

2022-2023

AIMS K-12 COLLEGE PREP FISCAL POLICIES

EFFECTIVE
JULY 1, 2022
THRU
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200 ORGANIZATIONAL CONFLICT of INTEREST or SELF-DEALING (Related Parties)

201 Organizational Conflict of Interest or Self-Dealing (Related Parties)

AIMS K-12 College Prep Charter District feel that it is important for AIMS board members and key employees to understand the conflict of interest laws and rules that apply to the schools, to identify and avoid conflicts of interest. AIMS K-12 College Prep Charter District board and key employees shall receive annual conflict of interest training. Such training shall be provided at the time the board receives the mandatory Ralph M. Brown Act training required by the schools' charters and shall be provided by the school's legal counsel or another qualified provider. The conflicts of interest training shall cover specific topics including procedures for hiring, contractual arrangements, purchasing, bidding and expenditure approvals that help to prevent conflicts of interest.

AIMS will not be operated for the benefit of an affiliated or unaffiliated organization or an individual in his or her own private capacity or individuals related to AIMS or members of its management, unless the private benefit is considered merely incidental. This private benefit preclusion will extend to:

- A. Sale or exchange, or leasing, of property between the agencies and an affiliated or unaffiliated organization or a private or related individual.
- B. Lending of money or other extension of credit between an agency and an affiliated or unaffiliated organization or a private or related individual.
- C. Furnishing of goods, services or facilities between the agencies and an affiliated or unaffiliated organization or a private or related individual.
- D. Payment of compensation, unless authorized by the Board of Trustees or its governing body, by the Schools to an affiliated or unaffiliated organization or a private or related individual.
- E. Transfer to, use by, or for the benefit of a private or related individual of the income or assets of the Schools.

Thus, AIMS K-12 College Prep Charter District will be guided by the principle of arms-length standards with all affiliated or unaffiliated organizations or with a private or related individual(s).

Related party transactions shall include transactions between a school and members of the board, management, contracted management organization, employees, related individuals and affiliated companies. Related individuals within the scope of this definition include spouses, parents, children, spouses of children, grandchildren, siblings, father in law, mother in law, sister in law and brother in law of a board member or school employee.

202 Board of Trustees Authorities

The Board of Trustees shall have the authority to approve and will incorporate into its own minutes such matters as (i) change of the Schools' name, with Authorizer pre-approval (ii) adoption of the annual operating and capital budgets, (iii) selection or termination of key employees (iv) key employees salary and salary changes, (v) incurrence of debt, mortgages or other encumbrances and their covenants and restrictions, within the terms of the charter (vi) investment policies, (vii) depository and investment

banks, (viii) purchase or sale of property (ix) opening up or closing checking or savings accounts, and (x) selection of the Charter Schools' certified public accountants and (xi) other activities associated with the operations of the Charter Schools.

The Board of Trustees will meet at least three (3) times per (Adoption, Interims and Closing) year to ensure that its fiduciary duty is maintained. The Board will review the following: prior meeting minutes, business items, educational items, and subcommittee reports.

203 Signature Authorities

To properly segregate duties within the Charter Schools, the Board of Trustees, Superintendent and Chief Business Officer are the only individuals with signatory authority and are responsible for authorizing all cash transactions. All checks require two signatures and Individual checks greater than \$8,000 will require Board Approval and signature prior to check issuance. AIMS will not print AP checks on site

In response to the recent legislative action, American Indian Model Schools has identified Essential Service in accordance with the guidelines in **Section 10, Item (g)** by California Department of Health.

***g.)** For the purposes of this Order, "Minimum Basic Operations" include the following, provided that employees comply with Social Distancing Requirements as defined this Section, to the extent possible, while carrying out such operations: i. The minimum necessary activities to maintain the value of the business's inventory, ensure security, process payroll and employee benefits, or for related functions. ii. The minimum necessary activities to facilitate employees of the business being able to continue to work remotely from their residences.*

To comply with the "Stay in Place" ordinance, as of March 31, 2020, AIMS back office will obtain signatures from the individuals with signatory authority, create signature stamps to utilize for check issuance on behalf of AIMS. The initial definition of authority and method will remain in place. Checks will not be issued on behalf of AIMS without AIMS review and approval.

204 Government Access to Records

The appropriate reporting director or contracted business back office services provider will provide access to the organization's records to the Superintendent, CBO, or his designee and provide supporting records, as requested, in a timely manner.

205 Security of Financial Data

A. The system's accounting data must be backed up daily by the business back office services provider to ensure the recoverability of financial information in case of hardware failure. The backup will be stored in a fire safe area and properly secured.

B. All other financial data, unused checks and unclaimed checks will be secured by the Chief Business Officer or designee or the business back office services provider from unauthorized access.

206 Security of School Documents

Originals of the following corporate documents are maintained, and their presence is verified on a periodic basis:

- A. Charters and all related amendments
- B. Minutes of the Board of Trustees and subcommittees
- C. Banking agreements
- D. Leases
- E. Insurance policies
- F. Vendor invoices
- G. Grant and contract agreements
- H. Fixed Asset inventory list

207 Use of School Assets

- A. No employee may use any of the Schools property, equipment, material or supplies for personal use without the prior approval of the Superintendent or designee.
- B. Personal Property intended for school-use must be pre-approved prior to use on campus by the CBO or designee. Without pre-approval, personal items for school use will not be covered by AIMS liability coverage.

208 Use of School Credit Cards

1. PURPOSE: The Board of Trustees of AIMS K-12 College Prep Charter District recognizes the efficiency and convenience afforded the day-to-day operation of AIMS charter school, for payments and recordkeeping for certain expenses, through the use of school credit cards. However, the Board recognizes the need to establish control measures for the use of these cards. The Board agrees that it has a responsibility to ensure that credit card expenses incurred by AIMS K-12 College Prep Charter District must clearly be linked to the business of AIMS schools. This policy addresses and establishes the proper use and assignment of school credit cards. The Board has agreed on the fundamental principles of this policy and has delegated responsibility for the implementation and monitoring of the policy to the Chief Business Officer (CBO).

2. DEFINITIONS:

2.01 Cardholder/User: The person for which the school credit card has been issued.

2.02 School credit card: The physical card and number associated with the card issued to the cardholder.

2.03 Administrator: The accounts payable staff member assigned to perform the online accounting process, follow up as required and file completed statement reconciliations.

3. SCHOOL CREDIT CARD USERS:

3.01 The following positions are authorized credit Cardholders/Users: The Superintendent of Schools, Chief Business Officer, Sports Program, Director of School Support Services, Director of Academics and Data, Director of Program Compliance Heads of Schools (with prior authorization). No other employee may use an AIMS school credit card without express written approval by the Superintendent or designee.

3.02 A list of those individuals issued a school credit card will be maintained by the Superintendent, CBO and the back-office services provider and reported to the Board of Directors annually.

3.03 A Cardholder/User employee who is no longer employed by AIMS charter schools shall return his or her AIMS school credit card upon termination or resignation to the CBO or CBO's designee.

3.04 Credit cards will be disabled immediately upon the termination or resignation or misuse of a Cardholder/User employee by the card administrator. Accounting for credit cards and settlement of credit card billings shall be part of employee separation checklists.

4. USER RESPONSIBILITIES:

4.01 Credit Cardholders/Users must take proper care of their school credit card(s) and take all reasonable precautions against damage, loss or theft by adherence to the following provisions:

4.01.1 All Cardholders/Users must keep secure and confidential all school credit card numbers and information.

4.01.2 Cardholders/Users shall not store sensitive school credit card data, including full account number, type, expiration and track data, in any method on computers or networks.

4.01.3 Cardholders/Users shall not transmit in an insecure manner, such as by email, unsecured fax or via mail, school credit card information.

4.01.4 Cardholders/Users shall restrict access to credit card data and processing to the Administrator or other authorized individuals.

4.01.5 Cardholders/Users shall maintain card information in a secure environment accessed only by the issued Cardholder/User.

4.02 Except for the Superintendent, Cardholders/Users shall not be allowed to authorize payment of their own travel expenses. Travel expenses for any Cardholder/ User other than the Superintendent must be pre-approved by the Superintendent and the CBO.

4.03 Cardholders/Users are responsible for retaining detailed receipts and/or supplier documentation for all purchases made with their school credit card, without which the Cardholder/User is responsible for the purchase.

4.04 Cardholders/Users shall submit detailed documentation, such as itemized detailed receipts and/or supplier documentation for services, travel and/or other actual and necessary expenses which have been incurred in connection with school-related business for which the school credit card has been used.

4.05 Failure to take proper care of school credit card(s) or failure to report damage, loss or theft may subject to the Cardholder/User to financial liability and discipline.

5. USAGE: School credit cards may only be used for legitimate AIMS charter school's business expenses and in accordance with AIMS K-12 College Prep Charter District policies, as defined below.

5.01 Credit cards shall only be used for transactions for which payment of check disbursement is not accepted or is not practicable, such as if the transaction would cause undue hardship to AIMS schools or the Cardholder/User.

5.02 School credit card usage is limited to the following types of expenses. Any deviations from this usage policy must have prior written approval from the Superintendent or CBO. The Superintendent may also approve expenses.

5.02.1 Business services, including nutrition, catering or advertising.

5.02.2 Business supplies, including office supplies, educational supplies, operation and maintenance supplies.

5.02.3 Travel, including transportation services, airfare, car rental expenses, or payments to a travel agency.

5.02.4 Payments to educational and charitable organizations, including schools, colleges, vocational schools and membership organizations.

5.03 **EXCLUSIONS: School credit cards shall not be used for cash advances, ATM, money orders, gift cards, alcohol, jewelry or clothing, medical expenses, or payment of fines or penalties unless prior written approval is received from the CBO. In no event shall a school credit card be used for a Cardholder/User's personal expenses.**

5.04 This policy and the schools' use of the school credit cards shall not circumvent AIMS purchasing policies and procedures. A school credit card shall be used as a method of payment only after all required purchasing forms have been completed, including but not limited to check request, purchase orders, travel vouchers and purchase requisitions.

5.05 School credit card transactions are hereby authorized using the following methods:

5.05.1 Card present (Point-of-sale) transactions: The Cardholder/User shall present the school credit card for purchase of goods and services. The Cardholder/User shall obtain a receipt for all purchases and credits, note the transaction with a purchase order number and check request number as required, and attach those approved documents for submission to the Administrator. If the vendor is unable to produce a receipt, the cardholder is to inform the Accounts Payable department so that proper documentation(a detailed invoice or any other supporting detailed documentation) can be obtained.

5.05.2 Via telephone or mail order: The Cardholder/User shall provide the vendor or merchant the school credit card number, expiration date and other pertinent data necessary to complete the transaction. The Cardholder/User shall take reasonable precautions to ensure that the transaction is valid prior to providing school credit card data. The Cardholder/User shall note and record confirmation data or other supplier documentation, as available, shall note the transaction with a purchase order number and check request number as required, and shall attach those approved documents for submission to the Administrator.

5.05.3 Via internet: The Cardholder/User shall provide the vendor or merchant with the school credit card number, expiration date and other pertinent data necessary to complete the transaction. The Cardholder/User shall take reasonable precautions to ensure that the transaction is valid, and the website is secure prior to providing pertinent school credit card data. The Cardholder/User shall obtain a screen printout of the receipt, confirmation data or other supplier documentation, as available, shall note the transaction with a purchase order number and check request number as required, and shall attach those approved documents for submission to the Administrator.

5.06 Purchases shall not exceed the card limits per billing cycle set for school credit card use, or the overall financial credit limit of AIMS K-12 College Prep Charter District. The CBO shall monitor and may recommend changes to these limits. The Superintendent limit may be changed only by the Board of Directors. The list of limits by class of Cardholder/User will be maintained by the CBO and reviewed annually to ensure adherence to procurement policy thresholds.

5.07 Any benefits of the school credit card such as membership awards programs are only to be used for the benefit of AIMS K-12 College Prep Charter District and shall not be redeemed for personal use.

5.08 Purchases that are unauthorized, illegal, representative of a conflict of interest, are personal in nature or otherwise violate the intent of this policy may result in credit card revocation and discipline of the Cardholder/User.

6. DOCUMENTATION:

6.01 The Administrator shall ensure AIMS maintains detailed documentation that all expenses charged to school credit cards are supported by: a credit card slip; a detailed invoice or receipt, and any other supporting detailed documentation, from the Cardholder/User as evidence of the validity of expenses; and a check request and any other necessary detailed documentation as outlined by AIMS schools' purchasing policies and procedures.

6.02 The Administrator is responsible for accounting for all purchases within five (5) working days of receiving a credit card statement.

6.03 The Accounts Payable Division shall ensure that all school credit card statements are reconciled prior to AIMS payment and recording of expenses in the general ledger.

6.04 The Finance department will retain detailed receipts and documentation for no less than five (5) years following the purchase date.

7. **PAYMENTS:** School credit card statements will be paid in their entirety monthly or otherwise in accordance with the cardholder agreement with issuing financial institution.

To assist employees in the conduct AIMS K-12 College Prep Charter District business and recording of business-related transactions, AIMS has established a Credit Card Program. Your signature below acknowledges you have read and agree to comply with the provisions of the credit card program and its future modifications.

