



Cabrillo Point Academy

MANAGEMENT OF CHARTER SCHOOL ASSETS AND ACCOUNTS POLICY

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The Governing Board recognizes its fiduciary responsibility to effectively manage and safeguard the charter school's assets and resources in order to help achieve the charter school's goals for student learning. The Executive Director or designee shall establish and maintain an accurate, efficient financial management system that enhances the charter school's ability to meet its fiscal obligations, produces reliable financial reports, and complies with laws, regulations, policies, and procedures. The Executive Director shall ensure that the charter school's accounting system provides ongoing internal controls and meets generally accepted accounting standards.

Capital Assets

The Executive Director or designee shall develop a system to accurately identify and value charter school assets in order to help ensure financial accountability and to minimize the risk of loss or misuse. Charter school assets with a useful life of more than one year and an initial acquisition cost of \$5,000 or more shall be considered capital assets. The Executive Director or designee shall determine the estimated useful life of each capital asset and shall calculate and report the estimated loss of value or depreciation during each accounting period for all capital assets.

Internal Controls/Fraud Prevention

The Board expects Board members, employees, consultants, vendors, contractors, and other parties maintaining a business relationship with the charter school to act with integrity and due diligence in dealings involving the charter school's assets and fiscal resources. The Executive Director or designee shall develop internal controls which aid in the prevention and detection of fraud, financial impropriety, or irregularity within the charter school. These internal controls may include, but are not limited to, segregating employee duties relating to authorization, custody of assets, and recording or reporting of transactions; providing detailed, written job descriptions explaining the segregation of functions; adopting an integrated financial system; conducting background checks on business office employees; and requiring continuous in-service training for business office staff on the importance of fraud prevention.

All employees shall be alert for any indication of fraud, financial impropriety, or irregularity within their area of responsibility. Any employee who suspects fraud, impropriety, or irregularity shall immediately report those suspicions to his/her immediate supervisor and/or the Executive Director or designee. In addition, the Executive Director or designee shall establish a method for employees and outside persons to anonymously report any suspected instances of fraud, impropriety, or irregularity.

The Executive Director or designee shall have primary responsibility for any necessary investigations of suspected fraud, impropriety, or irregularity, in coordination with legal counsel, the charter school's auditors, law enforcement agencies, or other governmental entities, as appropriate.

Administrative Regulation Management Of Charter School Assets and Accounts

The charter school's accounting system shall fully comply with the definitions, instructions and procedures set forth in the California Department of Education School Accounting Manual. (Education Code 41010)

The Superintendent or designee shall ensure that funds are encumbered in the school accounting records immediately after an expenditure is committed for subsequent payment.

Fraud, financial improprieties or irregularities include but are not limited to:

1. Forgery or unauthorized alteration of any document or account belonging to the charter school
2. Forgery or unauthorized alteration of a check, bank draft or any other financial document
3. Misappropriation of funds, securities, supplies or other assets
4. Impropriety in the handling of money or reporting of financial transactions
5. Profiteering as a result of insider knowledge of charter school information or activities
6. Disclosing confidential and/or proprietary information to outside parties
7. Disclosing investment activities engaged in or contemplated by the charter school
8. Accepting or seeking anything of material value from contractors, vendors or persons providing services or materials to the charter school
9. Destroying, removing or inappropriately using of records, furniture, fixtures or equipment
10. Failing to provide financial records to authorized state or local entities
11. Any other dishonest or fraudulent act

The Executive Director or designee shall investigate reports of fraudulent activity in a manner that protects the confidentiality of the parties and the facts. All employees involved in the investigation shall be advised to keep information about the investigation confidential. If an investigation substantiates the occurrence of a fraudulent activity, the Executive Director or designee shall issue a report to appropriate personnel and to the Governing Board. The final disposition of the matter and any decision to file a criminal complaint or refer the matter to the appropriate law enforcement and/or regulatory agency for independent investigation shall be made in consultation with legal counsel. The result of the investigation shall not be disclosed to or discussed with anyone other than those individuals with a legitimate need to know.