOOD CHARTER SCHOOL, INC.**  
**SELECTED NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2020**

## 5. RETIREMENT PLAN (Continued)

### Benefits Provided

TRS provides service retirement, disability retirement, and death benefits. Normal retirement benefits are determined as 2% of the average of the employee's two highest paid consecutive years of service, multiplied by the number of years of creditable service up to 40 years. An employee is eligible for normal service retirement after 30 years of creditable service, regardless of age, or after 10 years of service and attainment of age 60. Ten years of service is required for disability and death benefits eligibility. Disability benefits are based on the employee's creditable service and compensation up to the time of disability. Death benefits equal the amount that would be payable to the employee's beneficiary had the employee retired on the date of death. Death benefits are based on the employee's creditable service and compensation up to the date of death.

### Contributions

Per Title 47 of the O.C.G.A., contribution requirements of active employees and participating employers, as actuarially determined, are established and may be amended by the TRS Board. Pursuant to O.C.G.A. §47-3-63, the employer contributions for certain full-time public school support personnel are funded on behalf of the employer by the State of Georgia. Contributions are expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Employees were required to contribute 6.00% of their annual pay during fiscal year 2020. The School's contractually required contribution rate for the year ended June 30, 2020 was 21.14% of annual School payroll. The School's contributions to TRS were \$1,347,158 for the year ended June 30, 2020.

### Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At June 30, 2020, the School reported a liability for its proportionate share of the net pension liability that reflected a reduction for support provided to the School by the State of Georgia for certain public school support personnel. The amount recognized by the School as its proportionate share of the net pension liability, the related State of Georgia support, and the total portion of the net pension liability that was associated with the School were as follows:

School's proportionate share of the net pension liability	\$ 10,281,303
State of Georgia's proportionate share of the net pension liability associated with the School	-
	-
Total	\$ 10,281,303

The net pension liability was measured as of June 30, 2019. The total pension liability used to calculate the net pension liability was based on an actuarial valuation as of June 30, 2018. An expected total pension liability as of June 30, 2019 was determined using standard roll-forward techniques. The School's proportion of the net pension liability was based on contributions to TRS during the fiscal year ended June 30, 2019. At June 30, 2019, the School's proportion was 0.047814% which was an increase of 0.001665% from its proportion measured as of June 30, 2018.

**ATLANTA NEIGHBORHOOD CHARTER SCHOOL, INC.**  
**SELECTED NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2020**

**5. RETIREMENT PLAN (Continued)**

For the year ended June 30, 2020, the School recognized pension expense of \$675,687 and revenue of \$- for support provided by the State of Georgia for certain support personnel. At June 30, 2020, the School reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Difference between expected and actual experience	\$ 579,507	\$ 3,048
Changes of assumptions	986,625	-
Net difference between projected and actual earnings on plan investments	-	244,829
Changes in proportion and differences between School contributions and proportionate share of contributions	332,024	70,403
School contributions subsequent to the measurement date	<u>1,347,158</u>	<u>-</u>
Total	<u>\$ 3,245,314</u>	<u>\$ 318,280</u>

School contributions subsequent to the measurement date of \$1,347,158 are reported as deferred outflows of resources and will be recognized as a reduction of the net pension liability in the year ending June 30, 2020. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ending June 30:	
2021	\$ 679,072
2022	142,106
2023	364,079
2024	394,619
2025	-
Thereafter	<u>-</u>
	<u>\$ 1,579,876</u>

**Actuarial Assumptions**

The total pension liability as of June 30, 2019 was determined by an actuarial valuation as of June 30, 2018 using the following actuarial assumptions, applied to all periods included in the measurement

Inflation	2.50%
Salary increases	3.00% to 8.75%
Investment rate of return	7.25%, net of pension plan investment expense, including inflation
Postretirement benefit increases	1.50% semi-annually

Mortality rates were based on the RP-2000 Combined Mortality Table for Males and Females set back two years for males and set back four years for females.

The actuarial assumptions used in the June 30, 2018 valuation were based on the results of an actuarial experience study for the period July 1, 2009 to June 30, 2014.



**ATLANTA NEIGHBORHOOD CHARTER SCHOOL, INC.**  
**SELECTED NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2020**

## 5. RETIREMENT PLAN (Continued)

The long-term expected rate of return on pension plan investments was determined using a log-normal distribution analysis in which best-estimate ranges of expected future real rates of return (expected nominal returns, net of pension plan investment expense and the assumed rate of inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

<u>Asset class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return*</u>
Fixed income	30.00 %	(0.10)%
US Large stocks	51.00 %	8.90 %
US Small stocks	1.50 %	13.20 %
International developed market equities	12.40 %	8.90 %
International emerging market equities	5.10 %	10.90 %
Total	<u>100.00 %</u>	

*\*Rates shown are net of inflation*

### Discount Rate

The discount rate used to measure the total pension liability was 7.25%. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that employer and State of Georgia contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

### Sensitivity of the School's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

The following presents the School's proportionate share of the net pension liability calculated using the discount rate of 7.25%, as well as what the School's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.25%) or 1-percentage-point higher (8.25%) than the current rate:

	<u>1% Decrease (6.25%)</u>	<u>Current Discount Rate (7.25%)</u>	<u>1% Increase (8.25%)</u>
School's proportionate share of the net pension liability	\$ 16,689,564	\$ 10,281,303	\$ 5,011,436

**ATLANTA NEIGHBORHOOD CHARTER SCHOOL, INC.**  
**SELECTED NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2020**

## 5. RETIREMENT PLAN (Continued)

### Pension Plan Fiduciary Net Position

Detailed information about the pension plan's fiduciary net position is available in the separately issued TRS financial report which is publically available at [www.trsga.com/publications](http://www.trsga.com/publications).

### Schedule of Proportionate Share of Net Pension Liability

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
School's proportion of the net pension liability	0.047814%	0.0046149%	0.046722%	0.046846%	0.044621%	0.042766%
School's proportionate share of the net pension liability	\$10,281,303	\$8,566,243	\$8,683,428	\$9,664,852	\$6,793,104	\$5,402,920
State of Georgia's proportionate share of the net pension liability associated with the school	-	-	-	-	-	-
Total	<u>\$10,281,303</u>	<u>\$8,566,243</u>	<u>\$8,683,428</u>	<u>\$9,664,852</u>	<u>\$6,793,104</u>	<u>\$5,402,920</u>
School's covered employee payroll						
School's proportionate share of the net pension liability as a percentage of its covered employee payroll	166%	147%	158%	180%	145%	124%
Plan fiduciary net position as a percentage of the total pension liability	78.56%	80.27%	79.33%	76.06%	81.44%	84.03%

*Note: Schedule is intended to show information for the last 10 fiscal years. Additional years will be displayed as they become available.*

### Changes of Assumptions

In 2010 and later, the expectation of retired life mortality was changed to the RP-2000 Mortality Tables rather than the 1994 Group Annuity Mortality Table, which was used prior to 2010. In 2010, rates of withdrawal, retirement, disability, and mortality were adjusted to more closely reflect actual experience. In 2010, assumed rates of salary increase were adjusted to more closely reflect actual and anticipated experience.

On November 18, 2015, the Board adopted recommended changes to the economic and demographic assumptions utilized by the System. Primary among the changes were the updates to rates of mortality, retirement, withdrawal and salary increases.

Effective with the June 30, 2018 valuation, the long-term assumed rate of return on assets (discount rate) was changed from 7.50% to 7.25%, and the assumed annual rate of inflation was changed from 2.75% to 2.50%.

**ATLANTA NEIGHBORHOOD CHARTER SCHOOL, INC.**  
**SELECTED NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2020**

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**5. RETIREMENT PLAN (Continued)**

**Method and Assumptions Used in Calculations of Actuarially Determined Contributions**

The actuarially determined contribution rates in the schedule of contributions are calculated as of June 30, three years prior to the end of the fiscal year in which contributions are reported.

The following actuarial methods and assumptions were used to determine the contractually required contributions for the year ended June 30, 2020 reported in that schedule:

Actuarial cost method	Entry age
Amortization method	Level percentage of payroll, closed
Remaining amortization period	28 years
Asset valuation method	Five-year smoothed market
Inflation rate	2.75%
Salary increases	3.25% to 9.00%, including inflation
Investment rate of return	7.50%, net of pension plan investment expense, including inflation
Postretirement benefit increases	1.50% semi-annually

# Coversheet

## Monthly Business & Operations Report

**Section:** III. Business & Operations  
**Item:** C. Monthly Business & Operations Report  
**Purpose:** Discuss  
**Submitted by:** Emily Ormsby  
**Related Material:** Nov 2020 BusOps Comm BOD Update.pdf

# Business Operations/Finance Committee Update



## Financial Performance

- Cash balance (period end 10/31/2020) = \$2.9M.
  - \$2M in Operating Account
  - \$870k in Investments (\$773k internally designated as restricted funds; \$98k in unrestricted funds)
- Payroll Protection Program (PPP) - \$1.9M funded in April 2020.
  - Utilized all funds as required and awaiting loan forgiveness.
- Revenue items of interest:
  - \$164k increase in APS allocation is expected to self-correct by fiscal year-end.
  - \$67k increase in Program Income due to receipt of CREATE grant.
  - \$63k reduction in Contributions & Fundraising Income due to major fundraising events not yet held.
  - \$73k reduction in Nutrition Income due to less demand resulting from remote learning. Waiting on DOE nutrition grant funds.
- Budget revision in process for December vote.
- Annual Audit filed with APS & GA DOE on November 2.

## Facilities and Grounds

- Automated secure entry at MC is complete.
- Return-to-school preparations
  - List of needs compiled
  - Working on pricing

November 2020

		Allocation based on FTE Count = 645											YTD	
		Jul-20	Aug-20	Sep-20	Oct-20	Nov-20	Dec-20	Jan-21	Feb-21	Mar-21	Apr-21	May-21	Jun-21	FY2021
<b>Revenue</b>														
	APS Allocation Payment	-	\$ 1,054,380	\$ 1,054,380	\$ 1,054,380	\$ 1,054,380	\$ 1,054,380	\$ 1,054,380	\$ 1,054,380	\$ 1,054,380	\$ 1,054,380	\$ 1,054,380	-	\$10,543,802
	Other State and Local Funding	-	-	-	-	\$ 50,000	-	-	-	-	-	-	-	\$50,000
	Grants	-	-	-	-	-	-	-	-	-	-	-	-	\$0
	Title 2 Reimbursement	-	-	1,000	-	-	-	-	-	-	-	-	-	\$1,000
	Contributions & Fundraising	19,417	19,417	19,417	19,417	19,417	19,417	19,417	19,417	19,417	19,417	19,417	19,417	\$233,000
	Program Income	47,292	47,292	47,292	47,292	47,292	47,292	47,292	47,292	47,292	47,292	47,292	47,292	\$567,500
	Nutrition Program Income	-	26,682	26,682	26,682	26,682	26,682	26,682	26,682	26,682	26,682	26,682	26,682	\$293,500
	Other Income	-	427	427	427	427	427	427	427	427	427	427	427	\$4,700
	Interest & Dividend Income	450	450	450	450	450	450	450	450	450	450	450	450	\$5,400
	<b>Total Revenue</b>	<b>\$ 67,158</b>	<b>\$ 1,148,648</b>	<b>\$ 1,149,648</b>	<b>\$ 1,148,648</b>	<b>\$ 1,198,648</b>	<b>\$ 1,148,648</b>	<b>\$ 1,148,648</b>	<b>\$ 1,148,648</b>	<b>\$ 1,148,648</b>	<b>\$ 1,148,648</b>	<b>\$ 1,148,648</b>	<b>\$ 94,267</b>	<b>\$11,698,902</b>
<b>Expenditures</b>														
	Salaries and Benefits	\$ 812,928	\$ 812,928	\$ 812,928	\$ 812,928	\$ 812,928	\$ 812,928	\$ 812,928	\$ 812,928	\$ 812,928	\$ 812,928	\$ 812,928	\$ 812,928	\$9,755,136
	Professional Development	9,875	9,875	9,875	9,875	9,875	9,875	9,875	9,875	9,875	9,875	9,875	9,875	\$118,500
	Curriculum & Classroom Expenses	15,833	15,833	15,833	15,833	15,833	15,833	15,833	15,833	15,833	15,833	15,833	15,833	\$190,000
	Program Expenses	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	\$180,000
	Building & Grounds	49,844	49,844	49,844	49,844	49,844	49,844	49,844	49,844	49,844	49,844	49,844	49,844	\$598,133
	Fixed Assets Expenditures	19,000	19,000	19,000	19,000	19,000	19,000	19,000	19,000	19,000	19,000	19,000	19,000	\$228,000
	Professional Services	3,333	3,333	3,333	3,333	3,333	3,333	3,333	3,333	3,333	3,333	3,333	3,333	\$40,000
	Gen&Admin/Insurance/Interest	17,542	17,542	17,542	17,542	17,542	17,542	17,542	17,542	17,542	17,542	17,542	17,542	\$210,500
	Nutrition Program Expenses	15,833	15,833	15,833	15,833	15,833	15,833	15,833	15,833	15,833	15,833	15,833	15,833	\$190,000
	Equipment Rental (Copiers)	4,167	4,167	4,167	4,167	4,167	4,167	4,167	4,167	4,167	4,167	4,167	4,167	\$50,000
	Fundraising Expenses	4,283	4,283	4,283	4,283	4,283	4,283	4,283	4,283	4,283	4,283	4,283	4,283	\$51,400
	<b>Total Expenditures</b>	<b>\$ 967,639</b>	<b>\$ 967,639</b>	<b>\$ 967,639</b>	<b>\$ 967,639</b>	<b>\$ 967,639</b>	<b>\$ 967,639</b>	<b>\$ 967,639</b>	<b>\$ 967,639</b>	<b>\$ 967,639</b>	<b>\$ 967,639</b>	<b>\$ 967,639</b>	<b>\$ 967,639</b>	<b>\$11,611,669</b>
<b>Total Revenues - Total Expenditures</b>		<b>\$ (900,481)</b>	<b>\$ 181,009</b>	<b>\$ 182,009</b>	<b>\$ 181,009</b>	<b>\$ 231,009</b>	<b>\$ 181,009</b>	<b>\$ 181,009</b>	<b>\$ 181,009</b>	<b>\$ 181,009</b>	<b>\$ 181,009</b>	<b>\$ 181,009</b>	<b>\$ (873,372)</b>	<b>\$87,233</b>
<b>EOM Cash Balance</b>	See <b>NOTE</b> below	\$ 759,211	\$ 940,220	\$ 1,122,228	\$ 1,303,237	\$ 1,534,245	\$ 1,715,254	\$ 1,896,262	\$ 2,077,271	\$ 2,258,279	\$ 2,439,288	\$ 2,620,296	\$ 1,746,925	\$ 1,746,925
		Actual	Projected	Projected	Projected	Projected	Projected	Projected	Projected	Projected	Projected	Projected	Projected	

ATLANTA NEIGHBORHOOD CHARTER SCHOOL  
 FY 2021 - Monthly Cash Flow Statement  
 October 31, 2020

		Allocation based on FTE Count = 620											
		Jul-20	Aug-20	Sep-20	Oct-20	Nov-20	Dec-20	Jan-21	Feb-21	Mar-21	Apr-21	May-21	Jun-21
<b>Revenue</b>													
	APS Allocation Payment	-	1,105,749	1,105,749	1,116,101								
	Local/State Funding	-	-	-	-	-	-	-	-	-	-	-	-
	Grants	-	-	-	3,480	-	-	-	-	-	-	-	-
	Title 2 Reimbursement	-	-	-	-	-	-	-	-	-	-	-	-
	Contributions & Fundraising	7,323	2,259	2,264	2,980	-	-	-	-	-	-	-	-
	Program Income	11,615	38,029	202,869	3,800	-	-	-	-	-	-	-	-
	Nutrition Program Income	-	1,323	2,970	2,830	-	-	-	-	-	-	-	-
	Other Income	(158)	452	-	672	-	-	-	-	-	-	-	-
	Interest & Dividend Income	641	657	787	699								
	<b>Total Revenue</b>	<b>19,422</b>	<b>1,148,468</b>	<b>1,314,638</b>	<b>1,130,561</b>	-	-	-	-	-	-	-	-
<b>Expenditures</b>													
	Salaries and Benefits	797,152	774,011	798,670	702,899	-	-	-	-	-	-	-	-
	Professional Development	-	58	49,433	(768)	-	-	-	-	-	-	-	-
	Curriculum & Classroom Expenses	14,015	23,349	45,608	3,243	-	-	-	-	-	-	-	-
	Program Expenses	615	-	382	517	-	-	-	-	-	-	-	-
	Building & Grounds	37,490	30,730	67,115	101,872	-	-	-	-	-	-	-	-
	Fixed Assets Expenditures	-	-	4,733	2,674	-	-	-	-	-	-	-	-
	Professional Services	-	2,500	14,990	17,353	-	-	-	-	-	-	-	-
	Gen&Admin/Insurance/Interest	11,589	29,733	67,756	28,298	-	-	-	-	-	-	-	-
	Nutrition Program Expenses	76	9,717	10,486	9,636	-	-	-	-	-	-	-	-
	Equipment Rental (Copiers)	4,463	4,218	2,606	1,029	-	-	-	-	-	-	-	-
	Fundraising Expenses	-	-	496	-	-	-	-	-	-	-	-	-
	<b>Total Expenditures</b>	<b>865,401</b>	<b>874,315</b>	<b>1,062,276</b>	<b>866,751</b>	-	-	-	-	-	-	-	-
	<b>Total Revenues - Total Expenditures</b>	<b>(845,979)</b>	<b>274,153</b>	<b>252,362</b>	<b>263,811</b>	-	-	-	-	-	-	-	-
<b>EOM Cash Balance</b>	See <b>NOTE</b> below	1,464,892	1,818,325	1,927,779	2,055,167	2,286,176	2,467,184	2,648,193	2,829,202	3,010,210	3,191,219	3,372,227	2,498,855
		Actual	Actual	Actual	Actual	Projected	Projected	Projected	Projected	Projected	Projected	Projected	Projected