You (Cardholder/Employee) are being entrusted with a company credit card. The credit card is being provided to assist you in paying for those materials and supplies necessary for the performance of your job. This Card may be cancelled at any time at the sole discretion of the AIMS K-12 College Prep Charter District. Each card has an account number to allow the tracking of transactions.

The following highlights key provisions of the program.

1. **CARD RESTRICTED TO BUSINESS USED ONLY.** The credit card issued to you must be used for the purchase of those materials and supplies necessary for the performance of your job. Materials and supplies may include but are not limited to classroom and instructional supplies, pre-approved travel, field trips, etc. You must sign the back of the card upon receipt. Use of the card is limited to you and you are prohibited from authorizing its use to any other individual for any purpose. The card shall not be used for personal purchases.
2. **COMPLETION OF MONTHLY PURCHASE REPORTS.** If transactions are not loaded into the Purchasing system by the receipt of statement, then the Administrator will be required to reconcile the expenses listed. Once a month you will receive a statement listing all purchases charged to the "Account". Within 5 working days of receipt of the statement you will need to (a) verify the amount of the charges with the original receipt and attach the receipt. (b) write the appropriate expenditure account number and brief description on statement. (c) If there is any discrepancy related to a charge you will initiate follow-up with AIMS Business Operations Services at Finance@aimsk12.org, sign the statement; and forward to your Approving Manager or Supervisor.
3. **FAILURE TO FOLLOW THE REQUIREMENTS.** Inappropriate use of the card includes but is not limited to: Use of the Card without authorization. Misuse of the Card in any way. Providing false or misleading information; and loss or theft of the Card due to employee gross negligence. In accordance with AIMS policies and procedures, failure by an employee to follow program requirements may result in disciplinary actions, up to and including employment termination.
4. **LOSS OR STOLEN CARD.** If your Card is loss or stolen, or if you think your Account was used without your permission, you should notify ELAN VISA (Name and contact information) immediately. Additionally, you must notify the AIMS Business Department at (510)893-8701 ext. 17.
5. **SURRENDER CARD UPON TERMINATION OF EMPLOYMENT.** Upon termination of employment, you must immediately surrender the assigned card to your immediate supervisor.

6. **ACKNOWLEDGMENT.** I acknowledge receipt of the Card ad was provided an opportunity to ask questions of a knowledgeable designate regarding the appropriate use of this card. I confirm that I have read and understand the above requirements and agree to comply with the procedures.

C. FINANCIAL MANAGEMENT POLICIES

300 BASIS OF ACCOUNTING

AIMS K-12 College Prep Charter District will maintain their accounting records and related financial reports on the accrual basis of accounting.

301 Accounting Policies

The accounting policies and financial reporting adopted are consistent with the non-profit requirements of the Financial Accounting Standards Board (FASB), FASB is the recognized standard setting body for establishing non-profit accounting and financial reporting principles.

302 Basis of Presentation

The accounts of the AIMS K-12 College Prep Charter District are organized on a basis of the charter school required elements of the Standardized Account Code Structure or SACS. The operations of the fund are accounted for by providing a separate set of self-balancing accounts, which comprise its assets, liabilities, net assets, revenues and expenditures. The Charter Schools use the following fund:

General Fund - This fund of AIMS K-12 College Prep Charter District is used to account for all financial resources associated with the operation of the schools. In addition, all activities relating to Student Activities should be separately identified and recorded within this fund.

Federal Funds – Title I, II, III, IV, Food Services and other funds identified as federally defined.

303 Revenues

Under the accrual basis of accounting, revenues recognized when earned.

304 Expenditures

Under the accrual basis of accounting, expenses are recognized when services are incurred or goods are received.

The Board of Trustees recognizes its fiduciary responsibility to oversee the prudent expenditure of district funds. In order to best serve district interests, the Superintendent or designee shall develop and maintain effective purchasing procedures that are consistent with sound financial controls and that ensure the district receives maximum value for items purchased. He/she shall ensure that records of expenditures and purchases are maintained in accordance with law.

(BP 309 - Budget)

(BP 302 – Employee Mileage Reimbursement)

(cf. 3400 - Management of District Assets/Accounts)

(cf. 3460 - Financial Reports and Accountability)

(cf. 9270 - Conflict of Interest)

Expending Authority

The Superintendent or designee may purchase supplies, materials, apparatus, equipment, and services up to the amounts specified in Public Contract Code 20111, beyond which a competitive bidding process is required or other allowable legal means. The Board shall not recognize obligations incurred contrary to Board policy and administrative regulations.

(cf. 3311 - Bids)

(cf. 3312 - Contracts)

The Board shall review all transactions entered into by the Superintendent or designee on behalf of the Board every 60 days. (Education Code 17605)

District funds shall not be expended for the purchase of alcoholic beverages. (Education Code 32435)

Purchasing Procedures

Insofar as possible, goods and services purchased shall meet the needs of the person or department ordering them at the lowest price consistent with standard purchasing practices. Maintenance costs, replacement costs, and trade-in values shall be considered when determining the most economical purchase price

Legal Reference:

EDUCATION CODE

17604 Delegation of powers to agents; approval or ratification of contracts by governing board

17605 Delegation of authority to purchase supplies and equipment

32370-32376 Recycling paper

32435 Prohibited use of public funds, alcoholic beverages

35010 Control of district; prescription and enforcement of rules

35035 Powers and duties of superintendent

35160 Authority of governing boards

35250 Duty to keep certain records and reports

38083 Purchase of perishable foodstuffs and seasonal commodities

41010 Accounting system
41014 Requirement of budgetary accounting
GOVERNMENT CODE

4330-4334 California made materials

PUBLIC CONTRACT CODE

3410 U.S. produce and processed foods
20111 Contracts over \$50,000; contracts for construction; award to lowest responsible bidder

Management Resources:

CSBA PUBLICATIONS

Maximizing School Board Governance: Fiscal Accountability, 2006

WEB SITES

CSBA, Financial Services: <http://www.csba.org/fs>

California Association of School Business Officials: <http://www.casbo.org>

California Department of Education: <http://www.cde.ca.gov>

305 Incurred Costs

For the purpose of invoicing funding sources for allowable costs under cost reimbursement contracts, the term "costs incurred" is defined as follows:

A. Costs related to items or services incurred directly for the contract and received at the time of the request for reimbursement and is not specifically disallowed by the funding source.

306 Cash Management

A. The School maintains cash accounts at the following banks:

1. Operating – EASTWEST Bank
2. Investment - EASTWEST Bank/Community Bank

B. A schedule of aged accounts and grants receivable is prepared monthly by CSMC and reviewed by the Chief Business Officer for collection. Appropriate collection procedures are initiated, if necessary.

307 Grants Receivable Aging Criteria

Accounts receivables outstanding are aged on a thirty, sixty, ninety, and over-ninety-day basis.

308 Grant/Contract Invoicing

A. All invoices are submitted to the funding sources by dates specified in the grant or contract agreement.

B. The invoicing format is that specified by the funding source.

AR 308(a) Grants

AIMS Governing Board may accept any gift, grant, or bequest of money, property, or service to our schools from any individual, organization, foundation, or public or private agency that desires to support AIMS educational program. While greatly appreciating suitable donations, the Board shall reject any gift which may directly or indirectly impair its authority to make decisions in the best interest of district students or its ability or commitment to provide equitable educational opportunities.

A gift or donation, on the other hand, is defined as any item of value given to AIMS by a donor who expects nothing significant of value in return, other than recognition and disposition of the gift in accordance with the donor's wishes.

In general, the following characteristics describe a gift:

1. No contractual requirements are imposed and there are no "deliverables" to the donor. However, the gift may be accompanied by an agreement that restricts the use of the funds to a particular purpose.
2. A gift is typically irrevocable. While the gift may be intended for use within a certain timeframe, there is no specified "period of performance" or "start"/ "stop" dates as associated with sponsored projects.
3. There is no formal fiscal accountability to the donor beyond periodic progress reports and summary reports of expenditures. These reports may be thought of as requirements of good stewardship, and, as such, may be required by the terms of a gift. They are not characterized as contractual obligations or "deliverables."

Grants, contracts, and cooperative agreements (collectively called sponsored projects) are externally-funded activities in which a formal written agreement, i.e., a grant, contract, or cooperative agreement, is entered into by AIMS and by the sponsor. A sponsored project may be thought of as a transaction in which there is a specified statement of work with a related, reciprocal transfer of something of value.

The following conditions characterize a sponsored project agreement, and help to distinguish such agreements from gifts:

- ✓ Statement of Work
- ✓ Details Financial Accountability
- ✓ Definition of Deliverables

AR 308(b) Technology Donations

When new computers are donated to AIMS schools, they must match AIMS' district standards for new computers. This means that the computer is approved by Technology Services

If the donated computer is the same as one on the website, but it does not have professional licenses for Windows or Microsoft Office, they must be purchased

Donated computers, meeting the requirements above, should provide the best overall experience for everyone involved. These guidelines are meant to be firm in order to protect schools from accepting donations that may not be helpful to them.

Non-standard & Older Computer Donations

Non-standard and older computers are much more expensive to configure, maintain and troubleshoot. It is not a good use of AIMS' resources to accept something that seems "free", but actually costs quite a bit in extra time and money throughout its lifespan. These donations often require significantly more staff resources to support and AIMS's provides limited support for them. In order for the district to provide any support for the computers, they must receive advance permission from Technology Services, and

meet AIMS' computer standards for donated computers

AR 308(c) Fundraising

Fundraising can only happen with the approval of the site leader.

No site shall have more than three fundraisers happening at one time.

No GoFundMe or other social media fundraiser can be posted without prior approval of the site leader.

All funds without exception must be turned into the business office and placed in the NPF Funds will be earmarked for the purposes raised.

All Donors Choose items must be logged in with the site leader.

A copy of the log must be given to the finance department.

309 Budgets

A. AIMS K-12 College Prep Charter District prepares an annual operating budget of revenues and expenses, a cash flow projection, and a capital budget. These budgets and projections are reviewed and approved by the Board of Trustees, prior to June 30 each year and modified, as necessary.

B. Financial statements displaying budget vs. actual results are prepared by the back-office services provider and reviewed by the Superintendent and the Chief Business Officer and presented to the Board of Trustees at each regularly scheduled board meeting.

310 Insurance and Bonding

A. The Schools maintain minimum levels of coverage, as deemed appropriate by the Superintendent and Chief Business Officer, for the following policies:

1. General liability
2. Business & personal property (including auto/bus)
3. Cyber Coverage

4. Workers' Compensation
5. Student Accident Coverage
6. Personal injury liability

D. The Schools require proof of adequate insurance coverage from all prospective contractors, as deemed applicable by the Superintendent and Chief Business Officer.

311 Record Retention and Disposal

A. Records are maintained for the following indicated minimum periods:

Books, records, documents and other supporting evidence including paid, cancelled or voided checks, accounts payable records, vendors' invoices, payroll sheets and registers of salaries and wages, tax withholding statements, employees' timesheets and other public documents are retained for seven years after the original entry date.

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

C. All financial records are maintained in chronological order, organized by fiscal year.

D. In connection with the disposal of any records, a memorandum of record disposal is prepared by the Head of Schools and Facility Coordinator, listing the record or the class of records disposed of. The Board of Trustees certifies this memorandum of records disposal.

AR 311(a) Access to District Records

Public records include any writing containing information relating to the conduct of the district's business prepared, owned, used, or retained by the district regardless of physical form or characteristics. (Government Code [6252](#))

(BP 311- Record Retention)

Writing means any handwriting, typewriting, printing, Photostatting, photographing, photocopying, transmitting by electronic mail or facsimile, and every other means of recording upon any tangible thing any form of communication or representation, including letters, words, pictures, sounds, or symbols or combinations thereof, and any record thereby created, regardless of the manner in which the record has been stored. (Government Code [6252](#))

Member of the public means any person, except a member, agent, officer, or employee of the district or a federal, state, or other local agency acting within the scope of such membership, agency, office, or employment. (Government Code [6252](#))

Public Records

Public records to which members of the public shall have access include, but are not limited to:

1. Proposed and approved district budgets and annual audits (Education Code [41020](#), [42103](#))
(BP 309 - Budget)
(BP 312 - Financial Reporting)
2. Statistical compilations
3. Reports and memoranda
4. Notices and bulletins
5. Minutes of public meetings (Education Code [35145](#))
6. Meeting agendas (Government Code [54957.5](#))
7. Official communications between the district and other government agencies
8. District and school plans, and the information and data relevant to the development and evaluation of such plans, unless otherwise prohibited by law
(BP 126 - Comprehensive Plans)
(BP 125 - School Plans/Site Councils)
(cf. [0440](#) - District Technology Plan)
(Staff Handbook - Comprehensive Safety Plan)
(Staff Handbook - Emergencies and Disaster Preparedness Plan)
9. Records pertaining to claims and litigation against the district which have been adjudicated or settled (Government Code [6254](#), [6254.25](#))
10. Statements of economic interests required by the Conflict of Interest Code (Government Code [81008](#))
(BP 201- Organizational Conflict of Interest or Self Dealing)
11. Documents containing names, salaries, and pension benefits of district employees
12. Employment contracts and settlement agreements (Government Code [53262](#))
13. Instructional materials including, but not limited to, textbooks (Education Code [49091.10](#))

