Fiscal Policies & Procedures

Camino
Nuevo
Charter
Academy

Approved by the Board of Directors, June 16, 2020

CNCA Fiscal Policies & Procedures

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CNCA FISCAL POLICIES AND PROCEDURES

Approved by the Board of Directors, ~~September 08,2020~~November 09, 2021

Introduction

The Governing Board of Camino Nuevo Charter Academy (CNCA) has reviewed and adopted the following policies and procedures to ensure the most effective use of the funds of CNCA to support its mission and to ensure that the funds are budgeted, accounted for, expended and maintained appropriately.

Accounting Procedures

This section covers basic accounting procedures for the organization. The accounting procedures used by the organization shall conform to Generally Accepted Accounting Principles (GAAP) to ensure accuracy of information and compliance with external standards.

Basis of Accounting

Policy: The organization uses the accrual-basis of accounting at year-end, meaning that revenues are recorded when earned, and expenses are recorded when a liability is incurred regardless of when the receipt or payment of cash takes place.

Procedures:

- Throughout the fiscal year, revenue is recorded in the month in which it is received and expenses are recorded in the month in which they occur.
- At the close of the fiscal year, all revenue earned in the fiscal year, but not received is accrued. All expenses that have been incurred but not paid are also accrued. This ensures that that the year-end financial statements reflect all revenue earned and all expenses incurred during the fiscal year.
- Year-end books, inclusive of adjusting journal entries, are closed by December 15, the date by which the audit report must be submitted to the state controller and respective reporting agencies.

Bank Reconciliations

Policy: Bank reconciliation and approval will occur on a monthly basis.

Procedures:

- The ExED* Accounting Associate or Senior Accounting Associate (AA/SAA) assigned to the organization will print the bank statements directly from the online banking system. If online banking is unavailable, the organization will make copies of the original statement available to ExED.
- The ExED AA/SAA will prepare the bank reconciliation.
- The Accounting Manager or Vice President, School Finance assigned to the organization will review and approve the bank reconciliation by initialing and dating the report.

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Record Keeping

Policy: Financial records will be retained for a minimum of seven years or as outlined in the 990 policy.

Procedures:

- ExED will retain financial records, including transaction ledgers, canceled/duplicate checks, attendance and entitlement records, payroll record, and any other necessary fiscal documentation at its site until the prior year audit has been completed.
- ExED will deliver financial records to the organization for storage for the remaining years of the seven year retention period.
- At the discretion of the Governing Board or Chief Executive Officer, certain documentation may be maintained for a longer period of time.
- Financial records will be shredded at the end of their retention period.
- Backup copies of electronic and/or paper documentation should be stored in a secure location.

Internal Controls

The organization employs several safeguards to ensure that financial transactions are properly authorized, appropriated, executed and recorded.

All documentation related to financial matters will be completed by computer, typewriter, or ink. Completion by pencil is not permitted.

Lines of Authority

Governing Board

- Approves the fiscal policies and procedures and delegates administration of the policies and procedures to the Chief Executive Officer.
- Ensures that the fiscal policies and procedures are current, meaning that they have been reviewed and updated annually.
- Approves the opening and closing of bank accounts and the list of authorized signers and the organization address on record.
- Approves all third-party loans.
- Approves the opening of business credit cards.
- Reviews and approves the annual budget.
- Reviews annual and monthly financial statements, including the the ExED-prepared financial dashboard and budget-to-actual variance analysis.
- Reviews the Chief Executive Officer's performance annually and establishes compensation.
- Reviews and approves all contracts over $100,000.
- Commissions the annual financial audit by an independent third party auditor approved by the State of California.
- Approves the annual financial audit by December 15.

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- Appoints someone else to perform the duties of the Chief Executive Officer in the case of absence.

Chief Executive Officer

- Is responsible for all operations and activities related to financial management.
- Develops the Home Support Office and Consolidated organization annual budget with ExED.
- Approves Site Budgets developed by Site Principals and ExED.
- Reviews and approves all contracts under $100,000.

Chief Executive Officer and/or Designee

- Reviews and approves all expenditures.
- Develops annual site budget with ExED.
- Oversees the adherence to all internal controls.
- Appoints someone else to perform his/her duties in case of absence.

Segregation of Duties

Policy: The organization's financial duties shall be distributed among multiple people to help ensure protection from fraud and error. The distribution of duties aims for maximum protection of the organization's assets while also considering efficiency of operations.

Procedures:
- Procedures for each section of this document will identify the position responsible for carrying out each function so that no single person or entity has sole control over cash receipts, disbursements, payrolls, and reconciliation of bank accounts.
- All administrative employees are required to take annual vacations of at least five (5) consecutive days. During the mandatory vacation, responsibilities shall shift to another employee who has been cross-trained in those responsibilities.

Financial Planning & Reporting

Budgeting Process

Policy: In consultation with the Chief Executive Officer, ~~and~~ Treasurer, and the ~~Chief Financial Officer~~VP of Finance and Business Services, ~~and~~ ExED will prepare the annual budget for approval by the Governing Board. The budget is to be approved by the Governing Board prior to the start of each fiscal year.

Procedures:
- The Chief Executive Officer will work together with the ~~Chief Financial Officer~~VP of Finance and Business Services, Department of Human Resources, and Site Principals to ensure that

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the annual budget is an accurate reflection of programmatic and infrastructure goals for the coming year.