*Note* : Adjusted to reflect only Atlantic Capital Bank operating accounts. Not including \$867k of investments

**ATLANTA NEIGHBORHOOD CHARTER SCHOOL**

**Budget to Actual FY2020**

YTD October 31, 2020

Period Ended 10/31/2020

	YTD FY2021	YTD	YTD	YTD	FY2020	% of Annual	Variance
	Actual	Budget	\$Variance	% Variance			
<b>Income</b>							
APS Allocation Payment	\$ 3,327,598	\$ 3,163,141	\$ 164,457	5%	10,543,802	32%	A
Local/State Funding	-	-	0	100%	50,000	0%	
Grants	3,480	-	3,480	-100%	-	#DIV/0!	
Title 2 Funding	-	1,000	0	100%	1,000	0%	
Contributions & Fundraising	14,826	77,667	(62,841)	-81%	233,000	6%	
Program Income	256,313	189,167	67,146	35%	567,500	45%	
Nutrition Income	7,122	80,045	(72,923)	-91%	293,500	2%	
Other Income	967	1,282	(315)	-25%	4,700	21%	
Interest & Dividend Income	2,783	1,800	983	55%	5,400	52%	
<b>Total Income</b>	<b>\$ 3,610,306</b>	<b>\$ 3,512,301</b>	<b>\$ 98,004</b>	<b>3%</b>	<b>\$ 11,698,902</b>	<b>31%</b>	

**Expenditures**

Salaries and Benefits	\$3,122,134	\$ 3,251,712	\$ 129,578	4%	\$ 9,755,136	32%	B
Professional Development	(\$680)	39,500	40,180	102%	118,500	-1%	
Curriculum & Classroom Expenses	86,216	63,333	(22,882)	-36%	190,000	45%	
Program Expenses	1,514	60,000	58,486	97%	180,000	1%	
Building & Grounds	237,207	199,378	(37,829)	-19%	598,133	40%	
Fixed Asset Expenditures	7,407	76,000	68,593	90%	228,000	3%	
Professional Services	34,843	13,333	(21,509)	-161%	40,000	87%	
Gen&Admin/Insurance/Interest Expense	137,375	70,167	(67,208)	-96%	210,500	65%	
Nutrition Program Purchases	29,915	63,333	33,419	53%	190,000	16%	
Equipment Rental (Copiers)	12,316	16,667	4,351	26%	50,000	25%	
Fundraising Expenses	496	17,133	16,637	97%	51,400	1%	
<b>Total Expenditures</b>	<b>\$ 3,668,742</b>	<b>\$ 3,870,556</b>	<b>\$ (201,814)</b>	<b>-5%</b>	<b>\$ 11,611,669</b>	<b>32%</b>	
Operating Income/(Loss)	\$ (58,437)	\$ (358,255)	\$ 299,819	-84%	\$ 87,233	-67%	

**EXPLANATIONS OF BUDGET TO ACTUAL VARIANCES**

**A** - Difference of \$164K and 5% in APS Allocation Payment Income as compared to YTD budget is the result of receiving additional \$51K each month for the initial three (3) operating month of the school year. Management deemed total income received as reasonable YTD based upon annual budget considering the difference may be based upon confirmed student enrollment, as compared to budget forecast.

**B** - Difference of \$129K and 4% in Salaries & Benefits expense as compared to YTD budget is due to a reduction in After School instruction provided by teachers and changes in administrative personnel during the summer, including the re-organization of the



**Total investments held by ANCS****10/31/20**

Institution	Investment	Amount
Atlantic Capital Bank	Operating accounts	\$ 3,905,167
PPP Loan funds	Current Liabilities	<u>(1,850,000)</u>
		<b>\$ 2,055,167</b>
Edward Jones - BMO Harris Bank	CD	\$ 200,000 matures 5/2020
Edward Jones - Morgan Stanley Bank	CD	128,000 matures 1/31/2022
Edward Jones - Money Market	Money Market	227,726
Self-Help Credit Union	CD	239,600 matures 10/2021
Self-Help Credit Union	Money Market	75,524
Total invested funds (not at ACB)		<b>\$ 870,850</b>
Total restricted funds - reserves		<u>(772,820)</u>
Total unrestricted investments		<b>\$ 98,030</b>
Grand total ANCS funds		<b>\$ 2,926,017</b>

**NOTE:** Amounts reflect October 2020 figures provided to the Board.

## Atlanta Neighborhood Charter School, Inc

## STATEMENT OF FINANCIAL POSITION COMPARISON

As of October 31, 2020

	TOTAL
<b>ASSETS</b>	
Current Assets	
Bank Accounts	
1005 Bank of North Georgia #8354 Operating	0.00
1010 Bank of North Georgia #6575 Nutrition	0.00
1015 Bank of North Georgia #8903 Student Gov	0.00
1020 Bank of North Georgia #6583 PTCA	0.00
1025 Bank of North Georgia Aftercare EC	0.00
1026 Bank of North Georgia #5356 MC Aftercare	0.00
1030 PayPal	4,719.00
1045 Bank of North Georgia #0051 Reserves Account	0.00
1050 Bank of North Georgia Money Market #9008	0.00
1100 Atlantic Capital Bank Operating	1,921,182.80
1111 Atlantic Capital Bank Nutrition	54,356.60
1112 Atlantic Capital Bank PTCA	63,160.65
1113 Atlantic Capital Bank MC Aftercare	1,852,008.36
1114 Atlantic Capital Bank Aftercare EC	14,458.94
<b>Total Bank Accounts</b>	<b>\$3,909,886.35</b>
Accounts Receivable	
1120 Grants Receivable	100,000.00
1121 CREATE Grants Receivable	-4,226.01
1130 Grant Receivable - Title 1	0.00
1132 Grants Receivable-Facilities Grant	42,221.60
1133 Zeist Receivable Balance	0.00
1134 Grants Receivable - Dobbs	0.00
<b>Total Accounts Receivable</b>	<b>\$137,995.59</b>
Other Current Assets	
1054 Edward Jones Ally bank CD 2	0.00
1055 SunTrust Bank CD	0.00
1056 Self-Help Credit Union CD	239,600.33
1057 Edward Jones Money Market	-6,180.14
1058 Edward Jones Ally Bank CD	0.00
1059 Edward Jones Morgan Stanley Bank CD	128,000.00
1060 Self Help Money Market CARA 80	75,524.16
1061 Edward Jones State Bank of India CD	227,725.60
1062 Edward Jones BMO Harris Bank	200,000.00
1400 Prepaid Expenses	15,513.40
1900 Uncategorized Asset	-563.42
<b>Total Other Current Assets</b>	<b>\$879,619.93</b>
<b>Total Current Assets</b>	<b>\$4,927,501.87</b>

## Atlanta Neighborhood Charter School, Inc

## STATEMENT OF FINANCIAL POSITION COMPARISON

As of October 31, 2020

	TOTAL
Fixed Assets	
1550 2015 EC Carpet	46,922.77
1580 Janitorial Equipment	3,471.00
1610 Building	1,136,944.00
1611 Accumulated Depreciation Buildings	-329,241.60
1612 Building Closing Cost	36,289.00
1613 Accumulated Amortization Closing Costs	-36,289.00
1614 FY2018 MC Improvements	14,035.30
1614.50 Firedoors MC	42,540.99
1615 Grounds Improvements	100,349.46
1616 2017 MC Improvements	60,008.08
1618 2014 MC Improvements	118,199.00
1619 2015 MC Improvements	26,993.20
1620 Leasehold Improvements	1,068,957.20
1612.1 Loan Closing Costs - Refinance 2014	14,889.00
1612.2 Accumulated Amortization	-10,634.96
<b>Total 1620 Leasehold Improvements</b>	<b>1,073,211.24</b>
1621 Accumulated Depreciation Leasehold Improvements	-1,020,880.18
1622 ANCS Vehicles	6,810.00
1625 Library Books	200,486.24
1626 Accumulated Depreciation Library Books	-142,011.90
1630 Furniture and Fixtures	344,318.34
1631 Accumulated Depreciation Furniture & Fixtures	-260,285.76
1633 Equipment - HVAC	193,993.21
1634 Kitchen Equipment	31,614.26
1640 Equipment	207,453.61
1641 Accumulated Depreciation Equipment	-188,720.39
1650 Computer Equipment	497,663.51
1651 Accumulated Depreciation Equipment 2	-378,554.00
1660 Software	72,613.36
1670 EC Intercom System	30,000.00
1675 MC Intercom System	30,000.00
1700 Grants to Green	488,719.69
1705 Grants to Green EC FY17	290,511.91
1800 MC Grounds / Farm Improvements	56,890.54
2018 EC 2nd Mobile Unit	52,840.83
<b>Total Fixed Assets</b>	<b>\$2,806,896.71</b>
Other Assets	
1617 2016 MC Improvements	223,205.31
<b>Total Other Assets</b>	<b>\$223,205.31</b>
<b>TOTAL ASSETS</b>	<b>\$7,957,603.89</b>

## Atlanta Neighborhood Charter School, Inc

## STATEMENT OF FINANCIAL POSITION COMPARISON

As of October 31, 2020

	TOTAL
<b>LIABILITIES AND EQUITY</b>	
Liabilities	
Current Liabilities	
Accounts Payable	
2000 Accounts Payable (A/P)	94,831.68
<b>Total Accounts Payable</b>	<b>\$94,831.68</b>
Other Current Liabilities	
2100 Other Current Liabilities	0.00
2101 Accrued Payroll	1,157,394.92
2105 FIT W/H Payable	122,184.71
2110 FICA Payable	183,523.96
2115 Medicare Payable	45,807.04
2120 State W/H Payable	63,673.44
2130 TRS of GA Payable	461,388.27
2210 403(b) EE Contributions Payable VALIC	25,137.00
2212 403(b) EE Contributions ValuTeachers	23,589.75
2215 Supplemental Ins EE Contributions Payable	0.00
2220 TRS of GA EE Contributions Payable	196,190.54
2225 Health Ins EE Deductions Payable	-113,236.24
2245 MFS & DCC Payable	-41.70
2250 PPP Loan Payable	1,850,000.00
2300 Copier Lease Payments	-28,061.00
2550 ST Capital Leases	0.05
2601 Mortgage Payable (Current Portion)	6,397.66
<b>Total Other Current Liabilities</b>	<b>\$3,993,948.40</b>
<b>Total Current Liabilities</b>	<b>\$4,088,780.08</b>
Long-Term Liabilities	
2600 Mortgage Payable (Net of Current Portion)	927,797.20
26002 Self Help Loan B	-7,806.00
<b>Total Long-Term Liabilities</b>	<b>\$919,991.20</b>
<b>Total Liabilities</b>	<b>\$5,008,771.28</b>
Equity	
3000 Opening Balance Equity	2,179,803.51
Retained Earnings	938,344.04
Net Revenue	-169,314.94
<b>Total Equity</b>	<b>\$2,948,832.61</b>
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>\$7,957,603.89</b>

## Atlanta Neighborhood Charter School, Inc

## STATEMENT OF ACTIVITY

October 2020

	TOTAL
Revenue	
4005 APS Allocation Payment	1,116,100.56
4012 DOE Nutrition Grant	3,479.94
4105 Annual Campaign Contributions	2,980.07
4205 Program Income	3,799.67
4225 Nutrition Program Income	2,829.50
4275 Other Income	672.26
4405 Interest and Dividend Income	699.24
<b>Total Revenue</b>	<b>\$1,130,561.24</b>
GROSS PROFIT	<b>\$1,130,561.24</b>
Expenditures	
6000 Salaries	538,491.39
6010 Contract Worker	2,975.00
6015 Stipends	11,193.36
6050 Payroll taxes	42,630.10
6055 Workman's Compensation Insurance	5,834.62
6060 Teachers Retirement System	120,696.96
6065 Health Insurance Premium	-24,083.26
<b>Total 6000 Salaries</b>	<b>697,738.17</b>
6000.1 Aftercare Salaries	5,160.50
6100 Professional Development	
6105 Prof. Dev - Conference, Workshops, Meetings	-768.00
<b>Total 6100 Professional Development</b>	<b>-768.00</b>
6200 Curriculum & Classroom Expenses	
6205 Classroom Supplies	1,948.37
6206 Curriculum Materials	1,294.60
<b>Total 6200 Curriculum &amp; Classroom Expenses</b>	<b>3,242.97</b>
6290 Program Expenses	509.75
6250 Field Trips	7.00
<b>Total 6290 Program Expenses</b>	<b>516.75</b>
6300 Building & Grounds	
6307 Mortgage Interest	7,806.00
6335 Pest Control	1,629.00
6343 Janitorial Supplies	105.74
6344 Janitorial Fees	47,711.50
6346 Grounds Maintenance	890.00
<b>Total 6300 Building &amp; Grounds</b>	<b>58,142.24</b>
6310 Utilities	
6312 Internet	870.58
6315 Electricity	4,540.70

## Atlanta Neighborhood Charter School, Inc

## STATEMENT OF ACTIVITY

October 2020

	TOTAL
6320 Natural Gas	550.63
6325 Water/Sewer	312.29
6330 Sanitation	1,107.94
6342 Alarm Servicing	9,744.37
6380 Telephone	17.11
6381 Telephone equipment/install	798.88
<b>Total 6310 Utilities</b>	<b>17,942.50</b>
6350 Repair & Maintenance	2,050.00
6345 Maintenance Contracts	219.56
6354 Repair & Maintenance - Plumbing	967.84
6359 Repair & Maintenance - Supplies	1,880.41
6360 Repair & Maintenance - Equipment	25.00
6361 Repair & Maintenance - Floors	20,644.20
<b>Total 6350 Repair &amp; Maintenance</b>	<b>25,787.01</b>
6400 Professional Fees	
6405 Accounting Fees	17,352.50
<b>Total 6400 Professional Fees</b>	<b>17,352.50</b>
6430 General & Administrative Expenses	
6382 Cell Phone	492.84
6420 Insurance	11,200.44
6505 Office Supplies - Admin offices	4,525.19
6506 Break Room Supplies	336.76
6545 Technology Supplies	6,779.94
6555 Medical Supplies	1,527.22
6605 Postage & Shipping	197.12
6810 Subscriptions	396.59
7015 Bank Charges	10.00
7030 Payroll Processing	2,738.44
7046 Hospitality	93.14
<b>Total 6430 General &amp; Administrative Expenses</b>	<b>28,297.68</b>
6560 Nutrition Program	
6564 Food Purchases	7,887.35
6565 Milk Purchases	1,085.24
6566 Kitchen Supplies	662.98
<b>Total 6560 Nutrition Program</b>	<b>9,635.57</b>
6715 Equipment Rental	
6716 Equipment Rental - Copiers	
6717 Copier Supplies & Repairs	1,028.57
<b>Total 6716 Equipment Rental - Copiers</b>	<b>1,028.57</b>
<b>Total 6715 Equipment Rental</b>	<b>1,028.57</b>

