

Commonwealth Education Connections Charter Schools

Section: Finances

Title: Objective

Policy

The Board recognizes its responsibility to the taxpayers to be sure that the public moneys expended by the school are utilized for the furtherance of student education in a manner that will ensure full value to the tax payers, and that adequate constraints and records are established to ensure that end.

The CEO has the authority and responsibility to oversee the preparation of the budget. The Board has the authority and responsibility to approve the budget, the bids and pass upon each expenditure of the charter.

To meet the goals of this policy, the Board requires the CEO to establish sound accounting procedures based upon State and federal recommended accounting procedures and based upon the recommendations of the district, State, and federal auditors, and to institute effective business practices and recommend suitable accounting equipment, where necessary.

Commonwealth Education Connections Charter Schools

Section: Finances

Title: Budget Planning

Policy

The budget shall be designed to reflect the school's objectives for the education of its students. Therefore, it must be organized and planned to ensure adequate understanding of the financial needs associated with program support and development. This necessitates a continuous review of the financial requirement of the school.

Procedures

All of the pre-audit functions and duties of the school accountant as prescribed by law shall be exercised by the CFO. The CFO shall establish and maintain a system of accounts and expenditures control in accordance with the budgets approved by the Board of Education in accordance with law. The CFO shall, as soon as practicable after the end of a fiscal year, submit to the Board an annual financial statement for the charter school for the past year. Such statement shall include itemized data with respect to all assets of the school, school taxes and receipts, outstanding indebtedness and sinking funds (if any) and other information related to the finances of the school, as the Board deems necessary or proper.

The Board shall, consistent with law, determine which officers and employees, if any, shall be required to surety bonds, conditioned on the faithful performance of their respective duties, to determine the amounts of such bonds, and to approve the surety or sureties in each case.

The Board shall have the power to amend the budget to authorize the transfer of any unencumbered balance or portion thereof from one appropriate category to another.

The Board shall have the power to make additional appropriations or increase existing appropriations to meet emergencies which could not be anticipated when the budget was adopted.

The Board shall, at least thirty (30) days before the end of the fiscal year, adopt by majority vote by all its members an operating budget setting forth in lump sum amounts the proposal expenditure of the Board during the next fiscal year, according to such classes of expenditure as the Board may determine, and the estimated receipts of the

Board during the next fiscal year including approximate estimates of proposed revenues and all other receipts. The total amount of proposed expenditures shall not exceed the amount of funds available for school purposes. At least sixty (60) days prior to adoption of the annual operating budget, the Board shall adopt a lump sum statement of anticipated receipts and expenditures for the next fiscal year.

Commonwealth Education Connections Charter Schools

Section: Finances

Title: Budget Preparation

Policy

The Board considers the preparation of the annual budget to be one of its most important responsibilities because the budget is a financial reflection of the educational plan for the school. The budget shall be designed to carry out that plan in a thorough and efficient manner and to maintain the facilities and honor the obligations of the school.

Procedures

The budget should be studied by each member of the Board during its preparation, but once adopted it deserves the support of all members of the Board regardless of their position when it was adopted.

No later than the date of the adoption of the annual budget, the Board shall by a majority vote of all its members adopt a capital program and capital budget for the school. The capital budget shall at all time conform to the capital program and shall show in detail the capital expenditures to be made or incurred in the next fiscal year that are to be financed by the Board.

Commonwealth Education Connections Charter Schools

Section: Finances

Title: Budget Hearing

Policy

It is the policy of the Board that the annual budget proposed, once formulated, represents the position of the Board and all reasonable means shall be employed by the Board to be present and explain that proposed budget in public.

Procedures

Each member of the Board, the CEO and the CFO shall be thoroughly familiar with and understand the need for each proposed expenditure so that they can answer any questions directed to them.

The Board shall, at least thirty (30) days prior to the time any budget or amendment thereto is adopted, conduct at least one (1) public hearing thereon.

Commonwealth Education Connections Charter Schools

Section: Finances

Title: Bank Accounts

Policy

The Board shall designate one or more bank or banks and trust companies as depository for the safeguarding of school funds by a majority vote of the entire Board or at the discretion of the CEO.