- ExED will ensure that the budget is developed using the organization's standard revenue recognition and cost allocation procedures.
- ExED, in consultation with the Chief Executive Officer and ~~Chief Financial Officer~~VP of Finance and Business Services, will set a target net income goal to meet strategic goals and/or comply with existing loan covenants.
- ExED or ~~The~~the ~~Chief Financial Officer~~VP of Finance and Business Services will present a draft budget to the Board prior to the end of the fiscal year.
- The Governing Board will review and approve the budget no later than its last meeting prior to the start of the fiscal year.
- ExED will prepare financial statements displaying budget vs. actual results for presentation by ExED or the ~~Chief Financial Officer~~VP of Finance and Business Services to the Governing Board at each board meeting.

Internal Financial Reports

Policy: The organization reviews regular financial reports on a monthly basis.

Procedures:

- ExED is responsible for producing the following year-to-date reports within 45 days of the end of each month~~-~~ (in August through June): Income Statement including budget to actual variances, Balance Sheet, Financial Analysis, and Cash Flow Projection.
- ExED will distribute check register each month to the Chief Executive Officer, ~~Chief Financial Officer~~VP of Finance and Business Services, and Site Principals.
- The Chief Executive Officer, ~~Chief Financial Officer~~VP of Finance and Business Services, Site Principals, and Board Treasurer will review financial reports each month.
- The ~~Chief Financial Officer~~VP of Finance and Business Services and/or the Treasurer will present the financial reports to the Governing Board at each meeting.

Audit

Policy: The Governing Board will contract annually with a qualified independent certified public accounting firm to conduct an audit of the organization's financial statements in accordance with auditing standards generally accepted in the United States of America, *Government Auditing Standards* issued by the Comptroller General of the United States, and, if applicable, the *U.S Office of Management and Budget's Circular A-133.* The selected audit firm must be familiar with these standards, related State of California and Charter School regulations, and the *Standards and Procedures for Audits of California K-12 Local Education Agencies* Audit Guide (which can be found at http://eaap.ca.gov/audit-guide/current-audit-guide-booklet/), in order to properly conduct the audit engagement.

After six consecutive fiscal years, the organization will contract with a new audit firm or require a change/rotation in audit partners in the seventh year, unless a waiver is obtained from the Educational Audit Appeals Panel. (Education Code 41020).

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Procedures:
- The Governing Board will appoint an Audit Committee of one or more persons by January 1 of each year.
- The Audit Committee may include persons who are not members of the board, but may not include any members of the staff of the corporation, including the president or CEO or the treasurer or ~~CFO~~VP of Finance and Business Services~~OF FINANCE AND BUSINESS SERVICES~~. In addition, any person with expenditure authorization or recording responsibilities within the organization may not serve on the committee.
- The Audit Committee will be responsible for contracting with an audit firm by March 1 of each year, unless the existing contract is a multi-year contract.
- The Audit Committee will be responsible for reviewing the results of the annual audit and developing a corrective action plan to address all relevant weaknesses noted by the auditor.
- The Governing Board will review and approve the audit no later than December 15.
- The audit firm will be responsible for submitting the audit to all reporting agencies no later than December 15.

Tax Compliance

Exempt Organization Returns

Policy: The audit firm contracted by the Governing Board to conduct the annual financial audit will prepare the annual Federal Form 990 and the California Form 199. The tax forms are to be filed no later than May 15 of each year.

Procedures:
- ExED will work with the tax preparer to complete the organization's tax returns.
- The Chief Executive Officer will review the tax returns before submitting to the Governing Board for final approval prior to May 15.
- The Form 990 will be available to the public via GuideStar, an information service specializing in reporting on U.S. nonprofit companies.

Quarterly/Annual Payroll Reports

Policy: ExED will prepare the state and federal quarterly and annual payroll tax forms and will submit the forms to the respective agencies within established deadlines.

Procedures:
- ExED will prepare employee W2s by January 31 each year.
- ExED will file quarterly payroll tax reports (941 and DE9) by the filing deadline.

Revenue & Accounts Receivable

Cash Receipts

Policy: Cash receipts (including check or cash payments received via mail or in person and

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deposits received via Electronic Fund Transfer) shall be recorded completely and accurately to prevent the misappropriation of assets.

Procedures:

- For each fundraising or other event in which cash or checks will be collected, the Chief Executive Officer, ~~Chief Financial Officer~~VP of Finance and Business Services, or Site Principals will designate a staff member to be responsible for managing the process to collect and hold all cash and checks related to the event.
- The designee will record each transaction in a receipt book or document each item sold at the time the transaction is made in a log or similar.
- The designee shall give the cash, checks, deposit summary, and any related supporting documentation to the Office Manager immediately.
- The Office Manager and the designee will recount and reconcile the amount received with the supplied supporting documentation and each will sign for approval.
- Office Manager will save copy of pdf deposit packet including deposit slip to the myExED portal secure file sharing application *box.*
- The office manager will immediately put the funds in the secure Drop Safe used for Armored services weekly pick-up.
- ExED will reconcile the deposit packet to the deposit slip and the bank statement as part of the monthly close process.
- Cash/checks dropped off in the classroom will be held by the teacher. Each morning, the teacher will collect all forms, payments, etc. that have been brought in by students that day and place them in a large envelope. Before the end of the work day, the teacher will bring the envelope from his/her classroom to the office where the cash/checks will be counted by the teacher and the office manager.
- Mail (including anything official such as governmental notices, invoices and checks) received at the school must be opened by office staff members and stamped with a "received" stamp. If possible, the person opening the mail should not also be responsible for making bank deposits.
- When utilizing merchant or online web contribution services, appropriate segregation of duties shall be in place to ensure that no single person is able to perform incompatible functions (custody, recording, approving).