Access to public records of the district shall be granted to Board of Trustees members on the same basis as any other member of the public. When Board members are authorized to access public records in the administration of their duties, the Superintendent or designee shall not discriminate among any of the Board members as to which record, or portion of the record, will be made available, or when it will be made available. (Government Code [6252.5](#), [6252.7](#))

When disclosing to a member of the public any record that contains personal information, including, but not limited to, an employee's home address, home telephone number, social security number, personal cell phone number, or birth date, the Superintendent or designee shall ensure that such personal information is redacted from that record. (Government Code [6254.29](#), [6254.3](#))

Confidential Public Records

Unless otherwise authorized or required by law, information regarding an individual's citizenship or immigration status or religious beliefs, practices, or affiliation shall not be disclosed to federal government authorities. (Education Code [234.7](#); Government Code [8310.3](#))

Records to which the members of the public shall not have access include, but are not limited to:

1. Preliminary drafts, notes, and interagency or intra-district memoranda that are not retained by the district in the ordinary course of business, provided that the public interest in withholding these records clearly outweighs the public interest in disclosure (Government Code [6254](#))
2. Records specifically generated in connection with or prepared for use in litigation to which the district is a party or to respond to claims made against the district pursuant to the Tort Claims Act, until the litigation or claim has been finally adjudicated or otherwise settled, or beyond, if the records are protected by some other provision of law (Government Code [6254](#), [6254.25](#))
3. Personnel records, medical records, or similar materials, the disclosure of which would constitute an unwarranted invasion of personal privacy (Government Code [6254](#))

(AR 103 - Criminal Record Check)

(BP 106 - Personnel Files)

The home addresses, home telephone numbers, personal cell phone numbers, or birth date of employees may only be disclosed as follows: (Government Code [6254.3](#))

- a. To an agent or a family member of the employee
- b. To an officer or employee of a state agency or another school district or county office of education when necessary for the performance of official duties

Upon written request of any employee, the district shall not disclose the employee's home address, home telephone number, personal cell phone number, or birth date, and the district shall remove this information from any mailing list of the district except a list used exclusively to contact the employee.

d. To an agent or employee of a health benefit plan providing health services or administering claims for health services to district employees and their enrolled dependents, for the purpose of providing the health services or administering claims for employees and their enrolled dependents

(BP 119 - Health and Welfare Benefits)

4. Student records, except directory information and other records to the extent permitted under the law, when disclosure is authorized by law

5. Test questions, scoring keys, and other examination data except as provided by law (Government Code [6254](#))

6. Without affecting the law of eminent domain, the contents of real estate appraisals or engineering or feasibility estimates and evaluations made for or by the district relative to the acquisition of property, or to prospective public supply and construction contracts, until all of the property has been acquired or all of the contract agreement obtained (Government Code [6254](#))

7. Information required from any taxpayer in connection with the collection of local taxes that is received in confidence and the disclosure of the information to other persons would result in an unfair competitive disadvantage to the person supplying the information (Government Code [6254](#))

9. Records for which the disclosure is exempted or prohibited pursuant to state or federal law, including, but not limited to, provisions of the Evidence Code relating to privilege (Government Code [6254](#))

10. Documents prepared by or for the district to assess its vulnerability to terrorist attack or other criminal acts intended to disrupt district operations and that are for distribution or consideration in closed session (Government Code [6254](#))

11. Recall petitions, petitions for special elections to fill Board vacancies, or petitions for the reorganization of the school district (Government Code [6253.5](#))

12. Minutes of Board meetings held in closed session (Government Code [54957.2](#))

13. Computer software developed by the district (Government Code [6254.9](#))

14. Information security records, the disclosure of which would reveal vulnerabilities to, or otherwise increase potential for an attack on, the district's information technology system (Government Code [6254.19](#))

15. Records that contain individually identifiable health information, including records that may be exempt pursuant to physician-patient privilege, the Confidentiality of Medical Information Act, and the Health Insurance Portability and Accountability Act (Government Code [6254](#), [6255](#))

16. Any other records listed as exempt from public disclosure in the California Public Records Act or other statutes

17. Any other records for which the district can demonstrate that, based on the particular facts of the case, the public interest served by not disclosing the record clearly outweighs the public interest served by disclosure of the record (Government Code [6255](#))

Inspection of Records and Requests for Copies

Any person may request a copy or inspection of any district record that is open to the public and not exempt from disclosure. (Government Code [6253](#))

Within 10 days of receiving any request to inspect or copy a district record, the Ombudsperson or designee shall determine whether the request seeks release of a disclosable public record in the district's possession. The Ombudsperson or designee shall promptly inform the person making the request of the determination and the reasons for the decision. (Government Code [6253](#))

In unusual circumstances, the Ombudsperson or designee may extend the 10-day limit for up to 14 days by providing written notice to the requester and setting forth the reasons for the extension and the date on which a determination is expected to be made. Unusual circumstances include the following, but only to the extent reasonably necessary to properly process the request: (Government Code [6253](#))

1. The need to search for and collect the requested records from field facilities or other establishments that are separate from the office processing the request
2. The need to search for, collect, and appropriately examine a voluminous amount of separate and distinct records which are demanded in a single request
3. The need for consultation, which shall be conducted with all practicable speed, with another agency (e.g., a state agency or city) having a substantial interest in the determination of the request or among two or more components of the district (e.g., two different school sites) with substantial interest in the request
4. In the case of electronic records, the need to compile data, write programming language or a computer program, or construct a computer report to extract data

If the Ombudsperson or designee determines that the request seeks disclosable public records, the determination shall state the estimated date and time when the records will be made available. (Government Code [6253](#))

Public records shall be open to inspection at all times during district office hours. Any reasonably segregable portion of a record shall be made available for inspection by any person requesting the record after deletion of the portions that are exempted by law. (Government Code [6253](#))

Upon request for a copy that reasonably describes an identifiable record, an exact copy shall be promptly provided unless it is impracticable to do so. (Government Code [6253](#))

The Ombudsperson or designee shall charge an amount for copies that reflects the direct costs of duplication. Written requests to waive the fee shall be submitted to the Ombudsperson or designee.

In addition to maintaining public records for public inspection during district office hours, the district may comply with public records requests by posting any public record on the district's web site and, in response to a public records request, directing the member of the public to the location on the web site where the record can be found. However, if the member of the public is unable to access or reproduce the record from the web site, the district shall promptly provide an exact copy of the public record upon payment of duplication fees, if applicable, unless it is impracticable to provide an exact copy. (Government Code [6253](#))

If any person requests that a public record be provided in an electronic format, the district shall make that record available in any electronic format in which it holds the information. The district shall provide a copy of the electronic record in the format requested as long as the requested format is one that has been used by the district to create copies for its own use or for use by other agencies. (Government Code [6253.9](#))

The cost of duplicating an electronic record shall be limited to the direct cost of producing a copy of the record in electronic format. However, the requester shall bear the cost of producing the copy of the electronic record, including the cost to construct the record and the cost of programming and computer services necessary to produce the copy, under the following circumstances: (Government Code [6253.9](#))

1. The electronic record is one that is produced only at otherwise regularly scheduled intervals.
2. The request would require data compilation, extraction, or programming to produce the record.

Assistance in Identifying Requested Records

If the Ombudsperson or designee denies a request for disclosable records, the requester shall be assisted in making a focused and effective request that reasonably describes an identifiable record. To the extent reasonable under the circumstances, the Ombudsperson or designee shall do all of the following: (Government Code [6253.1](#))

1. Assist in identifying records and information responsive to the request or the purpose of the request, if specified

If, after making a reasonable effort to elicit additional clarifying information from the requester to help identify the record, the Ombudsperson or designee is still unable to identify the information, this requirement shall be deemed satisfied.

2. Describe the information technology and physical location in which the records exist
3. Provide suggestions for overcoming any practical basis for denying access to the records or information sought

Provisions of the Public Records Act shall not be construed so as to delay or obstruct the inspection or copying of public records. Any notification denying a request for public records shall state the name and title of each person responsible for the denial. (Government Code [6253](#))

312 Financial Reporting

The back-office services provider maintains supporting records in sufficient detail to prepare the Schools' financial reports, including:

A. Annually:

1. Financial statements for audit
2. Annual budget

B. Monthly:

1. Trial balance
2. Internally generated budget vs. actual financial statements
3. Billing invoices to funding sources
4. Updating the cash flow projection

C. Periodically:

1. IRS Forms 941 and payroll tax returns and comparable state taxing authority returns
2. Other reports upon request

313 Audit

The Board of Trustees arranges annually for a qualified certified public accounting firm to conduct an audit of the Celerity Charter Schools' financial statements in accordance with Government Auditing Standards and the Governmental Accounting Standards Board.

The audit reports will be submitted to the granting agency, (starting 2002) California Department of Education, (starting 2003) County Superintendent of Schools, and State Controller's Office by December 15 of each year. (Education Code 47605(m))

314 Audit/Finance Committee

A maximum of two and a minimum of one member(s) of the Board of directors will act as an audit/finance subcommittee. Staff will review and present an analysis of independent auditor proposals to the committee and make a recommendation for selection of independent auditor. The committee will recommend and the Board will select the independent auditor and review the scope and results of the audit. The Board also receives notice of any consequential irregularities and management letter comments that the auditor noted during the engagement. Additionally, the committee will develop a corrective action plan to address all relevant weaknesses noted by the auditor. The Board of Directors will also review all financial information of the AIMS K-12 College Prep Charter District.

315 Federal Fund Management

The Board of Trustees recognizes the district's responsibility to maintain fiscal integrity and transparency in the use of all funds awarded through federal grants. The district shall comply with all requirements detailed in any grant agreement with an awarding agency and with the federal Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards specified in 7 CFR 200.0-200.521 and any stricter state laws and district policy.

Any goods or services purchased with federal funds shall be reasonable in cost and necessary for the proper and efficient performance or administration of the program.

The Superintendent, Chief Business Officer or designee shall ensure that the district's financial management systems and procedures provide for the following: (2 CFR 200.302)

1. Identification in district accounts of each federal award received and expended and the federal program under which it was received

(BP - [309 Budgets](#))

2. Accurate, current, and complete disclosure of the financial and performance results of each federal award or program in accordance with the reporting requirements of 2 CFR 200.327 and 200.328

(BP – [312 Financial Reporting](#))

3. Records and supporting documentation that adequately identify the source and application of funds for federally funded activities, including information pertaining to federal awards, authorizations, obligations, unobligated balances, assets, expenditures, income, and interest

(BP - [311 Record Retention and Disposal](#))

4. Effective controls and accountability for all funds, property, and other assets and assurance that all assets are used solely for authorized purposes

5. Comparison of actual expenditures with budgeted amounts for each federal award

6. Written procedures to implement provisions governing payments as specified in 2 CFR 200.305

7. Written procedures for determining the allow ability of costs in accordance with 2 CFR 200.400-200.475 and the terms and conditions of the federal grant award

The Superintendent, Chief Business Officer or designee shall develop and implement appropriate internal control processes to reasonably assure that transactions are properly executed, recorded, and accounted for so that the district can prepare reliable financial statements and federal reports, maintain accountability over assets, and demonstrate compliance with federal laws, regulations, and conditions of the federal award. (2 CFR 200.61, 200.62, 200.303)

Equipment purchased with federal funds shall be properly inventoried and adequately maintained to safeguard against loss, damage, or theft of the property.

(BP -601 [Disposal of Property and Equipment](#))

(AR – [315 Federal Funding Management Inventory](#))

All staff involved in the administration or implementation of programs and activities supported by federal funds shall receive information and training on the allowable use of federal funds, purchasing procedures, and reporting processes commensurate with their duties.

(AR-315(c) [Federal Fund Time Management](#))

The district shall submit performance reports to the awarding agency in accordance with the schedule and indicators required for that federal grant by law and the awarding agency. As required, such reports may include a comparison of actual accomplishments to the objectives of the federal award, the relationship between financial data and performance accomplishments, the reasons that established goals were not met if applicable, cost information to demonstrate cost effective practices, analysis and explanation of any cost overruns or high unit costs, and other relevant information. The final performance report shall be submitted within 90 days after the ending date of the grant. (2 CFR 200.301, 200.328)

(BP-[1500 Management and Reporting Procedures](#))

Legal Reference:

EDUCATION CODE

42122-42129 Budget requirements

CODE OF FEDERAL REGULATIONS, TITLE 2

180.220 Amount of contract subject to suspension and debarment rules

200.0-200.521 Federal uniform grant guidance, especially:

200.1-200.99 Definitions

200.100-200.113 General provisions

200.317-200.326 Procurement standards

200.327-200.329 Monitoring and reporting

200.333-200.337 Record retention

200.400-200.475 Cost principles

200.500-200.521 Audit requirements

CODE OF FEDERAL REGULATIONS, TITLE 34

76.730-76.731 Records related to federal grant programs

CODE OF FEDERAL REGULATIONS, TITLE 48

2.101 Federal acquisition regulation; definitions

AR 315(a) Federal Fund Management

To ensure the lawful expenditure of any federal formula or discretionary grant funds awarded to the district, the Superintendent or designee shall comply with the requirements of the Office of Management and Budget's Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (the "Uniform Guidance"), as contained in 2 CFR 200.0-200.521 and Appendices I-XII.