## Atlanta Neighborhood Charter School, Inc

## STATEMENT OF ACTIVITY

October 2020

	TOTAL
6755 Non-capitalized Equipment	2,674.12
<b>Total Expenditures</b>	<b>\$866,750.58</b>
NET OPERATING REVENUE	<b>\$263,810.66</b>
Other Expenditures	
7700 CREATE Expense	
7710 CREATE Modular Building	550.00
7740 CREATE Office Supplies & General Expenses	3,772.09
7745 CREATE Hospitality	105.10
7755 I3 CREATE Prof Dev	5,572.03
7760 CREATE Funded salaries	32,461.91
<b>Total 7700 CREATE Expense</b>	<b>42,461.13</b>
<b>Total Other Expenditures</b>	<b>\$42,461.13</b>
NET OTHER REVENUE	<b>\$ -42,461.13</b>
NET REVENUE	<b>\$221,349.53</b>

## Atlanta Neighborhood Charter School, Inc

## STATEMENT OF ACTIVITY

July - October, 2020

	TOTAL
Revenue	
4005 APS Allocation Payment	3,327,598.06
4012 DOE Nutrition Grant	3,479.94
4105 Annual Campaign Contributions	14,826.06
4205 Program Income	256,312.73
4210 Field Trip Income	-725.00
4225 Nutrition Program Income	7,122.10
4275 Other Income	1,412.59
4405 Interest and Dividend Income	2,783.45
Sales	279.20
<b>Total Revenue</b>	<b>\$3,613,089.13</b>
<b>GROSS PROFIT</b>	<b>\$3,613,089.13</b>
Expenditures	
6000 Salaries	2,110,564.46
6010 Contract Worker	17,487.00
6015 Stipends	257,602.15
6018 Wellness Reimb	92.00
6020 Garnishments	0.08
6050 Payroll taxes	129,520.11
6055 Workman's Compensation Insurance	6,059.04
6060 Teachers Retirement System	471,817.26
6065 Health Insurance Premium	107,150.12
<b>Total 6000 Salaries</b>	<b>3,100,292.22</b>
6000.1 Aftercare Salaries	21,842.60
6100 Professional Development	
6105 Prof. Dev - Conference, Workshops, Meetings	-768.00
6111 Professional Membership Dues	57.50
6125 Prof. Development - Training Expense	30.00
<b>Total 6100 Professional Development</b>	<b>-680.50</b>
6200 Curriculum & Classroom Expenses	
6205 Classroom Supplies	39,715.53
6206 Curriculum Materials	46,499.97
<b>Total 6200 Curriculum &amp; Classroom Expenses</b>	<b>86,215.50</b>
6290 Program Expenses	509.75
6250 Field Trips	7.00
6710 Bus Rental	615.00
<b>Total 6250 Field Trips</b>	<b>622.00</b>
6950 Athletics Program Expenses	382.45
<b>Total 6290 Program Expenses</b>	<b>1,514.20</b>



## Atlanta Neighborhood Charter School, Inc

## STATEMENT OF ACTIVITY

July - October, 2020

	TOTAL
6300 Building & Grounds	
6306 Rent - Mobile Unit	5,280.00
6307 Mortgage Interest	23,418.00
6335 Pest Control	2,443.50
6343 Janitorial Supplies	221.74
6344 Janitorial Fees	96,661.50
6346 Grounds Maintenance	3,630.00
<b>Total 6300 Building &amp; Grounds</b>	<b>131,654.74</b>
6310 Utilities	
6312 Internet	3,474.89
6315 Electricity	16,681.59
6320 Natural Gas	757.57
6325 Water/Sewer	835.28
6330 Sanitation	4,472.25
6342 Alarm Servicing	12,925.41
6380 Telephone	68.07
6381 Telephone equipment/install	798.88
<b>Total 6310 Utilities</b>	<b>40,013.94</b>
6350 Repair & Maintenance	2,050.00
6345 Maintenance Contracts	993.39
6352 Repairs & Maintenance - Elevator	852.24
6353 Repair & Maintenance - HVAC	7,766.45
6354 Repair & Maintenance - Plumbing	3,431.09
6355 Repair & Maintenance - Electrical	468.50
6358 Repair & Maintenance - Painting	26,300.00
6359 Repair & Maintenance - Supplies	3,452.14
6360 Repair & Maintenance - Equipment	899.97
6361 Repair & Maintenance - Floors	20,644.20
<b>Total 6350 Repair &amp; Maintenance</b>	<b>66,857.98</b>
6400 Professional Fees	
6405 Accounting Fees	34,842.50
<b>Total 6400 Professional Fees</b>	<b>34,842.50</b>
6430 General & Administrative Expenses	
6382 Cell Phone	10,103.53
6420 Insurance	46,388.24
6422 Insurance - D & O	6,377.00
6423 Insurance - Umbrella	1,956.00
<b>Total 6420 Insurance</b>	<b>54,721.24</b>
6440 Advertising	329.17
6450 Background Check/Recruiting Expense	249.00
6505 Office Supplies - Admin offices	7,421.75

## Atlanta Neighborhood Charter School, Inc

## STATEMENT OF ACTIVITY

July - October, 2020

	TOTAL
6506 Break Room Supplies	572.64
6545 Technology Supplies	17,630.14
6555 Medical Supplies	1,527.22
6605 Postage & Shipping	698.81
6810 Subscriptions	31,617.28
7015 Bank Charges	20.00
7016 Credit Card Fees	20.00
7030 Payroll Processing	10,762.24
7045 Staff Appreciation	149.01
7046 Hospitality	586.68
<b>Total 6430 General &amp; Administrative Expenses</b>	<b>136,408.71</b>
6560 Nutrition Program	
6564 Food Purchases	22,970.40
6565 Milk Purchases	2,585.10
6566 Kitchen Supplies	4,359.16
<b>Total 6560 Nutrition Program</b>	<b>29,914.66</b>
6612 Fundraising Expense	
6805 Stationery & Printing	496.27
<b>Total 6612 Fundraising Expense</b>	<b>496.27</b>
6715 Equipment Rental	
6716 Equipment Rental - Copiers	10,510.85
6717 Copier Supplies & Repairs	1,805.30
<b>Total 6716 Equipment Rental - Copiers</b>	<b>12,316.15</b>
<b>Total 6715 Equipment Rental</b>	<b>12,316.15</b>
6750 Non-capitalized Furnishings	4,733.12
6755 Non-capitalized Equipment	2,674.12
<b>Total Expenditures</b>	<b>\$3,669,096.21</b>
NET OPERATING REVENUE	<b>\$ -56,007.08</b>
Other Revenue	
7650 CREATE Grant Funding	
7651 CREATE Matching Grants	149,910.50
<b>Total 7650 CREATE Grant Funding</b>	<b>149,910.50</b>
<b>Total Other Revenue</b>	<b>\$149,910.50</b>
Other Expenditures	
7700 CREATE Expense	
7710 CREATE Modular Building	2,750.00
7740 CREATE Office Supplies & General Expenses	9,245.09
7745 CREATE Hospitality	10,283.30
7755 I3 CREATE Prof Dev	37,414.65
7760 CREATE Funded salaries	150,070.82

# Atlanta Neighborhood Charter School, Inc

## STATEMENT OF ACTIVITY

July - October, 2020

	TOTAL
7765 CREATE Funded Stipends	53,454.50
<b>Total 7700 CREATE Expense</b>	<b>263,218.36</b>
<b>Total Other Expenditures</b>	<b>\$263,218.36</b>
NET OTHER REVENUE	\$ -113,307.86
NET REVENUE	\$ -169,314.94

# Coversheet

## Monthly Governance Report

**Section:** IV. Governance  
**Item:** A. Monthly Governance Report  
**Purpose:** FYI  
**Submitted by:**  
**Related Material:** November\_Board\_Governance\_Report.pdf



## **ATLANTA NEIGHBORHOOD CHARTER SCHOOL BOARD GOVERNANCE COMMITTEE REPORT**

**November 16, 2020**

### **• Policy Review**

- Business Operations/Finance policies are ready for a vote by the whole board.
- We are working with Educational Excellence on revising the Student Attendance policy to clarify the manner in which attendance is measured in a remote/hybrid learning environment.
- Review of other policies is complete. The process of creating red-lines reflecting suggested changes is ongoing.

### **• Executive Director Evaluation**

- We are planning to send out our Executive Director mid-year evaluation on December 11, 2020.
- We will again use the Survey Monkey platform. We are working on creating the prompts/questions for the evaluation.
- Members of the Leadership Team and Board Members will be asked to respond.

### **• Nominations**

- We are progressing with the nominations process.
- Kristi Malloy was appointed as chair of the nominations task force at our last Board Meeting.
- A slate of task force members has been recruited. We are ready for a vote on that slate today.

# Coversheet

## Vote on Policy Revisions

**Section:** IV. Governance  
**Item:** C. Vote on Policy Revisions  
**Purpose:** Vote  
**Submitted by:** Lee Kynes  
**Related Material:** Nov\_Bus Ops Finance Policies Redline (2).pdf

**BACKGROUND:**

The attached revisions have been approved by the Business Operations/Finance Committee and the Governance Committee.

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# Accounting System

## Purpose

This policy controls the overall structure of the accounting system in use by ANCS.

## Duration

This policy is permanent.

## Policy

### SECTION 1. Fiscal Year

ANCS adopts a fiscal year that begins on July 1 and ends June 30 of the following year.

### SECTION 2. Financial Accounting

ANCS fully complies with generally accepted accounting principles (GAAP) and any other applicable state and federal standards for financial management systems.

### SECTION 3. Accounting Records

The school shall maintain records that adequately identify the source and application of funds. These records must contain information pertaining to grant or subgrant awards and authorizations, obligations, unobligated balances, assets, liabilities, outlays or expenditures, and income.

### SECTION 4. Internal Controls

The school shall maintain effective control and accountability of all state and local funds, federal grant and subgrant cash, real and personal property, and other assets obtained with local, state, or federal funds. The school shall adequately safeguard all such property and ensure that it is used solely for authorized purposes.

### SECTION 5. Source Documentation

Accounting records must be supported by such source documentation as canceled checks, paid bills, payrolls, time and attendance records, contract and subgrant award documents, etc.

### SECTION 6. Budget Control

The school shall compare actual expenditures or outlays of state or federal funds with budget amounts for each fund, grant, or subgrant. Financial information must be related to performance or productivity data, including the development of unit cost information whenever appropriate or specifically required in the grant or subgrant agreement. Applicable federal cost principles, agency program regulations, and the terms of grant

and subgrant agreements will be followed in determining the reasonableness, allowability, and allocability of costs.

### **SECTION 7. Account Code Structure**

All charter schools must use the account code structure as described in the Georgia Department of Education's Chart of Accounts.

### **SECTION 8. Accounting Software and Systems**

The ~~Director of Finance and Operations~~Chief Financial Officer will seek the approval of the Executive Director and the ~~Finance Chair~~Business Operations/Finance Chair before changing software systems used in accounting. This does not apply to regular updates and upgrades of the system in current use.

## **Approval**

**Policy approval date:**  
06/16/15

**Policy effective date:**  
07/01/15

**Policy review date:**  
08/17



# Annual Operating Budget

## Purpose

This policy outlines budget development, reporting, and stakeholder approval of the budget.

## Duration

This policy is permanent.

## Policy

The Governing Board of ANCS adopts the following policy, which shall be effective on the date that the policy is adopted by the Board.

### SECTION 1. Budget Development

The ~~Director of Finance and Operations~~Chief Financial Officer shall ensure that ANCS complies with all state and federal laws and rules concerning the budget and related processes of the school.

### SECTION 2. Budget Process

- a. The Executive Director will ensure that ANCS follows a budgeting process that is consistent with the requirements of federal and Georgia statutes, State Board of Education Rules and Regulations, and any other applicable laws or rules.
- b. The ~~Director of Finance and Operations~~Chief Financial Officer is responsible for the preparation of the annual budget.
- c. **Needs Assessment.** Each spring, before the annual operating budget is drafted, the ~~Director of Finance and Operations~~Chief Financial Officer shall ensure that a needs assessment is drafted and finalized by ~~the Budget Finance Committee~~Business Operations/Finance Committee consisting of the school's Executive Director, the ~~Business Operations/Finance~~Business Operations/Finance Committee Chair, and other individuals as designated by the Board. The needs assessment shall inform the drafting of the annual budget.
  - i. Request that budget holders within the school send in any updated information to the ~~Finance Budget Finance Committee~~Business Operations/Finance Committee. Example: Curriculum materials are projected to go from \$30,000 to \$40,000.
  - ii. Stakeholders (i.e., PTCA, Aftercare Program, etc.) and the Leadership Team send in expected requests via a document supplied by the ~~Director of Finance and Operations~~Chief Financial Officer that addresses their particular budget area.
  - iii. The ~~Finance Committee~~Business Operations/Finance Committee will start

## Policy and Procedures Guide

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setting standing meetings in March where, in addition to regular ~~Finance Committee~~Business Operations/Finance Committee meetings, it reviews all budget requests as well as projections and information provided by APS. The

Leadership Team, as well as other stakeholders (~~PTCA, Aftercare, etc.~~) with budget input, is invited.

- iv. The ~~Finance Budget~~Finance Committee~~Business Operations/Finance Committee~~ drafts a balanced budget that follows the fiscal year.
  - v. At least ~~one~~two open community meetings on the annual operating budget will be held prior to the Board's adoption of the budget for the purpose of providing an opportunity for public input. These two meetings shall not occur within the same week. The public meetings shall be advertised in a local newspaper of general circulation.
  - v.vi. A summary of the annual operating budget proposed by the Board shall be posted on a publicly available area of the Board's website.
- d. **Adoption.** The ~~Director of Finance and Operations~~Chief Financial Officer and the ~~Finance Chair~~Business Operations/Finance Chair present the draft budget to the Governing Board at the ~~May~~March Board meeting, or as soon as practicable. The Board shall formally adopt the budget in an open meeting held in accordance with the Board's bylaws before the fiscal year begins (prior to July 1) and before the expenditure of any funds. A summary of the annual operating budget adopted by the Board shall be posted on a publicly available area of the Board's website. The summary shall be maintained on such publicly available area of the website until the annual operating budget for the next fiscal year is adopted by the governing body. Upon request, the Board shall provide to any person an electronic copy of the line item detailed adopted annual operating budget in a format suitable for analysis at no cost within three business days of such request. The summary of the budget posted on the Board's website shall give notice of such right
- e. **Minutes.** The Governing Board Secretary will record the adoption of the budget and any amendments in the Board meeting minutes in which the adoption occurs.

### SECTION 3. Budget Reporting

At each meeting of the Governing Board, the ~~Finance Chair~~Business Operations/Finance Chair presents a report comparing budget to actual.

### SECTION 4. Post-Adoption Budget Amendment

After the adoption of the budget, the Executive Director and the Board shall review actual fund disbursements compared to the adopted budget and direct the ~~Director of Finance and Operations~~Chief Financial Officer and the ~~Finance Chair~~Business Operations/Finance Chair to make amendments as needed. ~~This~~Amendments shall occur as soon as funding changes are communicated to the appropriate parties (Board, Executive Director, Director of Finance and Operations/Chief Financial Officer, etc...)~~soon after actual student enrollment is determined~~. The budget may also be amended if any changes in income have occurred, such as grants. The ~~Finance Committee~~Business Operations/Finance Committee is responsible for drafting a proposed amended budget, which must then be presented to the Board and officially adopted.

## Policy and Procedures Guide

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### Approval

**Policy approval date:**

06/16/15

**Policy effective date:**

07/01/15

**Policy review date:**

08/17

# Audit and Annual Report

## Purpose

This policy outlines steps taken to create the annual report and oversee the outside audit process.

## Duration

This policy is permanent.

## Policy

### SECTION 1. Annual Audit

- a. Annually, the Governing Board shall ensure the engagement of a certified public accountant (CPA) to audit the financial and programmatic operations of ANCS. The Board shall select and contract only with Georgia-licensed CPAs. The Board shall ensure that the school provides timely assistance to the auditors in order to provide them with the necessary information for the audit.
- b. Once the Governing Board receives the final report, it must vote to accept the contents of the audit at either its next regularly called meeting or at a special meeting called in accordance with the Board's bylaws.
- c. The ~~Director of Finance and Operations~~Chief Financial Officer shall ensure that a copy of the annual audit report including all information required by O.C.G.A. § 20-2-2067.1 is filed with Atlanta Public Schools and the Georgia Department of Education no later than November 1 of each year. ~~is filed in a timely manner with Atlanta Public Schools.~~ The audit report should include a certificate signed by the Chair of the Board indicating that the Board voted to accept the contents of the audit. If the Board did not accept the contents of the audit report, that should be noted with the submission.