Deposits

Policy: The Home Support Office Manager or designee is responsible for making bank deposits.~~ExED is responsible for collecting deposits from all CNCA sites and making bank~~ deposits.

Procedures:

- The Office Manager will restrictively endorse each check received (e.g. For Deposit Only Camino Nuevo Charter Academy).
- The Office Manager will prepare a deposit packet itemizing the amount, source, and purpose of each check or cash payment received. The Chief Executive Officer, ~~Chief~~

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~~Financial Officer~~VP of Finance and Business Services, or Site Principals will review and approve the deposit packet.

- The Office Manager will provide the deposit packet to the Home Support Office.
- The Home Support Office ~~Office~~ Manager or designee will make the deposit via the Wells Fargo remote Desktop Deposit System and attach the deposit receipt to a copy of the deposit packet that includes scanned pdf images of the checks deposited.
- Office Manager will save copy of pdf deposit packet including deposit slip to the myExED portal secure file sharing application *box.*
- ExED will reconcile the deposit packet to the deposit slip and the bank statement as part of the monthly close process.

Expense & Accounts Payable

Payroll

Policy: Employees are paid on a semi-monthly basis. Under the supervision of the Chief Executive Officer, VP of Human Resources, and Site Principals, ExED will be responsible for processing payroll through a third-party provider.

Time Sheet Preparation & Approval

Policy: All non-exempt employees are required to record time worked, holidays, and leave taken for payroll, benefits tracking, and cost allocation purposes.

Procedures:

- Non-exempt employees will be responsible for completing a timesheet, recording hours worked and vacation, sick or holiday time if applicable.
- Each non-exempt employee will approve his/her timesheet via his/her signature or submission through the payroll system.
- Each supervisor will review and approve his/her employees' timesheets by signing each timesheet or approving each timesheet in the payroll system.
- Supervisors will return, either physically or via the payroll system, incomplete timesheets to the employee for revision.
- If an employee is unexpectedly absent and therefore prevented from working on the last day of the pay period or turning in his/her timesheet, the employee is responsible for notifying the signatory supervisor or for making other arrangements to submit the timesheet. The employee must still complete and submit the timesheet upon return.
- Salaried employees are responsible for requesting leave, and supervisors are responsible for tracking leave taken by salaried employees.

Time and Effort Reporting

Policy: Federal Uniform Guidance, 2 CFR 200, requires that employees funded through federal funds document the time they spend on activities. Employees funded through federal grants fall into one of these categories:

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a) Employees funded through only one federal source or a single cost objective.
b) Employees funded through more than one source, one of which is federal.

At Camino Nuevo Charter Academy federally-funded employees *may* be funded from any of the following programs:

1. Title I (3010)
2. Title II (4035)
3. Title III (4201 and 4203)
4. Title IV (4127)
5. Special Education (3310)

Procedures:

Employees Funded Through Only One Federal Source
CNCA employees who are funded through only one federal source must account for their time twice annually using the Semi-Annual Certification Form. The Semi-Annual Certification must be completed at the end of October and the end of March. The following information will be included on the form:

1. Employee Name
2. Position Title
3. School
4. Reporting Period
5. Program(s)/Resources(s)
6. Supervisor's Signature

Employees Funded Through More Than One Source, One of Which is Federal
Personnel Activity Report (PAR)
The PAR form will be prepared monthly and coincide with the CNCA payroll schedule. The employee must confirm the percentage of hours worked while performing different activities funded through federal funding. These activities should be outlined in the employee's duty statement. The PAR form will account for an after-the-fact distribution of the actual activity for which each employee is compensated. The following information will be included on the form:

1. Employee Name
2. Position Title
3. School
4. Reporting Period
5. Program(s)/Resources(s)
6. Employee Signature

Other Requirements/Information Regarding Time and Effort Reporting
Duty Statement

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Each federally funded employee must also complete a duty statement. A duty statement is similar to a job description, but provides additional details about the specific activities and work the employee performs. If the employee's duties remain consistent throughout the school year, then only one duty statement needs to be submitted. This duty statement will be submitted with the first Time and Effort document (Semi-annual Certification or PAR form.) If an employee's duties change during the course of the school year, then a new duty statement will need to be submitted along with the employee's Time and Effort documentation form.

Submission Requirements

All forms must be submitted within two weeks of the end of the recording period to the Principal or ~~Chief Financial Officer~~VP of Finance and Business Services who oversees the federal funding source from which the employee is funded.

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Training

Training in regards to Time and Effort documentation will take place each year by November for all employees who have not been previously trained in the documentation procedures. New employees hired after the fall training date(s) and/or whose salaries are later designated to be paid with federal funds will be trained in Time and Effort documentation prior to the next Time and Effort documentation period.

