

**CABRILLO POINT ACADEMY**  
**Fiscal Policies and Procedures**

*Revised October 29, 2020*



# **CABRILLO POINT ACADEMY**

## **Fiscal Policies and Procedures**

### **OVERVIEW AND GENERAL BUSINESS POLICIES**

The Board of Directors (“Board”) of Cabrillo Point Academy (the “School”) has reviewed and adopted the following fiscal policies and procedures to ensure the most effective use of the funds of the School to support the mission and to ensure that the funds are budgeted, accounted for, expended, and maintained appropriately.

1. The Board approves financial policies and procedures, delegate’s administration of the policies and procedures to the Senior Director and receives reports on operations and activities on a regular basis.
2. The Senior Director has responsibility for all operations and activities related to financial management. However, in the absence of the Senior Director, the Assistant Senior Director shall perform the Senior Director’s responsibilities described herein during the period of absence.
3. Financial duties and responsibilities must be appropriately segregated so that no one employee has sole control authorizing transactions, recording financial transactions and custody of assets.
4. The School will maintain in effect the following principles in its ongoing fiscal management practices to ensure that:
  - a. expenditures are authorized by and in accord with the Board-adopted budget,
  - b. the School’s funds are managed and held in a manner that provides a high degree of protection of the School’s assets, and
  - c. all transactions are recorded and documented in an appropriate manner.

#### **Budget Development, Oversight Calendar and Responsibilities**

The School will develop and monitor its budget in accord with the annual budget development and monitoring calendar as specified below.

*Approximately January - April*

Charter Impact works with the Senior Director to review the Governor's proposed state budget for the upcoming fiscal year, and identify the likely range of revenues for the School’s upcoming fiscal year (July 1 - June 30) based on projected enrollment. Once the revenue estimates are complete, Charter Impact and the Senior Director develop the remainder of the budget including staffing levels, review of fixed costs and discretionary spending. The School may also prepare a five-year budget projection is developed in accordance with the School’s established strategic and growth plans.

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#### *Approximately May – June*

Charter Impact and the Senior Director review revenue projections subsequent to the Governor's annual "May Revise" budget figures, and fine-tune the upcoming fiscal year budget to accommodate any changes. This budget will include monthly cash flow projections. The Board reviews and formally adopts a budget for upcoming fiscal year before July 1. A copy of the final budget is provided to the charter-granting agency and the County Superintendent of Schools.

#### *Approximately July – August*

Books for prior fiscal year are closed by Charter Impact, all transactions are posted, and records assembled for audit.

The budget is reviewed subsequent to the adoption of the state Budget Act and necessary adjustments are made. A copy of the revised final budget is provided to the charter-granting agency, if applicable.

#### *Approximately September – December*

The independent auditor performs audit of the closed fiscal year and prepares an audit report for submission to the Board.

At the end of the first full week of School, the Senior Director reviews the School's actual attendance figures and notifies the Board if actual attendance is below budget projections. If needed, the School's budget is revised to match likely revenues.

The Board reviews a copy of the audit. The Senior Director addresses any audit exceptions or adverse findings pursuant to any procedures set forth in the School's charter. Once the Board approves the audit report, it is submitted to the charter-granting agency, the California State Controller, the County Superintendent of Schools, and the California Department of Education.

### **Banking Arrangements**

The School will maintain its accounts either in the County Treasury or at a federally insured commercial bank or credit union. Funds will be deposited in non-speculative accounts including federally-insured savings or checking accounts. If funds are held in accounts outside of the County Treasury, the Board must approve all designees authorized to sign checks or warrants in accord with these policies. Charter Impact will reconcile the School's ledger(s) with its bank accounts or accounts in the County Treasury on a monthly basis.

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#### **Authorized Signers**

The Board authorizes the following School officials (each an “Authorized Signer”) to execute duly-approved contracts, purchases, and expenditures, and to endorse checks, drafts, and orders for the payment, withdrawal, or transfer of money in the name of and on behalf of the School: Board officers, Senior Director, and Assistant Senior Director.