Each designated depository shall furnish proper collateral for such deposits in the amount designated by the Board or CFO with the consistent of the Finance Committee or by the authority of the Chairperson of the Board and the CEO and in accordance with the law.

Each designated depository shall be advised not to cash checks payable to the school but to deposit said checks to the school accounts.

Commonwealth Education Connections Charter Schools

Section: Finances

Title: Investments

Policy

The school shall optimize its return through investment of its unencumbered cash balances in such a way as to minimize non-invested balances and maximize return on investments.

Authority

All investments of the Board by an officer or employee of this school shall be in accordance with the following procedures.

Procedures

Funds of the Board may be invested in the U.S. Treasury Securities or placed in time accounts or share accounts of institutions insured by the F.D.I.C. to extent such certifications are insured by a proper bond in accordance with law and Board policy.

Investment of the Board funds may be made in sole discretion of the CEO when operating within applicable statues, provided that no commitment of this Board may be put in default at time due but be paid properly and promptly.

The Board requires that the accountant prepare an annual report to the Board indicating the amount of funds in investments, the interest earned to date and the transactions occurring since the last report.

Funds of the Board may be withdrawn from approved public depositories, or negotiable instruments owned by the Board may be sold before maturity at the sole discretion of the CEO acting within the law.

All securities shall be purchased in the name of the school.

Commonwealth Education Connections Charter Schools

Section: Finances

Title: Purchases Subject to Bid

Policy

It is the policy of the Board to obtain competitive bids for products and services where such bids are required by law or where such bids may be believed to bring about cost saving to the school

Procedures

Materials or supplies to be furnished, sold, or leased to the school, unless exempt by statute, having an aggregate value of more than \$10,000 are subject to competitive bid; and all contracts for work to be done, unless exempt by statute, having a value of more than \$10,000 shall be subject to competitive bid.

Responsibility

The Vice President for Business Operations shall prepare bid specifications. Bid specifications shall provide for alternatives wherever possible.

S/he shall combine like items of supply and material whenever feasible, and permissible under statute, and not split purchases to avoid these requirements for bidding.

Whenever possible, there shall be a reasonable effort made to obtain in writing at least three quotations from independent sources for supplies, equipment, or services costing over \$10,000. All quotations received shall be attached to and retained with a copy of the resulting purchase order.

In the interest of economy, fairness, and efficiency in its business dealing, the Board requires the items commonly used in the school be standardized whenever possible and opportunity be provided to as many responsible suppliers as possible to do business with the school. A list of potential suppliers for various types of supplies, equipment and services will be developed and maintained; no purchase request will be made unless made on a school approved requisition form that has the necessary approval.

Contracts shall be awarded to the most capable and responsible bidder upon resolution of the Board, unless the Board chooses to reject all bids.

The Board also recognizes that emergencies may occur when imminent danger exists to persons or property or the continuance of existing school classes is delayed or threatened, and time for bidding cannot be provided because of the need for immediate action.

Whenever a contractor shall submit a bid for performance of work and the contractor later claims a mistake, error, or omission in preparing said bid, the contractor shall, before the bids are open, make a written request that his bid be returned.

Commonwealth Education Connections Charter Schools

Section: Finances

Title: Purchases not Budgeted

Policy

The law of the State and the interests of the community require fiscal responsibility by the Board in the operation of the school. Appropriate fiscal controls are hereby adopted to insure that funds are not disbursed in amounts of excess of the appropriations provided.

Procedures

When funds are not available for a proposed appropriation, a legal transfer from one class of expenditure to another may be made in the last nine months of the fiscal year by the Board if it is apparent the necessary surplus funds do exist in another appropriation and if the procedures specific in the School Code are followed and it can be demonstrated that the proposed expenditure would be educationally warranted in the current fiscal year. This can also come under the sole discretion of the CEO without Board approval or notice until the next scheduled Board Meeting.

Guidelines

Under normal conditions, planned purchases that would exceed the amount appropriated may be placed following the Board's normal policy of Purchasing Agent, designated by the CEO, provided a sufficient amount is available in some other category of the budget for transfer by the Board to cover the purchase.

In the event of an emergency (which exists whenever the time required for the Board to act in accordance with regular procedures would endanger life or property or threaten the continuance of existing school classes) a purchase ordered may be authorized by the CEO.

