



Fiscal Control Policy

Purpose

The Forest Charter School Charter Council (“Council”) has reviewed and adopted the following policies and procedures to ensure the most effective use of the funds available to support the mission of the school and to ensure that funds are budgeted, accounted for, expended, and maintained appropriately.

Duties

- The Council determines financial policies and procedures, delegates administration of the policies and procedures to the Executive Director, and reviews operations and activities on a regular basis.
- The Executive Director has responsibility for all operations and activities related to financial management.
- Financial duties and responsibilities shall be separated so that no one employee has sole control over cash receipts, disbursements, payrolls, and reconciliation of bank accounts. All documentation and communication related to financial matters shall be in writing.

Financial Code of Ethics

All Charter Council members and employees of Forest Charter School shall:

- Act with honesty and integrity, including handling actual or apparent conflicts of interest between personal and professional relationships in an ethical manner.
- File complete, accurate, timely, and understandable disclosure statements as required by applicable laws, rules, or policies.
- Comply with applicable federal or state laws and local ordinances, and with other applicable rules.
- Act in good faith, responsibly, and with due care, competence and diligence, without misrepresenting material facts or allowing one’s independence of judgment to be subordinated.
- Share knowledge and maintain skills important and relevant to job requirements.

- Respect the confidentiality of information acquired in the course of work and made confidential by law.
- Proactively promote ethical behavior in all financial dealings and other activities within Forest Charter School.

Annual Financial Audit

- In alignment with the existing Memo of Understanding between the school and the chartering authority, Nevada County Superintendent of Schools, Forest Charter School shall assist, as needed, in the annual Superintendent's fiscal audit.
- The auditing firm shall be selected by the NCSOS.
- The School's Executive Director will review any audit exceptions and deficiencies and report to the Council with recommendations on how to resolve them.
- Any audit exceptions and/or deficiencies shall be resolved to the satisfaction of the Council and the chartering authority.

Purchasing

- The Executive Director may authorize expenditures and may sign related contracts within the approved budget up to \$20,000 without prior Council approval. Any such expenditures or contracts must be presented to and subsequently ratified by the Council subsequent to the Executive Director's authorization of expenditure or execution of contract. The accounting information shall be available at all meetings for the Council to review any and all expenditures.
- All expenditures over \$20,000 must be approved by the Council prior to execution by the Executive Director. The Executive Director may not verbally or otherwise obligate the school prior to Council approval of such expenditures.
- The Executive Director or designee must approve all purchases. When purchase orders are used they shall be submitted to the Business Director. Purchase orders authorizing the purchase of items over \$10,000 must be approved by the Executive Director. When approving purchases, the Executive Director or designee must:
 - Determine if the expenditure is budgeted.
 - Determine if funds are currently available for expenditures.
 - Determine if the expenditure is allowable under the revenue source.
 - Determine if the expenditure is appropriate and consistent with the vision, approved charter, school policies and procedures, and any related laws or applicable regulations.

- Determine if the price is competitive and prudent. All purchases over \$5,000 must include documentation of a good faith effort to secure the lowest possible cost for comparable goods or services. Individuals who use personal funds to make unauthorized purchases shall not be reimbursed.
- Individuals other than the Executive Director or Business Director are not authorized to make purchases without written pre-approval. This includes members of the Council and subcommittees of the Council. Written pre-approval shall be in the form of an approved Purchase Order Requisition form. Written pre-approval may also be in the form of a budget submitted to the Council for a specific project or activity and approved by the Council during a scheduled meeting.
- The Executive Director may delegate authorization power to a member of the Council or the Business Director in the event of the absence of the Executive Director.
- Authorized purchases shall be submitted to Business Director along with appropriate documentation of the purchase within 30 days of the purchase. Reimbursement shall be made by a bank check reviewed and approved at the next Council meeting following submission.
- The Executive Director or designee may authorize an individual to use a school credit card to make an authorized purchase on behalf of the school, consistent with the guidelines provided by the Executive Director and /or the Council.
 - The school card shall be within direct control of the Executive Director and/or Business Director.
 - Each charge to the credit card must be supported by a receipt of the expenditure and a concise description of the cost or activity and its school-related purpose. The receipt must contain detail of the item(s) purchased. If receipts are not available or are missing, the individual making the charge may be held responsible for payment.
 - Credit cards will bear the names of both Forest Charter School and the Executive Director and/or Business Director.
 - Credit cards may not be used for cash advances or withdrawals at any time, even if the cash is to be used for a school-related purpose.
 - All receipts or other evidence of credit card purchases for each month must be provided to the Business Director or designee within seven (7) business days of the expense. In the case of a business trip, this date shall be seven (7) business days from the date the employee returns to the office.