#### **Record Keeping**

Transaction ledgers, duplicate unsigned checks, attendance and entitlement records, payroll records, and any other necessary fiscal documents will be maintained by School staff in a secure location for at least three years, or as long as required by applicable law, whichever is longer.

Appropriate back-up copies of electronic and paper documentation, including financial and attendance accounting data, will be regularly prepared and stored in a secure location, separate from the School.

Charter Impact will retain electronic records at their site for a minimum of two years; after which, the remaining years will be the responsibility of the School.

#### **Property Inventory**

The Senior Director shall establish and maintain an inventory of non-consumable goods and equipment worth over \$1,000 as determined by the Senior Director. This inventory must include the original purchase price and date, a brief description, serial numbers, and other information appropriate for documenting the School’s assets.

All non-consumable educational products and School property, including School technology, must be returned upon disenrollment or upon request by the Senior Director or Homeschool Teacher. Any unneeded property owned by the School may be sold or auctioned by the Senior Director or designee provided the Senior Director engages in due diligence to obtain a reasonable value for the School. The sale or auction of property owned by the School with a fair market value in excess of \$1,000 as determined by the Senior Director must be approved, in advance, by the Board. The School may also dispose of unneeded instructional materials in its possession that are usable for educational purposes by donation to a school district or other public agency, county free library, or nonprofit charitable organization. Property of nominal value may also be offered to staff, on an “as is” basis, provided an appropriate release is obtained. The Senior Director or designee(s) will immediately notify Charter Impact of all known cases of theft, loss, damage or destruction of assets worth over \$1,000 as determined by the Senior Director.

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#### **Attendance Accounting**

The Senior Director will establish and maintain an appropriate attendance accounting system to record the number of days students are actually in attendance and engaged in the activities required of them by the School. The annual audit will review actual attendance accounting records and practices to ensure compliance. The attendance accounting practices will be in conformance with the Charter Schools Act and other applicable laws regarding Charter School Average Daily Attendance. Therefore:

1. ADA will be computed by dividing the actual number of days of student attendance by the number of calendar days of instruction by the School. The School may claim apportionment credit for independent study only to the extent of the time value of student work products, as personally judged in each instance by a certificated teacher.
2. The School's instructional calendar will include at least 175 days of instruction to avoid the fiscal penalty for providing fewer than 175 days of instruction. The calendar must also document that the School offers an amount of annual minutes of instruction or equivalent as required pursuant to applicable law.
3. Independent study must be pre-arranged by the student's adult guardian and the School and the adult guardian will be required to complete and submit documentation of engagement in instructional activity to the School on forms prepared by the School. As applicable, such independent study must be in full compliance with law governing independent study.

#### **Annual Financial Audit**

The Board is responsible for contracting with the School's independent auditors and providing oversight of the independent auditors in reviewing:

1. The School's system of internal controls, policies, and risk management;
2. The integrity of the School's financial statements; and
3. The School's compliance with legal and regulatory requirements and ethical standards.

The Board will review the scope and results of the audit and will receive notice of any consequential irregularities and management letter comments that the auditor noted during the audit. Additionally, the Board will develop a corrective action plan to address all relevant weaknesses noted by the auditor and review all financial information of the School.

The Audit must be completed, reviewed by the Board, and submitted to the charter-granting agency, the County Superintendent of Schools, the California State Controller, and the California Department of Education on or before December 15 of each year.

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### **Required Budget and Other Fiscal Reports**

The Senior Director, working in conjunction with Charter Impact, will produce and submit to the charter granting agency any and all required fiscal reports as may be required by state or federal law, or mandated by the terms of the School's charter.