Personnel Changes

Any employee whose salary is charged to a federal funding source will be notified by the Principal or ~~Chief Financial Officer~~VP of Finance and Business Services overseeing the federal monies. Notification will be in a timely manner and prior to the completion and collection of the documentation/reports.

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Record Retention

Time and effort records will be kept on file for a minimum period of three (3) years by the VP of Human Resources or ~~Chief Financial Officer~~VP of Finance and Business Services of those federal funds.

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Payroll Additions, Deletions, and Changes

Policy: The Chief Executive Officer, ~~Chief Financial Officer~~VP of Finance and Business Services, VP of Human Resources, and Site Principals are authorized to approve all payroll changes within the scope of his/her budget authority.

Procedures:

- The VP of Human Resources or designee will submit, either physically or electronically via payroll system, new hire or employee change paperwork to ExED prior to the payroll deadline for the first pay period in which the change or addition is to go into effect.

Payroll Preparation & Approval

Policy: ExED will prepare payroll in accordance with the organization's payroll calendar.

Procedures:

- Five days prior to each check date, the Office Manager will review electronic time cards within the payroll system to ensure they are complete and approved for that pay period. ~~will provide ExED with a summary payroll report that includes:~~Time Recorded will include:

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- ~~A listing of salaried staff to be included in the payroll and an~~An accounting of any vacation, sick, or personal hours to be recorded for each salaried employee.
- The number of hours each hourly employee worked during the pay period as well as an account of any vacation, sick, or personal hours to be recorded for each hourly employee.

The ExED Accounting Analyst, Associate, or Senior Associate assigned to the organization will prepare payroll based upon notification from the VP of Human Resources or designee that payroll for that pay period is approved. ~~the summary payroll report and submit the "Register Prior to Processing" to the ExED Accounting Manager (AM)or Vice President (VP), School Finance.~~

- Once processed, the payroll processor ExED Accounting Manager (AM), Senior Accounting Associate (SAA), or Vice President (VP), School Finance will review the Payroll Journal Report for accuracy and completeness and will review the Employee Change Report to verify appropriateness of all changes. ~~The ExED senior staff will review the "Register Prior to Processing" and the supporting "Employee Change Listing" for accuracy and completeness.~~
- ~~If there are changes between the payroll summary report and the register,~~ ExED will obtain approval from the Chief Executive Officer, VP of Human Resources, or Site Principals before submitting payroll.
- The ExED Accounting Manager or Vice President, School Finance will submit payroll to the 3rd party payroll provider for check and direct deposit processing.
- The 3rd party payroll provider will deliver the payroll package to the organization address on file one day prior to the check date.
- The Chief Executive Officer, VP of Human Resources, or Site Principals or designee will be responsible for opening the payroll package, reviewing reports for accuracy, and notifying ExED of any missing checks.
- The Chief Executive Officer, VP of Human Resources, Site Principals, or designee will distribute pay stubs to employees on the check date (if applicable).

Commented [eO1]: Adding "If applicable" as now employees have access to this online if they have direct deposit

Pay Upon Termination

Policy: Employees who are discharged shall be paid all wages due at the time of termination. (Labor Code § 201) Employees who quit without giving prior notice shall be paid wages within 72 hours (inclusive of weekends and holidays). If the employee gives at least 72 hours' notice, the wages must be paid on the last day worked. (Labor Code § 202)

Procedures:

- The VP of Human Resources or designee will inform ExED of any voluntary or involuntary termination immediately and will provide an accounting of the hours/days worked since the last payroll and any accrued Paid Time Off (PTO) to be paid.
- ExED will calculate the final check based on the hours/days worked and the employee's pay rate.
- ExED will prepare the final check and provide to the school in accordance with the timelines required by law. The organization is responsible for creating and obtaining the employee's signature on the final check acknowledgement.

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- An employee who quits without 72 hours' notice may request that his or her final wage payment be mailed to a designated address. The date of mailing will be considered the date of payment. (Labor Code § 202)
- The final check may not be provided via direct deposit.
- The organization must provide ExED with a list of non-returning staff two weeks prior to the last day of instruction to ensure that final checks are distributed in accordance with labor law.

Purchases & Procurement

Policy: All purchases must be authorized by the Chief Executive Officer, ~~Chief Financial Officer~~VP of Finance and Business Services, or Site Principals. Any expenditure in excess of $30,000 for the purchase of a single item should have bids from three (3) suppliers if possible. Any food contract that exceeds $150,000 (the small purchase threshold set by the US Department of Agriculture) shall follow a competitive bid process.

Goods or services purchased with federal funds must follow federal procurement guidelines as outlined in Education Department General Administration Regulations (EDGAR), Part 80—Uniform Administrative Requirements for Grants and Cooperative Agreements to State and Local Governments, Sub-part C (Post Award Requirements), Section 80.36 (Procurement) located at: http://www2.ed.gov/policy/fund/reg/edgarReg/edgar.html.

The Governing Board must approve any contract over $100,000.

Meeting food purchasing guidelines are to be followed.

Procedures:
- All purchases over $500 require a purchase requisition.
- The Chief Executive Officer, ~~Chief Financial Officer~~VP of Finance and Business Services, or Site Principals will approve the purchase requisition after determining:
  - If the expenditure is budgeted.
  - If funds are available for the expenditure.
  - If the expenditure is allowable under the appropriate revenue source.
  - If the expenditure is appropriate and consistent with the vision, approved charter, school policies and procedures and any related laws or applicable regulations.
  - If the price is competitive and prudent and proper bidding procedures have been followed.