Employee Reimbursements

Only items with prior written authorization from the Executive Director or Business Director will be paid or reimbursed. All requests for reimbursement must be accompanied by an itemized receipt. Authorized volunteer expenses shall be forwarded to Business Director for reimbursement according to the same timeline and procedure as above.

Contracts

- Consideration shall be made of in-house capabilities to accomplish services prior to contracting for them.
- All contracts over \$20,000 must be approved by the Council prior to execution by the Executive Director. The Executive Director may not verbally or otherwise obligate the school prior to Council approval of such contracts.
- The Business Director shall keep and maintain a contract file showing the competitive bids obtained (if any) and the justification of need for any contracts over \$90,200 for equipment, materials, supplies, or services, and \$15,000 for construction. While charter schools are not bound by the Public Contracts Code requiring multiple bids, all contract decisions made on behalf of the School must be in the best interests of the School, and the Council/Executive Director shall solicit multiple bids in those situations deemed appropriate and with the potential to obtain substantially similar or identical goods or services at a lower cost.
- Written contracts clearly defining work to be performed will be maintained for all contract service providers.
- Contract service providers must show proof of being licensed and bonded, if applicable, and of having adequate liability insurance and worker's compensation insurance for employees. Forest Charter School shall be named as an additional insured on these policies.
- If the contract service provider is a sole proprietor or a partnership (including LP and LLP), the Business Director shall obtain a W-9 from the contract service provider prior to submitting any invoices to Accounts Payable. A copy of the W-9 shall accompany the first invoice submitted to Accounts Payable.
- The Executive Director or designee shall approve proposed contracts and modifications in writing.
- Contract service providers shall be paid in accordance with approved contracts as work is performed.
- The Executive Director will be held responsible for ensuring the terms of the contract are fulfilled.
- Potential conflicts of interest shall be disclosed immediately, and the Executive Director and/or members of the Charter Council with the conflict shall excuse themselves from discussion and from voting on the contract in accordance with the Forest Charter School Conflict of Interest Policy.

Bank Checks

- The Council shall approve the list of authorized signers on the School's revolving and clearing accounts and their established limits.
- The Council shall be authorized to open and close bank accounts.
- Business Assistant shall be responsible for all blank checks and shall keep in a locked cabinet or drawer.
- Checks over \$500 shall have two authorized signatures.
- Checks may not be written to cash, bearer, or petty cash. Under no circumstances will any individual sign a blank check.
- Business Assistant shall be responsible for ensuring that the check transaction is recorded into the appropriate accounts in the general ledger. Items shall be reviewed regularly by the Business Director for accuracy.
- Business Assistant shall attach the check voucher to the submitted invoice and supporting documentation and file with bank statements.
- Voided checks shall be retained in a voided check file by Business Assistant. They shall be marked as void and have the signature line cut out.

Bank Reconciliation

- Bank statements shall be received directly, unopened, by the Business Director.
- The Business Director or designee shall examine all paid checks for date, name, and amount. Any discrepancies regarding paid checks or any checks over 90 days will be researched.
- The Business Director or designee shall prepare the bank reconciliation, verifying the bank statements and facilitating any necessary reconciliation. Any material discrepancies shall be immediately reported to the Executive Director and the Charter Council.
- A monthly summary report shall be prepared by the Business Director or designee and sent to NCCC business services for review.