### **Property and Liability Insurance**

The Senior Director must ensure that the School retains appropriate property and liability insurance coverage. Property insurance must be obtained and address business interruption and casualty needs, including flood, fire, earthquake, and other hazards with replacement cost coverage for all assets listed in the School's Property Inventory and consumables. Premises and Board errors and omissions liability insurance must also be obtained and kept in force at all times on a "claims made" form with a self-insured retention of no more than \$50,000 per occurrence and limit of no less than \$5 million per occurrence. The School's Senior Director and other staff who manage funds must be placed under a fidelity bond.

### **Board Without Compensation**

Board members incur ongoing expenses for equipment, internet services and software, as well as travel expenses, to prepare for and participate in meetings of the Board. Board members shall serve without compensation, but may be entitled to a stipend or reimbursement of actual and necessary expenses for an approved amount established by the Board. Expenses for equipment, internet services and software, as well as travel expenses necessary to attending Board meetings and meetings of Board committees need not be approved in advance by the Board. All other expenses shall be approved in advance by the Board. Board members shall use the School's official reimbursement or expense form and attach appropriate backup documentation (e.g. itemized receipt or invoice). In no event may reimbursements exceed actual expenses. If a Board member fails to submit appropriate backup documentation, the Board member may be personally responsible for the charge.

### **Fundraising, Grant Solicitation, and Donation Recognition**

The Board must be informed of the award or receipt of any donated, grant, or categorical program funds, as well as any conditions, restrictions, or compliance requirements associated with the funds.

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### **Conflicts of Interest**

The School complies with all applicable laws regarding conflicts of interest and related party transactions, including, but not limited to, the California Corporations Code, the Political Reform Act, and Government Code section 1090.

The School recognizes that it is important for Board members and key employees to understand the conflict of interest laws and rules that apply to the School, in order to identify and avoid conflicts of interest. The School Board and key staff shall receive annual mandatory training, to be conducted by a third party, on the applicable conflict of interest laws. Such training may be provided at the time the Board receives the mandatory Ralph M. Brown Act training required by the School's Charter, and may also cover specific topics including an overview of significant, applicable laws regarding the use of public funds, procedures for hiring, contractual arrangements, purchasing, bidding, and expenditure approvals that help to prevent conflicts of interest.

It is the policy of this School that all School officials, including Board members, officers, and employees, must not place themselves in any position where their private, personal interests may conflict with their official duties, or where they may directly or indirectly receive personal financial gain through direct or indirect personal influence. School decision-makers may not be personally nor financially interested in any contract made by them in their official capacity.

## **PROCUREMENT**

### **Segregation of Duties and System**

Internal controls include the segregation of duties to establish necessary checks and balances so that one person is not handling a transaction from beginning to end. To ensure segregation of recording and approvals, the Business Office may not sign purchase orders.

The following functions will be segregated:

1. Initiating, authorizing or approving transactions.
2. Executing transactions.
3. Recording the transaction.
4. Reconciling the transaction.

The School maintains an approval system for all non-payroll expenditures. When a vendor requires a purchase order, the School will maintain a system for those purchase orders.

All transactions will be posted in an electronic general ledger maintained by Charter Impact.



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### **Procurement Objectives**

The Board is committed to safeguarding the School's funds and promoting transparency and accountability when it comes to the use of its funds. The purpose of this Procurement Policy is to ensure the School receives high quality and cost effective equipment, materials, supplies, and services in an efficient manner from reputable vendors. Although cost is an important factor, the School is not required to select the vendor with the lowest price. The School will not engage in any contracting or purchasing activities intended to circumvent the procedures described herein.

Consideration will be made of in-house capabilities to accomplish services before contracting for them. When approving contracts for the purchase of goods or services, the School must:

1. Determine if the expenditure is budgeted
2. Determine if funds are currently available for expenditures (i.e. cash flow)
3. Determine if the expenditure is allowable under the appropriate revenue source that will be used
4. Determine if the expenditure is appropriate and consistent with the School's goals, vision, approved charter, School policies and procedures, and any related laws or applicable regulations
5. Determine if the price is reasonable and prudent.