### SECTION 2. Annual Financial Statement

- a. The ~~Director of Finance and Operations~~Chief Financial Officer shall prepare, or cause to be prepared, an annual financial statement subject to the authority of the Board during the fiscal year showing all of the following:
  - i. The total receipts of all funds, itemized by source of revenue, including taxes, assessments, service charges, grants of state money, gifts, or other general sources from which funds are derived
  - ii. The total disbursements of funds, itemized by the nature of the expenditure
  - iii. The balance at the close of the fiscal year
- b. The ~~Director of Finance and Operations~~Chief Financial Officer shall ensure

## Policy and Procedures Guide

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that the annual financial statement is submitted to all authorizers concurrent with the submission of the annual audit.

## Policy and Procedures Guide

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### Approval

**Policy approval date:**

06/16/15

**Policy effective date:**

07/01/15

**Policy review date:**

08/17

# Bank Accounts and Check Procedures

## Purpose

This policy governs the type of bank accounts used and the rules around check management and check signing.

## Duration

This policy is permanent.

## Policy

### SECTION 1. Bank Accounts

- a. The ~~Director of Finance and Operations~~Chief Financial Officer has the authority to open a business checking account and a business operating account on behalf of ANCS to be used to hold the school's assets.
- b. The ~~Director of Finance and Operations~~Chief Financial Officer has the authority to enter into an agreement with a bank or other federally insured financial institution once the Board has adopted a formal resolution at a Board meeting held in accordance with its bylaws designating the bank for the school to use for its financial transactions. Once the resolution has been adopted, the ~~Director of Finance and Operations~~Chief Financial Officer has the authority to enter into an agreement with the selected financial institution. This agreement should be signed by the Executive Director and the Chair of the ~~Governing Board~~Finance Committee~~Business Operations/Finance Committee~~.

### SECTION 2. Checks

- a. **Drafting Checks.** Any authorized check drafted on the school's designated bank account shall follow these guidelines:
  - i. Checks of less than \$10,000 require a single signature of an approved check signer per the adopted Annual Financial Resolution. Principal, the Executive Director, or the Nutrition Director, or the designated member of the Governing Board.
  - ii. Checks in excess of \$10,000 require the two signatures of the Executive Director of approved check signers per the adopted Annual Financial Resolution.
  - iii. ~~Checks~~Expenditures in excess of \$25,000 require approval by the Governing Finance Committee~~Business Operations/Finance Committee Board.~~  
The Finance Committee~~Business Operations/Finance Committee~~ may determine that any expenditure, whether or not in excess of \$25,000, requires approval by the Board.
  - iv. No checks shall be signed prior to the check being completed in its



## Policy and Procedures Guide

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entirety— no signing of blank checks.

- b. **Checks Received.** Checks received shall be endorsed “for deposit only,” and deposits should be made weekly by someone other than the person who prepared the deposit. See ~~See~~ "Cash and Income Management" ~~on page 71~~.
- c. **Check Requests.** Services or products rendered, reimbursement requests with original receipts, or mileage reimbursements may receive payment with a check. For more information, see ~~See~~ "Reimbursement and Disbursement" ~~on page 101~~.

- i. All check requests shall be submitted to the ~~Director of Finance and Operations~~Chief Financial Officer for processing.
  - ii. All check request forms shall be maintained by the ~~Director of Finance and Operations~~Chief Financial Officer.
- d. **Vendor Check Requests.** See ~~See~~ "Vendor Contracts and Purchasing Limits" ~~on page 117~~.
- e. **Manual Checks.** The Nutrition Director will use manual checks for COD vendors.
- f. **Petty Cash.** See ~~See~~ "Cash and Income Management" ~~on page 71~~ for more information.
- g. **Refunds.** In situations where, for example, a student will be unable to attend a planned field trip for which the parents/guardians have pre-paid, and the teacher or program coordinator elects to refund the amount paid for the trip, they may do so by using a Purchase/Disbursement Request form.
  - ~~i. Complete the form by circling check request.~~
  - ~~ii. Indicate the name and address of the payee (parent/guardian).~~
  - ~~iii. Provide a full and complete description of the purpose for the payment.~~
  - ~~iv. Fill in the total amount of the check request, account/budget to be charged, person requesting payment, and date payment is needed.~~
  - ~~v. Indicate whether the check should be mailed or returned to a specific individual.~~
  - ~~vi. Attach supporting documents, which must include a copy of the original deposit form identifying their check information and when the original deposit was made, and a letter, if applicable, indicating the reason for the refund.~~
  - ~~vii. Submit the disbursement request form to the appropriate budget stakeholder (e.g., Content Coordinator, Principal, Executive Director) for approval and forward the approved form to the Business Office. Allow two weeks for check processing.~~
- h. Checks payable to cash for any reason are prohibited.

### SECTION 3. Mail Procedures

- a. The receptionist receives the mail, ~~opens it~~, and then delivers it to the Business Office.
- b. An accounting staff member should receive the checks ~~and daily collection report or receipt book~~ from the person opening the mail.

#### SECTION 4. Bank Reconciliation

- a. There will be segregation of duties between individuals responsible for cash receipts and cash disbursement and the individual(s) responsible for bank reconciliations.
- b. The ~~Director of Finance and Operations~~Chief Financial Officer or designee is responsible for bank reconciliations at a minimum of once monthly. Bank statements should be delivered to the ~~Director of Finance and Operations~~Chief Financial Officer unopened.
- c. Each bank statement, assets, and liabilities shall be reconciled to both the checkbook and the general ledger.

#### SECTION 5. Executive Director Bank Review

- a. The Executive Director will maintain a separate bank login and password for all bank accounts.
- b. The Executive Director will maintain a log book documenting the review of bank activity.
- c. This log book will become part of the record submitted for the annual audit.

#### SECTION 6. Credit/Debit Card Procedures

- a. It is the policy of ANCS that credit card use shall be limited and only the following employees or Board members are authorized to use credit cards:
  - i. Principals, Maintenance Supervisor, ~~Director of Finance and Operations~~Chief Financial Officer, Executive Director
  - ii. Credit cards shall be used for school business expenditures only.
  - iii. Credit cards may not be used for personal purchases and/or cash transactions and shall be maintained by the highest level of security.
  - iv. All credit card purchases must be approved by the Principal / Executive Director.
  - v. When returning the card, the Reimbursement / Check Request / Credit Card Transaction form must also be submitted with "Credit Card Transaction" circled or highlighted.
  - vi. This form must be accompanied by a receipt or other type of invoice for the charge and the applicable budget the charge goes against.
- b. ANCS does not use debit cards for the general operating funds.
- c. Aftercare, Nutrition, and the PTCA may use debit cards for purchases, but the debit cards may not be used with a PIN and must be structured to require a signature.

## **SECTION 7. Transfer of Information**

- a. If the individual serving as the ~~Director of Finance and Operations~~Chief Financial Officer ends his or her term with the Board/employment with ANCS or is terminated by the school or otherwise removed from his or her duties, he or she shall immediately give the school management all necessary passwords and other related information.
- b. The school will change the passwords and other security information once the individual serving as the ~~Director of Finance and Operations~~Chief Financial Officer ends his or her employment with the school.

## **Resources**

Reimbursement / Check Request / Credit Card Transaction form

See "Cash and Income Management" on page 71

See "Reimbursement and Disbursement" on page 101

See "Vendor Contracts and Purchasing Limits" on page 117.

## **Approval**

**Policy approval date:**

06/16/15

**Policy effective date:**

07/01/15

**Policy review date:**

08/17

# Benefits Administration

## Purpose

To describe the administration of benefits at ANCS and the regulations that apply to it.

## Duration

This policy is subject to yearly review.

## Policy

### SECTION 1. Policies Offered

- a. Policies offered to benefits eligible employees are subject to yearly review and may change according to current market conditions and the budget process. See See "Annual Operating Budget" on page 60.
- b. Major policies that are generally offered include health, dental, and vision.
- ~~c. Supplemental policies that are generally offered but not covered by ANCS include short-term disability (STD) and accidental death and dismemberment (AD&D).~~
- ~~d.c.~~ Supplemental policies that are generally offered and covered by the school: \$50,000 life insurance policy.

### SECTION 2. Annual Health Insurance Negotiation

- a. The ~~Director of Finance and Operations~~Chief Financial Officer~~Executive Director~~ is responsible for seeking bids and managing benefits negotiation on an annual basis.
- b. A broker may be used to assist in gathering information and seeking updated bids for benefits.
- c. The process is as follows:
  - i. Broker and ~~Director of Finance and Operations~~Chief Financial Officer~~Executive Director~~ conduct a census to gather information about insurance needs.
  - ii. Once the census is complete, the Broker bids out the insurance to carriers that will fit the needs of ANCS as revealed by the census.
  - iii. The ~~Director of Finance and Operations~~Chief Financial Officer~~Executive Director~~ reviews bids with the ~~Finance Chair~~Business Operations/Finance Chair ~~and the Executive Director~~Business Manager – Budget & Personnel.
  - iv. The Broker and the ~~Director of Finance and Operations~~Executive Director~~Chief Financial Officer~~ hold an information session for the ~~Finance~~

## Policy and Procedures Guide

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~~Committee~~ Business Operations/Finance Committee where they can ask questions about the proposed coverage.

- v. Once the decision is made by the Executive Director and the ~~Director of Finance and Operations~~Chief Financial Officer~~Business/Finance Committee~~, all required information is submitted to the Broker and the policy is issued.
- vi. If the new policy creates a change to the balanced and approved budget, the Governing Board will be informed during the regular monthly meeting. See ~~See~~ "Annual Operating Budget" ~~on page 60~~.

### **SECTION 3. Open Enrollment**

Open enrollment begins in early December and runs through December 31.

### **SECTION 4. Salary Reduction for Benefits Process**

The ~~Director of Finance and Operations~~Business Manager - Budget & Personnel structures all salary reductions for benefits on a semi-monthly basis as a payroll deduction.

## **Resources**

See "Annual Operating Budget" ~~on page 60~~

See "Benefits Offerings and Eligibility" ~~on page 306~~

See "Compensation" ~~on page 311~~

## **Approval**

**Policy approval date:**  
06/16/15

**Policy effective date:**  
07/01/15

**Policy review date:**  
08/17

# Capital Assets Accounting

## Purpose

This policy governs the practice of tracking capital assets. Capital assets are defined as property (movable or immovable, tangible or intangible, fixed or circulating) owned by ANCS that is of significant value (\$5,000 per unit or a lower amount designated by the Board) and that is reasonably identified and controlled through a physical inventory system. Examples include: land, buildings, machinery, and furniture.

## Duration

This policy is temporary and subject to revision at the implementation of a full capital assets software system.

## Policy

The Board shall ensure that ANCS maintains accurate records of capital assets in accordance with applicable rules. A physical inventory-An inventory review of capital assets will occur at least annually and be reported to the Finance CommitteeBusiness Operations/Finance Committee

At this time, ANCS tracks capital assets via tax return, as there is no software in place to track assets electronically.

BoardFinance CommitteeBusiness Operations/Finance Committee approval must be obtained before disposal of capital assets. The annual financial audit required by O.C.G.A. § 20-2-2065(b)(7) shall include and exhibit in the audit a report identifying all capital assets and the ownership interest of local, state, and federal parties.

## Approval

**Policy approval date:**

06/16/15

**Policy effective date:**

07/01/15

**Policy review date:**

08/17



# Cash and Income Management

## Purpose

This policy governs the management of cash (both regular cash transactions and petty cash). Additionally, it outlines the management of funds outside of business operations, such as those related to Aftercare, Athletics, and PTCA.

## Duration

This policy is permanent.

## Policy

### SECTION 1. Accounting for Cash Transactions

- a. **Documentation.** All cash transactions shall be recorded in writing, such as by handwritten receipt detailing from whom the money came and in what amount, which shall be signed and dated by ~~the Director of Finance and Operations or his or her designee~~ a member of the Accounting staff who has the authority to receive cash on behalf of ANCS and who is not responsible for making deposits or performing bank reconciliations.
- b. **Depositing Cash.** ~~The Director of Finance and Operations~~ A member of the Accounting staff who is neither responsible for receiving cash nor performing bank reconciliations shall be responsible for depositing cash in ANCS' bank account. Deposits shall be made bi-weekly at a minimum. All undeposited cash shall be kept in a secured location on school premises with limited access. A copy of the validated deposit slip shall be returned to the school on the same day the deposit is made or the next day after the deposit is made.
- c. **Expenditures.** All expenditures of school funds, including cash expenditures, shall be documented and accounted for by daily receipts. As a general rule, cash will not be used to make purchases except from petty cash, as described below. School checks shall not be made payable to "Cash."
- d. **Segregation of Duties.** The ~~Director of Finance and Operations~~ Chief Financial Officer shall ensure that appropriate segregation of duties exists with regard to the handling of all money transactions, including reconciliation.

### SECTION 2. Petty Cash

As of the approval date of this policy, ANCS does not utilize petty cash funds.

### SECTION 3. Direct Funding Income Deposits

- a. ANCS receives funding through several governmental educational agencies (e.g., ~~DOE~~ Department of Education, Atlanta Public Schools).

## Policy and Procedures Guide

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b. Deposits from these sources are directly deposited into ANCS bank accounts.

**SECTION 4. Aftercare Income/Deposits**

- a. Aftercare receipts are to be submitted with a Program Payments/Deposits form.
- b. The name of the program, the date or period of service, and the name of the program coordinator must be written on the top of the form.
- c. Names of individual participants/payers, the amounts received, and method of payment should be completed.
- d. The cash total, check total, and grand total must be calculated and listed at the bottom of the form.
- e. A software-generated report tracks the deposits.
- f. The Aftercare Director should maintain a copy of the deposit form with their records and then forward the deposit form and receipts to the Business Office to be deposited.
- g. Deposits should be submitted to the Business Office on a biweekly basis and all receipts should be submitted within one week of the date received by the Aftercare Program.

**SECTION 5. Athletics Deposits**

- a. Athletics deposits are to be submitted with a Program Payments/Deposits form.
- b. The name of the program (e.g.i.e., Athletics), the name of the event (e.g., Boys Basketball), the date of the event, and the name of the Athletics Director/Assistant must be written on the top of the form.
- c. Names of individual participants/payers, the amounts received, and method of payment should be listed on the Program Payments Deposit Form.
- d. The cash total, check total, and grand total must be calculated and listed at the bottom of the form.
- e. The Athletics Director at the Middle Campus should maintain a copy of the deposit for their records and deliver the deposit to the Front Office Assistant for safekeeping until pickup.
- f. All athletics receipts should be submitted within one week of the date the activity begins.

**SECTION 6. Activities Deposits**

- a. Budgeted school programs include such programs and activities as school meals, field trips, afterschool, clubs, yearbook, enrichment, camps, etc.

- b. Deposits for these programs and activities must be submitted with a completed Program Payments/Deposits form.

### **SECTION 7. Field Trip Deposits**

- a. Each teacher should ensure that field trip payments collected will cover all of the costs of the trip, as it is the policy of the school that field trips should break even from a cost standpoint.
- b. Both a refund forfeiture date and a payment cutoff date, after which only cash payments will be accepted, should be established for major trips for which the cost per student is greater than \$25.
- c. Field trip deposits are to be submitted with a Program Payments/Deposits form. A separate form should be used for each trip.
- d. The name of the program (e.g., 5th Grade Field Trip), the name of the event (e.g., Blue Ridge Trip), the date of the event, and the name of the teacher/coordinator must be written on the top of the form.
- e. Names of individual participants/payers, the amounts received, and method of payment should be completed.
- f. The cash total, check total, and grand total must be calculated and listed at the bottom of the form.
- g. The teacher should retain a copy of the form with their records and forward the deposit form and receipts to the Business Office to be deposited.
- h. All field trip receipts should be submitted prior to the date of the trip but no later than one day after the date of the trip.

### **SECTION 8. Fund Development Deposits**

See ~~See~~ "Fund Development, Fundraising, and the Annual Campaign" ~~on page 83~~.

- a. Deposits are to be submitted with a Program Payments/Deposits form.
- b. The name of the program (e.g., Auction), the name of the event (e.g., Wonderball), the date of the event, and the name of the volunteer/teacher/coordinator must be written on the top of the form.
- c. Since most of the "other" deposits are receipts from fundraising activities and it is unlikely that any refunds would be requested, it is not necessary to list individual payers in detail on the deposit form.
- d. Names of individual participants/payers would be necessary only if the deposit is for annual campaign donations in which the contributor would need to be identified

as a donor and acknowledged with a thank-you letter, in which case the names, amounts received, and method of payment should be completed.

- e. The cash total, check total, and grand total must be calculated and listed at the bottom of the form. The submitter should maintain a copy of the form for their records and forward the deposit form and receipts to the Business Office to be deposited.
- f. All “other” receipts should be submitted within one week of the date collected.
- g. Use of software for the auction is acceptable as long as the deposit income batch report is compatible with the current ANCS accounting system.