Any expenditure in excess of appropriation made in conformance with this policy shall be reported to the Board at the next meeting with a recommendation of funds to be transferred to cover said purchase.

Commonwealth Education Connections Charter Schools

Section: Finances

Title: Purchases not Budgeted

Policy

The law of the State and interests of the community require fiscal responsibility by the Board in the operation of the school. Appropriate fiscal controls are hereby adopted to ensure that funds are not disbursed in amounts of excess of the appropriations provided.

When funds are not available for a proposed appropriation, a legal transfer from one class of expenditure to another may be made in the last nine months of the fiscal year by the Board if it is apparent the necessary surplus funds do exist in another appropriation and if the procedures specific in the School Code are followed and it can be demonstrated that the proposed expenditure would be educationally warranted in the current fiscal year.

Guidelines

Under normal conditions, planned purchases that would exceed the amount appropriated may be placed following the Board's normal policy of Purchasing Agent, designated by the CEO, provided sufficient funds are available in some other category or the budget for transfer by the Board to cover the purchase.

In the event of an emergency (which exists whenever the time required for the Board to act in accordance with regular procedures would endanger life or property or threaten the continuance of existing school classes) a purchase order may be authorized by the CEO.

In a situation where an emergency does not exist, any expenditure in excess of appropriation made in conformance with this policy shall be reported to the Board at the next meeting with a recommendation of funds to be transferred to cover said purchase.

Commonwealth Education Connections Charter Schools

Section: Finances

Title: Cooperative Purchasing

Policy

The Board shall have the authority to enter into agreements relating to but not limited to joint tax collections, joint purchasing of supplies, management services agreements, equipment and contractual services.

Commonwealth Education Connections Charter Schools

Section: Finances

Title: Payroll Authorization

Policy

The Board must approve employment of all permanent, temporary and part-time school personnel. With the exception of the Executive Team Members.

Procedures

Actions by the Board to employ or re-employ on a contractual basis (I.e., for a fixed period of time) shall include the name of the individual, the position title and the salary to be paid over the term of the contract, the period of employment.

Action by the Board to employ temporary or part-time personnel (i.e., by the hour or day) shall include the name of the individual, the position title, the rate of pay.

Daily sign-in and sign-out procedures adequate to meet wage and hour requirements and Board Policy are required for all employees.

Salary and wages may be withheld by the CEO for unapproved time off in accordance with Board policy.

The CEO or appropriate directors shall certify the payroll.

The Board shall not have the power or authority to freeze, withhold, unapproved or deny pay to any member of the executive team. The CEO has the sole authority and discretion to do so.

Commonwealth Education Connections Charter Schools

Section: Finances

Title: Payroll Deductions

Policy

Payroll deductions are not required by law but are a service to employee for which the school bears administrative costs. The school may, consistent with applicable collective bargaining agreements or administrative rules and upon authorization by an employee in a form and manner approved by the CFO or Chief Human Capital Officer, deduct sums specified by an employee from that employee's periodic wages or salary and remit such sums to a third party named by the employee.

Procedures

The school will make no deduction from the wages or salary of any employees without written authorization by an employee, except deductions for Federal income and Social Security taxes, State and local income taxes, unemployment taxes, School Employees' Retirement Fund, court orders and others permitted or required by law.

Any employee may authorize in writing, in a form and manner approved by the CEO or his/her designee, to make periodic payroll deductions for on or more of the following purposes:

- Approved Charitable organizations
- Credit Union
- Health Insurance Premiums
- Hospital/Medical Insurance Premiums
- Life Insurance Premiums
- Salary Savings
- Tax Sheltered Annuity

Commonwealth Education Connections Charter Schools

Section: Finances

Title: Payment of Claims

Policy

It is the policy of the Board to effect the prompt payments of bills, but at the same time to ensure that due care has been taken in the review of such bills.

Procedures

Each bill or obligation of the Board must be fully itemized and verified by the Chief Financial Officer or CEO before a check can be drawn for its payment.

It shall be the responsibility of the accountant upon receipt of an invoice to verify that the purchase invoice is in order, the goods were received in acceptable condition or services were satisfactorily rendered, funds are available to cover the payment, the item is in a classification for which the Board budgeted and the invoice is for the amount contracted.

Should the invoice vary from the acknowledged purchase order, the division head shall document on the invoice the reason for such variance.