### **Exceptions**

These procurement procedures apply to contracts for services, as well as School purchases. However, these procurement procedures do **not** apply to the following:

1. Employment contracts
2. Contracts for services provided directly to students, including, but not limited to, contracts for special education and disability-related services.
3. Contracts or purchases approved or mandated by the School's charter authorizer.
4. Publication and/or copyright materials purchased directly from the publisher or copyright holder.
5. Repairs and/or parts associated with repairs to equipment obtained from an "Authorized Dealer" (i.e., a dealer certified by the manufacturer to sell and/or perform maintenance on their equipment).
6. Catering, photography, audio/visual, or other services from a facility rented for a meeting or conference if the facility has a policy requiring use of their in-house services or services from a pre-determined list of vendors.

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7. Contracts or purchases in an “emergency” situation. “Emergency” is defined as work stoppage, threat of financial loss, or other situations that impair the health, welfare, and safety of students, staff, or School property. These contracts/purchases must be accompanied by a memo noting the urgency of the contract/purchase, justification, and a cost and price analysis of the amount of the transaction, and must be approved by the Senior Director.
8. The purchase, sale, lease, or transfer of real property on behalf of the School.
9. A loan, line of credit, and other debt incurred on behalf of the School.
10. Any contract or purchase in which other state or federal bidding or procurement laws apply, for example contracts for E-rate services. In such instances, the School shall adhere to all applicable state and federal bidding and procurement requirements.

#### **Approval Thresholds**

Except as otherwise provided in these policies, the Senior Director has authority to approve contracts for the purchase of School goods or services up to \$100,000 without Board approval, provided funds are authorized and available within the School’s Board-adopted budget. Contracts for the purchase of goods or services in excess of \$100,000 must be submitted for Board approval.

Once a contract is appropriately approved by the Senior Director or Board, contracts may be executed by an Authorized Signer or other person specifically designated by the Board after the Board has duly approved the contract.

Notwithstanding the foregoing, any purchase, sale, lease, or transfer of real property on behalf of the School, regardless of the amount, must be approved by the Board, and will be evidenced by a written agreement identifying all the material terms and conditions of the transaction that is approved by the Board and signed by an Authorized Signer.

#### **Purchase and Contract Amounts**

*Purchase Amount:* For purposes of the approval threshold (i.e. whether a contract must be Board approved), the “total” for a one-time purchase includes all taxes, shipping charges, and fees. Sometimes, multiple one-time purchases are made from the same vendor over time. It is within the discretion of the Senior Director whether to aggregate such purchases, taking into account the objectives of this procurement policy.

*Fixed Price Contract Amount:* For purposes of the approval threshold, the “total” for a fixed price is the total amount to be paid under the contract (e.g., for a three-year contract for \$40,000/year, the total amount to be paid is \$120,000 so Board approval is required).

*Non-Fixed Price Contract Amount:* For contracts where the total amount to be paid cannot be determined upfront (e.g., contracts for certain ongoing services), the “total” for purposes of the approval threshold depends on, in the judgment of the Senior Director, how much the School

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reasonably expects to pay under the contract each fiscal year. For any such contract, if School ends up paying more than \$100,000 in a fiscal year, the contract shall be brought to the Board for ratification.

#### **Bidding**

Bids or estimates will be obtained by the School where required by law or otherwise deemed by the Senior Director to be appropriate and in the best interests of the School.

#### **Documentation; Compliance**

Any individual making an authorized purchase on behalf of the School must provide the School with appropriate documentation of the purchase, including any documentation required to be retained under this policy. Individuals other than the Senior Director are not authorized to make purchases without pre-approval.

School staff and/or the back office will keep and maintain a contract file evidencing the bids or quotes obtained (if any) pursuant to the procurement process herein. Written contracts will be maintained.

If a contract service provider is a sole proprietor or a partnership (including LP and LLP), the Senior Director or designee will obtain a W-9 from the contract service provider prior to payment of invoices.