Meeting Food
- Sign-In Sheets are required to be submitted with purchase documentation when food is purchased or provided to staff or stakeholders

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Parent Meetings Coffee with the Principal Workshops	**Allowable**	Light Snacks Only Granola Bars, Chips, Baked Goods, Fruit Coffee/Juice/Water
Staff Professional Development $5 or less Breakfast per Employee $10 or less Lunch per Employee	**Allowable**	Pre-Order food from vendor Check for delivery fees Do not tip if delivery fee included Tips should be no more than 5% Receipt must show tip if given **When in Doubt Do Not Tip**
Celebrations Teacher Appreciation Holiday Celebrations Student Graduation Mother's Day Sports Banquets (Treat as a fundraiser)	**Not Allowable**	OK: Donations or Potluck Purchases for Celebrations are considered a Gift of Public Funds and not allowable by the Government
Food Delivery Service DoorDash GrubHub Postmates Uber Eats Etc.	**Not Allowable**	High Cost No Reason to use when ordering food in advance for Staff PD Days

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Parent Meetings Coffee with the Principal (Cafecitos) Workshops	Allowable	Light snacks
Staff Professional Development Up to $20 per employee breakfast* Up to $30 per employee lunch* *Including tax and tips/fees	Allowable	Tips should not be more than 5% Do not tip if delivery fee is included Receipt must show the tip included Preorder food from a vendor
Celebrations Teacher Appreciation Holiday Celebration Mother's Day/Father's Day Sport's Banquets (treat as a fundraiser)	Not Allowable	Ok: Donations and potluck Purchases for celebrations are considered gifts of public funds and therefore not allowed.
Food Delivery Service Door Dash Grub Hub Postmates Uber Eats Etc.	Allowable	When necessary to use these services costs must not exceed $30 per meal, per employee inclusive of taxes and fees.

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- Food costs outside of the set totals above may be submitted for consideration. Approval of such costs is at the discretion of the Chief Executive Officer, approval is solely on the basis of the CEO's evaluation of the proposal and shall not set a precedent for future approval.

Contracts

- The Chief Executive Officer, ~~Chief Financial Officer~~VP of Finance and Business Services, or Site Principals will consider in-house capabilities to accomplish services before contracting for them.
- The Chief Executive Officer, ~~Chief Financial Officer~~VP of Finance and Business Services, or Site Principals will keep and maintain a contract file evidencing the competitive bids obtained (if any were required) and the justification of need for any contract over $30,000.
- The Chief Executive Officer, ~~Chief Financial Officer~~VP of Finance and Business Services, or Site Principals will confirm that the contractor is not listed in the US government's Suspended or Disbarred list via a search of the System for Award Management (www.sam.gov). The Chief Executive Officer, ~~Chief Financial Officer~~VP of Finance and Business Services, or Site Principals will keep a record of all searches.
- The Chief Executive Officer, ~~Chief Financial Officer~~VP of Finance and Business Services, or Site Principals will ensure that a written contract clearly defining work to be performed is on file for all contract service providers (i.e. consultants, independent contractors, subcontractors).
- Contract service providers must show proof of being licensed and bonded, if applicable, and of having adequate liability insurance and workers' compensation insurance currently in effect. The Chief Executive Officer or designee may also require that contract service providers list the school as an additional insured.
- The Chief Executive Officer will approve proposed contracts and modifications in writing.
- Contract service providers will be paid in accordance with approved contracts as work is performed.
- The Chief Executive Officer, ~~Chief Financial Officer~~VP of Finance and Business Services, VP of Human Resources, or Site Principals will be responsible for ensuring the terms of the contracts are fulfilled.
- Potential conflicts of interest will be disclosed upfront, and the Chief Executive Officer and/or Member(s) of the Governing Board with the conflict will excuse themselves from discussions and from voting on the contract.

Credit Cards

Policy: Organization credit card accounts shall only be established with the formal approval of the Governing Board and may only be used for organization-related expenditures.

Procedures:

- Purchase requisition and other documentation requirements apply to credit card purchases above $500.

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- Tipping shall be applied to transportation and meal costs only.
- The bank and/or consumer credit card (Amazon, Home Depot, Staples, etc.) will be kept under the supervision of the card holder.
- An itemized receipt should be turned in for all purchases.
- If receipts are not available, missing or contain an inappropriate expense, the individual making the charge will be held responsible for payment.
- In the case of a missing receipt, a missing receipt form shall be submitted and approved by the Chief Executive Officer. Should the Chief Executive Officer be required to complete a "missing receipt" form, authorization must be granted by a member of the Governing Board.
- Credit cards will bear the names of both the organization and the cardholder as authorized by the Governing Board.
- No personal charges are permitted.
- All reward points or discounts are property of the school. Use of such points or discounts is at the discretion of the Chief Executive Officer and should be used for the benefit of the organization.
- Upon termination, the employee shall immediately return the credit card and all receipts to the VP of Resources.

Debit Cards

Policy: Organization debit cards are not permitted.

Procedures:
If a debit card is automatically issued by the bank, the Chief Executive Officer or designee will:
- Contact the bank to deactivate debit card service from the account.
- Destroy the physical debit card.

