



Fiscal Policies and Procedures

It is the intent of these Fiscal Policies and Procedures to implement both the letter and spirit of all applicable State and Federal regulations regarding the expenditure of and accounting for public funds. These policies and procedures may need to be modified as the School develops and regulations change. The Board of Directors (“Board”) will approve these financial policies, and revisit them periodically.

1. Purchasing:

1. The Chief Executive Officer and/or the Director of Business and Finance may sign related contracts within the approved budget.
2. When approving purchases, the Director of Business and Finance must:
 - Verify if the expenditure is budgeted
 - Determine if funds are currently available for expenditures
 - Determine if expenditure is allowable under the appropriate revenue source
 - Issue a purchase order number to vendor
3. Any individual making an authorized purchase on behalf of the school must provide appropriate documentation of the purchase.
4. Individuals who use personal funds to make unauthorized purchases will not be reimbursed. Authorized purchases will be promptly reimbursed by a bank check or through Expensify upon receipt of appropriate documentation of the purchase.
5. Teachers are allotted annually \$600 for classroom purchases. Paraprofessionals and Small Group Instructors are allotted \$100 annually. Authorized purchases will be promptly reimbursed by bank check upon receipt of appropriate documentation of the purchase.
6. Purchases requiring prepayment are allowed with prior written approval of the Chief Executive Officer, Director of Business and Finance or his/her designee.

2. Petty Cash:

1. Navigator Schools will not have a petty cash fund, but the Board may authorize one in the future.

3. Contracts:

1. All professional consulting services shall be provided for under a contract.
2. Written contracts clearly defining work to be performed will be maintained for all contract service providers.

- a. Contract service providers must show proof of being licensed and bonded, if applicable and of having adequate liability insurance and workers compensation insurance. Navigator Schools may also require the contract service provider list the school as an additional insured.
 - b. Contract service providers who work on the school sites must complete a W-9 and be finger printed and TB tested. The School must receive the contract service provider fingerprint and TB prior to the start of work.
3. Contracts for other goods and services exceeding \$50,000 on an annual basis shall be presented to the Board or his/her designee for approval prior to signing. Length of contracts shall be at the discretion of the Board or his/her designee. In general, contracts exceeding \$50,000 shall be reviewed after a bidding process of sufficient duration to ensure competition. However, the Board President or Chief Executive Officer may make a finding to the Board for sole sourcing a contract exceeding \$50,000. In this case, the Board may approve the contract in arrears at the time of contract execution. The basis for such a finding may include: time/urgency issues, the absence of competitors and/or high service/quality from a particular contractor.
4. Competitive bids will be obtained:
- a. Where required by law and in the best interest of the school
 - b. Bid tabulations shall be presented to the Board along with recommendation for action
 - c. The Board reserves the right to select vendor it deems most prepared to provide the required goods/services with regard to the low bidder being the automatic selection
 - d. Business office will keep and maintain contract file evidencing the competitive bids obtained
5. Potential conflicts of interest will be disclosed upfront and the Board and/or Chief Executive Officer with the conflict will excuse themselves from the discussion and from voting on the contract.

4. Accounts Payable:

- 1. All original invoices will be forwarded to the business office for processing.
- 2. All documentation (purchase order, packing slip) will be attached to the invoice.
- 3. The invoice will be reviewed by the business office, coded for accounting purposes and entered into the accounting system for payment.
- 4. All documentation will be attached to the check and presented to the Director of Business and Finance for signature.
- 5. Checks (outside of payroll), over \$10,000 must be signed by two authorized signers.
- 6. Check stubs will be attached to the invoice and filed by vendor.
- 7. Voided checks will be recorded in the accounting system, and have 'VOID' written across them in ink and maintained in a separate file.
- 8. Navigator cuts checks on a weekly basis.
- 9. Navigator's terms for payment of invoices is net 30.