Contract service providers will be paid in accordance with approved contracts. The Senior Director will be responsible for ensuring the terms of the contracts are fulfilled.

#### **Payment Authorization**

All original invoices will be sent to the Business Office for review and approval. The Business Office comprises of school staff on the Vendor, Enrichment, and Accounting Team who work together under the direction of the Senior Director to complete the processes delegated to the Business Office herein.

1. The Business Office will carefully review each invoice, attach all supporting documentation, and verify that the specified services and/or goods were received.
2. Invoice approval will be indicated by signature of the Senior Director or Business Office on an invoice, email, or other electronic documentation process. The invoice and supporting documentation will be sent to Charter Impact on at least a weekly basis
3. Charter Impact will process approved invoices with sufficient supporting documentation.
4. The Senior Director may authorize the Business Office or Charter Impact to pay invoices for recurring expenses (i.e. rent, utilities, software subscriptions, phone and internet,

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etc.) without the Senior Director's formal approval for each invoice (signature, email, or other process) when dollar amounts fall within a predetermined range.

- a. A list of the vendors and the dollar range for each vendor must be provided to Charter Impact in writing and updated on an annual basis.

### **CREDIT CARDS, ACCOUNTS PAYABLE, AND BANK RECONCILIATIONS**

#### **School Credit Cards**

The Board recognizes the efficiency and convenience afforded the day-to-day operation of the 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 the School must clearly be linked to the business of the School. This policy addresses and establishes the proper use and assignment of School credit cards. Credit and debit cards should not be used to bypass established purchasing procedures, including advanced approval processes.

#### **Definitions**

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

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

Administrator: The Business Office staff member assigned to establish or terminate Cardholder rights, reassign card limits, or change budget access.

#### **School Credit Card Users**

A list of those individuals issued a School credit card will be maintained by the Senior Director and the Business Office.

A Cardholder/User employee who is no longer employed by the School must return his or her School credit card upon termination or resignation to the Senior Director or Business Office.

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

#### **User Responsibilities**

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:

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1. All Cardholders/Users must keep secure and confidential all active School credit card numbers and information.
2. Cardholders/Users should not store sensitive active School credit card data, including full account number, type, expiration and track data, in any method, on personal computers or networks.
3. Cardholders/Users must not transmit in an insecure manner, such as by email, unsecured fax or via mail, School credit card information.
4. Cardholders/Users must restrict access to active credit card data and processing to the Administrator or other authorized individuals.
5. Cardholders/Users must maintain active card information in a secure environment accessed only by the issued Cardholder/User.
6. Cardholders/Users must not be allowed to authorize payment of their own travel expenses. All travel expenses for any Cardholder/ User other than the Senior Director must be pre-approved by the Senior Director or designee, and the Senior Director's travel expenses shall be approved by a Board member.
7. 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.
8. Cardholders/Users must submit detailed documentation, such as itemized detailed receipts and/or supplier documentation for services, supporting all purchases made on their School credit card, including 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.
9. Failure to take proper care of School credit card(s) or failure to report damage, loss or theft may subject the Cardholder/User to financial liability and discipline.
10. If the Business Office identifies any inadvertent personal charges or unauthorized uses of the card, the card statement and all backup documentation will be forwarded to the Senior Director for review, or if such charges or uses are those of the Senior Director, to the Board Chairperson.
11. Purchases made using a credit or debit card are subject to the same approval thresholds and other procurement requirements as all other purchases.

#### **Credit Card Purchasing**

School credit cards may only be used for legitimate School business expenses and in accordance with relevant Board policies.

