**Financial Policies & Procedures Manual Updates and Changes**

**Additions**

* **Time and effort policy**: standard template time and effort policy added to match current practice.
* **Fundraising:** 
  + General fundraising policy: blanket approval for PCM to undertake fundraising activities as long as the purpose is educational or extracurricular.
  + Student fundraising: blanket approval for PCM students to undertake fundraising activities which will eventually be donated to another nonprofit.
* **De minimis:** added language that treats expenses on personal reimbursements as de minimis, meaning regular rules don’t necessarily apply. For example a receipt may not be required for a $5 purchase or the gifting of public funds rule will not apply if a teacher purchases a small snack.
* **Automatic payments:** added language to allow automatic payments (required due to new food vendor). Stipulations include: Board must approve the contract up front; invoices must still be reviewed and approved as normal; quarterly reconciliation should be completed; and the automatic debit cannot exceed $20,000 in a month.
* **Electronic filing:** added language to allow for electronic filing of most documents (AP packets, check disbursement packets, etc).
* **Extracurriculars & Core Ed Program:** policy added to allow general apportionment funds to be spent on extracurricular and other enrichment activities. Especially needed since Charter schools don’t receive levy funding.
* **Cash disbursements & contracts:** added a section to allow for cash disbursements to be made without an invoice as long as the contract stipulates exactly how much is due per month (example: leases)
  + Language: In the event that a contract stipulates the exact amount due per month in a certain period (example: lease), an invoice is not required to process payment. The relevant section of the contract detailing the amounts due monthly will be sufficient for the cash disbursement packet.
  + Added language where appropriate that also delineates that a cash disbursement can be processed based on the contract, without an invoice. This was accomplished by adding “or contract” whenever the mention of an invoice being required was mentioned.

**Removals**

* **Revenue Recognition for Grants:** removed unnecessarily restrictive language.
* **Pledges or Grants Receivable:** removed language that does not conform to GAAP.
* **Government Cost-Reimbursement Contracts:** removed unnecessarily restrictive language.
* **Employee reimbursements:** removed the maximum $1,000 for employee reimbursements. Since there aren’t many reimbursements anyway, we don’t want to create an artificial limit in case this ever goes over.

**Changes**

* **Capital expenditures approval:**
  + From: While a capital budget may be approved, the authority of the Head of School to solely commit to individual expenditures under that budget is limited to $40,000.00 per transaction. If a capital expenditure of over $40,000 that is not in the original budget must be made, it needs Board approval. Capital expenditures included in the board-approved budget are considered to be approved by the board with their review and approval of the budget.
  + To**: If a capital expenditure of over $40,000 that is not in the original budget must be made, it needs Board approval. Capital expenditures included in the board-approved budget are considered to be approved by the board with their review and approval of the budget.** Commitments for capital expenditures exceeding that **amount and not included in the approved budget** must have the co-signature of either the Board Treasurer, Chairperson of the Board, Vice-Chair of the Board, or the Chair of the Finance Committee. A capital expenditure is defined as an expenditure for fixed assets exceeding $5,000.00.
  + Rationale: Avoids unnecessary administrative burden; strong controls still maintained via budget approval, monthly and quarterly budget to actual reviews, and monthly review of bill payments.
* **Bank reconciliation:**
  + From: The [bank reconciliation] report is submitted to the Head of School and Treasurer of the Board of Trustees for review, initialed by each and returned to the Financial Consultant. The Financial Consultant files the statement and reconciliation report in the Bank Reconciliation electronic folder in date order, sorted by bank account.
  + To: The [bank reconciliation] report is submitted to the CFO-consultant for review, initialed, and emailed to the Head of School for review. The Financial Consultant files the statement and reconciliation report in the Bank Reconciliation electronic folder in date order, sorted by bank account.
  + Rationale: Avoids unnecessary administrative burden; strong controls still maintained via multiple reviewers of the bank reconciliation.