### SECTION 9. Meal Deposits

- a. Order forms are completed and returned to the school along with the parent/guardian payment.
- b. Parent/guardian lunch payments are received and entered into the Fastlane/Horizon lunch software point of sales system and applied to the respective student’s account by the ANCS nutrition staff.
- c. This system serves as the A/R subsidiary ledger.
- d. A “Prepaid Collections Report” should be generated and printed from the point of sale system ~~Fastlane/Horizon system~~ after each batch of lunch receipts has been entered.
- e. The ~~Front Office Manager~~ nutrition staff should maintain a copy of the deposit with their records. ~~The Front Office Manager at the Middle Campus and~~ should deliver the deposit to the Front Office Business Office for safekeeping until pickup.
- f. Lunch receipts should be prepared and submitted to the Business Office for deposit on a weekly basis and within one week of the date the parent/guardian payment was received.
- g. At the end of each month, the Front Office Manager at each campus location must print a Charge Report from the Fastlane/Horizon system that lists each student’s account balance. This report is to be forwarded to the ~~Director of Finance and Operations~~ Chief Financial Officer on a monthly basis.
- h. Monthly statements are to be issued to all parents/guardians, which serve to inform parents/guardians of their outstanding balances and also support collection efforts.
- i. The Front Office Manager notifies parents/guardians of student accounts on which the balance is \$25 or greater that their student can no longer be served meals until the outstanding balance has been paid to the school.

- j. The Food and Nutrition Director (FND) ensures that all meal account balances have been paid at the end of the school year and that meal accounts in the Fastlane/Horizonpoint of sale (POS) system system are reset for the next school year.
- k. Payments made via Meal Paythe online meal payment remittance system send an automatic deposit to the nutrition bank account.

#### **SECTION 10. Enrichment Program/Deposits**

- ~~a. ANCS receives 10 percent of the enrichment fees to cover the costs of facility usage and program administration.~~
- ~~b. Instructors are paid in full at the midpoint of the term.~~
- ~~c. Enrichment instructors may not utilize existing classroom supplies for their enrichment sessions.~~
- ~~d. Enrichment instructors are responsible for providing their own supplies and may not place orders with vendors in the name of ANCS or by utilizing ANCS accounts.~~
- ~~e. Individuals not under contract with ANCS who would like to provide an enrichment offering must provide proof of insurance (with a minimum of \$1 million in liability coverage) along with their application.~~
- ~~f. Approval of their program offering is subject to their submitting to the Director of Finance and Operations an executed Building Use Agreement along with a Certificate of Insurance listing ANCS as the named insured.~~
- ~~g. Enrichment Program Coordinators should obtain Director of Finance and Operations sign-off before issuing final approval of Enrichment class offerings to individuals not under employment contract with ANCS.~~
- ~~h. Enrichment deposits are to be submitted with a Program Payments/Deposits form.~~
  - ~~i. The name of the program (i.e., Enrichment), the name of the event (e.g., Track Club), the date of the event, and the name of the teacher/coordinator must be written on the top of the form.~~
  - ~~j. If there is more than one teacher/coordinator, both names should be listed, and enrichment paychecks will be divided equally between the listed coordinators.~~
  - ~~k. Names of individual participants/payers, amounts received, and method of payment should be listed on the Program Payments Deposit form.~~
  - ~~l. The cash total, check total, and grand total must be calculated and listed at the bottom of the form.~~
  - ~~m. The coordinator should maintain a copy for their records and then forward the deposit form and receipts to the Business Office to be deposited.~~

~~n. All enrichment receipts should be submitted within one week of the date of the first activity session.~~

### ~~SECTION 11. Summer Camp Deposits~~

~~a. Summer Camp deposits procedures are the same as those for Enrichment deposits. Refer to the Enrichment Deposit section for procedural steps.~~

~~b. All Summer Camp receipts should be submitted prior to the date of the first activity session.~~

### SECTION 12. PTCA Deposits

- a. Deposited funds are used primarily to award mini-grants to teachers and staff through a grant application process.
- b. Funds that the PTCA raises are primarily collected and deposited by the PTCA Treasurer; however, funds may also be prepared for deposit by other PTCA volunteers.
- c. PTCA deposits are to be submitted with a Program Payments/Deposits form.
- d. The name of the program (i.e., PTCA), the name of the event (e.g., Yard Sale), the date of the event, and the name of the coordinator/parent volunteer must be written on the top of the form.
- e. Names of individual participants/payers, amounts received, and method of payment should be completed on the form as appropriate.
- f. Since most of the PTCA deposits are receipts from fundraising activities and it is unlikely any refunds will be requested, it is not necessary to list individual payers in detail on the deposit form.
- g. The cash total, check total, and grand total must be calculated and listed at the bottom of the form.
- h. The volunteer preparing the deposit should submit a copy of the deposit form to the PTCA Treasurer and should forward the deposit form and receipts to the Business Office to be deposited.
- i. All PTCA receipts should be submitted no later than one day after the date the activity ends.

## Resources

See "Fund Development, Fundraising, and the Annual Campaign" ~~on page 83~~

## Policy and Procedures Guide

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### Approval

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08/17



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# Debt and Mortgage Servicing

## Purpose

This policy outlines the circumstances under which ANCS may enter into debt and how that debt is managed on an ongoing basis.

## Duration

This policy is ~~permanent~~reviewed annually.

## Policy

~~All ANCS is prohibited from entering into any debt considerations should be unless the debt has been~~ fully reviewed by the ~~Finance Committee~~Business Operations/Finance Committee and approved by the Governing Board prior to entering into an agreement.

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## Disbursements

See See "Bank Accounts and Check Procedures" on page 64.

# Family Financial Obligations

## Purpose

This policy explains the process to be followed in the instance of non-payment of financial obligations by an ANCS family.

## Duration

This policy is permanent.

## Policy

### SECTION 1. General School Expenses

- a. By the end of the school year, families are responsible for closing out any outstanding account incurred during the school year.
- b. The school administration is responsible for establishing a process for notification of outstanding financial obligations.
- c. Extenuating circumstances affecting a family's ability to meet their financial obligations may be dealt with as appropriate on an individual basis.
- d. The school administration may, at its discretion, hold report cards and other final grade reports until financial obligations are met or a payment plan is put into place.
- ~~d.e.~~ The Finance Committee Business Operations/Finance Committee will review all aged account balances related to Family Financial Obligations at the end of each semester and recommend a course of action based on each family's unique circumstances.

### SECTION 2. Aftercare

- a. The Aftercare Director may, at their discretion and as appropriate, terminate Aftercare services for a family with outstanding financial obligations related to Aftercare.
- b. The Aftercare Director will have discretion over the cutoff amount accrued.
- c. Families with an accrued balance will be given sufficient written notice to clear the balance before Aftercare services are terminated.

### SECTION 3. Meals

- a. Meals must be prepaid. All payments are made to ANCS.
- b. Payment for meals may be made in the following ways:
  - i. Parents/guardians can give cash to the front desk at either school. NOTE: Students are not to handle cash. Payments in cash can be made only by an adult.

- ii. Parents/guardians can use the online Meal Pay service, which includes a small processing fee.
- iii. Parents/guardians can pay by check made out to ANCS with "Meal Pay" clearly marked on the check.
- c. Once a meal account balance is over \$25 in funds owed, the student will not be allowed to purchase meals until the balance is cleared. A paper invoice will be sent home via the student to families with a balance.
- d. Students who have been cut off of meal service will be offered an alternative meal, such as a sandwich. At no time is it appropriate for students to go hungry.
- e. Families with more than a \$25 meal account balanced owed will receive notification from ANCS of the overage.
- f. Parents/guardians may request a detailed balance at any point.

#### **SECTION 4. Release of Records Related to Family Financial Obligations**

Records will not be released until all financial obligations have been met.

### **Resources**

See "Financial Obligations" on page 224

### **Approval**

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# Fund Balance

## Purpose

The Board recognizes that the maintenance of a fund balance is essential to the preservation of the financial integrity of the school. When developed, this policy will establish guidance concerning the desired level of year-end fund balance to be maintained by the school and the management of fund balance levels and is applicable only to the General Fund of the school.

## Duration

This policy is temporary.

## Policy

This policy is currently under development by the Executive Director and ~~Finance Committee~~Business Operations/Finance Committee.

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# Fund Development, Fundraising, and the Annual Campaign

## Purpose

The purpose of ANCS' primary fundraisers is to raise funds to supplement funding received from the state and Atlanta Public Schools.

The revenue from these events enables ANCS to maintain the operations and educational programs of the school. These events also provide an opportunity for ANCS to connect with the larger community through direct mail pieces and other updates that communicate the school's mission and accomplishments.

## Duration

This policy is permanent.

## Policy

All ANCS fundraising efforts should be coordinated between the Executive Director, the Campus Principals, and the Fund Development Chair.

### SECTION 1. Fund Development Committee

- a. The Fund Development Committee reports to the Governing Board and the Executive Director and is a standing committee of the Board.
- b. The committee may include:
  - i. Fund Development Chair
  - ii. Executive Director
  - iii. Governing Board Chair
  - iv. ~~Finance Chair~~Business Operations/Finance Chair
  - v. ~~Director of Finance and Operations~~Chief Financial Officer
  - vi. Representative from the Auction Committee
  - vii. Representative from the Annual Campaign Committee
  - viii. Volunteers

### SECTION 2. Fund Development Yearly Goal

- a. The financial goal for the primary fundraisers will be set by the Governing Board as a part of the approved budget each year.

- b. The strategies consist of the following:
  - i. Individual contributions made by school families and staff, and families and individuals within the greater community, secured primarily through direct mail solicitation
  - ii. The annual auction event
  - iii. Business support through the solicitation of local businesses for sponsorship or other types of partnerships with the school, including corporate sponsorship
- c. If the target goal for the annual campaign or auction is exceeded in a given year, the Fund Development Chair will work with the ~~Finance Committee~~Business Operations/Finance Committee to make a recommendation to the Governing Board as to how any additional funds raised through fund development be allocated.

### SECTION 3. Donor Recognition

- a. Thank-you letters from the Executive Director and the Campus Principals will be sent to all individuals who make a financial contribution to the annual campaign.
- b. Management of thank-you letters is a function of the Business Office.

### SECTION 4. Directed Donations

With the exception of grants, ANCS generally does not accept directed donations (donations that must be spent on specified items or expenses). Exceptions may be made as deemed appropriate by the Executive Director and the Governing Board and documented in writing.

### SECTION 5. Annual Campaign

- a. The annual campaign consists primarily of a direct appeal for individual financial contributions to the school.
- b. The annual campaign supplements the funding received from the state and Atlanta Public Schools.
- c. As a charter school, funds raised by the annual campaign are used to sustain and enhance the operations and educational programs of the school.
- d. As the main fundraisers for the school, families will be encouraged to focus their monetary and volunteer support to the direct appeal.

### SECTION 6. Annual Auction

- a. The annual auction event consists of a live auction and raffle event.
- b. The annual auction event supplements the funding received from the state and Atlanta Public Schools.

- c. Families are encouraged to support the auction through the sales of tickets, donations of goods, or monetary support for the grade-level baskets, and the live and silent portions of the auction at the event.

### SECTION 7. Grade-Level Trips

- a. Each year, each grade level may go on a major (i.e., overnight and/or out-of-town) trip that plays an essential role in building community and enhancing students' school experience.
- b. Though families are asked to pay for most of the expenses for these trips, some fundraising efforts are needed to offset the costs of these trips for the school and families in need.
- c. Organizers of the major grade-level trips may sponsor two to three fundraisers per year, ~~one of which can be a school dance~~. These events will be approved by the Principal and coordinated by teachers and the PTCA.

### SECTION 8. Requests for In-Kind Items Donations by Teachers/Advisors

- a. School staff members need to have the freedom to directly request from the ANCS community items or goods they need for their work.
- b. At their discretion, school staff may request small items or goods from the ANCS community. (e.g., supplies for a class project, tissues, hand sanitizer, etc.).
- c. Larger items should be requested through the PTCA mini-grant program or regular school budget process as appropriate.

### SECTION 9. Student Fundraising/Fundraising Fridays

- a. Limited fundraising to support school-sponsored/school-based events (school clubs, organizations, teams, and committees) is appropriate, even desirable, as it builds awareness and community.
- b. Clubs, organizations, teams, committees, and other student/school groups may request up to two (2) "Fundraising Fridays" on each campus per year in order to sell goods, services, or privileges (such as "Hat Day") to raise funds for their group. All Fundraising Friday requests must be approved by the Campus Principal. No single group will be permitted to have more than two Fundraising Fridays in a school year. Except by specific permission of the Campus Principal in response to extraordinary circumstances, student fundraising will be limited to these Fundraising Fridays. (Note: If a Fundraising Friday has not been claimed by a group by Monday of that week, a group that has already used two Fundraising Fridays may be allowed to claim that Friday.)



- c. In an effort to promote healthy habits and encourage more variety among fundraisers, groups using Fundraising Fridays will be limited to one “food-based” fundraiser (bake sale, candygrams) per year.
- d. Fundraising for clubs, organizations, teams, committees, and other student/school groups is limited to the use of Fundraising Fridays. No other solicitation—whether within or outside the school community, including online (website, PayPal)—is allowed. Any additional funding needs should be requested through the PTCA mini-grant program or regular school budget process as appropriate.
- e. In addition to “Fundraising Fridays”, the yearbook staff may sponsor a campaign to solicit advertising in the yearbook. Solicitation of ads can come from within the ANCS community and from outside organizations, companies, and groups. The faculty yearbook advisor(s) will be responsible for overseeing this campaign and monitoring the ads that are submitted.

### **SECTION 10. Fundraising and Collection of Goods to Benefit the Larger Community**

Solicitation of goods or funds to benefit the larger community will be limited as follows:

- a. **Student Community Service.** Students learn most by contributing to the larger community through direct involvement rather than by soliciting funds from others.
- b. Advisory, class, and club benefits will focus on acts of service, not on raising monies and the presentation of a check. No advisory, class, or member of a club or group should carry out any fundraising in the context of their service/benefit.
- c. In-school collections of goods for charities (e.g., canned food drive) sponsored by groups of students (by clubs, advisory, etc.) are appropriate and acceptable on a limited basis.
- d. Drives will not exceed two per month per campus, and they will be by prior arrangement with/permission by the Principal.

### **SECTION 11. All Other Charitable Fundraising or Solicitation of Goods**

- a. In order to minimize fundraising demands on the ANCS community and avoid having to choose between publicizing one charitable cause over another, the school will limit all other solicitation of funds or goods for the broader community to posting on the school’s community bulletin board.
- b. **Inclusiveness.** In all fundraising, the school should honor the economic diversity of its families.
  - i. All should feel welcome, regardless of the size of their contributions. Entrance charges for events and dues/fees for participation in clubs or other activities should be modest.

- ii. Every effort will be made to coordinate fundraisers so that they are spread out over the school year in order to avoid placing a burden on families and/or subjecting them to “giving fatigue.”

**SECTION 12. Fundraising Communication**

- a. It is important to know and understand something about the organizations and initiatives being undertaken by students and school groups and for fundraising to be centrally coordinated. At the same time, publicity for solicitations of donations or goods should not dominate communication from the school, and should be kept to the minimum necessary.
- b. All fundraising requests must receive approval from either the appropriate Campus Principal or, in the case of PTCA fundraisers, the Executive Director.
- c. Any group using a “Fundraising Friday” or sponsoring a charity drive must make an informative announcement or presentation at a morning meeting and in the Courier to acquaint the members of the school with the project and its goals.
- d. The monthly school calendar will include a listing of all upcoming fundraisers and field trips.
- e. The community bulletin board near the entrance of the campuses can be used to make available information about current and upcoming service initiatives, publicize fundraising events and happenings, and sign up for Fundraising Fridays. The school’s Fundraising Policy and practices will also be posted there.
- f. The use of the Courier, morning announcements, emails, and mailings home for fundraising or solicitation of goods will be limited and must be approved by the Campus Principal.
- g. Any representative of the school (staff, student, or parent/guardian) seeking financial and/or in-kind donations from businesses should first receive approval from the Campus Principal and the Fund Development Chair.

**SECTION 13. Fundraising Situations Outside of This Policy**

- a. Novel situations involving fundraising will arise, with new ideas and proposals for activities that do not easily fit in an established category.
- b. The ANCS Fund Development Committee will make recommendations to the Executive Director regarding any fundraising proposal that is not already covered by this policy. The expectation would be that any new fundraising ideas would replace existing events, rather than be added on to the existing slate of events.