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1. Credit cards must only be used for transactions for which payment of check disbursement is not accepted or is impractical, such as transactions that would cause undue hardship to the School or the Cardholder/User.
2. School credit card usage includes the following types of expenses:
  - a. School services, including catering or advertising.
  - b. School supplies, including office supplies, educational supplies, and operation and maintenance supplies.
  - c. Travel, including transportation services, airfare, car rental expenses, or payments to a travel agency.
  - d. Payments to educational and charitable organizations, including Schools, colleges, vocational Schools and membership organizations.
  - e. Educational conferences and seminars.
  - f. Other expenses necessary for the education of students or for the continuous operations of the School as determined by the Senior Director.

#### **Credit Card Reconciliation**

1. A Cardholder/User will review the card statement to ensure it includes only their own approved charges.
2. The Business Office will verify that appropriate backup documentation has been provided for all charges on the card statement.
3. Any charges not made by the Cardholder/User will be identified and discussed with the Senior Director.
4. The Senior Director or designee will review charges and supporting documentation for each Cardholder/User's monthly statement before approving any payment.
5. For the Senior Director, the Board will review charges and supporting documentation.
6. All cardholders should report the loss or theft of their School credit or debit card immediately to the credit card company and the Administrator, even if the loss or theft occurs on a weekend or holiday. The Administrator will discuss any loss or theft with the Senior Director.

#### **Exclusions**

School credit cards must not be used for alcohol, cash advances, ATM, , money orders, jewelry or clothing, medical expenses, or payment of fines, auto tickets or penalties, bereavement or

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congratulatory related items like cards or flowers, unless prior written approval is received from the Senior Director, or in the case of the Senior Director, the Board Chairperson.

In no event shall a School credit card be used for a Cardholder/User's personal expenses.

#### **Employees' Personal Credit Cards**

Employees who use personal credit or debit cards to make unauthorized purchases will not be reimbursed. Authorized purchases for legitimate School business-related purchases will be reimbursed by a bank check upon receipt of appropriate documentation of the purchase in alignment with the School's policies for procurement, expenditures, and employee reimbursements.

#### **Accounts Payable Checks**

1. Charter Impact does not use pre-printed check stock to avoid the risk of theft.
2. When there is a need to generate a check, the Business Office will send appropriate approved documentation to Charter Impact. This is usually an approved invoice or Check Request Form.
3. Once approved by the Senior Director or designee, Charter Impact prepares the check based on the check authorization prior to obtaining the appropriate signature(s).
4. Checks may not be written to cash, bearer, or petty cash. Under no circumstance will any individual sign a blank check.
5. Charter Impact will record the check transaction(s) into the appropriate checkbook and in the general ledger.
6. Charter Impact will distribute the checks and vouchers as follows:
  - a. Original – mailed or delivered to payee
  - b. Duplicate or voucher – attached to the invoice and filed by vendor name by a Charter Impact accountant.
  - c. Cancelled Checks – maintained with the banking institution.
  - d. Voided checks will have the signature line cut out and will have VOID written in ink. The original check will be attached to the duplicate and forwarded to Charter Impact who will attach any other related documentation as appropriate.

#### **Bank Reconciliations**

Bank reconciliations will be prepared and performed by Charter Impact for all of the School's bank account transactions on a monthly basis.

1. Charter Impact will maintain view-only online access to School bank accounts and download the monthly bank activity/statement directly from the bank.
2. Once the statement is received, Charter Impact will examine all paid checks for date, name, cancellation, and endorsement.

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3. Any discrepancies regarding the paid checks or any checks over 90 days will be researched and if applicable deleted from the accounting system.
4. Charter Impact will compare the reconciled bank balance to the cash in the bank account and to the general ledger, immediately reporting any discrepancies to the Senior Director or designee.
5. The Senior Director or designee has the final review responsibilities to assure all procedures have been followed.

### **CASH RECEIPT MANAGEMENT**

#### **Cash Receipts Policies and Procedures**

All departments receiving cash are designated as cash collection points. "Cash" may consist of currency, checks, money orders, credit card transactions, fed wires and electronic fund transfers.

#### **Cash and Checks**

All departments responsible for cash collection must maintain a clear separation of duties. An individual should not have responsibility for more than one of the cash handling components: receipt, deposit or reconciliation.