Gift Cards

Policy: Gift cards purchased with Non-Government grant funds awarded to Camino Nuevo Charter Academy (CNCA) need to follow the CNCA purchasing policies as well as Internal Revenue Service ("IRS") guidelines. Gift cards are treated as cash gifts and we may not make a gift of public CNCA funds. The award of gift cards (i.e.: Visa, In-n-Out, iTunes, etc.) or cash prizes using CNCA funds to employees, students, and community members for any purpose is expressly prohibited. This policy is designed to lay out circumstances and protocols for when gift card purchases may be allowable.

In rare circumstances, Non-Government grant awards may stipulate the use of gift cards to meet grant requirements. Gift cards are treated as cash and should not be purchased without express permission from the Chief Executive Officer or the ~~CFO~~VP of Finance and Business Services~~OF FINANCE AND BUSINESS SERVICES~~ and for a specific project (such as to fulfill the requirements of a grant agreement or specific project). For gift card purchased with Non-Government Grant funds, the grant proposal and/or grant agreement must specify a) why gift cards are being purchased; b) how the gift cards will be used; and c) how they will be

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distributed. Purchases not complying with grant and organization requirements may result in loss of funding.

- Gift cards may only be purchased when fulfilling a grant requirement.
- Gift cards must be distributed within the same fiscal year of purchase.
- Any gift cards not distributed at the end of the school year need to be immediately turned into the ~~CFO~~VP of Finance and Business Services ~~OF FINANCE AND BUSINESS SERVICES~~ or the Home Support Office for safekeeping or redistribution.
- Gift cards cannot be used to make purchases outside the normal purchasing procedures for the CNCA. Using gift cards to purchase supplies or other items bypasses the normal approval process and controls. This also results in possible unauthorized sales tax as well as unused balances which are difficult to document for audit purposes.

This procedure applies to all CNCA employees, representatives, and students.

Procedures:
(Gift Card Purchase Form) The Gift Card Purchase Form, when completed, is an executed Authorization for the Purchase of Gift Cards and is required for gift card transactions. Information to be completed includes the following:

1. Funds to be used to purchase gift cards (including grant name)
2. Intended Use of gift cards/
3. Vendor Name
4. Aggregate Amount of gift cards
5. Description (number/face amount to be purchased)
6. Distribution plan, including month/year to be distributed
7. Purchaser's name and signature
8. Date
9. Appropriate authorized name and signature

A copy of the approved grant proposal/funding award must be submitted with the gift card purchase form.

The individual distributing the gift cards/ must document each
time a gift card/ is disbursed for the following: date of distribution; recipient's name; recipient's status (student, employee, non-employee)*; gift card number.

*If it is determined in any calendar year a non-employee has received an amount of $600.00 or more, the issuing department will be responsible for obtaining an IRS Form W-9 from the recipient.

Violations of this Procedure:
Violations of this procedure or failure to timely cooperate in compliance by any individuals who purchase or distribute gift cards/certificates on behalf of CNCA may result in forfeiture of funding.

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Independent Contractors

Policy: The organization will comply with all applicable federal and state laws relative to the use of independent contractors.

Procedures:

- The Chief Executive Officer has the authority to establish a contract with an independent contractor and is responsible for verifying that the person is appropriately classified as an independent contractor and not as an employee and for obtaining a Form W-9.
- School employees may not serve as independent contractors.
- Contract service providers must show proof of being licensed and bonded, if applicable, and of having adequate liability insurance and workers' compensation insurance currently in effect. The Chief Executive Officer may also require that contract service providers list the school as an additional insured.
- All services performed by independent contractors will be processed as accounts payable.
- At the close of the calendar year, ExED will issue a Form 1099 to all independent contractors in accordance with IRS regulations.

Invoice Approval & Processing

Policy: The Chief Executive Officer, ~~Chief Financial Officer~~VP of Finance and Business Services, or Site Principals must approve all invoices. The following procedures will be performed either manually or electronically.

Procedures:

- The Office Manager will open and review invoices and bills and will notify the Chief Executive Officer, ~~Chief Financial Officer~~VP of Finance and Business Services, or Site Principals of any unexpected or unauthorized expense.
- When receiving tangible goods from a vendor, the Office Manager will trace the merchandise to the packing list and note any items that were not in the shipment.
- The Office Manager will code invoices to the correct budget line.
- Invoices are then routed to the Chief Executive Officer, ~~Chief Financial Officer~~VP of Finance and Business Services, or Site Principals for payment approval.
- If the vendor is a sole proprietor or a partnership ~~-~~(including LP, and LLP) providing a service, the Office Manager will obtain a W-9 from the vendor prior to submitting any requests for payments to ExED.
- ExED will review the invoice for sufficient supporting documentation, verify the coding, and process payment.

Cash Disbursements

Policy: Vendor payments will be issued upon receipt of appropriate documentation (e.g. vendor invoice, purchase order, packing slip, etc.).

