

# KIPP: TULSA

## PUBLIC CHARTER SCHOOLS

### Policy and Procedures

#### Financial Management Policies

##### **Basis of Presentation**

Financial statements will be presented on the traditional not for profit basis. This includes the Balance Sheet, Projected Fund Balance, Detailed Revenue Summary, Expenditure Summary and Three Year Comparison.

##### **Revenues**

Revenues are recognized when received.

##### **Expenditures**

Expenses are recognized when invoices are paid.

##### **Cash Management**

KIPP Tulsa will maintain cash accounts at Bank of Oklahoma. The school will monitor cash flow statements and projections regularly to ensure proper cash management and to evaluate actual flows to projected trends.

##### **Financial Reporting**

The Finance Department will maintain supporting records in sufficient detail to prepare KIPP Tulsa's financial reports, including:

###### Annually:

- • Financial statements for audit
- • Annual budget

###### Monthly

- • Internally review generated budget vs. actual financial statements by fund and by program
- • Billing invoices to funding sources
- • Updated cash flow projection

###### Periodically

- • IRS Forms 941 and payroll tax returns, and comparable state taxing authority returns, as well as IRS Form 990

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- • Other reports upon request

### **Insurance**

Insurance coverage is maintained pursuant to applicable law.

The School requires proof of adequate insurance coverage from all prospective contractors, as deemed applicable by the Board of Directors.

The Finance Department is responsible for procuring annual renewals with KIPP Tulsa's insurance broker. Quotes for renewal will be procured at least one month in advance of a policy's expiration. Original copies of all insurance policies are maintained at KIPP Tulsa. If any litigation, claim or audit is filed, copies of all corresponding documents are maintained at KIPP Tulsa.

### **Record Retention and Disposal**

Records are retained in accordance with local, state, and Federal (e.g., IRS) requirements.

Records are maintained for the following indicated minimum periods:

- • For seven years after the original entry date: books, records, documents and other supporting evidence including, accounts payable records, vendors' invoices, payroll sheets and registers of salaries and wages, tax withholding statements, employees' timesheets, and other public documents.
- • For five years after submission of the final report of expenditures: general ledger, trial balance, accounts payable and accounts receivable ledger, payroll register, and petty cash book, check register and checks, invoices. Except for:
  1. 1. If any litigation, claim, or audit is started before the expiration of the minimum 7 year period, the records shall be retained until all litigation,
    1. claims or audit findings involving the records have been resolved and final action taken.
  1. 2. Records for real property and equipment acquired with Federal funds shall be retained for a minimum of three years after final disposition.
- • Permanently: audit reports, annual corporate reports, charter, board minutes, tax and legal correspondence, labor contracts, insurance



claims and policies, and retirement and pension records.

The disposal date determined under this policy is the end of the fiscal year, or the date of final payment of government grants.

All records not supporting government grants or otherwise covered by rules of the Internal Revenue Service are retained for five years from the end of the fiscal year in which the records were originally prepared.

Financial records are maintained in chronological order, organized by fiscal year.

In connection with the disposal of any records, a memorandum of record disposal is prepared by the Finance Department listing the record or the class of records disposed of. The Board of Directors certifies this memorandum of records disposal.

### **Addendum A – Federal Programs Cash Management Procedures**

#### **Purpose**

To ensure compliance with Federal Programs cash management requirements and proper stewardship of federal funds in accordance with 2 CFR Part 200 and Oklahoma State Department of Education (OSDE) guidelines.

#### **1. 3. Identification and Tracking of Obligated and Unobligated Funds**

Obligations are recorded in the Oklahoma Cost Accounting System (OCAS) at the time purchase orders are approved or contracts are executed. The Finance & HR Specialist maintains detailed records of expenditures by fund and project code to ensure accurate tracking of obligated and unobligated (carryover) balances.

Carryover funds are identified during the year-end closeout process and verified against GMS reports before submission to OSDE.

#### **Procedures:**

- • Approve and record purchase orders in OCAS upon obligation.
- • Review budget-to-actual reports monthly to identify carryover amounts.
- • Reconcile OCAS balances to GMS reports during year-end closeout.

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### **2. Tracking of Expenditures**

All federal expenditures are tracked by the Finance & HR Specialist through the OCAS ledger and reconciled monthly to ensure accuracy and allow timely review by the Executive Director. Supporting documentation (purchase orders, invoices, payroll allocations, and drawdown reports) is retained in accordance with KIPP Tulsa's record retention policy.

#### **Procedures**

- Record each expenditure to the appropriate OCAS project code.
- Reconcile monthly general ledger with federal program reports.
- Submit monthly expenditure summaries to the Executive Director for review.

### **3. Drawdown of Federal Funds**

Federal reimbursement requests (drawdowns) are initiated by the Finance & HR Specialist in the OSDE Grants Management System (GMS) after verifying that allowable expenditures have been incurred and paid. The Executive Director reviews and approves all drawdown requests prior to submission. All drawdowns are made on a reimbursement basis to minimize the potential for excess cash on hand.

#### **Procedures:**

- Verify expenditures are allowable and paid prior to drawdown.
- Prepare drawdown request in GMS with supporting documentation.
- Obtain Executive Director approval before submission.
- File confirmation of drawdown and supporting documentation.

### **4. Depositing of Federal Reimbursements**

Federal reimbursement payments are received via electronic transfer (ACH) into KIPP Tulsa's account at the Bank of Oklahoma. The Finance & HR Specialist records the deposit in OCAS and reconciles it to the GMS claim and bank statement. The Superintendent or Board Treasurer reviews and verifies the deposit as part of the monthly financial reporting process.

#### **Procedures:**

- Confirm ACH deposit with the bank and document deposit date.
- Record deposit in OCAS under the correct federal fund code.
- Reconcile deposit to the GMS reimbursement report and bank

statement.

- Include verification in monthly financial packet for board review.

## **5. Identification and Reporting of Interest Earned**

Federal funds are managed on a reimbursement basis, and KIPP Tulsa does not anticipate earning interest. If excess federal funds are inadvertently drawn and result in interest earnings, the Finance & HR Specialist will immediately identify the amount through bank reconciliation and report it to OSDE for return or offset in accordance with federal cash management rules.

Procedures:

- Review monthly bank statements for potential interest accruals.
- If interest is identified, calculate the amount earned and document it.
- Notify OSDE and return or offset the interest per guidance.

## **6. Internal Oversight and Documentation**

All cash management activities are subject to oversight by the Executive Director and the KIPP Tulsa Board Finance Committee. Records supporting all federal transactions, including drawdowns, bank reconciliations, and interest reports, are maintained for a minimum of five years following final expenditure reporting, in alignment with KIPP Tulsa's Record Retention Policy.

Procedures:

- Maintain documentation of all cash management transactions in electronic and paper files.
- Conduct quarterly internal reviews of drawdown and deposit documentation.
- Present federal cash management updates during Board Finance Committee meetings.