Upon the approval of an order, the Chief Financial Officer shall prepare a check for payment and cancel the commitment places against the appropriate account.

No check shall be made out to cash.

Commonwealth Education Connections Charter Schools

Section: Finances

Title: Petty Cash

Policy

Petty cash funds may be used for designated purposes so long as such funds are subject to adequate controls and safeguards.

Procedures

The Board authorizes the establishment of petty cash funds in the care of the CFO or other administrators charged with the responsibility for the management and administration of budgetary allocations/appropriations or to those serving in acting capacities.

Each responsible person shall ensure that petty cash funds are spent only for designated purposes for which the fund was established, no single purchase for petty cash exceeds \$250, each request for funds is made in writing with any confirming papers attached and is signed by the requestor, funds are not used to circumvent the regular purchasing procedure and the petty case box is secured daily.

A responsible custodian may choose to select an employee from the staff to carry out the functional operations on his/her behalf related to the maintenance, disbursement, record keeping and safekeeping of the imprest funds. The functional custodian is directly accountable to the responsible custodian.

The responsible custodian shall provide for the safekeeping of funds and records.

Commonwealth Education Connections Charter Schools

Section: Finances

Title: Special Purpose Funds

Policy

It is the purpose of this policy to establish financial supervision and controls for the administration of the various activities that involve Special Purpose Funds.

Authority

Student Body Funds that are not part of school funds shall be supervised by the CEO, approved by the Board and the individual authorized to shall countersign all checks drawn upon them.

Procedures

In order to ensure proper supervision of all Special Purpose Funds using the name of the school, the Board establishes the following guidelines:

Funds of any student body organization may be deposited or invested in banks whose accounts are insured by FDIC, in investment certificates or shares that may be withdrawn in State-chartered savings and loan associations doing business in-State and insured by FDIC or FSLIC.

The Custodian of funds will be designated by the Board. The Custodian can be the Director of the school or any other employee of the school.

Funds collected shall be turned into the Custodian of the fund before the end of each school day to be safeguarded until they are deposited as soon thereafter as possible.

Records shall be maintained of the receipt and disbursement of all such funds in a designated account according to the activity involved.

Disbursement from such funds shall be made by check only upon the request of the authorized advisor and the approval of the Custodian of the fund. The person authorized to approve such disbursements shall sign all checks.

All funds should be of an exchange nature and large balances should not be permitted to accumulate. Money should not be raised or collected unless there is a definite purpose for doing so and prior approval is obtained from the Board.

Commonwealth Education Connections Charter Schools

Section: Finances

Title: Common Trust Funds

Policy

The school accepts with gratitude bequests for the advancement of education and the general welfare of its students and staff.

All bequests must contribute to the objectives of the school and be in accordance with the goals of a democratic society.

Upon acceptance of the bequest, a Board resolution shall establish for the record the purpose of the bequest.

Definitions

This policy shall govern the custody, accounting and disbursement of all trust funds under the school as well as requests to the Board for the granting of funds.

The term Trust Funds shall include:

- a. Funds established by the Board resolution for which the school serves in a fiduciary capacity and maintains accounts.
- b. Funds for which the school serves as an agent for the Board in the recommendation of awards.
- c. A minimum bequest of \$10,000.00 shall be established for trust funds to be held in perpetuity. Contributions of over \$10,000.00, which the donor does not wish to be held in trust, will be treated as grants.
- d. Bequests of lesser amounts shall be accepted as grants and must be expended within one year of receipt, unless a different time period is specified in the resolution of the Board, which authorizes the grant.
- e. Multiple-year bequests of lesser amounts may, with the approval of the Board, be held without distribution until such time as the \$10,000.00 threshold is met, at which time a trust will be established.

The term Student shall apply to all who are or have been enrolled in any authorized course or program of the school during the current or previous year.

The term Staff shall include any employee, present or past, of the school.

The responsibility for the overall supervision of Common Trust Funds shall reside in the Office of the CFO. No disbursement shall be made without prior approval of the CEO or her/his designee.

The Board reserves the right to refuse to accept any bequest that does not contribute toward the achievement of the goals of this school. Any assets purchased through Trust Funds by the Board or its designee shall become the properties of the school.