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# Investment of Funds

## Purpose

This policy outlines the investment of funds and the objectives that must be met when making investment decisions.

## Duration

This policy is temporary and must be renewed annually to ensure it reflects the long-term investment risk orientation of ANCS and shall be included in the Annual Financial Resolution and approved by the Board each year.

## Policy

### SECTION 1. Investment Policy

- a. The Governing Board has a direct oversight role over all investment decisions. It has delegated daily supervisory responsibility for the management of funds to the Director of Finance and Operations.
- b. The ~~Director of Finance and Operations~~Chief Financial Officer shall ensure that any investment of state funds is done in accordance with applicable state laws and rules, including the Financial Manual for Local Units of Administration.
- c. The ~~Director of Finance and Operations~~Chief Financial Officer shall develop/propose policy recommendations to the ~~Finance Committee~~Business Operations/Finance Committee with regards to the management of all investment funds. Changes to this policy require Board approval.
- d. The investment of state funds shall be made with judgment and care and not for speculation, but for investment, considering the probable safety of capital and the probable derived income.

### SECTION 2. Investment Objectives

- a. Investment of state funds shall be governed by the following objectives, in order of priority:
  - i. Preservation and safety of principal
  - ii. Liquidity
  - iii. Yield

### SECTION 3. Investment Management Firm and/or Officer

- a. The Board may determine that it is necessary to contract with an investment management firm that is registered under the appropriate governmental entities to

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provide for the investment and management of the funds.

- b. Such a contract shall be confirmed by the ~~Finance Committee~~Business Operations/Finance Committee each fiscal year. The ~~Finance Committee~~Business Operations/Finance Committee may direct the Director of Finance and Operation to modify the investment management firm. .

### SECTION 4. Investment Guidelines

- a. The following investments are approved by the Governing Board
- a. Certificate of Deposit
  - b. Money Market Fund
- b. The tenor of these investments will be determined by the ~~Finance Committee~~Business Operations/Finance Committee.
- ~~c. The total invested amount cannot be greater than x% of total cash and cash equivalents.~~
- ~~d.c.~~ \_\_\_\_\_ The ~~Director of Finance and Operations~~Chief Financial Officer should review quarterly performance of invested funds with the ~~Finance Committee~~Business Operations/Finance Committee.
- ~~e.d.~~ \_\_\_\_\_ New investments, re-investments and withdrawals should be approved by the ~~Finance Committee~~Business Operations/Finance Committee in advance and in writing to ensure the decisions are done in accordance with the current risk orientation of ANCS.
- ~~f.e.~~ The investments must meet all criteria as provided by the state.

### SECTION 5. Discrete Maintenance of Records

- a. The ~~Director of Finance and Operations~~Chief Financial Officer shall ensure that all investments will be maintained in a discrete charter investment account.
- b. The investment account will be separate from any other accounts.

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# Monthly Financial Statements

See See "Annual Operating Budget" on page 60 and See "Reporting" on page 108.

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# Payroll

## Purpose

This policy outlines the expectations around having a timely and accurate payroll process.

## Duration

This policy is permanent.

## Policy

### SECTION 1. Accurate and Timely Payroll

- a. The ~~Director of Finance and Operations~~Chief Financial Officer shall ensure that school employees are paid accurately and in a timely manner in accordance with applicable laws and rules.
- b. Payroll is processed typically two business days in advance of the payday.

### SECTION 2. How Employees Are Paid

- a. In U.S. currency;
- b. By a written instrument (e.g., check) issued by the employer that is negotiable on demand at full face value for U.S. currency; or
- c. By the electronic transfer of funds to the employee's bank pursuant to a direct deposit agreement signed by the employee.

### SECTION 3. Paydays

- a. **Exempt Employees.** The paydays for exempt employees shall be on the 5th and 20th.
- b. **Non-exempt Employees.** The paydays for non-exempt employees shall be on the 5th and 20th.
- c. If the day before payday falls on a weekend, checks will be issued as of the Friday before.

### SECTION 4. Withholding of Wages

The ~~Director of Finance and Operations~~Chief Financial Officer shall ensure that the wages of school employees are not withheld except in the following situations as permitted by applicable laws and rules:

- a. The school is ordered to do so by a court of competent jurisdiction
- b. The school is authorized to do so by state or federal law
- c. The school has written authorization from the employee to deduct part of the wages for a lawful purpose

### SECTION 5. Georgia Teachers Retirement System

- a. Unless otherwise allowable by law, all teachers at ANCS shall be members of the Georgia Teachers Retirement System and subject to its requirements.
- b. The ~~Director of Finance and Operations~~Chief Financial Officer will ensure that the school complies with all requirements of the Georgia Teachers Retirement System, including making any required contributions.

### SECTION 6. Salaried Payroll Deductions

Attendance and hours worked are kept by the Student Information Specialist at the Elementary Campus and by the Front Office Manager at the Middle Campus. They track available sick leave and personal days and report to the ~~Director of Finance and Operations~~Chief Financial Officer if a salaried employee has gone past accrued time and a salary deduction is required. See "Benefits Administration" on page 68 for more information.

### SECTION 7. Hourly Payroll

- a. Pay for hourly employees is entered manually by the ~~Director of Finance and Operations~~Chief Financial Officer.
- b. Attendance and hours worked are kept by the Student Information Specialist at the Elementary Campus and by the Front Office Manager at the Middle Campus. They report hours worked for substitute teachers and other hourly employees via email.
- c. Non-salaried positions such as substitutes, Aftercare workers, and tutors, who are paid a daily, hourly, or per-block rate, are paid one pay period in arrears.
- d. All time worked by non-salaried employees will be paid ~~as follows: Time worked from the 1st through the 15th of the month will be paid on the 5th of the following month. Time worked from the 16th through the end of the month will be paid on the 20th of the following month.~~per the annual payroll schedule distributed at the beginning of each school year.

### SECTION 8. Final Check

- a. If an employee leaves before the end of their contract period, the ~~Director of Finance and Operations~~Chief Financial Officer will follow the calculation provided in the contract to determine the final check amount.
- b. Final checks can be mailed or direct deposited. Final checks are not available for



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in-person pickup.

## **SECTION 9. Stipends and Bonuses**

- a. Stipends will be prorated over the contracted work days and paid current with regular pay.
- b. Bonuses will be paid as one-time, lump-sum payments.

## **Resources**

See "Benefits Administration" on page 68

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# Purchasing and Receiving

## Purpose

This policy outlines how ANCS manages vendor contracts, requests for quotes, and purchasing of supplies and equipment

## Duration

This policy is permanent.

## Policy

### SECTION 1. Vendor Contracts and Purchasing Limits

- a. All completed purchase orders must be signed by the preparer and approved by a Principal or the Executive Director.
- b. All vendor contracts of up to \$25,000 executed or renewed during the fiscal year of up to \$25,000 between ANCS and outside parties must be reviewed and approved by both the ~~Director of Finance and Operations~~Chief Financial Officer and the Executive Director, and the Executive Director is authorized to enter into any such contract on behalf of ANCS. All contracts or commitments in excess of \$25,000 and up to \$50,000—annually or cumulative contracts or commitments ~~over up to~~ \$50,000 must be approved by the ~~ANCS Governing Board~~Finance CommitteeBusiness Operations/Finance Committee. All contracts or commitments in excess of \$50,000 must be approved by the ANCS Governing Board.

### SECTION 2. Required Solicitation of Quotations from Vendors

- a. Except for purchases qualified under “Special Purchasing Conditions” below, expenditures exceeding \$25,000 for labor, equipment, supplies, or services purchased, leased, or contracted for shall be made only after receiving written quotations from at least three (3) vendors.
- b. Specific selections shall be recommended, via the Principal or Executive Director, to the ~~Director of Finance and Operations~~Chief Financial Officer for approval with written quotations attached for review.
- c. Recommendations shall be based on consideration of all applicable criteria as described under “Evaluation of Alternative Vendors” below.
- d. Solicitations for goods and services (requests for proposals) should provide for all of the following:
  - i. A clear and accurate description of the technical requirements for the material, product or service to be procured. In competitive procurements,

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such a description shall not contain features that unduly restrict competition.

- ii. Requirements that the bidder/offerer must fulfill and all other factors to be used in evaluating bids or proposals (see the next section, entitled “Evaluation of Alternative Vendors,” for required criteria).
- iii. A description, whenever practicable, of technical requirements in terms of functions to be performed or performance required, including the range of acceptable characteristics or minimum acceptable standards.
- iv. The specific features of “brand name or equal” descriptions that bidders are required to meet when such items are included in the solicitations.
- v. Preference, to the extent practicable and economically feasible, for products and services that conserve natural resources, protect the environment, and are energy efficient.
- vi. A description of the proper format, if any, in which proposals must be submitted.

### **SECTION 3. Evaluation of Alternative Vendors**

- a. It is the policy of ANCS to request written proposals from at least three (3) vendors for all purchases that will exceed \$25,000. Alternative vendors shall be evaluated in consideration of the following criteria:
  - i. Adequacy of the proposed methodology of the vendor
  - ii. Skill and experience of key personnel
  - iii. Demonstrated company experience
  - iv. Other technical specifications (designated by department requesting proposals)
  - v. Compliance with administrative requirements of the request for proposal (format, due date, etc.)
  - vi. Vendor’s financial stability
  - vii. Vendor’s demonstrated commitment to the non-profit sector
  - viii. Results of communications with references supplied by vendor
  - ix. Ability/commitment to meeting time deadlines
  - x. Cost
  - xi. Minority- or women-owned business status of vendor
  - xii. Other criteria (to be specified by department requesting proposal)
- b. Not all of the preceding criteria may apply in each purchasing scenario. However, in each situation requiring consideration of alternative vendors, the department

responsible for the purchase shall establish the relative importance of each criterion prior to requesting proposals and shall evaluate each proposal on the basis of the criteria and weighting that have been determined.

- c. After a vendor has been selected and approved by the Principal or Executive Director, the final selection shall be approved by the Executive Director prior to entering into a contract.

#### SECTION 4. Special Purchasing Conditions

- a. **Emergencies.** Where equipment, materials, parts, and/or services are needed, quotations will not be necessary if the health, welfare, safety, etc., of staff and protection of ANCS property is involved. See "Building Maintenance and Repairs." ~~on page 49.~~
- b. **Single Distributor/Source.** Where there is only one (1) distributor for limited merchandise needed and no other product meets the stated needs or specifications, bids will not be necessary.

#### SECTION 5. Vendor Payment Requests

- a. All vendor payment requests are to be made using a Purchase/Disbursement Request form. The Purchase/Disbursement Request form can be found in the Business Office or the Principal's Office.
- ~~b. Complete the form by circling "Check Request" or "Credit Card Transaction."~~
- ~~c. Indicate the name and address of the payee.~~
- ~~d. Indicate whether the request is an advance payment or reimbursement by circling the appropriate word.~~
- ~~e. Provide a full and complete description of the purpose for the payment.~~
- ~~f. Fill in the total amount of the disbursement request, account/budget to be charged, person requesting payment, and date payment is needed.~~
- ~~g. Indicate whether the check should be mailed or returned to a specific individual.~~
- ~~h. Attach supporting documents, such as a quote or proposal from the vendor, online shopping cart of items to be purchased, receipts, or a conference itinerary.~~
- ~~i. Payees requesting \$500 or more for goods or services must provide a W-9 form.~~
- ~~j. This form must be attached to the disbursement request form in order for the request to be processed and payment to be issued.~~
- ~~k. Submit the Purchase/Disbursement Request form to the appropriate budget stakeholder (e.g., Content Coordinator, Principal, Executive Director) for approval~~

~~and forward the approved form to the Business Office.~~

~~I. Allow two weeks for check processing.~~

## SECTION 6. Classroom/Office Supplies

- a. Stakeholders may purchase classroom or office supplies within the limit of their available budget allowance.
- b. For budgeting purposes, classroom supplies are those consumable items that are expected to be used up within the school year (e.g., markers, pencils, paper). Instructional materials are learning materials that are expected to be utilized for more than one year (e.g., manipulatives, books, etc.).
- c. Supplies, such as pens, pencils, paper, etc., may be obtained in one of several ways:
  - i. **Middle School Campus.** Staff and teachers may obtain supplies from the central office supply by submitting/emailing a Purchase/Disbursement Request form to the Office Assistant, who maintains an on-hand supply and should be able to fulfill requests on a same- or next-day basis.
  - ii. **Elementary School Campus.** Staff and teachers may submit an approved Purchase/Disbursement Request form to the Business Office Assistant, who will process the order with Staples or Office Depot, usually with a one- to two-day turnaround.
  - iii. Requests must include a printout of the items to be purchased. This can be done by selecting items from the supplier's website, placing them in the online shopping cart, and printing the shopping cart detail.
  - iv. Staff and teachers may purchase/pay for the items themselves and follow the reimbursement process. See "Reimbursement and Disbursement" on page 101.

## SECTION 7. Other Purchases

- a. For purchases other than supplies, a completed Purchase/Disbursement Request form is required.
- b. Circle credit/purchase card transaction or purchase requisition.
- c. Indicate the name and address of the vendor.
- d. Provide a full and complete description of the items/services to be purchased.
- e. Fill in the total amount of the purchase, account/budget to be charged, person requesting purchase, and date items/services are needed.

- f. Attach supporting documents, such as a quote from the vendor, online shopping cart of items to be purchased, or a registration form for a conference.

### **SECTION 8. Purchases Exceeding \$500**

- a. Purchase requests of \$500 or more for goods or services must include a W-9 form from the vendor.
- b. This form must be attached to the Purchase/Disbursement Request form in order for payment to be issued.
- c. Submit the purchase request form to the appropriate budget stakeholder (e.g., Content Coordinator, Principal, Executive Director) for approval and forward the approved form to the Business Office.
- d. Purchases will usually be processed within a 1- to 2-day turnaround.

### **SECTION 9. Middle Campus**

- a. Purchases may be made by complying with the above procedure and submitting the request to the Middle Campus Office Manager, who will act as an extension of the Business Office and process the order adhering to the same procedural guidelines and requirements.
- b. Purchases may be made in this manner throughout the year until April 1, at which time all remaining purchase requests are processed through the Business Office to monitor and maintain credit line and for budget availability verification.

### **SECTION 10. Capitalization Policy**

- a. Capital equipment is durable equipment that has a cost that equals or exceeds a certain threshold.
- b. For accounting purposes, ANCS capitalizes assets with a unit cost of \$5,000 or more and that have a useful life of more than one year.

### **SECTION 11. Receiving Process**

- a. Upon receipt of goods, verify that all ordered items have been received and sign and return the packing list or BOL to the ~~Director of Finance and Operations~~Chief Financial Officer.
- b. The Business Assistant will confirm receipt/match the receiving documentation to the invoice prior to issuing payment to the vendor.

## **Resources**

The Purchase/Disbursement Request form is available in the front office at both campuses or by request.



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See "Building Maintenance and Repairs" on page 49

See "Capital Assets Accounting" on page 70

See "Reimbursement and Disbursement" on page 101

### Approval

**Policy approval date:**

06/16/15

**Policy effective date:**

07/01/15

**Policy review date:**

08/17

## Disbursements

See "Bank Accounts and Check Procedures" ~~on page 64~~.

# Family Financial Obligations

## Purpose

This policy explains the process to be followed in the instance of non-payment of financial obligations by an ANCS family.

## Duration

This policy is permanent.

## Policy

### SECTION 1. General School Expenses

- a. By the end of the school year, families are responsible for closing out any outstanding account incurred during the school year.
- b. The school administration is responsible for establishing a process for notification of outstanding financial obligations.
- c. Extenuating circumstances affecting a family's ability to meet their financial obligations may be dealt with as appropriate on an individual basis.
- d. The school administration may, at its discretion, hold report cards and other final grade reports until financial obligations are met or a payment plan is put into place.

### SECTION 2. Aftercare

- a. The Aftercare Director may, at their discretion and as appropriate, terminate Aftercare services for a family with outstanding financial obligations related to Aftercare.
- b. The Aftercare Director will have discretion over the cutoff amount accrued.
- c. Families with an accrued balance will be given sufficient written notice to clear the balance before Aftercare services are terminated.

### SECTION 3. Meals

- a. Meals must be prepaid. All payments are made to ANCS.
- b. Payment for meals may be made in the following ways:
  - i. Parents/guardians can give cash to ~~the the front desk at~~cashier located within the cafeteria at either school. NOTE: Students are not to handle cash. Payments in cash can be made only by an adult.