Allowable Costs

Prior to obligating or spending any federal grant funds, the Director of Compliance, Superintendent or designee shall determine whether a proposed purchase is an allowable expenditure in accordance with 2 CFR 200.400-200.475 and the terms and conditions of the award. He/she shall also determine whether the expense is a direct or indirect cost as defined in 2 CFR 200.413 and 200.414 and, if the purchase will benefit other programs not included in the grant award, the appropriate share to be allocated to the federal grant.

The Director of Compliance, Superintendent or designee shall review and approve all transactions involving federal grant funds and shall ensure the proper coding of expenditures consistent with the California School Accounting Manual.

(AR. 315(d) Federal Fund Management: Compliancy Review)

(BP. 302 – Basis of Presentation)

Period of Performance

All obligations of federal funds shall occur on or between the beginning and ending dates of the grant project and shall be paid no later than 90 days after the end of the funding period, unless specifically

authorized by the grant award to be carried over beyond the initial term of the grant. (2 CFR 200.77, 200.308, 200.309, 200.343)

Procurement

When procuring goods and services with a federal grant, the Director of Compliance, Superintendent or designee shall comply with the standards contained in 2 CFR 200.317-200.326 and Appendix II of Part 200, or with any applicable state law or district policy that is more restrictive.

As appropriate to encourage greater economy and efficiency, the Director of Compliance, Superintendent or designee shall avoid acquisition of unnecessary or duplicative items consider consolidating or breaking out procurements, analyze lease versus purchase alternatives, consider entering into an interagency agreement for procurement of common or shared goods and services, and/or use federal excess or surplus property. (2 CFR 200.318)

The procurement of goods or services with federal funds shall be conducted in a manner that provides full and open competition in accordance with state laws and district regulations and the following requirements:

1. Any purchase of supplies or services that does not exceed the "micro-purchase" threshold specified in 48 CFR 2.101 may be awarded without soliciting competitive quotes, provided that the district considers the price to be reasonable and maintains written evidence of this reasonableness in the record of all micro-purchases. (2 CFR 200.67, 200.320)
2. For any purchase that exceeds the micro-purchase threshold but is less than the bid limit required by Public Contract Code [20111](#), the Superintendent or designee shall utilize "small-purchase" procedures that include obtaining price or rate quotes from an adequate number of qualified sources. (2 CFR 200.320). The micro threshold has been defined as \$10,000.
3. Contracts for goods or services over the bid limits required by Public Contract Code [20111](#) shall be awarded pursuant to California law - Bids, unless exempt from bidding under the law.
4. If a purchase is exempt from bidding and the district's solicitation is by a request for proposals, the award may be made by either a fixed-price or cost-reimbursement type contract awarded to the entity whose proposal is most advantageous to the program, with price and other factors considered. (2 CFR 200.320)
5. Procurement by noncompetitive proposals (sole sourcing) may be used only when the item is available exclusively from a single source, the need or emergency will not permit a delay resulting from competitive solicitation, the awarding agency expressly authorizes sole sourcing in response to the district's request, and/or competition is determined inadequate after solicitation of a number of sources. (2 CFR 200.320)
6. Time and materials type contracts may be used only after a determination that no other contract is suitable and if the contract includes a ceiling price that the contractor exceeds at its own risk. Time and materials type contract means a contract for which the cost is the sum of the actual cost of materials and

direct labor hours charged at fixed hourly rates that reflect wages, general administrative expenses, and profit. (200.328)

For any purchase of \$35,000 or more, the Chief Business Officer, Superintendent or designee shall verify that any vendor which is used to procure goods or services is not excluded or disqualified by the federal government. Verify through the US Department of Labor (2 CFR 180.220, 200.213)

All solicitations shall incorporate a clear and accurate description of the technical requirements for the material, product, or service to be procured. Such description shall not, in competitive procurements, contain features which unduly restrict competition. The description shall avoid detailed product specifications to the extent possible, but may include a statement of the qualitative nature of the material, product, or service to be procured and, when necessary, shall set forth those minimum essential characteristics and standards to which it must conform if it is to satisfy its intended use. When it is impractical or not economical to make a clear and accurate description of the technical requirements, a brand name or equivalent description may be used to define the performance or other salient requirements of procurement, clearly stating the specific features of the named brand which must be met by offers. In addition, every solicitation shall identify all requirements which the offer must fulfill and any other factors to be used in evaluating bids or proposals. (2 CFR 200.319)

The Chief Business Officer, Superintendent or designee shall maintain sufficient records to document the procurement, including, but not limited to, the rationale for the method of procurement, selection of the contract type, contractor selection or rejection, and the basis for the contract price. (2 CFR 200.318)

The Compliance Director, Superintendent or designee shall ensure that all contracts for purchases using federal grant funds contain the applicable contract provisions described in Appendix II to Part 200 - Contract Provisions for Non-Federal Entity Contracts Under Federal Awards. (2 CFR 200.326)

Capital Expenditures

The Chief Business Officer, Superintendent or designee shall obtain prior written approval from the awarding agency before using federal funds to make capital expenditures, including the acquisition of land, facilities, equipment, and intellectual property and expenditures to make additions, improvements, modifications, replacements, rearrangements, reinstallations, renovations, or alterations to capital assets that materially increase their value or useful life. (2 CFR 200.12, 200.13, 200.20, 200.33, 200.48, 200.58, 200.89, 200.313, 200.439)

Conflict of Interest

No Board of Trustees member, district employee, or district representative shall participate in the selection, award, or administration of a contract supported by federal funds if he/she has a real or apparent conflict of interest, such as when he/she or a member of his/her immediate family, his/her partner, or an organization which employs or is about to employ any of them has a financial interest in or a tangible personal benefit from a firm considered for a contract. Such persons are prohibited from soliciting or accepting gratuities, favors, or anything of monetary value from contractors or subcontractors unless the gift is an unsolicited item of nominal value. (2 CFR 200.318)

Employees engaged in contract selection, award, and administration shall also comply with Board policy - Conflict of Interest.

Cash Management

The Director of Compliance, Superintendent or designee shall ensure the district's compliance with 2 CFR 200.305 pertaining to payments and cash management, including compliance with applicable methods and procedures that minimize the time elapsing between the transfer of funds to the district and the district's disbursement of funds. (2 CFR 200.305)

(BP- [1100 Cash Management Procedures](#))

When authorized by law, the district may receive advance payments of federal grant funds, limited to the minimum amounts needed and timed in accordance with the actual immediate cash requirements of the district for carrying out the purpose of the program or project. Except under specified conditions, the district shall maintain the advance payments in an interest-bearing account. The district shall remit interest earned on the advanced payment to the awarding agency on an annual basis, but may retain interest amounts specified in 2 CFR 200.305 for administrative expenses. (2 CFR 200.305)

When required by the awarding agency, the district shall instead submit a request for reimbursement of actual expenses incurred. The district may also request reimbursement as an alternative to receiving advance payments. (2 CFR 200.305)

The Director of Compliance, Superintendent or designee shall maintain source documentation supporting the expenditure of federal funds, such as invoices, time sheets, payroll stubs, or other appropriate documentation.

Personnel

All district employees who are paid in full or in part with federal funds, including employees whose salary is paid with state or local funds but is used to meet a required match or in-kind contribution to a federal program, shall document the amount of time they spend on grant activities. (2 CFR 200.430)

(AR- [315\(c\) Time Accounting](#))

Records

Except as otherwise provided in 2 CFR 200.333, or where state law or district policy requires a longer retention period, financial records, supporting documents, statistical records, and all other district records related to a federal award shall be retained for a period of three years from the date of submission of the final expenditure report or, for a federal award that is renewed quarterly or annually, from the date of the submission of the quarterly or annual financial report. (2 CFR 200.333)

(BP- 311 [Record Retention and Disposal](#))

Micro-purchase means an acquisition of supplies or services using simplified acquisition procedures, the aggregate amount of which does not exceed the micro-purchase threshold.

Micro-purchase threshold means \$10,000

AR 315(b) Federal Fund Management Inventory

Inventories

In order to provide for the proper tracking and control of district property, the Superintendent or designee shall maintain an inventory of equipment in accordance with law for the following:

1. All equipment items currently valued in excess of \$500 (Education Code 35168)
2. All equipment items purchased with state and/or federal categorical funds that have a useful life of more than one year with an acquisition cost of \$500 or more per unit.

In addition, the Superintendent or designee may maintain a list of specific items which shall be inventoried for internal control purposes regardless of their initial cost or current value.

The inventory shall contain a record of the following information: (Education Code 35168; 5 CCR 3946)

1. Name and description of the property
2. Identification number
3. Original cost of the item of equipment or a reasonable estimate if the original cost is unknown
4. Date of acquisition
5. Location of use
6. The date and method of disposal

(BP-601 Disposal OF Property and Equipment)

In addition to the information specified in items #1-6 above, the following information shall be recorded for equipment acquired with state and/or federal categorical funds unless otherwise specified in law: (5 CCR 3946; 2 CFR 200.313)

1. Source of the property (funding source)
2. Titleholder
3. Percentage of federal participation in the cost of the property

4. Use and condition of property

5. Sale price of the property upon disposition and method used to determine current fair market value

(BP-[314 Federal Fund Management](#))

At the time of purchase, the Superintendent or designee shall affix a label to the equipment containing the identification number and the district name. Equipment items purchased with categorical program funds shall also be labeled with the name of the project in accordance with 5 CCR 3946.

Whenever an equipment item is moved to a new location or the equipment is used for a new purpose, the new location or purpose shall be recorded in the inventory.

A copy of the inventory shall be kept at the district office and at the appropriate school site.

(BP-[311 Record Retention and Disposal](#))

The Superintendent or designee shall annually submit an inventory listing of federally owned property in its custody to the federal agency that granted the award. (2 CFR 200.312)

Physical Inventory

At least once every two years, a physical inventory of equipment shall be conducted and the results reconciled with the property records. (2 CFR 200.313)

The Director of Health and School support , Superintendent or designee shall establish procedures for conducting the physical inventory which shall include, but not be limited to, designation of person(s) responsible for coordinating and conducting the inventory, preparation and distribution of count sheets, procedures for implementing the inventory, and procedures for conducting a recount to substantiate the validity of the inventory.

The Director of Health and School support and Health, Superintendent or designee shall investigate any differences between the quantities determined by the physical inspection and those in the accounting records.

EQUIPMENT INVENTORY- Federal Program Monitoring

AIMS K-12 Equipment Inventory-4400 Object Code

The LEA spending Title I, Part A funding on equipment must maintain a historical inventory record for each piece of equipment with an acquisition cost of \$500-\$4999 per unit. The record describes the acquisition by:

- (a) BCSD Asset Tag #
- (b) Type/description
- (c) Model/name
- (d) Serial number

- (e) Funding source
- (f) Acquisition date
- (g) Initial Cost (Financial)
- (h) Location
- (i) Current condition
- (j) Transfer, replacement or disposition of obsolete or unusable equipment

AIMS Operations Department must conduct a physical check of the inventory of equipment within the past two years and reconcile the result with inventory records.

A. ORDERING:

Title I Equipment (costing more than \$500) is for supplemental purposes and must be for student use. This expenditure must be included in the SPSA and or an SPSA Addendum. The LCAP Advisory Committee must approve Title I equipment as documented on the Equipment Justification Form.

B. DISTRICT INVENTORY FOR ITEMS OVER \$500

Any piece of equipment costing \$500 (not including tax and delivery charges) or more (not to exceed \$4999) must be labeled and inventoried. Inventories must be completed and maintained and a working file kept on file at all times.

C. SCHOOL TECHNOLOGY INVENTORY FOR ITEMS PURCHASED FOR LESS THAN \$500

Items purchased less than \$500 must be reflected in the Purchase Order System and also be kept track of on electronic inventory form.

D. MAINTENANCE AGREEMENTS

Schools must check with the Director of Health and School support and Health to ensure that accurate contracted maintenance costs are budgeted.

EQUIPMENT INVENTORY PROCEDURES

Inventory Printouts

Our Back-office provider (CSMC) will email an electronic equipment inventory printout to the schools, Director of Operations and Chief Business Officer. Equipment purchased for \$500 or more will be on the inventory printout. (Other resource codes that may exist: 3010-Title I, 4035-Title II, 4203-Title III and/or 010-ASES). The designee in charge of equipment inventory must use the printout as their working copy. Please check the printout for accuracy and update any items that have been relocated to different locations.

Discard Instructions

To discard furniture or a large quantity (more than 5 items):

- ✓ Find a location on campus to store items. The location should be a non-accessible area to students and safe from weather.
- ✓ Email operations@aimsk12.org the description, quantity, and the location where the items are stored forms.

Stolen Items

A “Incident Report” form must be completed for items which are stolen from your site. You need to attach any backup you have (i.e. requisitions, inventory list, PO’s) so the correct item can be removed from your inventory.

(If stolen items are over \$10,000 in value, immediately contact Finance Department at finance@aimsk12.org)

Legal Reference:

EDUCATION CODE

35168 Inventory of equipment

CODE OF REGULATIONS, TITLE 5

3946 Control, safeguards, disposal of equipment purchased with consolidated application funds

16022-16023 Classification of records

16035 Historical inventories of equipment

UNITED STATES CODE, TITLE 20

2301-2414 Carl D. Perkins Career and Technical Education Act

CODE OF FEDERAL REGULATIONS, TITLE 2

200.0-200.521 Federal uniform grant guidance

AR 315(c) Federal Fund Management Time Accounting

Head of School Responsibilities

Each Head of Schools or designated site manager must ensure that all federally funded employees are familiar with the time documentation guidelines and are complying with these requirements. Please review the Employee Guidelines outlined below.