State and Federal Revenue Accounts Receivable

Documentation of warrants and revenues received shall be maintained by NCCC business services, and recorded accurately in the accounting system. All postings will be reviewed by the Business Director.

Donations

Cash or checks received as donations shall be immediately recorded in a bound receipt book, with a copy given to the donor. The receipt shall record the name and address of the donor and any specific instructions as to how the funds shall be used. A thank you letter shall follow for any donations in excess of \$250. In the case of field trip donations, one entry may be made in the receipt book for the total field trip donation amount.

Deposits

- All checks shall be immediately endorsed with the endorsing stamp.
- A deposit slip shall be completed by Business Director or designee and duplicated with all deposit documentation attached.
- Deposits shall be made on no less than a monthly basis.
- The duplicated deposit slip and deposit receipt shall be attached to the deposit documentation and forwarded to the Business Director or designee to be filed.

Personnel

The Business Director or designee shall be responsible for all new volunteers and employees completing or providing all of the items on the Personnel File Checklist. The Business Director shall be responsible for verifying that this information is complete prior to an employee or volunteer working on campus and prior to an employee's hiring becoming effective.

- The Business Director shall be responsible for maintaining this information in the format as shown on the Personnel File Checklist and shall be responsible for annually verifying that the information is current and accurate.
- When the schedule of an employee materially changes, it is the responsibility of the Business Director to document this schedule in the employee's file and forward a copy of the changed schedule to Payroll with the first timesheets affected by the new schedule.

Payroll

Timesheets

- All hourly employees shall complete their timesheets monthly. The employee and the Executive Director or other appropriate supervisor shall sign the completed timesheet.
- Approved and completed timesheets shall be submitted to Payroll based on the calendar provided annually by the county.
- Late timesheets shall be held until the next pay period.

Overtime

- Advance approval in writing by the Executive Director is required for overtime pay. All overtime hours on timesheets shall have the Executive Director's initials next to the day on which the overtime was worked.
- Overtime shall not be granted or worked on a regular basis and is only reserved for extraordinary and unforeseen circumstances.

Record Keeping

- Payroll shall track full-time employees' use of paid and unpaid time off and provide reports to the Business Director upon request.

Travel

- Employees shall be reimbursed for mileage when pre-approved by the Executive Director or designee. Mileage shall be reimbursed at the government-mandated rate for the distance traveled from the school site.
- Employees shall be reimbursed for overnight stays at hotels when pre-approved by the Executive Director or designee. Hotel rates shall be negotiated at the lowest level possible, including corporate, nonprofit, or government rate if offered.
- When traveling on school business, employees of the school should attempt to secure the lowest available commercial discount airfare. Otherwise, customary standard airfare costs are allowable. Any airfare costs in excess of the customary standard airfare are allowable only when approved in advance by the Executive Director or Charter Council. An employee may choose to upgrade his/her flight, but the employee will be responsible for the excess costs incurred.
- Travel advances shall not be given.

Loans

The Executive Director and the Charter Council shall approve all loans from third parties. Employee loans are not allowed.

Financial Institutions

- All funds shall be maintained at a high quality financial institution.
- All funds shall be FDIC insured or insured by excess deposit insurance provided by the financial institution.
- All funds shall be maintained or invested in non-speculative, high quality, short maturity, and liquid funds.

Retention of records

- Financial records, such as transaction ledgers, bank statements, attendance and entitlement records, payroll records, and any other necessary fiscal documentation shall be retained for a minimum of seven (7) years. At the discretion of the Charter Council or Executive Director documents may be retained for a longer period of time.
- Financial records shall be shredded at the end of their retention period.
- Appropriate back-up copies of electronic and paper documentation, including financial and attendance accounting data, shall be regularly prepared and stored in a secure, off-site location, separate from the school.

Funds Balance Reserve

- The Business Director shall provide the Executive Director and the Council with cash flow sheets on a quarterly basis.
- It is the responsibility of the Executive Director and the Council to understand and keep informed of the School's financial condition.
- It is the responsibility of the Executive Director to prioritize payments as needed to remain within budget.