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Procedures: Two methods are used to issue vendor payments:

Bank Check

- Once an invoice is approved by the Chief Executive Officer, ~~Chief Financial Officer~~VP of Finance and Business Services, or Site Principals for payment, the ExED Accounting Analyst will prepare an in-sequence check and will submit the check to the ExED AM or VP.
- The ExED AM or VP will review the supporting documentation for completeness and the check for accuracy and will sign the check with the Chief Executive Officer's facsimile signature stamp, which is maintained in a secured location when not in use.
- ExED will distribute the check as follows:
    - Original – mailed or delivered to payee
    - Duplicate or voucher – saved electronically by an ExED accountant.
- Should a check need to be voided, "VOID" will be written in ink on the signature line of the check.
- Hand checks may be signed by the Chief Executive Officer or designee and by the Chief Administrative Officer; as long as there is complete invoice documentation or employee pay calculation documentation.
- The Chief Executive Officer may sign hand-checks up to $10,000.

Nvoicepay/Corpay (outsourced payment provider)

- Once an invoice is approved by the Chief Executive Officer, ~~Chief Financial Officer~~VP of Finance and Business Services, or Site Principals for payment, the ExED Accounting Analyst will submit the invoice to Nvoicepay for payment. The ExED AM or VP will review the payments submitted to Nvoicepay and will approve or reject each vendor payment.
- After ExED AM or VP has approved a vendor payment, Nvoicepay will electronically withdraw funds from the organization's bank account and transfer the funds to a Nvoicepay trust account. Each vendor payment will be a separate bank withdrawal and a separate line on the bank statement. Nvoicepay will then issue payments to the organization's vendor. The payments are disbursed from Nvoicepay's trust account via one of three payment methods: Check, ACH, or payment card. The payments will include a Reference ID that ExED will record as the transaction number in ExED's accounting system. The Reference ID will not be in sequence as it is based on Nvoicepay's numbering system.
- Nvoicepay will save an electronic check copy for any paper checks issued and Nvoicepay will save vendor remittances for any ACH or payment card payments issued.
- Nvoicepay will stale date payments after 60 days. When this situation happens, Nvoicepay will void the payment and credit the funds back to the organization's bank account. ExED may also direct Nvoicepay to reissue a payment prior to the 60-day deadline. In this case, Nvoicepay will void the original payment and issue a new payment. The new payment will be recorded as a payment modification and will be linked to the original payment in Nvoicepay. The new payment will have a new Reference ID for tracking purposes, however, the new Reference ID will not be updated in ExED's accounting system where the original Reference ID is recorded as the new transaction is only impacting Nvoicepay's account.

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Petty Cash

Policy: The Office Manager will keep a petty cash box not to exceed $250. Petty cash will be kept in a lockbox that is stored in a secure location. Access to the cash box should be limited to authorized personnel. Petty cash shall only be used for reasonable and allowable school purposes (not advances, personal uses, reimbursements, etc.).

Procedures:

- The Office Manager will manage the petty cash fund.
- The Office Manager will maintain a log of all disbursements made from the petty cash fund and will use a petty cash slip for all disbursements. The petty cash slip must be signed by the Office Manager and the petty cash recipient.
- Within 48 hours of the petty cash withdrawal, the petty cash recipient will submit an original receipt to the Office Manager who will attach the receipt to the petty cash slip and store in the petty cash box.
- At all times the petty cash box must contain petty cash slips and cash totaling $250.
- When the petty cash balance is low the Office Manager will prepare a petty cash reimbursement form, totaling all the petty cash disbursements and attaching the original petty cash slips and receipts to the form. The Chief Executive Officer, ~~Chief Financial Officer~~VP of Finance and Business Services, or Site Principals will review and approve the petty cash reimbursement form and supporting documentation.
- The Office Manager will forward the petty cash reimbursement form and copies of supporting documentation to ExED.
- The ExED Accounting Analyst will record the petty cash disbursements in the general ledger and issue a check made payable to the Chief Executive Officer, ~~Chief Financial Officer~~VP of Finance and Business Services, or Site Principals in the amount of the total petty cash disbursement.
- It is the Chief Executive Officer, ~~Chief Financial Officer~~VP of Finance and Business Services, or Site Principals responsibility to cash the check and to keep track of funds in the box. Reconciliation must occur when funds are replenished, and/or at a minimum, annually.
- ExED or the ~~Chief Financial Officer~~VP of Finance and Business Services will conduct surprise counts of the petty cash fund.
- Loans will not be made from the petty cash fund.

Employee and Volunteer Expense Reimbursements

Policy: The organization will reimburse pre-authorized school-related expenses that are accompanied by an original receipt or other appropriate documentation. Only the Chief Executive Officer, ~~Chief Financial Officer~~VP of Finance and Business Services, or Site Principals may incur school-related expenses without pre-approval.

Procedures:

- An employee or school volunteer seeking to make a school-related purchase must obtain pre-approval from the Chief Executive Officer, ~~Chief Financial Officer~~VP of Finance and Business Services, or Site Principals.

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- Employees will submit signed expense reports monthly, as necessary, to the Chief Executive Officer, ~~Chief Financial Officer~~VP of Finance and Business Services, or Site Principals for approval. Original receipts or other appropriate documentation (e.g. e-mail receipt) must be attached to the expense report.
- Chief Executive Officer expense reports must be approved by a member of the board.
- The Office Manager will submit the approved expense report and copies of the supporting documentation to ExED.
- ExED will issue a reimbursement check within five business days of receipt of appropriate and complete documentation.
- Employees will submit expense reports within 60-days and/or within the fiscal year in which the expenses were incurred.
- The organization reserves the right to refuse reimbursement for any inappropriate expenses made.
- The Chief Executive Officer will determine which administrative staff is eligible for monthly tech reimbursement not to exceed $35 per calendar month.