FEDERALLY FUNDED EMPLOYEE TIME DOCUMENTATION

Documentation is required to ensure that the district is properly charging salaries and wages that are reasonable, necessary and allowable in accordance with applicable federal program requirements. The resource codes involved with federal programs reviewed by CDE and that require time accounting forms are Title I Part A & D (Resource 3010 Restrictor 01); Title II Part A Resource 4035 Restrictor 02), Title III EL (Resource 4203 Restrictor 03), and Title IV (if allocated)

ESEA

Title I Part A (3010)

- Must be used to supplement the basic program
- Site employees cannot participate in administrative or clerical duties
- Intent is to provide support for low income students to become academically proficient in State Standards

Title II Part A (4035)

- to increase the academic achievement of all students by helping schools and district= improve teacher and principal quality through professional development and other activities

Title III EL (4203)

- support to ensure English learners in California, attain English proficiency,
- support so that English learners develop high levels of academic attainment in English
- support so that English learners meet the same challenging state academic standards as all other students

Local Control Funding Formula (LCFF)

- **Considered State “general” funds – not categorical**
- **Employees funded with only LCFF do not participate in time accounting.**
- **Time Accounting is ONLY required if LCFF is combined with Title I, II, III, IV)**

Federal Time Accounting

A requirement for the use of federal funds for salaries, time accounting certification records must be maintained and collected.

If an employee is paid with federal funds, documentation must be completed to reflect that the employee worked on that specific federal program and cost objective.

The following three components must be met for acceptable use of federal funds:

1. Necessary
2. Reasonable
3. Allocable (Time spent on compliant duties, proves ability to be allocated)

Types of Time Accounting:

1. Semi-Annual Fully Funded
2. Semi-Annual / Single Cost Objective
3. Personnel Activity Report (PAR) Multi-funded

TIME ACCOUNTING FORMS: SEMI-ANNUAL CERTIFICATION AND PERSONNEL ACTIVITY REPORT
SEMI-ANNUAL CERTIFICATION for EMPLOYEES FUNDED WITH 100%, ONE RESOURCE.

Title I, Part A&D	3010- Resource	ELO 7425 Resource
Title II, Part A	4035- Resource	Other Federal Resource
Title III ELD	4203- Resource	

If an employee works 100% on one activity and is paid through one federal funding source only, they will sign this form twice a year, which is submitted after each six-month work period. Some examples of these employees may be instructional aides or resource teachers at one school site working on one goal area on a set schedule.

1.) January (July-December) 2.) June/July (January-June)

All duties must be supplemental and allowable under a Federal Title program.

If position is 100% Title I a Semi-Annual Time Accounting certification is completed twice a year.

- ✓ The Job description is embedded in the form.
- ✓ Originals are kept at the school site.
- ✓ Head of School or Administrative designee submits signed copies to Operations Department after work is completed.



**Semi-Annual Certification
Activity Report for Employees Working on a Single Cost Objective
School Year 2020-2021**

School Site _____

Federal Program: _____ Title I _____

For the Six-Month Period of: (Circle the completed six month time period and fill in the year)
 January-June 20____
 July-December 20____

I certify that the employee listed below worked 100% of their time in the above six-month time period on activities authorized by the federal program stated above. *Include only staff fully funded through Federal Funds.

Employee Name	Employee Title
JOB DESCRIPTION	

Employee Signature

Date

Supervisory Official's Signature

Date

This form is to be completed every six months for any employee who is paid solely with federal funds from a single cost objective.
 A school that has any staff that are split funded between Title I and another funding source must instead complete a Time and Effort Program Activity Report (PEAR).

SEMI-ANNUAL CERTIFICATION with SCHEDULE FOR MULTI-FUNDED SITE BASED EMPLOYEES

(Substitute System of Time Accounting)

If a multi-funded employee works on one goal (or cost objective), their schedule does not change, and they stay in one location, they may complete the SEMI-ANNUAL CERTIFICATION twice a year. In order to use this form, the employee MUST submit one accurate work schedule with each Semi-Annual Certification form. The schedule must include information such as time periods, grades, and subjects.



Semi-Annual Certification
Activity Report for Employees Working on a Multi-Funded
School Year 2020-2021

Employee Name: _____

School Site: _____ Position: _____

The following descriptions should reflect alignment between the work expended on the specific federal program and funds allowed for salary

Funding Source	Resource/Restrictor	Percentage
TITLE I	3010 - Restrictor 01	
TITLE II	4035 - Restrictor 02	
TITLE III	4208 - Restrictor 03	

The percentage is populated is based on your position's current year funding

Describe the duties you perform in each program shown:

Funding Source	Resource/Restrictor	Percentage
LCFF	0000- Restrictor 0	
OTHER		

Describe the duties you perform in each program shown:

I certify that the report is an accurate statement of effort expended on the above programs and I have full knowledge of 100% of the activities. Supervisory official having firsthand knowledge of the activity performed by the employees.

Employee Signature

Date

Supervisory Official's Signature

Date

A school that has any staff that are split-funded between Title I and another funding source must instead complete a Time and Effort Program Activity Report (PAER).

PERSONNEL ACTIVITY REPORT (PAR)– Calendar for Multiple Funding and Multiple Cost Objectives

If the employee's work schedule varies daily or throughout the month, and/or the employee works at multiple sites, the employee should document daily activities, identify each program for which work was performed, and the daily time dedicated to each program. The total documented time for the day should equal to the actual hours worked.

All multi-funded, multiple cost objective employees must complete PARs on a monthly basis.

1. PARS must be submitted after the work month by the 10th of following month.
2. Cannot be submitted or signed after the last day of the following month

School District Personnel Activity Report (PAR)

School Site:												For the Month of:		
Employee:												Year:		
Position:														
Supervisor:														

PROGRAM or ACTIVITY	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	31	Total	%	
																																	0.00	#DIV/0!
																																	0.00	#DIV/0!
																																	0.00	#DIV/0!
																																	0.00	#DIV/0!
																																	0.00	#DIV/0!
																																	0.00	#DIV/0!
Leave Time																																0.00		
TOTAL	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	#DIV/0!		

I certify that the hours reported above are a true representation of work performed.	
Employee signature _____	Date _____
Immediate Supervisor signature _____	Date _____

Personnel Activity Report (PAR) Procedures

All multi-funded personnel responsible for completing a PAR will:

- Complete & submit one description of duties annually to Compliance.
- Document their activities, per program, during their contracted hours on the Excel PAR Activity Report
- Employee Print and sign completed Excel PAR Activity Report after the last working day of each month
- Submit Excel PAR Activity Report monthly to site designee for Head of Schools to review and sign.
- Site designee will submit copies all signed Excel PAR Activity Reports to Compliance Department (Timeaccounting@aimsk12.org) and compliance@aimsk12.org by the 10th of the following month. (i.e. August PAR forms will be due September 10, 2020).

All personnel sign time accounting certifications AFTER work is performed.

All original Time Accounting forms, with original signatures must be kept at school site for five years.

Procedures to Review Federal Positions:

A review of each federal funded position will occur annually.

Each Head of School will:

1. Provide evidence of the identified need, alignment to LCAP/SPSA goals, and intent of funding for each position.
2. Submit an annual job description (Duty Statement) for each multi-funded position.
3. Submit monthly Personnel Activity Records (PAR) for each multi-funded position.

District (Compliance Committee) will:

1. Review and confirm school steps 1-3.
2. Conduct a semi-annual fiscal review to determine if funds are allocated appropriately/aligned to work performed.
3. Make fiscal reconciliations if review results in misalignment.

*If school is retaining the multi-funded position for the next school year, funding must be adjusted and reflected on the Position Action Form (PAF).

REVIEW AND APPROVAL CYCLE:

Personnel Activity Report (PAR): After the last day of each month, the employee signs and submits their PAR completed, to their supervisor for review. The supervisor must date and sign the PAR after the end of the month and submit by the 10th of the following month. PARS cannot be signed or submitted after the last day of the following month.

Semi-Annual Certification: This form must be submitted in January (covering the July-December work period) and June (covering the January – June work period). In June, Semi-annuals can be signed on the last day of work for the employees' school year.

FORM SUBMISSION:

All forms must be sent either hard copy to:

AIMS K-12 College Prep
171 12th Street
Oakland 94607
Attn: Program Compliance

OR Scanned and emailed to: Timeaccounting@aimsk12.org and compliance@aimsk12.org

EMPLOYEE TRAINING:

Time Accounting training materials and forms can be found at www.aimsK12.org. Time Accounting presentations are given in August of each year and updated throughout the year during Staff Professional Development days.

A PAR Technical Assistance workshop is given each fall. Supervisors and staff that are funded by Federal Programs will be notified prior to training and provided funding percentages.

If you have any questions on compliance or form completion, please contact Program Compliance at Compliance@aimsk12.org.

RECONCILIATION PROCESS

Personnel Activity Report (PAR):

1. Head of Schools or designated assignee collects the PAR form from all employees that are required to complete it. The Pars is reviewed by the Head and signed before submission to the Operations Department. The department ensures that all forms are received, are complete, and provides copies to the Accounting Fiscal Services Executive Assistant.
2. Business Operations reviews each PAR and compares it to the actual payroll expenditure ledger to confirm reported time activity agrees to the budgeted funding distribution. Managers are notified of discrepancies between resource allocation and time on calendars.
3. Compliance, Business Operations, Heads of Schools and/or Program Coordinator meet to review any variance in excess of 10% and provide recommendations to the Superintendent
4. Compliance, Business Operations, Heads of Schools and Superintendent (Cabinet) meet to review, discuss, and provide course of action for discrepancies. Budget Services moves expenditures and/or updates the budget to align with the PAR per Cabinets authorization and direction.
5. Reconciliation occurs quarterly in July, October, January and April, to coincide with each budget or actuals reporting period.

Semi Annual Certification:

1. Head of Schools or designated assignee collects the Semi-Annual form from all employees that are required to complete it. The Pars is reviewed by the Head and signed before submission to the Compliance Department. The Compliance department ensures that all forms are received, are complete, verifies the single cost objective, and provides copies to the Accounting Fiscal Services Executive Assistant.

2. Business Operations reviews each semi-annual and compares it to the actual payroll expenditure ledger to confirm semi-annual agrees to the budgeted funding distribution. Managers are notified of discrepancies between resource allocation and time on semi-annual forms.

3. Compliance, Business Operations, Heads of Schools and/or Program Coordinator meet to review any variance in excess of 10% and provide recommendations to the Superintendent

4. Compliance, Business Operations, Heads of Schools and Superintendent (Cabinet) meet to review, discuss, and provide course of action for discrepancies

AR 315(d) Federal Fund: Compliancy Review Process

Compliant Use of Funds:

In order to ensure the compliant use of federal Funds, the Superintendent and designee shall follow the protocols for the compliancy review process:

The Superintendent, in partnership with the Business Office, Program Compliance, Ombudsman, and Academic Data and Performance compose the Compliance Review Committee to review the compliant use of designated funds and all required documentation in accordance with the Federal Guidelines.

FEDERAL FUNDS: COMPLIANCY REVIEW PROCESS

July

- **Compliance Committee:** Meet to review and align (prior year) Federal Time Accounting Records and Expenses.

August

- **Compliance Committee:** Meet to review (current year) Federal Expenses and approved programs for all schools: Identify Federally Funded Staff
- **Compliance Committee:** Provide Heads with Federal Fund Management Training
- **Compliance Committee:** Provide Federal Funded Staff with Time Accounting Training

September

- **PAR:** All multi-funded staff must submit Personnel Activity Report (August)

October

- **PAR:** All multi-funded staff must submit Personnel Activity Report (September)

November

- **PAR:** All multi-funded staff must submit Personnel Activity Report (October)
- **Compliance Committee:** Review Interim expenses with Heads of Schools to ensure alignment with program SPSA.

- **Compliance Committee:** Reviews Time Accounting submissions for accuracy

December

- **PAR :** All multi-funded staff must submit Personnel Activity Report (November)
- **Compliance Committee:** Reviews Time Accounting submissions for accuracy
- **Business Office:** Review expenses to ensure alignment with federal allocation requirements
- **Program Compliance:** Circulate Communication to Heads: Semi Annual Time Accounting Submission requirements and submission date

January

- **PAR :** All multi-funded staff must submit Personnel Activity Report (December)
- **Program Compliance:** Sends out Semi-Annual Reporting for Completion as outlined in AR 315(c): Federal Fund Management Time Accounting.
- **Compliance Committee:** Reviews Time Accounting submissions for accuracy

February

- **PAR :** All multi-funded staff must submit Personnel Activity Report (January)

March

- **PAR :** All multi-funded staff must submit Personnel Activity Report (February)
- Preliminary Allocation for Federal Funds are provided to Heads
- **Heads begin allocation planning**

April

- **PAR :** All multi-funded staff must submit Personnel Activity Report(March)
- **Compliance Committee:** Reviews Time Accounting submissions for accuracy
- **Head of Schools/ELD:** engage LCAP Advisory Committee (serving as the SSC) to APPROVE the proposed expenses for the next fiscal year
- **Head of Schools/ELD:** submit SPSA and Committee minutes documenting the approval of proposed expenses to Compliance Committee for review and approval
- **Compliance Committee:** reviews for compliance (If approved, continue process; If denied, revisit and resubmit)

May

- **PAR :** All multi-funded staff must submit Personnel Activity Report (April)
- **Heads of Schools/ELD:** Approved SPSA submitted for Board Approval
- Approved plans and projected budgets submitted to finance to be reflected in the Adopted Budget.
- **Program Compliance:** Circulate Communication to Heads: Semi Annual Time Accounting Submission requirements and submission date
- **Compliance Committee:** meets to finalize and align information for Consolidated Application Submission.