- ii. Parents/guardians can use the online Meal Pay service, which includes a small processing fee.
- iii. Parents/guardians can pay by check made out to ANCS with "Meal Pay" clearly marked on the check. Parents/guardians can give checks to the cashier located within the cafeteria at either school.

c. Once a meal account balance is over \$25 in funds owed, the student will not be allowed to purchase meals until the balance is cleared. A paper invoice will be sent home via the student to families with a balance.

d. Students who have been cut off of meal service will be offered an alternative meal, such as a sandwich. At no time is it appropriate for students to go hungry.

e. Families with more than a \$25 meal account balanced owed will receive notification from ANCS of the overage.

f. Parents/guardians may request a detailed balance at any point.

#### **SECTION 4. Release of Records Related to Family Financial Obligations**

Records will not be released until all financial obligations have been met.

### **Resources**

See "Financial Obligations" on page 224

### **Approval**

**Policy approval date:**  
06/16/15

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07/01/15

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08/17

# Fund Balance

## Purpose

The Board recognizes that the maintenance of a fund balance is essential to the preservation of the financial integrity of the school. When developed, this policy will establish guidance concerning the desired level of year-end fund balance to be maintained by the school and the management of fund balance levels and is applicable only to the General Fund of the school.

## Duration

This policy is temporary.

## Policy

This policy is currently under development by the Executive Director and ~~Finance Committee~~Business Operations/Finance Committee.

## Approval

**Policy approval date:**

06/16/15

**Policy effective date:**

07/01/15

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08/17

# Fund Development, Fundraising, and the Annual Campaign

## Purpose

The purpose of ANCS' primary fundraisers is to raise funds to supplement funding received from the state and Atlanta Public Schools.

The revenue from these events enables ANCS to maintain the operations and educational programs of the school. These events also provide an opportunity for ANCS to connect with the larger community through direct mail pieces and other updates that communicate the school's mission and accomplishments.

## Duration

This policy is permanent.

## Policy

All ANCS fundraising efforts should be coordinated between the Executive Director, the Campus Principals, and the Fund Development Chair.

### SECTION 1. Fund Development Committee

- c. The Fund Development Committee reports to the Governing Board and the Executive Director and is a standing committee of the Board.
- d. The committee may include:
  - i. Fund Development Chair
  - ii. Executive Director
  - iii. Governing Board Chair
  - iv. ~~Finance Chair~~Business Operations/Finance Chair
  - v. ~~Director of Finance and Operations~~Chief Financial Officer
  - vi. Representative from the Auction Committee
  - vii. Representative from the Annual Campaign Committee
  - viii. Volunteers

### SECTION 2. Fund Development Yearly Goal

- d. The financial goal for the primary fundraisers will be set by the Governing Board as a part of the approved budget each year.

- e. The strategies consist of the following:
  - i. Individual contributions made by school families and staff, and families and individuals within the greater community, secured primarily through direct mail solicitation
  - ii. The annual auction event
  - iii. Business support through the solicitation of local businesses for sponsorship or other types of partnerships with the school, including corporate sponsorship
- f. If the target goal for the annual campaign or auction is exceeded in a given year, the Fund Development Chair will work with the ~~Finance Committee~~Business Operations/Finance Committee to make a recommendation to the Governing Board as to how any additional funds raised through fund development be allocated.

### SECTION 3. Donor Recognition

- c. Thank-you letters from the Executive Director and the Campus Principals will be sent to all individuals who make a financial contribution to the annual campaign.
- d. Management of thank-you letters is a function of the Business Office.

### SECTION 4. Directed Donations

With the exception of grants, ANCS generally does not accept directed donations (donations that must be spent on specified items or expenses). Exceptions may be made as deemed appropriate by the Executive Director and the Governing Board and documented in writing.

### SECTION 5. Annual Campaign

- e. The annual campaign consists primarily of a direct appeal for individual financial contributions to the school.
- f. The annual campaign supplements the funding received from the state and Atlanta Public Schools.
- g. As a charter school, funds raised by the annual campaign are used to sustain and enhance the operations and educational programs of the school.
- h. As the main fundraisers for the school, families will be encouraged to focus their monetary and volunteer support to the direct appeal.

### SECTION 6. Annual Auction

- d. The annual auction event consists of a live auction and raffle event.
- e. The annual auction event supplements the funding received from the state and Atlanta Public Schools.

- f. Families are encouraged to support the auction through the sales of tickets, donations of goods, or monetary support for the grade-level baskets, and the live and silent portions of the auction at the event.

### **SECTION 7. Grade-Level Trips**

- d. Each year, each grade level may go on a major (i.e., overnight and/or out-of-town) trip that plays an essential role in building community and enhancing students' school experience.
- e. Though families are asked to pay for most of the expenses for these trips, some fundraising efforts are needed to offset the costs of these trips for the school and families in need.
- f. Organizers of the major grade-level trips may sponsor two to three fundraisers per year, ~~one of which can be a school dance~~. These events will be approved by the Principal and coordinated by teachers and the PTCA.

### **SECTION 8. Request for Items by Teachers/Advisors**

- d. School staff members need to have the freedom to directly request from the ANCS community items or goods they need for their work.
- e. At their discretion, school staff may request small items or goods from the ANCS community. (e.g., supplies for a class project, tissues, hand sanitizer, etc.).
- f. Larger items should be requested through the PTCA mini-grant program or regular school budget process as appropriate.

### **SECTION 9. Student Fundraising/Fundraising Fridays**

- f. Limited fundraising to support school-sponsored/school-based events (school clubs, organizations, teams, and committees) is appropriate, even desirable, as it builds awareness and community.
- g. Clubs, organizations, teams, committees, and other student/school groups may request up to two (2) "Fundraising Fridays" on each campus per year in order to sell goods, services, or privileges (such as "Hat Day") to raise funds for their group. All Fundraising Friday requests must be approved by the Campus Principal. No single group will be permitted to have more than two Fundraising Fridays in a school year. Except by specific permission of the Campus Principal in response to extraordinary circumstances, student fundraising will be limited to these Fundraising Fridays. (Note: If a Fundraising Friday has not been claimed by a group by Monday of that week, a group that has already used two Fundraising Fridays may be allowed to claim that Friday.)



- h. In an effort to promote healthy habits and encourage more variety among fundraisers, groups using Fundraising Fridays will be limited to one “food-based” fundraiser (bake sale, candygrams) per year.
- i. Fundraising for clubs, organizations, teams, committees, and other student/school groups is limited to the use of Fundraising Fridays. No other solicitation—whether within or outside the school community, including online (website, PayPal)—is allowed. Any additional funding needs should be requested through the PTCA mini-grant program or regular school budget process as appropriate.
- j. In addition to “Fundraising Fridays”, the yearbook staff may sponsor a campaign to solicit advertising in the yearbook. Solicitation of ads can come from within the ANCS community and from outside organizations, companies, and groups. The faculty yearbook advisor(s) will be responsible for overseeing this campaign and monitoring the ads that are submitted.

### **SECTION 10. Fundraising and Collection of Goods to Benefit the Larger Community**

Solicitation of goods or funds to benefit the larger community will be limited as follows:

- e. **Student Community Service.** Students learn most by contributing to the larger community through direct involvement rather than by soliciting funds from others.
- f. Advisory, class, and club benefits will focus on acts of service, not on raising monies and the presentation of a check. No advisory, class, or member of a club or group should carry out any fundraising in the context of their service/benefit.
- g. In-school collections of goods for charities (e.g., canned food drive) sponsored by groups of students (by clubs, advisory, etc.) are appropriate and acceptable on a limited basis.
- h. Drives will not exceed two per month per campus, and they will be by prior arrangement with/permission by the Principal.

### **SECTION 11. All Other Charitable Fundraising or Solicitation of Goods**

- c. In order to minimize fundraising demands on the ANCS community and avoid having to choose between publicizing one charitable cause over another, the school will limit all other solicitation of funds or goods for the broader community to posting on the school’s community bulletin board.
- d. **Inclusiveness.** In all fundraising, the school should honor the economic diversity of its families.
  - i. All should feel welcome, regardless of the size of their contributions. Entrance charges for events and dues/fees for participation in clubs or other activities should be modest.

- ii. Every effort will be made to coordinate fundraisers so that they are spread out over the school year in order to avoid placing a burden on families and/or subjecting them to “giving fatigue.”

## **SECTION 12. Fundraising Communication**

- h. It is important to know and understand something about the organizations and initiatives being undertaken by students and school groups and for fundraising to be centrally coordinated. At the same time, publicity for solicitations of donations or goods should not dominate communication from the school, and should be kept to the minimum necessary.
- i. All fundraising requests must receive approval from either the appropriate Campus Principal or, in the case of PTCA fundraisers, the Executive Director.
- j. Any group using a “Fundraising Friday” or sponsoring a charity drive must make an informative announcement or presentation at a morning meeting and in the Courier to acquaint the members of the school with the project and its goals.
- k. The monthly school calendar will include a listing of all upcoming fundraisers and field trips.
- l. The community bulletin board near the entrance of the campuses can be used to make available information about current and upcoming service initiatives, publicize fundraising events and happenings, and sign up for Fundraising Fridays. The school’s Fundraising Policy and practices will also be posted there.
- m. The use of the Courier, morning announcements, emails, and mailings home for fundraising or solicitation of goods will be limited and must be approved by the Campus Principal.
- n. Any representative of the school (staff, student, or parent/guardian) seeking financial and/or in-kind donations from businesses should first receive approval from the Campus Principal and the Fund Development Chair.

## **SECTION 13. Fundraising Situations Outside of This Policy**

- c. Novel situations involving fundraising will arise, with new ideas and proposals for activities that do not easily fit in an established category.
- d. The ANCS Fund Development Committee will make recommendations to the Executive Director regarding any fundraising proposal that is not already covered by this policy. The expectation would be that any new fundraising ideas would replace existing events, rather than be added on to the existing slate of events.

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### Approval

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06/16/15

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07/01/15

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08/17

# Reimbursement and Disbursement

## Purpose

Reimbursement to employees will be allowed for reasonable and necessary expenses incurred in connection with approved travel, activities, and purchases when expenses are within budget allowances, ANCS reimbursement guidelines, supported by required documentation, and when reimbursement has not been or will not be received from other sources.

## Duration

This policy is permanent.

## Policy

### SECTION 1. Required Supporting Documentation

- a. Reimbursement of purchases that employees elect to make out of pocket are subject to the availability of budgeted funds and must be supported by detailed receipts.
- b. It is the responsibility of the employee to retain and submit receipts and supporting documentation for reimbursable school-related expenditures.
- c. All requests must have supporting documentation attached. Undocumented or unreceipted expenditures will not be processed or reimbursed.

### SECTION 2. Non-Profit Tax-Exempt Requirement

- a. ANCS is a 501c non-profit tax-exempt organization. ANCS' tax-exempt status should always be utilized when making school-related purchases or expenditures. **It is the responsibility of the purchaser** to provide the vendor or retailer with the tax exempt information.
- b. The school's tax exempt form and number can be obtained from the ~~Director of Finance and Operations~~Chief Financial Officer or the Office Assistant.
- c. Employees are to provide this information to any vendor or retailer to prevent the vendor from assessing sales tax.
- d. While the amount may seem small for one purchase, over the course of the school year the tax can be significant and quickly adds up when making multiple or large purchases.
- e. **ANCS is not responsible for reimbursing individuals for sales tax.**

- f. Copies of the Purchase/Disbursement Request form can be found in the faculty room or front office. The form may also be accessed through Google Docs and the school's Intranet.

### **SECTION 3. Travel Expenses**

- a. All business travel on behalf of ANCS outside of the Atlanta metropolitan area must have the prior approval of the Principal or Executive Director.
- b. Travel arrangements should be coordinated through and will be made by the Office Assistant.
- c. Information should be provided to the Office Assistant at least two weeks prior to travel.
- d. Transportation costs, living expenses, and incidental items (such as tips, etc.) may be reimbursable when incurred in the conduct of ANCS business.
- e. First-class air travel is not permitted; only coach or lesser class is permitted and should be arranged well in advance to procure the best price.
- f. Travel insurance is considered a personal matter, and the cost is not reimbursable.
- g. Use of personal automobiles when authorized will be reimbursed at the then-prevailing rate established by federal (IRS) guidelines.
- h. ANCS does not pay for expenses of spouses traveling with a faculty or staff member on school business. A proper separation of travel expenses must be made. Under such circumstances, ANCS will reimburse based on the amount of expense that would have been incurred by the employee traveling alone.
- i. Incidental travel expenses incurred during school travel (such as baggage handling, check-in charges, or tips to porters and bellhops) that are supported by receipts where applicable may be submitted for reimbursement.
- j. Any individual item of expense requires an original paid receipt.
- k. When employees are traveling together, reimbursable expenses for meals should be paid for and receipted separately.
  - l. Detailed receipts should be submitted for meal reimbursement, and receipts should identify the specific meal or incidental.
- m. Meal costs for food and non-alcoholic beverages are reimbursable.
- n. Amounts reimbursed for meals will be the lesser of the receipt for the meal or incidental or the maximum amount listed below.
- o. Tips and gratuities should not exceed 20% of the pre-tax restaurant charges.

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- p. Amounts expended for personal items or services are not reimbursable expenses. Examples of such items are laundry, dry cleaning, valet service, shoe shines, haircuts, newspapers, magazines, personal entertainment, medicines, and toiletries.
- q. Travel-related expenses may not be reimbursed through petty cash funds. All travel-related expenditures must be submitted through the check reimbursement process.
- r. Reimbursement for meals and incidentals related to in-state travel will be reimbursed in accordance with the State of Georgia Per Diem Rate table ([https://sao.georgia.gov/sites/sao.georgia.gov/files/related\\_files/site\\_page/SOG%20Meal%20Allowances%202014.pdf](https://sao.georgia.gov/sites/sao.georgia.gov/files/related_files/site_page/SOG%20Meal%20Allowances%202014.pdf))
- s. Reimbursement for meals and incidentals related to out-of-state travel will be reimbursed in accordance with the GSA per diem rate tables (<https://www.gsa.gov/travel/plan-book/per-diem-rates>)
- r. ~~are limited to the following daily and meal maximums:~~

Total	\$50
Continental Breakfast / Breakfast	\$10
Lunch	\$15
Dinner	\$25

### SECTION 4. Entertainment Expenses

- a. Reimbursable entertainment expenses shall include only those that are necessary in connection with ANCS' business.
- b. The proper amount to be spent is a matter of good judgment in each case and must have prior written approval of the Principal or Executive Director.

### SECTION 5. Reimbursement Process

- a. Reimbursement can occur only if a completed and approved Purchase/Disbursement Request form is submitted, along with original receipts, to the ~~Director of Finance and Operations~~Chief Financial Officer~~Business Manager – Cash & Accounting.~~
- b. Only expenses that have actually been incurred in accordance with ANCS expense reimbursement policy, and that are supported by receipts, should be submitted for reimbursement.
- c. Complete this form in detail:
  - Circle or indicate the type of disbursement request (e.g., check request).
  - Circle "order" (when requesting items be purchased by the Business Office), "advance payment" (when requesting funds be advanced to the employee for

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future expenses), or “reimbursement” (for expenses already incurred by the employee).

- iii. As applicable, list what type of items were/are to be purchased (classroom supplies, instructional materials, etc.).
- iv. Attach receipts/documentation of the expense.

- d. For travel expenses, also attach documentation of the event/conference/reason for travel.
- e. All requests must specify which budget is to be charged. Any requests submitted by a teacher will be charged to that teacher's/team's classroom budget unless otherwise indicated.
- f. Teachers working in a content area that has an assigned Content Coordinator should submit their request form to their Content Coordinator for approval. All other faculty and staff should submit their requests to their budget stakeholder, who in most cases will be their Campus Principal, or the Executive Director for approval and then forward the approved Purchase/Disbursement Request form to the Director of Finance and Operations/Chief Financial Officer/Business Manager – Cash & Accounting for processing.
- g. If a check request is to be made payable to the budget stakeholder who would normally approve the expense, the stakeholder must obtain the approval of the employee to whom they report, as stakeholders may not authorize payment to themselves.
- h. Requests without the appropriate budget stakeholder's approval will not be processed and will be returned to the initiator.

## SECTION 6. Reimbursement Check Distribution

Checks are processed in the Business Office biweekly on Fridays and issued that following Monday. Therefore, check requesters should allow two weeks for processing and take this schedule into consideration when planning the timing for submitting their check requests.