1. A secure area for processing and safeguarding funds received must be maintained and access restricted to authorized personnel.
2. Always issue a receipt in return for cash received from students, parents, or others. Be sure to include at a minimum: date cash received, amount received, purpose and initials/signature verification.
3. All cash collections require two signatures – the individual collecting and handling the money, and the individual recording the money.
  - a. Once verified, all cash will be immediately put into a lock box.
  - b. Under no circumstances will employees or students make disbursements from the un-deposited receipts. All cash or other receipts must be deposited with the bank, in total.
  - c. The lock box will be emptied at least two times per week, corresponding to days when deposits are made, unless deposit amounts total greater than \$6,000.
4. All checks should be made payable to Cabrillo Point Academy. Checks will be restrictively endorsed immediately upon receipt with "For Deposit Only" and placed in the lock box until they are ready to be deposited. Post-dated checks should not be accepted and will be returned to the check writer.
5. The Depositor (Executive Administrative Assistant) is responsible for making the deposit to the appropriate bank account.



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- a. Deposits totaling greater than \$6,000 must be deposited the next business day by the designated School employee. Un-deposited totals less than \$6,000 may be retained in the School's lock box until the next scheduled deposit made at least two times per week.
- b. A deposit slip will be completed by the Business Office. The deposit slip will be duplicated and documentation for all receipts (copy of check, letter, etc.) will be attached to the duplicate deposit slip.

#### **Wire Transfers**

Only the Senior Director or designee is permitted to initiate an outgoing wire transfer. All outgoing wire transfers shall be performed in-person at the bank or using the bank's secure website, and should include the Senior Director or designee as the secondary approver. Outgoing wire transfers shall not be issued unless the secondary approver is in-person at the bank and approves the transfer or logs on to the bank's secure website and approves the transfer electronically.

#### **Returned Checks**

The School should attempt to deposit returned checks a second time; if the check does not clear on the second attempt, the payment should be returned to the vendor and the general ledger account to which it was applied adjusted.

No check should be withheld from the deposit unless it is legally imperfect (i.e., no maker signature), in which case the Business Office should immediately contact the payer and discuss the best method to remedy the imperfect check. The School should never provide cash to any individual or organization in exchange for their personal checks.

#### **Fundraising**

Each fundraising activity must be approved by the Senior Director or designee. In order to be approved, the individual planning the fundraiser must submit a proposal in advance of the event so that all fundraising efforts may be coordinated.

The Senior Director or designee must appoint a School official (the "Supervising Official") for all fundraisers where cash or checks will be collected.

1. The Supervising Official will be responsible for collecting and holding all cash and checks for the purpose of the fundraising activity.
2. The Supervising Official will record each transaction in a receipt book at the time the transaction is made, with a copy of the receipt provided to the donor.
  - a. The cash, checks, receipt book, and deposit summary must be given to the School's Business Office by the end of the next School business day after the fundraising event.

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- b. Both the Supervising Official and the Business Office will count the deposit and verify the amount of the funds in writing.
- c. The Business Office will put the funds in a secure, locked location and follow the established cash handling procedures, detailed above.

## **PAYROLL**

### **Payroll Services and Setup**

Charter Impact prepares payroll checks, tax and retirement withholdings, tax statements, and performs other payroll support functions. The Senior Director will establish and oversee a system to prepare time and attendance reports and submit payroll check requests. The Senior Director or designee will review payroll statements each pay period to ensure that (1) the salaries are consistent with staff contracts and personnel policies and (2) the proper tax, retirement, disability, and other withholdings have been deducted and forwarded to the appropriate authority. All staff expense reimbursements will be on checks separate from payroll checks.

Upon hiring of staff, the Senior Director or designee will be responsible for the creation of a personnel file with all appropriate payroll-related documentation and completing or providing all of the items on the Employee Payroll Set-up/Change Form. Items include a federal I-9 form, tax withholding forms, retirement date, and an accounting of the use of sick leave and other leaves of absence.