5. Bank Checks:

1. The Board will approve, in advance, the list of authorized signers on the school account.
2. The Board will authorize the opening and closing of all bank accounts.
3. The business office will be responsible for all blank checks and will keep them in a locked secure place.
4. Under no circumstances will any individual sign a blank check.

6. Bank Reconciliation

1. Bank reconciliations will be done monthly by a business office staff member that does not have the ability to approve expenses or disburse funds.

7. Accounts Receivable:

1. Receipt of cash and/or checks will be collected by the school office who will account for the funds according to the event, tabulate the total and prepare the deposit slip.
2. The school office turns the deposit into the business office where the deposit is recounted to verify the deposit total.
3. Funds are deposited as soon as practical, ideally the same day and in no case later than three working days.
4. All cash is immediately put into a locked secure place.
5. Checks deposited are copied and attached to the duplicate deposit slip.
6. Documentation will be maintained for all deposits.

8. Returned Checks:

1. A returned-check processing fee will be charged for checks returned as non sufficient funds (NSF).
2. In the event a second NSF check is received from any individual, in addition to the processing fee, the individual will lose check-writing privileges. Payment of the NSF check must be made by money order, certified check or cash.
3. If unsuccessful in collecting funds owed, the school may initiate appropriate collection and/or legal action at the discretion of the Director of Business and Finance, Chief Executive Officer and/or the Board of Trustees.

9. Employee Reimbursements:

1. Employees will be reimbursed for expenditures within 10 days of presenting appropriate documentation.
2. Receipts are required for all expenses to be reimbursed.
3. The employee and their supervisor must sign the expense reimbursement.
4. The Chief Executive Officer's expense report should be approved by the Director of Business and Finance.

10. Governing Board Expenses:

1. The individual incurring authorized expenses while carrying out the duties of the organization will complete and sign an expense reimbursement form.
2. The Chief Executive Officer will approve and sign the expense

reimbursement form and submit it for payment.

11. Credit Cards:

1. School credit cards shall only be allowed for school purchases.
2. Authorized cardholders are the Chief Executive Officer, Chief Academic Officer, Directors, school Principals and other Support Office staff who are authorized by the CEO.
3. Receipts are uploaded to Expensify and the business office will review and reconcile statements.
4. Card holders will specify what the expense is for so it can be appropriately accounted for in the accounting system.
5. Failure to turn in receipts in a timely manner may revoke the employee's charging privileges.

12. Other Electronic Payments:

1. Other electronic payments (wire, ACH, transfer between bank accounts, etc.) shall not be permitted for payment of any expenses or reimbursements without written consent of the Chief Executive Officer or his/her designee.

13. Travel:

1. Employees shall abide by the travel and expense reimbursement policy as set forth in the employee handbook.

14. Cell Phone:

1. Employees shall abide by the cell phone reimbursement policy as set forth in the employee handbook.

15. Payroll:

1. All non-exempt employees will be responsible for completing a timesheet, including vacation, sick and holiday time (if applicable). The employee and the appropriate supervisor will sign the completed timesheet.
2. The completed timesheet will be submitted on the last working day of the designated payroll period.
3. Overtime only applies to classified non-exempt employees. Any hours worked in excess of an employee's regular work schedule must be pre approved by the supervisor.
4. Overtime will not be granted on a routine basis and is only reserved for extraordinary or unforeseen circumstances.
5. Hourly and salaried non-exempt employees are paid bi-weekly or twice a month.
6. Certificated, exempt and administrators are paid by the 25th of the month.

16. Financial Reporting:

1. In consultation with the Chief Executive Officer, the Director of Business and Finance will prepare the annual financial budget for approval by the Board.
2. The budget shall be adopted by the Board no later than June 30 prior to the start of the new fiscal school year and subsequent to the approval of the Local Control Accountability Plan (LCAP).
3. The annual budget will be amended to reflect changes in revenue and

expenditures as needed.