June

- **PAR :** All multi-funded staff must submit Personnel Activity Report (May/June)

- **Human Resources:** Sends out Semi-Annual Reporting for Completion as outlined in AR 315(c): Federal Fund Management Time Accounting.
- **Chief Business Officer:** Consolidated Application completed
- **Chief Business Officer:** Adopted Budget and Consolidated Application submitted to Board for Approval
- **Chief Business Officer:** Adoption Budget Submitted to OUSD

(PAR = PERSONNEL ACTIVITY REPORT)

400 POLICIES RELATED TO ASSETS, LIABILITIES AND FUND EQUITY

401 Bank Accounts

A. Bank accounts for the indicated purpose and limitation(s) have been authorized by the Board of Trustees of AIMS K-12 College Prep Charter District at the indicated Federal Deposit Insurance Corporation (FDIC)-insured banks:

EASTWEST BANK

COMMUNITY BANK

402 Petty Cash Checks Payments

A. Account has been closed.

403 Accounts Payable

Only valid accounts payable transactions based on documented vendor invoices, receiving report or other approved documentation are recorded as accounts payable.

404 Accounts Payable Payment Policy

Vendors and suppliers are paid as their payment terms require, taking advantage of any discounts offered. If cash flow problems exist, payments are made on a greatest dependency/greatest need basis.

405 Accrued Liabilities

Salaries, wages earned, and payroll taxes, together with professional fees, rent, and insurance costs incurred, but unpaid, are reflected as a liability when entitlement to payment occurs.

406 Liability For Compensated Absences

A. Compensated absences arise from employees' absences from employment due to vacation leave. When the AIMS K12 College Prep (aka American Indian Model Schools) expect to pay an employee for such compensated absences, a liability for the estimated probable future payments is accrued if all of the following conditions are met:

1. The employee's right to receive compensation for the future absences is attributable to services already performed by the employee.
2. The employee's right to receive the compensation for the future absences is vested or accumulates.

3. It is probable that the compensation will be paid.
4. The amount of compensation is reasonably estimable.

B. Compensated absences not required to be paid upon employee termination is only recorded when paid.

407 Debt

A. When applicable, short-term debt consists of financing expected to be paid within one year of the date of the annual audited financial statements. Long-term debt consists of financing that is not expected to be repaid within one year and is recorded in the Enterprise Fund.

B. Loan agreements approved by the Board of Trustees should be in writing and should specify all applicable terms, including the purpose of the loan, the interest rate, and the repayment schedule.

AR 407(a) LOAN CONVENANT

AIMS K-12 recognizes the obligation based on debt incurred for the 12th Street property required to remain within the limits defined by the Loan Officers (Bank: East West Bank) that states:

Debt Coverage Ratio: Maintain a debt coverage ratio (defined as net operating income divided by current portion of long term debt plus interest expense) of not less 1.35 to 1 for the fiscal years ended June 30th, 2020 and June 30th 2021 and 1.50 to 1 thereafter.

Except as provided above, all computations made to determine compliance with the requirements contained in this paragraph shall be made in accordance with generally accepted accounting principles, applied on a consistency basis, and certified by Borrower as being true and correct.

AIMS staff in Verification of loan requirement is reviewed at each fiscal quarter to ensure compliance. The calculation for the requirement is provided to the Board of trustees and the public at each fiscal reporting cycle (Adopting, 1st Interim, 2nd Interim and Unaudited Actuals/Closing).

500 REVENUE

501 Revenue Recognition

The AIMS K-12 College Prep Charter District record revenue on the accrual basis of accounting, consistent with generally accepted accounting principles applicable to special purpose governmental units.

600 FACILITIES

601 Disposal of Property and Equipment

A. No item of property or equipment shall be removed from the premises without prior approval from the Director of Health and School support and Health, Superintendent or designee.

B. AIMS K-12 College Prep Charter District have adopted standard disposition procedures for AIMS’ staff to follow, which include an Resolution of Surplus/Obsolete, Asset Disposal Form, which identifies the asset, the reason for disposition, and signature of the requester. The form also allows for an identification of the asset’s book value, condition of the asset, and supervisory approval or denial.

C. When property is retired, the appropriate asset in the fixed asset subsidiary will be adjusted and properly reflected in the Enterprise Fund.

700 PROCUREMENT POLICIES

701 AIMS K-12 College Prep Charter District adhere to the following objectives:

- 1. Procurements will be completely impartial based strictly on the merits of supplier and contractor proposals and applicable related considerations such as delivery, quantity, etc.
- 2. Make all purchases in the best interests of AIMS and their funding sources.
- 3. Obtain quality supplies/services needed for delivery at the time and place required.
- 4. Buy from responsible sources of supply.
- 5. Obtain maximum value for all expenditures.
- 6. Deal fairly and impartially with all vendors.
- 7. Maintain dependable sources of supply.
- 8. Be above suspicion of unethical behavior at all times; avoid any conflict of interest, related parties or even the appearance of a conflict of interest in AIMS K-12 College Prep Charter Districts’ supplier relationships.

A. AIMS K-12 College Prep Charter District will execute a Purchase Order for all purchases except when it is in the best interest of the company to obtain maximum value for its expenditures. When staff receives a lower price from companies that do not accept purchase orders, the decision will be made to utilize either a check or a credit card to make the purchase. Purchases shall be approved by the Superintendent for amounts less than \$8,000 per school and by the Board of Trustees if greater than \$8,000 per school.

B. All lease agreements will be evidenced by a lease or sublease agreement approved by the Board of Trustees and signed by the Superintendent. The agreement will identify all the terms and conditions of the lease.

Procurement Procedure

Accounts Payable

Accounts payable is a critical portion of your financial records and can be subject to fraud without careful reconciliation and oversight. Strong accounts payable audit procedures can ensure the accuracy and timeliness of your bill payments. The best accounts payable audit procedures allow a mixture of daily checks, routine internal controls and external audit procedures.

Routine Procedures

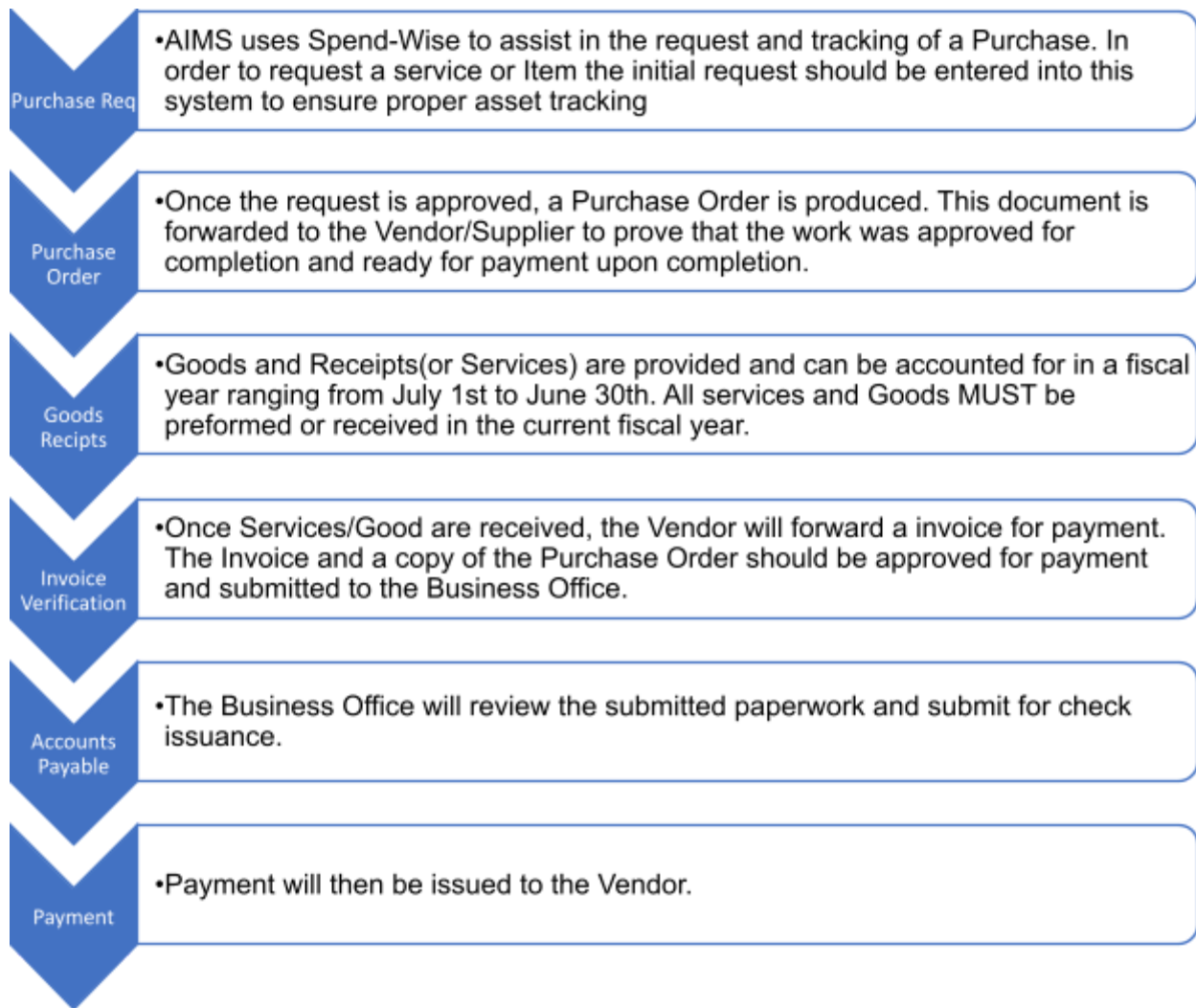
Accounts payable should be balanced daily to reconcile payments to recorded entries. Any discrepancy between the total amount paid and the total recorded should be examined and reconciled immediately. Management oversight of every individual involved in accounts payable should be stringent and should include routine monitoring of activities.

Sign-off procedures that help establish an audit trail should be enacted. These sign-offs include management review of goods and service requests, regular reconciliations, monthly discrepancy reports and individual sign-offs for large transactions to ensure that all information is correct.

Internal Controls

Internal controls for accounts payable include signature requirements according to payment amounts. AIMS requires two signatures for all checks submitted for payment as well as Board Approval and signature for all checks over the \$8000 threshold.

During book closing procedures at the end of a month or financial period, AIMS requires sign-off for all account payable work including summary totals and account reconciliations. Additionally, Spendwise provides a running report that monitors payment levels from accounts payable processing



702 Check Issuance

1. All checks require two signatures
2. Checks written for \$8,000 and above require board approval, except for the following Vendors: PG&E (Electricity and Gas), AT&T (Office Telecommunications), EBMUD (Water Utilities), Waste Management, Mortgage and Rent payments. (These contracts are approved as Pre-Approved Vendors at the first board meeting of the fiscal year. Vendors may be amended depending on Services)
3. A list of Vendors / Purchase Orders can be submitted to the Board of Trustees (Semi-Annually) for pre-approval to allow for invoice and remittance workflow.
4. Checks shall be Computer generated by the back office
5. Checks are sent to Vendor from back-office and the copy of the check is provided and filed.
6. Voided Checks must be labeled as "VOID" in large letters. A Copy must be filed accordingly
7. NO CHECKS SHALL BE MADE OUT TO CASH or WRITTEN IN ADVANCE

800 TRAVEL POLICIES

801 Pre-Approval for Travel

A. All employees must request approval prior to attendance for off-site conference. An authorization to attend must be approved by the Superintendent and reviewed by the Chief Business officer, if funded by restricted monies.

802 Employee Mileage Reimbursement

A. All employees are reimbursed either at the standard mileage rate per mile as determined by the Internal Revenue Service for use of their own vehicle for business related travel or at a flat monthly rate which is taxable under IRS rules. In addition, parking fees and tolls paid are reimbursable if supported by invoices.

B. All employees requesting such mileage reimbursement are required to furnish a Travel Report containing the destination of each trip, its purpose and the miles driven, parking fees and tolls, within one month after the travel date, supported by invoices, if applicable.

C. If employees request to be reimbursed at a monthly flat fee, the payment will be done through payroll unless specified by contract and will be subject to all applicable taxes under IRS regulations.

900 CONSULTANTS AND CONTRACTORS

901 Consultant Utilization

The utilization of all consultants and contract personnel are sufficiently evidenced by:

A. Details of all agreements (e.g., work requirements, rate of compensation, and nature and amount of other expenses, if any) with the individuals or organizations providing the services and details of actual services performed.