## SECTION 7. Charging Multiple Budgets

- a. When ordering or requesting reimbursement for purchased items, multiple classroom or department budgets may be charged on the same Purchase/Disbursement Request form if the full reimbursement is to be made payable to one staff member.
- b. However there can be only one payee per check request, so each payee must receipt their purchases separately. For example, if two teachers are shopping together, then each teacher must separate their own classroom items and not combine them on one receipt.
- c. If the items are for separate payees, then there must be two separate receipts. For example, if one teacher is shopping for other departments as well, there may be one check request form submitted with multiple budgets charged, but it is payable only to that one teacher.
- d. Whenever more than one department or program is to be charged on a purchase or reimbursement request, the breakdown of amounts to be charged to each budget



area must be clearly listed on the request form, and the stakeholder of each budget to be charged must have initialed by their respective charges on the form to indicate their authorization of the charges to their budget.

### **SECTION 8. Disbursement Requests**

All disbursement requests must have supporting documentation and/or original receipts attached and must be approved by the budget stakeholder before submission to the Business Office.

### **SECTION 9. Request for Reimbursement in Advance**

In cases where an employee anticipates incurring substantial out-of-pocket costs for school-related activities, such as field day, athletic banquets, or out-of-town field trips, the employee may submit a request for an advance of cash funds to be utilized to cover these expenses.

- a. Checks are processed in the Business Office bi-weekly on Fridays and issued that following Monday. Therefore, check requesters should allow two weeks for processing and take this schedule into consideration when planning the timing for submitting advance check requests.
- b. A completed and approved Purchase/Disbursement Request form is submitted to the ~~Director of Finance and Operations~~Chief Financial Officer, along with a budget of anticipated expenses supporting the amount requested in advance. Complete this form in detail, circling or indicating "advance payment."
- c. The employee must execute an Advance Receipt form when receiving the advance check. In executing the Advance Receipt form, the employee acknowledges that they are required to submit all receipts covering the total amount of the advance and return any cash for which supporting receipts are not provided.
- d. The employee acknowledges their liability for the total amount of advance funds received and that any unreceipted advance funds remaining outstanding 45 days after the conclusion of the activity will be deducted from their pay.
- e. Upon the conclusion of the activity, a completed and approved Purchase/Disbursement Request form, along with original receipts, is submitted to the ~~Director of Finance and Operations~~Chief Financial Officer.
- f. Only expenses that have actually been incurred in accordance with ANCS expense reimbursement policy and that are supported by receipts should be submitted to satisfy the advance check requirement.
- g. Complete this form in detail and in compliance with the general reimbursement procedures.

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- h. If the attached receipts are less than the amount advanced, the cash difference should be submitted to the Business Office along with the Purchase/Disbursement Request form.
- i. Once the advance documentation requirements have been received and approved by the ~~Director of Finance and Operations~~ Chief Financial Officer, the Advance Receipt form will be marked as “satisfied” and attached to the submitted receipts.

## Resources

The Purchase/Disbursement Request and Advance Receipt forms are available in the front office at both campuses or by request.

## Approval Dates

**Policy approval date:**  
06/16/15

**Policy effective date:**  
07/01/15

**Policy review date:**  
08/17

# Reporting

## Purpose

This policy governs the mechanisms for preparing and submitting various internal and external financial reports.

## Duration

This policy is permanent.

## Policy

### SECTION 1. Internal Reporting

- a. Detailed expenditure reports are prepared by the ~~Director of Finance and Operations~~Chief Financial Officer and issued monthly to budget stakeholders, Principals, and the Executive Director.
- b. Other reports are prepared for the Executive Director as requested.
- c. A report of annual campaign activity is issued to the Annual Campaign Committee, ~~Finance Committee~~Business Operations/Finance Committee and Fund Development Chair on a monthly basis.

### SECTION 2. ~~Finance Committee~~Business Operations/Finance Committee and Board

- a. Both detailed and summary financial reports are prepared by the ~~Director of Finance and Operations~~Chief Financial Officer and reviewed with the ~~Finance Committee~~Business Operations/Finance Committee on a monthly basis. See "Annual Operating Budget" on page 60.
- b. Supplemental reports are prepared for the ~~Finance Committee~~Business Operations/Finance Committee as requested.
- c. Summary financial reports as approved by the ~~Finance Committee~~Business Operations/Finance Committee are submitted to the Board for its Board meeting on a monthly basis.

### SECTION 3. External Reporting

- a. **Periodic Reporting.** The Office of the ~~Director of Finance and Operations~~Chief Financial Officer prepares reports and/or provides data in compliance with third-party reporting requirements. Third-party organizations receiving information include but are not limited to financial institutions (banking relationships, LOC, and mortgage holder), insurance providers (employee benefits and commercial liability), governmental agencies (Department of Labor, Department of Education, APS, etc.), Grantors and Foundation Contributors, the school's accounting firm,

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and the school's audit firm.

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- b. **Annual Reporting.** The school's accounting firm is responsible for 1099, W-2, tax return, and 990 reporting. The Business Office is responsible for 1099s. The ANCS payroll processor is responsible for W-2s.
- c. **Audited Financials** are prepared and issued by our external audit firm and are presented and reviewed with our Board of Directors at its ~~September~~October Board meeting each year.

### Resources

See "Annual Operating Budget" on page 60

### Approval

**Policy approval date:**  
06/16/15

**Policy effective date:**  
07/01/15

**Policy review date:**  
08/17

# Resolution Designating Financial Institution

See ~~See~~ "Financial Resolutions" ~~on page 23~~ in the Board Governance section.

# System of Internal Controls

## Purpose

This policy outlines the internal controls used to ensure finances are maintained with the highest degree of security.

## Duration

This policy is permanent.

## Policy

### SECTION 1. Budgetary Controls

- a. Department, program, and function budget stakeholders are made aware of the amount of their budget allowance that was included in the final ANCS budget as approved by the Board.
- b. It is the responsibility of each budget stakeholder to monitor their expenditures and ensure that they do not exceed their budget allotment. Each stakeholder should maintain their own records of expenditures and any related receipts.
- c. Stakeholders ~~will~~ may receive a monthly expenditure report from the ~~Director of Finance and Operations~~ Chief Financial Officer indicating what has been recorded within the financial records, which they should then compare to their records and discuss any noted discrepancies with the ~~Director of Finance and Operations~~ Chief Financial Officer.
- d. The Executive Director and Principals should also review and monitor the budgets of their direct report stakeholders and ensure that they are adhering to budget allowances.
- e. The ~~Director of Finance and Operations~~ Chief Financial Officer will communicate with the Executive Director and Principals regarding stakeholders exceeding budget allowances.

### SECTION 2. Expenditure Approval

- a. Stakeholders possess a great deal of discretion over the use of funds for classroom supplies (consumables like markers, folders, glue) and instructional materials (books, DVDs, etc.). However, faculty and staff expenditures must be pre-approved by the Executive Director, Principals, or Content Coordinators.
- ~~b. SWAT submitted expenses are approved by the Director of Finance and Operations~~ Chief Financial Officer.
- ~~e.b.~~        PTCA expenditures must be approved by the PTCA President or Treasurer.



- ~~d.c.~~ \_\_\_\_\_ Fund Development expenditures must be approved by the Board Fund Development Chair and Executive Director.
- ~~e.d.~~ \_\_\_\_\_ The Executive Director, ~~Director of Finance and Operations~~Chief Financial Officer, Principals, and Assistant Principals may authorize routine purchases and expenditures that are within the approved budget for their areas of responsibility.
- ~~f.e.~~ \_\_\_\_\_ For expense reimbursement requests wherein the stakeholder is the submitter and the payee, the stakeholder will need to obtain the approval signature of their immediate supervisor or the Executive Director.
- ~~g.f.~~ Approvers should approve only purchase or expenditure request forms to which appropriate supporting documentation has been attached. See "Disbursements" ~~on page 79~~.

### SECTION 3. Business Office Controls – Segregation of Duties

- a. Disbursement requests are pre-approved by stakeholders and their supervisors (see Section 2 above).
- ~~b. Petty cash funds are maintained by Front Office Assistants and petty cash disbursements are approved by budget stakeholders.~~
- ~~e.b.~~ \_\_\_\_\_ Receipts/~~deposits~~ are prepared and submitted by individuals external to the business office.
- ~~d.c.~~ \_\_\_\_\_ All check signers are external to the Business Office and affirmed each fiscal year in the Financial Resolution and through a Board vote.
- ~~e.d.~~ \_\_\_\_\_ Payroll is approved by the Executive Director and transmitted to a third-party processor ~~by the school's independent accounting firm~~.
- ~~f.e.~~ \_\_\_\_\_ Bank accounts are reconciled monthly by ~~the school's independent accounting firm~~Director of Finance and reviewed monthly by the Executive Director. Additionally, the reconciliation will be included in the monthly financial package sent to the Business Operations Committee.

### SECTION 4. Technology Controls

- a. Passwords are changed periodically.
- b. Financial reporting software applications provide an audit trail of changes to key master files.
- c. Financial software is maintained on a dedicated server.
- d. Backups are performed no less than once per week on the financial database.
- ~~e. A list of accounting system passwords is maintained in a secure location with access available only to the Executive Director and the Director of Finance and~~

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~~Operations. The Finance Chair may be granted access on an as-needed basis.~~Each user of a financial system should maintain their own unique login and should not be shared with any other person.

## Resources

See "Disbursements" ~~on page 79~~

# Approval

**Policy approval date:**  
06/16/15

**Policy effective date:**  
07/01/15

**Policy review date:**  
08/17

# Vendor and Supplier Conflict of Interest

## Purpose

This policy governs the use of vendors who have a close relationship with decision makers.

## Duration

This policy is permanent.

## Policy

- a. Vendors and contractors (e.g., food service, enrichment program, janitorial service, etc.) who are relatives of any ANCS employee (as defined by the Hiring and Evaluation of Immediate Family Members Policy) should require careful consideration when being considered for providing a paid service to the school. Disclosure of the vendor's relationship should be discussed with the ~~Director of Finance and Operations~~ Chief Financial Officer and the Executive Director, approved by the Finance and Operations Committee, and disclosed to the Board of Directors.
- b. If an employee, his/her relative, or a friend owns, manages, or sells for a vendor/supplier, the employee must recuse himself/herself from decisions involving that vendor/supplier and should not access related information unavailable to competing vendors/suppliers.
- c. Clear evidence of the advantages of this vendor, if recommended, should be presented to the Board prior to voting to authorize the contract.

## Related Policies

See "Board Member Conflict of Interest" ~~on page 8~~

See "Hiring and Evaluation of Immediate Family Members" ~~on page 336~~

See "Vendor Contracts and Purchasing Limits" ~~on page 117~~

## Approval

**Policy approval date:**  
06/16/15

**Policy effective date:**  
07/01/15

**Policy review date:**  
08/17

# Vendor Contracts and Purchasing Limits

See See "Purchasing and Receiving" ~~on page 95~~.

# Coversheet

## Monthly Fund Development Report

**Section:** V. Fund Development  
**Item:** A. Monthly Fund Development Report  
**Purpose:** FYI  
**Submitted by:** Sabrina Sexton  
**Related Material:** Fund Development Committee Report November 2020.pdf



## **Fund Development Committee Report | November 16, 2020**

Prepared by Sabrina Sexton (Vice Chair, Fund Development Committee Chair)

### **2020-2021 Gather & Grow Fund (Annual Campaign):**

- YTD Total: \$15,734.68
- Goal: \$140,000
- Board Participation: TBD

### **Sponsorship**

- The 2020-2021 sponsorship package has been finalized and is available on the website: <https://atlncs.org/become-a-corporate-sponsor/>
- Sponsorship revenue benefits both the school's operating budget and the PTCA.

### **Gather & Grow Campaign Activity**

- Postcards to grandparents and special friends have been mailed.
- Postcards to parents will mail Monday/Tuesday this week.
- Notes to major donors will mail on Wednesday.
- The remaining campaign plan will be finalized based on the school's resources and what is determined to be manageable.

### **Committee Meetings**

- The next committee meeting is scheduled for Friday, November 20, from 2 to 3 p.m.
- Going forward, monthly meetings are the first Friday of the month from 2 to 3 p.m.
- The committee is planning to meet monthly but may reevaluate the meeting cadence in 2021.

*End of report.*



## Coversheet

### Vote on Diversity, Equity & Inclusion Task Force Recommendations

**Section:** VI. New Business  
**Item:** A. Vote on Diversity, Equity & Inclusion Task Force Recommendations  
**Purpose:** Vote  
**Submitted by:** Jason Rhodes  
**Related Material:**  
Diversity, Equity and Inclusion Task Force Report and Recommendations.pdf

## **Diversity, Equity and Inclusion Task Force Report and Recommendations**

The Diversity, Equity and Inclusion (DEI) Task Force was established at the September, 2020 Board meeting for the purpose of establishing proposals designed to ensure the maximum effectiveness of Board support for the Diversity and Equity Action Team (DEAT) and to increase socioeconomic diversity on the Board. DEAT was established in the 2017-2018 school year for the purpose of creating a more welcoming and equitable environment at ANCS, and lists “community outreach to build relationships in parts of ANCS attendance zone currently underrepresented in enrollment at the school” as one of its key priorities (<https://atlncs.org/equity-support-at-ancs/>). Current DEAT co-chairs include Equity Support Coordinator Tilifayea Griffin, K-5 Associate Learning Specialist Anthony Lobban, K-5 School Counselor and Test Coordinator Leslie Jo Tottenham, and 6th/7th Grade Individuals and Societies Teacher and Director of After-School Activities and Athletics Santina Cambor.

### **Accomplishments**

One of the goals of our Task Force was to raise DEAT’s profile in the school community and on the Board. In pursuit of this, the Task Force recommended the creation of a “DEAT page” on the school website. Thanks to the work of Tilifayea Griffin and Paige Teusink, this was quickly achieved, and the “Equity Support” page, featuring DEAT, is now up and accessible as a link under the “About” tab on the school homepage (<https://atlncs.org/equity-support-at-ancs/>).

Further, to raise the profile of DEAT’s work on the Board, a “DEAT Update” will become a standing item on the monthly Board meeting agenda, beginning with the December meeting, for the purpose of providing regular updates on DEAT activities, diversity outreach and recruitment, and any DEAT requests for Board support. This update will be provided by Board members actively involved in DEAT.

### **Recommendations**

After careful consideration and discussion with DEAT Co-Chair and school Equity Support Coordinator Tilifayea Griffin, the DEI Task Force submits the following recommendations to the Board for separate consideration and vote:

- 1) DEAT currently receives no annual budget allocation from the school, instead relying on one-off requests for funds as needs arise.

**Proposed: Leaving the amount of allocation and the process of budget submission and approval to the discretion of the Leadership Team, in consultation with DEAT co-chairs, the Board supports DEAT’s request for an annual operating budget to facilitate effective planning and implementation of its agenda.**

- 2) DEAT cannot rely entirely on volunteers to effectively plan and implement an ongoing outreach effort in accordance with its priority to “build relationships in parts of ANCS

attendance zone currently underrepresented in enrollment at the school.” The DEI Task Force recommends support for DEAT’s outreach efforts through the creation of stipended positions for teachers, staff or parents to assist in this effort.

**Proposed: Leaving the number of positions to be created and the amount of compensation to the discretion of the Leadership Team in consultation with DEAT co-chairs, the Board supports the establishment of stipended positions to support outreach efforts to economically disadvantaged families in the Tier 1 attendance zone.**

- 3) Regarding ensuring diversity on the Board, the Board Nominations policy document states that "In accordance with the values of ANCS, the Nominating Committee shall seek to ensure that the Board of Directors is inclusive and at least parallels the diversity of our community." The DEI Task Force recommends that this goal be codified in the Board Nominations policy document with the requirement that, prior to publicly advertising Board positions, the Nominations Task Force will report to the Board the actions it will take to achieve this.

**Proposed: The Call for Nominations section (below) of the Board Nominations policy document shall be amended with the addition of the following language, in bold:**

Section 2. Call for Nominations

- 1. (Proposed amendment): Prior to the public call for nominations, the Nominations Task Force [in this document referred to as the Nominating Subcommittee] shall report to the Board the actions it will take to ensure that the Board recruitment process results in a pool of candidates that reflects the diversity of the communities that we serve.**
2. After determining the Board positions to be filled, a call for nominations for Board members will be made to the community no later than February, allowing at least two weeks for a response.
3. This call for nominations will be distributed to all current families and faculty and staff. It will be posted on the ANCS website, social media, and other areas to enhance recruitment efforts of non-parents.
4. The notice will describe the skills and experience the Nominating Subcommittee is seeking and ask suitable interested candidates to complete an application, including personal profile information and references, by the close of the nominations period.

The complete Board Nominations policy document is available here:

[https://atlns.org/guide/Default.htm#02\\_Board\\_Governance\\_Policies/Board\\_Nom](https://atlns.org/guide/Default.htm#02_Board_Governance_Policies/Board_Nom)

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