### **Stipends**

The Senior Director or designee will notify Charter Impact of all authorizations for approved stipends per the School's Compensation Policy and other applicable School policies.

### **Payroll Processing**

Payroll is processed within 10 days after the period in which it is earned for hourly employees. Hourly employees must submit signed time records within the School's time keeping system on a daily basis to verify appropriate hours worked, resolve absences, and monitor the number of hours worked. Hourly employees submit their time records to their immediate supervisor or the Senior Director for approval.

The designated School employee is responsible for providing Charter Impact with a Summary Report of timesheets processing.

Charter Impact will prepare the Payroll Master report based on the initial payroll summary report and provide it to the Senior Director or designee for review and approval.

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Senior Director or designee is responsible for reviewing the Payroll Master and submitting it to Charter Impact for final processing and payment.

1. Payroll checks are direct-deposited or mailed via USPS first-class mail.

#### **Payroll, Taxes and Record Keeping**

Charter Impact will prepare payroll check summaries, tax and withholding summaries, and other payroll tracking summaries based on the reporting submitted.

Charter Impact will also prepare the state and federal quarterly and annual payroll tax forms for income tax withholdings, Social Security and Medicare and submit the forms to the respective agencies on behalf of the School. Charter Impact will prepare the quarterly state returns for unemployment and disability, review the forms with the Senior Director, and submit the forms to the state on behalf of the School.

The designated School employee will maintain written records of all full time employees' use of sick leave, vacation pay, and any other leaves of absence.

1. The designated School employee will immediately notify the Senior Director or designee if an employee exceeds the accrued sick leave or vacation pay, or has any other unpaid absences.
2. The designated School employee will regularly reconcile sick leave and vacation pay accruals and use for all employees. The designated School employee will confirm the availability of accrued sick leave or vacation pay when approving and/or processing requests for paid time off.

#### **Expense Reports & Reimbursements**

Employees will be reimbursed, by a bank check, for legitimate and reasonable School--related purchases and expenses necessarily incurred in discharge of the employee's duties and in alignment with the School's procurement policies and the Expense Reimbursement Policy.

Senior Director expense reports must be approved by the Assistant Senior Director or Assistant Director and must always be submitted to Charter Impact for processing and payment.

## **FINANCE AND FINANCIAL REPORTING**

#### **Financial Reporting**

Charter Impact maintains supporting records in sufficient detail to prepare the School's financial reports throughout the year, including:

1. Annually
  - a. Financial statements for audit
  - b. Annual budget

## **CABRILLO POINT ACADEMY**

### **Fiscal Policies and Procedures**

- c. Unaudited Actuals
- d. 990 Income Tax Returns
- 2. Monthly
  - a. Trial balance
  - b. Statement of Financial Position
  - c. Budget vs. Actual Report
  - d. Monthly Forecast (cash-flow projection)
  - e. Monthly Check Register
  - f. Accounts Payable Aging
- 3. Periodically
  - a. IRS Forms 941 and payroll tax returns
  - b. Comparable State taxing authority returns
  - c. First and Second Interim Reports
  - d. Other reports as requested

#### **Third Party Loans**

The Senior Director and the Board will approve all loans from third parties. In the case of a long-term loan, approval may also be required from the charter-granting agency in accordance with the terms of the charter petition and/or other lenders in accordance with the loan documents.

Once approved, a promissory note will be prepared and signed by an Authorized Signer before funds are borrowed.

#### **Fund Balance Reserve**

A fund balance reserve will be maintained in compliance with 5 CCR § 15450, the school's charter, and any agreements with the charter authorizer. Charter Impact will provide the Senior Director with a Statement of Financial Position on a monthly basis. It is the responsibility of the Senior Director and the Board to understand the School's financial situation. It is the responsibility of the Senior Director to prioritize payments as needed.