B. Invoices or billings submitted by consultants, including sufficient detail as to the time expended and nature of the actual services performed.

C. The use of a management contract for educational and administrative services will clearly identify the contractor's performance requirements, including students' academic achievement, contractor's compensation and AIMS K-12 College Prep Charter Districts' rights to educational curricula and intellectual property developed.

Vendor Contacts

The District urges vendors to deal directly with the District Leadership on all purchasing related matters, including sales calls, sales presentations, promotions, catalog distributions, returns, exchanges and substitutions. Vendors may not make sales calls directly at school sites. The District must adhere to bidding and competitive selection procedures. Vendors must first contact the Director of Health and School support and the Superintendent of Schools direction prior to making any sales presentations.

Basis for Award

The District seeks to develop maximum competition for all purchases and to award contracts based on the lowest cost to the District by a responsible vendor presenting the most advantageous proposal to the District.

Formal bidding procedures are required for the purchase of materials and/or services exceeding amounts specified by law. Bid limits are subject to change on a yearly basis.

Informal quotes, bids or proposals for goods and/or services may be requested and received in writing by mail, e-mail and facsimile. Informal bids apply to purchases below the formal bid limits required by law.

Gifts and Gratuities

The District maintains a strict policy prohibiting the acceptance by its employees of gifts and/or gratuities from any vendor or potential vendor. However, this policy does not preclude employees from accepting promotional or advertising items such as calendars, desk pads, notebooks and other office supplies which are offered free to all as part of a public relations program.

DEFINITIONS

- AIMS K-12 College Prep shall be hereinafter referred to as the “District” and the vendor/supplier shall be hereinafter referred to as “Vendor.”
- The purchase order approved by the District’s Governing Board and issued by an authorized representative of the District’s Purchasing Department and these Terms and Conditions are hereinafter referred to as the “Agreement.”

HOLD HARMLESS AND INDEMNIFICATION LANGUAGE

- Vendor agrees to indemnify and hold harmless District, its officers, agents, employees and volunteers from any and all loss, costs and expense including legal fees, or other obligations or claims, arising directly or indirectly out of any liability or claim of loss or liability for personal injury, bodily injury to persons, contractual liability and damage to property, or any other loss, damage, injury or other claim of any kind or nature, arising out of the activities, omissions to act or negligence of Vendor and/or Vendor's officers, agents, independent contractors, subcontractors or affiliated entities and/or their employees, agents and representatives, whether such activities, omissions to act, negligence or intentional conduct is or was

authorized by this Agreement or not.

- Vendor further agrees to pay or cause to be paid for any and all damage, or loss or theft to the property of the District arising out of the performance of services, omissions to act, or negligence of Vendor. District assumes no responsibility whatsoever for any property placed on the District premises. Vendor agrees to waive all rights of subrogation against District. Notwithstanding the foregoing, Vendor shall not be responsible for indemnification for claims or losses caused solely by the negligence of the District.

INSURANCE

- Vendor covenants and agrees to provide general liability, automobile liability (if driving on District sites), products and completed operations, property damage and errors and omissions insurance in an amount of not less than \$1 million per claim or occurrence. Proof of Workers' compensation coverage evidencing statutory limits and Employers' Liability limits evidencing not less than \$1 million. Vendor further agrees to provide all insurance coverage as required to conduct business with the District. Vendor agrees to provide the District with proof of insurance evidencing required insurance coverage at least 30 days prior to commencement of services under this Agreement and name the District as an additional insured on the general liability and automobile liability (if driving on District premises) coverage. Each insurance policy required by this Agreement shall be endorsed to state that coverage shall not be suspended, voided, canceled, reduced in coverage or in limits except after thirty (30) days prior written notice to the District.

INSPECTION AND ACCEPTANCE

- Inspection and acceptance will be at destination, unless otherwise provided. Regardless of the F.O.B. point, the Vendor agrees to bear all risk of loss, injury, or destruction of goods and materials ordered herein which occur prior to delivery; and such loss, injury, or destruction shall not release the Vendor from an obligation hereunder.

COMPLIANCE WITH LAWS

- The Vendor shall observe and comply with all rules and regulations of the Governing Board of the District and all federal, state, and local laws, ordinances and regulations.

CERTIFICATES/PERMITS/LICENSES

- The Vendor and all Vendor's employees or agents shall secure and maintain in force such certificates, permits and licenses as are required by law in connection with the furnishing of goods or services pursuant to this Agreement.

NO RIGHTS IN THIRD PARTIES

- This Agreement does not create any rights in, or inure to the benefit of, any third party except as expressly provided herein.

LIMITATION OF DISTRICT LIABILITY

- Other than as provided in this Agreement, District's financial obligations under this Agreement shall be limited to the payment of the compensation provided in this Agreement. Notwithstanding any other provision of this Agreement, in no event shall District be liable, regardless of whether any claim is based on contract or tort, for any special, consequential, indirect or incidental damages, including, but not limited to, lost profits or revenue, arising out of or in connection with this Agreement for the services performed in connection with this Agreement.

CALIFORNIA LAW

- This Agreement shall be governed by and the rights, duties and obligations of the parties shall be determined and enforced in accordance with the laws of the State of California. The parties further agree that any action or proceeding brought to enforce the terms and conditions of this Agreement shall be

maintained in Alameda County, California.

WAIVER

- The waiver by either party of any breach of any term, covenant, or condition herein contained shall not be deemed to be a waiver of such term, covenant, condition, or any subsequent breach of the same or any other term, covenant, or condition herein contained.

SEVERABILITY

- If any term, condition or provision of this Agreement is held by a court of competent jurisdiction to be invalid, void or unenforceable, the remaining provisions will nevertheless continue in full force and effect, and shall not be affected, impaired or invalidated in any way.

902 Independent Contractors

The use of consultants is closely monitored so as not to vary from the rules of the Internal Revenue Code.

In particular, consultants will:

A. Not be controlled as to what services will be performed and how these services will be performed. Consultants will not have set hours of work.

B. Adhere to a precise contract scope of services, recomputed or at least adjusted annually. This consultant agreement will specify the obligation of the consultant to pay his or her own self-employment taxes, if applicable.

C. Not receive any fringe benefits as such, although their fee may include provision for fringe benefits. D. Not be assigned a permanent workstation.

E. Make their services available or work for a number of firms or persons at the same time.

F. Will use his or her own stationery or invoice in billing for services.

INDEPENDENT CONTRACTOR

- While providing the supplies or services ordered herein, the Vendor shall be and act as an independent contractor. Vendor understands and agrees that he/she and all of his/her employees shall not be considered officers, employees, agents, partner, or joint venture of the District, and are not entitled to benefits of any kind or nature normally provided employees of the District and/or to which District's employees are normally entitled, including, but not limited to, State Unemployment Compensation or Worker's Compensation.

1000 - GENERAL ACCOUNTING PROCEDURES

In this section, procedures are described for the overall accounting system design, General Ledger activity and General Ledger closeout for the Celerity Schools.

GENERAL LEDGER ACTIVITY

Control Objective

To ensure that all General Ledger entries are current, accurate and complete.

Major Controls

A. Timeliness of Entries

All entries are made soon after the underlying accounting event to ensure the financial records and reporting is current.

B. Support Documentation

All entries are supported by adequate documentation that clearly shows the justification and authorization for the transaction.

C. Audit Trail

A complete audit trail is maintained by the use of reference codes from source documentation through the books of original entry and General Ledger, to periodic reporting statements.

Procedures

1. Financial data on source documentation is verified against original documents (e.g., invoice, purchase order, etc.) by the Director of Operations before entering into the accounting system.
2. Each entry in the accounting system is reviewed and approved by the Chief Business Officer.
3. Provision is made for using recurring General Journal entries for certain transactions, such as recording the monthly portion of prepaid insurance.
4. Non-recurring entries, such as for correcting entries, recording accruals and recording non-cash transactions, are prepared as circumstances warrant and on a monthly basis.
5. All entries in the books of original entry (e.g., cash receipts journal and checkbook) are made soon after the accounting event from authorized forms and are prepared and reviewed by qualified accounting personnel.
6. All General Journal entries are supported by General Journal Vouchers that have supporting documentation attached and are approved by the Chief Business Officer.

GENERAL LEDGER CLOSE-OUT

Control Objective

To ensure the accuracy of financial records and reports.

Major Controls

A. Trial Balance

Monthly, a trial balance is prepared to ensure the accuracy of the General Ledger account balances.

B. Reconciliation of General Ledger Control Accounts with Subsidiary Ledgers

Reconciliations are prepared on a monthly basis.

Procedures

1. At the end of each month, a trial balance of all General Ledger accounts is prepared by the back office business services provider to the Chief Business

Officer.

2. Reconciliation between the General Ledger control accounts and the subsidiary ledgers are completed by the back-office business services provider.

3. At fiscal yearend and after the annual audit, all income and expense accounts are closed out, and the general ledger balances are agreed to the audited financial statements.

1100 - CASH MANAGEMENT PROCEDURES

In this section, procedures are described for cash receipts, cash disbursements and prepaid items.

CASH RECEIPTS

Control Objective

To record cash receipts completely and accurately and to prevent the diversion of cash assets.

Major Controls

A. Cash Flow Projection

AIMS K-12 College Prep Charter District annually prepare and update monthly a cash flow projection for operations and capital cash needs to monitor and ensure adequate cash flow.

B. Cash Receipts Policies

AIMS K-12 College Prep Charter District has internal control systems in place to monitor cash receipts and ensure that deposits are made in a timely manner. AIMS also use electronic fund transfers to accelerate deposits.

C. Internal Accounting Controls

(i) Opening of mail assigned to an employee with responsibilities independent of access to files or documents pertaining to accounts receivable or cash accounts.

(ii) Listed receipts and credits compared to accounts receivable and bank deposits.

(iii) General Ledger control accounts reconciled with Accounts Receivable Subsidiary Ledger

Procedures

A. General

1. Mail is received by the Receptionist who sorts the checks and forwards them to the Finance department or the appropriate recipient.
2. All checks are restrictively endorsed by the Finance department.
3. The finance department prepares deposit slips and forwards them to the back office provider for the preparation of journal entries.
4. A copy of each check to be deposited is made and attached to copy of the deposit slip and filed to provide support for all deposits.
5. The back office business services provider reviews and signs off on journal entries.
6. The back office business services provider inputs journal entries.
7. The finance department makes deposits on weekly or as checks are received. All deposits are maintained in a secure area with limited access.
8. Reconciliation of cash receipts to deposit slips and bank statements are performed by the Chief Business Officer or designated finance staff and the back-office business services provider on a monthly basis.

Cash Handling Procedure (Internal)

AIMS Cash Handling Policy 2022-2023 School Year

General Procedures

- Schools are not authorized to use collected funds for any purpose whatsoever other than for deposit.
- Count cash at the end of each day.
- Balance cash to receipts daily prior to deposit. Keep a copy on a spreadsheet and file copy of receipt.
- Keep reconciliation log (Excel Spreadsheet for School Uniforms).
- All payments received must be logged in receipt book.
- Cash is never sent through school mail.

Front Desk Cash Handling (Lunch Payment, Sale of School Uniforms/Swag)

- Cash is accepted at the front desk from 9:30 a.m.-12:30 p.m.
- Cash deposited to the front desk must be stored in a lockbox immediately.
- MealTime (Lunch Program Payment System) deposits must be made to student's profile.
- Receipt must be logged and receipt must be given to parent/guardian after deposit is completed.
- By 12:45 p.m. lockbox and receipt book must be taken to finance department for cash handoff and review. (Double Count of Cash)

Online Lunch Payment

- Payment can be made online through Mealttime.com
- Payments can be made by visa, American Express or MasterCard

- Payments can be made throughout the year or lump sum payments can be made towards student account and lunch balance.

Reconciliation of Cash Handling

- Cash collected must be balanced by comparing the total of the cash to the pre-numbered receipt totals and the money received.
- Two staff members will review total cash amount received to ensure accuracy.
- Deposit tickets are to be reconciled to cash received, daily deposit printout from MealTime (Lunch Program Payment System).
- Proof of reconciliation is stored in finance office and locked in a file.

Security of Cash Handling

- Cash and other deposits are to be kept secured, in safe locked location always. Do not leave deposits or cash unlocked in desk, drawers or file cabinets.
- Front desk clerk is responsible to ensure all cash deposits are secured and ready for pick up by the finance office must have finance clerk review and sign off on total received.
- Deposit bags must be secured along with any other deposits until picked up by the finance department.
- Finance department logs totals for the day and total deposit is taken to the bank and deposit slip is retrieved.

Refund

- Refunds are completed through finance department. Front desk clerk should provide the following information, the students first and last name, amount of refund, date and reason to finance clerk.
- Once refund check is complete finance will mail check to parent/guardian.

Collections

- Print out MealTime (Lunch Program Payment System) negative balance report, call families with negative balances. Inform families to pay balance immediately.

COVID-19 Addendum

In response to the recent legislative action, American Indian Model Schools has identified Essential Service in accordance with the guidelines in **Section 10, Item (g)** by California Department of Health.