Procedures

No later than October 1 of each school year, the CEO shall issue to the Office of the CFO a statement of account regarding the financial condition of each Common Trust Fund.

The officials noted above shall make requests in writing to the Office of the CFO for the disbursement of Trust funds.

The Office of the CFP shall receive all requests for disbursements and shall conduct a review of these requests including, where necessary, a legal opinion.

Delegation of Responsibility

The CEO shall counsel potential donors of the appropriateness of bequests; encourage individuals and organizations considering a contribution to the schools to consult with the CEO before designating funds to that end; report to the Board all bequests which she/he has accepted on behalf of the Board; acknowledge the receipt and value of any bequest accepted by the school. All such bequests shall be recorded in the appropriate inventory listing and property records.

Commonwealth Education Connections Charter Schools

Section: Finances

Title: Credit Card Policy

Policy

The authority to allow employees access to a school credit card as a means of payment for approved expenses is vested with the CEO.

1. **School credit cards will be issued to the CEO, DCEO, VPE&AM, CAO, CHCO and CFO only.**
2. Credit cards will be used for business purposes only.
3. Use of the school issued credit card for the following transactions is prohibited:
 - Capital equipment and upgrades over \$5,000
 - Construction, renovation/installation
 - Items or services on term contracts
 - Maintenance agreements
 - Personal items or loans
 - Purchase of alcohol or alcoholic beverages
4. **Except as otherwise stated, purchases exceeding \$5,000 are subject to bids and must be pre-approved by the CEO, Vice President of Business Operations and Board of Trustees. Purchases of books and fungible education materials in excess of \$5000 require the necessary pre-approvals, but may not require bids.**

Procedures

- A. Cash advances on credit cards are *not* allowed.
- B. Cardholders will be required to sign an agreement indicating they accept these terms.
- C. The CEO, by signature, may permit the Principal/Site Director to use the school issued credit card to make authorized purchases.

D. Detailed receipts must be retained and attached to all other documentation pertaining to these purchases. When credit cards are used for meals and entertainment, supporting documentation must include a brief annotation of the group or number of people and the purpose of the meeting. If receipts are not submitted, the purchaser may be responsible for all expenses, including any interest or fees associated with said purchases.

E. Documentation and receipts for all purchases must be submitted to the accounting department in a timely fashion, preferably immediately after the purchase, but not to exceed 15 days after the purchase.

F. Cardholders are responsible for the protection and custody of the school issued credit card and, therefore, shall immediately notify the Business Manager if the card is lost or stolen.

G. Cardholders will return the card to the Business Manager or CEO at any time upon request and upon termination whether voluntary or otherwise.

Individuals who do not adhere to these policies and procedures risk revocation of their credit card privileges and/or disciplinary action.

CARDHOLDER AGREEMENT

I, _____, hereby acknowledge receipt of the following credit card: _____ / _____ - _____ - _____ - _____
(type of credit card) (credit card number)

I understand that improper use of this card may result in disciplinary action, as outlined in the Cardholder Policy, as well as personal liability for any improper purchases. As a cardholder, I agree to comply with the terms and conditions of this agreement, including the attached Charter Credit Card Policies and Procedures agreement.

I acknowledge receipt of said Agreement and Policies/Procedures and confirm that I have read and understand the terms and conditions. I understand that by using this card, I will be making financial commitments on behalf of the Charter and that the Charter will be liable to _____ for all charges made on this card.
(Name of Credit Card Company)

I will strive to obtain the best value for the Charter when purchasing merchandise and/or services with this card.

As a holder of this Charter card, I agree to accept the responsibility and accountability for the protection and proper use of the card, as enumerated above. I will return the card to the Business Administrator, upon demand, during the period of my employment. I further agree to return the card upon termination of employment. I understand that the card is not to be used for personal purchases. If the card is used for personal purchases or for purchases for any other entity, the Charter will be entitled to reimbursement from me of such purchases. The Charter shall be entitled to pursue legal action, if required, to recover the cost of such purchases, together with costs of collection and reasonable attorney fees.

Signature _____ Date _____
(Cardholder)

Signature _____ Date _____
(CEO or Vice President of Business Operations)

Accounting Department use only:
Date _____ Amount approved \$ _____
Signature _____
(Vice President of Business Operations)