4. First interim budget revise is due to the authorizing entity by December 15.
5. Second interim budget revise is due to the authorizing entity by March 15.
6. Navigator Schools will hold regular finance committee meetings to review budget revisions and financials.

17. Annual Financial Audit:

1. An annual audit by an outside firm shall be performed each year on the close of the prior year's books.
2. The annual audit will be performed in advance of the December 15 statutory audit deadline.
3. The audit shall include, but not be limited to:
 - a. An audit of the accuracy of the financials statements
 - b. An audit of the attendance accounting and revenue accuracy practices
 - c. An audit of the internal control practices.
4. If the school receives over \$750,000 from federal sources, the audit shall be prepared in accordance with any relevant Office of Management and Budget audit circulars.

18. Loans:

1. The Chief Executive Officer and the Board will approve all loans from third parties.
2. Employee loans are not allowed.

19. Financial Institutions:

1. All funds will be maintained at a FDIC approved financial institution.
2. Physical evidence will be maintained on-site for all financial institution transactions.

20. Retention of Records:

1. Financial records, such as attendance and entitlement records, payroll records, canceled checks and transactions ledgers will be retained for seven (7) years. At the discretion of the Board, certain documents may be maintained for a longer period of time.
2. Records will be retained on site for a minimum of three (3) years after which they may be stored off-site.
3. Financials records will be shredded at the end of their retention period.

21. Charter Management Organization (CMO) Services to School Sites:

1. The CMO management fee will be approved by the Board at the same time the annual budget is approved.

22. Capitalization and Depreciation:

1. Navigator Schools will capitalize and depreciate all assets costing \$5,000 or more. All other assets not categorized below, are charged to expense in the year incurred.
2. Capitalized assets are recorded at cost and depreciated under the straight line method over the estimated useful life which can range from:
 - a. Leasehold Improvements: Lease term or five (5) years, whichever is

- shorter.
- b. Equipment: 3 years
 - c. Furniture: 5 years

3. Repairs and maintenance costs, which do not extend the useful lives of the assets, are charged to expense. The cost of assets sold or retired and related amounts of accumulated depreciation are eliminated from the asset accounts, and any resulting gain or loss is included in the earnings in the year.

23. Disposal of Surplus Property and Donations:

1. Surplus property means property that is no longer in use, is damaged beyond repair, or that Navigator Schools deems has no future value to the school's program.
2. The Board or the CEO shall declare the property surplus and direct staff on the means of disposal of the property, such as sale, donation or destruction and disposal.
3. Should the school wish to sell equipment or other surplus property, the Board or the CEO shall direct staff by giving specific guidance regarding the manner in which such property is to be sold.
4. Once equipment or other property has been declared surplus by the Board or the CEO, requirements for potential donee organizations shall include:
 - a. An organization which is fully independent of the school, with none of the school's Board members or key personnel involved in the donee organization and;
 - b. A non-profit or governmental entity related to education.
5. Navigator Schools will receive a receipt from the donee organization for the donated property.
6. The donated asset shall be removed from the school's books and record the donation as required by state and federal audit guidelines.
7. Before property acquired with federal grant funds (costing \$3,000 or more) are donated or disposed of, the school shall first notify the federal contract administrator.

24. Insurance:

1. The Director of Business and Finance will work with the Chief Executive Officer to ensure appropriate insurance is maintained at all times.
2. The business office will maintain the files of insurance policies, including up to-date copies of all certificates of insurance, insurance policies and related claim forms.
3. The Chief Executive Officer, Director of Business and Finance and the Human Resource Manager will carefully review insurance policies on an annual basis, prior to renewal.
4. Insurance coverage will include but not be limited to general liability, worker's compensation, student accident, professional liability and directors' and officers' coverage.
5. Coverage will be in line with the limits set forth in the school's approved charter petition.

Presented at the August 24, 2021 Navigator Schools Board Meeting.