***g.)** For the purposes of this Order, “Minimum Basic Operations” include the following, provided that employees comply with Social Distancing Requirements as defined this Section, to the extent possible, while carrying out such operations: i. The minimum necessary activities to maintain the value of the business’s inventory, ensure security, process payroll and employee benefits, or for related functions. ii. The minimum necessary activities to facilitate employees of the business being able to continue to work remotely from their residences.*

Front Desk Cash Handling (Lunch Payment, Sale of School Uniforms/Swag)

- Cash is accepted at the front desk from 9:30 a.m.-3:00 p.m. at the 171 12th St. or 746 Grand Ave school site location.
- Cash deposited to the front desk must be stored in a secured lockbox with limited access immediately.
- MealTime (Lunch Program Payment System) deposits must be made to the student's profile.
- Receipt must be logged and receipt must be given to parent/guardian after deposit is completed.
- One a week Finance will come to 12th street for the cash handoff, reconciliation and review.
(Double Count of Cash)

Online Lunch Payment

- Payment can be made online through Mealtime.com
- Payments can be made by visa, American Express or MasterCard
- Payments can be made throughout the year or lump sum payments can be made towards student account and lunch balance.

CASH DISBURSEMENTS

Control Objective

To disburse cash for authorized purposes and record cash disbursements completely and accurately.

Major Controls

A. Cash Disbursement Policies

Check preparation and signatures are delayed until the due date, consistent with available discounts if available.

B. Internal Accounting Controls

(i) Pre-numbered checks and special check protective paper.

(ii) Match disbursement records against accounts payable/open invoice files.

(iii) Bank statements reconciled to cash accounts and any outstanding checks verified by either the back office business services provider, if applicable.

(iv) Supporting documentation canceled to prevent resubmission for payment.

(v) Detailed comparison of actual vs. budget disbursements on a periodic basis. (vi) Separation of duties to the extent possible for an organization the size of the Celerity Schools.

Procedures

1. When the transaction is complete, and payment is due, a pre-numbered check is prepared by the back office business services provider who attaches all supporting documentation: (e.g. vendor invoice, purchase order, purchase requisition, etc.) and submits the package to the Chief Executive Officer or Director of Health and School support for approval.

2. All invoices submitted for signature will include approvals for payment, expense account charged, check number and date of payment.
3. The Superintendent and Chief Financial Officer approves checks, after examining the supporting documentation.
4. After having been approved and/or signed, the checks are mailed directly to the payee by back office provider.
5. All supporting documents are uploaded into the A/P system by back office business services provider as back-up for each check.
6. All payment requests are researched in the A/P system by vendor and by invoice number to prevent double payments.
7. On a periodic basis, cash disbursement records are matched against accounts payable/open invoice files for any discrepancies. 8. Bank statements are reconciled soon after receipt by either the back offices business services provider and reviewed by the Chief Business Officer.
8. All checks are printed by our back office

PETTY CASH FUNDS

THIS ACCOUNT IS CLOSED

Control Objective

To control the use of petty cash funds for valid transactions.

Major Controls

A. Internal Accounting Controls

(i) AIMS K-12 College Prep Charter District do not use Petty Cash Funds. All local emergency school expenditures are done via credit card transactions.

1200 - PAYROLL PROCEDURES

Payroll procedures are organized under six categories: personnel requirements, personnel data, timekeeping, preparation of payroll, payroll payment, and payroll withholdings.

PERSONNEL REQUIREMENTS

Control Objective

To ensure that the AIMS K-12 College Prep Charter District hire only those employees, full or part-time, it absolutely needs and exerts tight control over hiring new employees.

Major Controls

Payroll Policies Procedures New Employees

1. Requests for new employees are initiated by the Principal and compared with the approved annual personnel budget.
2. New employees complete an Application for Employment.
3. New employees complete all necessary paperwork for payroll.
4. Employee is fingerprinted. Fingerprint clearance must be received by the AIMS before any employee may start work.

Vacation and Sick Pay

1. Employees accrue vacation time based on personnel policy of the AIMS Schools.
2. Employee is required to provide advanced notice to supervisors for a vacation request.
3. Regular part-time employees do not earn vacation time on a pro-rated bases based on personnel policy of the AIMS K-12 College Prep Charter District.
4. Employees' earned vacation balances are adjusted monthly to reflect vacation time earned and taken and reviewed by the Principal.
5. Sick leave taken is monitored against each employee's available sick time on an electronic spreadsheet and reviewed by the Principal.
6. AIMS sick time is unpaid at release of employment. Any unused sick leave can be credited to PERS retirement system.
7. A General Journal entry is prepared at year-end to record the accrued vacation liability.
8. Unused vacation time is based on personnel policy of the Celerity Schools.

PERSONNEL DATA

TIMEKEEPING

Control Objective

To ensure that payment for salaries and wages is made in accordance with documented time records.

Major Controls

- A. Timekeeping Policies

Employees are instructed on the proper punching in and out utilizing a biometric clock to assure the accuracy of recorded time to cost objectives.

B. Punches

Labor hours are accurately recorded by the use of biometric clocks and any corrections to timekeeping records, including the appropriate authorizations and approvals, are documented.

C. Internal Accounting Controls

- (i) Reconciliation of hours charged to attendance records.

Procedures

Time and Attendance

1. Hourly and salary employees' clock in and out using biometric time clocks daily. Hourly employees submit paper timesheets that are reconciled at each pay period with the time clock records.

Approval and Collection of Time and Attendance

1. Each employee's punches are reviewed daily by School Heads and exceptions are reported to HR.
2. Authorized time clock punches are processed by the back office business services provider for payment.

Reconciliation of Payroll to Punches

1. Hours shown on time and attendance system are reconciled to the hours recorded on the Payroll Register by the Payroll department for each payroll period.

PREPARATION OF PAYROLL

Control Objective

To ensure that payment of salaries and wages is accurately calculated.

Major Controls

- A. Internal Accounting Controls

(i) Time records are periodically reconciled with payroll records.

Procedures

1. Employee time sheets are approved by School Heads. All deviations from pre-programmed parameters are approved by HR.
2. The total time recorded on time and attendance system and the number of employees is calculated by the payroll system and reviewed by HR and the back-office business services provider.
3. Recorded hours from the time clock punches are communicated to the Payroll Service electronically.
4. The payroll documents received from payroll software (e.g., calculations, payrolls and payroll summaries) are compared with employee punches, pay rates, payroll deductions, compensated absences etc. by the HR department and the back-office business services provider.
5. The back-office business services provider verifies gross pay and payroll deductions.
6. The total hours and number of employees are compared with the totals in the Payroll Register by the back-office business services provider.
7. The Payroll Register is reviewed and approved by AIMS appropriate personnel.

PAYROLL PAYMENT

Control Objective

To ensure payment for salaries and wages by check, direct deposit, cash or other means is made only to employees entitled to receive payment.

PAYROLL WITHHOLDINGS

Control Objective

To ensure that payment withholdings are correctly reflected and paid to the appropriate third parties.

Major Controls

A. Reconciliation of Payment and Payroll Withholdings

Payroll withholdings are recorded in the appropriate General Ledger control accounts and reconciled with payments made to third parties.

B. Internal Accounting Controls

Procedures

1. The web-based payroll software calculates payroll withholdings for each employee. These are summarized by pay period and recorded in General Ledger.

2. Payments for payroll withholdings are reconciled with the amounts recorded in the General Ledger control accounts by the back-office business services provider.

3. The back-office business services provider reviews the accuracy and timeliness of payments made to third parties for payroll withholdings.

4. Original withholding and benefit election forms, maintained in the employee file, are prepared by employee and reviewed and approved on a periodic basis by the back-office business services provider.

1300 DEPRECIATION

Procedures

1. AIMS K-12 College Prep Charter District capitalize all fixed assets when acquired and records the historical cost of these items in the Enterprise Fund. In accordance with generally accepted accounting principles, as they relate to special purpose business-type activity, government units, under GASB 34 depreciation expense must be recorded in the statement of revenue, expenditures and changes in net assets. The AIMS will use the straight-line method of depreciation over the assets useful life as determined as follow:

Computers 3 years, Office Equipment 5 years, Vehicles 5 years, Office Furniture 7 years, Leasehold Improvements, Life of lease or 5 years, whichever is greater, Building Improvements 20 years, and Building 30 years.

1400 EXPENSE REIMBURSEMENT

Control Objective

To ensure the AIMS K-12 College Prep Charter District pays for only authorized business expenses.

Major Controls

A. Travel Policies

AIMS K-12 College Prep Charter District has adopted policies on travel reimbursement.

B. Business Expense Reimbursement

In extremely rare circumstances, and with prior approval and/or a purchase order as may be required by the schools' purchasing policies and procedures, AIMS employees may purchase school supplies or services and seek reimbursement from AIMS. Reimbursements shall be made only for actual and necessary business expenses. Reimbursements shall not be used as an alternative to the purchase requisition system; all purchases for which employees seek reimbursement shall comply with the schools' purchasing policies and procedures.

No purchases of any school supplies or services shall be made without prior approval and/or a purchase order, as may be required by the schools' purchasing policies and procedures. In the event an employee seeks reimbursement for a purchase made without following these procedures, the school may refuse the services and deny payment or return the supplies to the vendor and deny payment, and the purchasing party may be held personally financially liable for payment of the supplies or services.

Reimbursement requests shall contain a receipt, invoice and/or record of sale, and all other relevant documentation, such as prior approval and/or a purchase order, as may be required by the schools' purchasing policies and procedures. Reimbursement requests shall be submitted via the purchase requisition system.

Purchases of the following items are not eligible for reimbursement by AIMS K-12 College Prep Charter District. Any purchases of such items, if appropriate, shall be made through the schools' purchase requisition system.

- o Deposits or advances for services that have not been rendered;
- o Donations or sponsorships;
- o Flowers, gifts or gift cards;
- o Personal cell phone purchases or monthly plans (these are handled by purchase orders, with minor accessory items allowed)
- o Alcoholic beverages; and
- o Individual items costing more than \$2,000, excluding travel.

C. Internal Accounting Controls

- (i) Justification for travel approved by Superintendent.
- (ii) Documentation for incurred employee expenses.
- (iii) Documentation for company credit card purchase.

Expense Advance or Reimbursement

Expense Reimbursement:

1. Soon after traveling, but not exceeding 30 days, an employee who seeks reimbursement for authorized expenses completes a Travel Report detailing the expenses incurred, attaching originals of supporting documentation.
2. All credit card purchases are supported by invoices in order to be reimbursed.
2. The employee's Travel Report and credit card purchases invoices are reviewed and approved by their management.

1500 - MANAGEMENT REPORTING PROCEDURES

In this section, procedures are covered for supporting the annual budget, financial reporting and tax compliance.

ANNUAL BUDGET

Control Objective

To effectively support the preparation of the annual budget and its periodic review.

Major Controls

A. Budget Process

The Chief Business Officer works with the back-office business services provider and prepares the annual operating and capital budgets and cash flow projection, with input from the AIMS' community. The budgets and projection are submitted to the Board of Trustees for approval.

B. Internal Accounting Controls

Accuracy and completeness of the budget and projections

Procedures

1. In preparation of the annual operating and capital budget and cash flow projection, the back-office business services provider prepares a preliminary budgets and projection for review by the Chief Business Officer in consultation with the AIMS' staff.
2. To support budgets and projection estimates, the back-office business services provider prepares current year-to-date financial data with projections of year-end totals.
3. The back-office business services provider and the Chief Business Officer review the budgets and projection submitted for completeness and reasonableness.
4. The Board of Trustees approves and adopts the final budgets and projection.
5. The adopted budgets totals are entered in the General Ledger by the back-office business services provider for the new fiscal year, in order to prepare budget to actual reports.

FINANCIAL REPORTING

Control Objective

To ensure the accuracy, completeness and timeliness of financial reporting to support decision- making.

Major Controls

A. Schedule

Monthly managerial reports are prepared based on a schedule.

B. Review and Approval Financial reports are reviewed for accuracy and completeness.

C. Audit

The annual financial statements of the AIMS' are audited by a certified public accounting firm.

Procedures

1. The back-office business services provider prepares monthly budget vs. actual financial reports and cash flow projection for the Board of Trustees meetings.
2. AIMS K-12 College Prep Charter District submit to an audit of their financial statements by a qualified certified public accounting firm, in accordance with Governmental Auditing Standards
3. AIMS K-12 College Prep Charter District shall automatically submit all financial reports required under Education Code Section 47604.33 and 47605(m).

PAYROLL TAX COMPLIANCE

Control Objective

To accurately prepare and file required tax documents on a timely basis.

Procedures

1. AIMS K-12 College Prep Charter District maintains a schedule of required filing due dates for:
 - (i) IRS Form W-2 - Wage and Tax Statement.
 - (ii) IRS Form W-3 - Transmittal of Income and Tax Statements.
 - (iii) IRS Form 940 - Employer's Federal Unemployment (FUTA) Tax Return.
 - (iv) IRS Form 941 - Employer's Quarterly Federal Tax Return for Federal Income Tax Withheld from Wages and FICA Taxes.
 - (v) IRS Form 1099 MISC (also 1099-DIV, 1099-INT, 1099-OID) - U.S. Annual Information Return for Recipients of Miscellaneous Income.
- (i) Quarterly and annual state(s) unemployment tax return(s).
2. Before submission, all payroll tax documents and the supporting schedules are reviewed and approved by the back-office business services provider for accuracy and completeness.