Policy: The Chief Executive Officer, ~~Chief Financial Officer~~VP of Finance and Business Services, or Site Principals must pre-approve all school related travel. Mileage will be reimbursed at the organization-approved mileage rate, not to exceed the current IRS reimbursement rate.

Procedures:

- For the purposes of mileage reimbursement, where a trip is commenced or terminated at the employee's home, the distance traveled shall be reduced by the employee's home-to-office commute distance.
- Employees will be reimbursed for overnight stays at hotels/motels when pre-approved by an administrator and the event is more than 75 miles from either the employee's residence or the school site. Hotel rates will be negotiated at the lowest level possible, including the corporate, nonprofit or government rate if offered, and the lowest rate available.
- Employees will be reimbursed up to the established State of California per diem rate found at (http://www.gsa.gov/portal/category/100120 - US Government Rates) for any breakfast, lunch, dinner, or incidental expense that is not included as part of the related event. Employees will be responsible for any excess expenses beyond the established per diem rate.
- Tipping shall be applied to transportation and meal costs only.
- Transportation expenses such as airfare will be purchased at the lowest rate available.
- Employees should utilize bus/shuttle service whenever possible. When traveling in groups, taxis may be more economical. Employees should choose between long-term parking or a taxi based on whichever is the more economical for the organization.
- After the trip, the employee must enter all of the appropriate information on an expense report, attach original receipts, and submit it to the Chief Executive Officer, ~~Chief Financial Officer~~VP of Finance and Business Services, or Site Principals for approval and then on to ExED for processing.

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Governing Board Expenses

- The individual incurring authorized expenses while carrying out the duties of the school will complete and sign an expense report and attach original receipts.
- The Chief Executive Officer and/or another board member will approve and sign the expense report, and submit it to ExED for payment.

Asset Management

Cash Management and Investments

Policy: All funds will be maintained in high quality financial institution or invested with the following objectives in order of priority; preservation and safety of principal, liquidity, and yield.

Procedures:

- The Chief Executive Officer will obtain Governing Board approval before opening or closing a bank account.
- Governing Board will adopt an investment policy before funds are to be invested.

Capital Equipment

Policy: The organization capitalizes any item, purchased or donated, with a value of $1,000 or more and with a useful life of more than one year.

Procedures:

- ExED will maintain a ledger of all capitalized items. The ledger will include the original purchase price and date and a brief description of the asset.
- The organization will take a physical inventory of all assets within 90 days of the end of each fiscal year, indicating the condition and location of the asset.
- The Chief Executive Officer will be notified of all cases of theft, loss, damage or destruction of assets.
- The Chief Executive Officer or the ~~Chief Financial Officer~~VP of Finance and Business Services will submit to ExED written notification of plans for disposing of assets with a clear and complete description of the asset and the date of the disposal.

Loans

Policy: The Governing Board will approve all loans from third parties. In the case of a long-term loan, approval may also be required from the chartering authority in accordance with the terms of the charter and/or other lenders in accordance with the loan documents.
Employee loans, including salary advances, are not allowed.

Procedures:

- The Chief Executive Officer and/or Governing Board designee shall review and sign the promissory note before funds are borrowed.

- Loan agreements should specify all applicable terms, including the purpose of the loan, the interest rate, and the repayment schedule.
- Loan covenants and reporting requirements are to be acknowledged by the board at the time of adoption.

Insurance

Policy: The organization will maintain insurance with a high quality insurance agency at all times for:

- General Liability
- Property
- Workers' Compensation
- Professional Liability
- Directors' and Officers' Coverage

Umbrella and student accident policies are considered prudent add-ons.

Procedures:

- The Chief Executive Officer will carefully review insurance policies with the Broker on an annual basis prior to renewal to determine compliance with Charter authorizer and any applicable loan covenant requirements.
- CNCA will forward to ExED all insurance policies and related documents (e.g. certificates of insurance, claim forms, etc.).

Parking Lot Liability

Policy: Parking lot related incidences are not covered under any school insurance policy. The organization assumes no liability for damage to cars unless a student is observed by an adult accidentally causing damage to a vehicle while engaged in a school activity.

Procedures:

- If a student willfully causes damage the student's parent or guardian is responsible.
- If a parent or other visitor causes damage, that individual is responsible.
- If an employee causes damage, the employee is responsible.
- If an unknown person causes damage and there is no witness, the affected individual would determine if he/she has applicable coverage though his/her individual insurance policies.

Operating Reserves

Policy: The organization will ensure adequate cash balances to meet annual cash flow needs. The target minimum operating reserve fund is recommended to be equal to 3 months of average operating costs. The amount of Operating Reserves will be calculated each year after approval of the annual budget and included in monthly financial reports.

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Procedures:

- ExED will monitor the organization's reserve level and will report the reserve level to the Chief Executive Officer and the Governing Board on a monthly basis.
- It is the responsibility of the Chief Executive Officer and the Governing Board to understand the organization's cash situation and it is the responsibility of the Chief Executive Officer to prioritize payments as necessary to manage cash flow.
- The Governing Board may restrict a portion of the operating reserve fund for strategic goals.
- The Governing Board may develop an additional Operating Reserve Policy to specify use of the Operating Reserves.

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