



Federal Funds Procurement Policy

Policy Number: 808

Board Approved: 10/30/23

Board Amended:

Procurement Procedure

2 CFR 200- Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards

Standards for Financial and Program Management
(Sections §200.300-309)

NOTE: This Procurement Procedure will apply to all Federal Awards, which may include Special Education, Title, ELL, Nutrition, etc.

POLICY PURPOSE:

Prior to and upon the acceptance and expenditure of funds awarded to the Skyline Math and Science Academy by the Federal Government, Skyline Math and Science Academy will ensure that the funds will be used for the purposes to fulfill the grant. The funds will be used in a manner consistent with state and federal statutes, rules, and regulations.

MINNESOTA SPECIAL EDUCATION PROCUREMENT POLICY:

Prior to and upon the acceptance and expenditure of funds awarded to Skyline Math and Science Academy by the Federal Government, Skyline Math and Science Academy will ensure that the funds will be used for the purpose of providing special education and related services for children with disabilities from birth to 21. The funds will be used in a manner consistent with state and federal statutes, rules, and regulations. Federal funds received by the agency from the Individuals with Disabilities Education ACT, P.L. 108-466 will abide by the mandates as described in the Special Education Funds Statement of Assurances certification, which is signed annually by the district's Director of Special Education, Executive Director, and Board of Directors. The Statement of Assurances is submitted annually to the Minnesota Department of Education (MDE). The form may be obtained through the Minnesota Department of Education. SPECTRUM HIGH SCHOOL will maintain supporting information required for the local Total Special Education System (TSES) on file in Skyline Math and Science Academy's Special Education Department.

Misuse of Federal funds will result in a prompt investigation led by the Board of Directors and law enforcement. Upon finding evidence of fraud or intentional misuse of federal funds, the guilty party may be dismissed from employment in addition to any criminal or civil prosecution or litigation.

SUPPORTING DOCUMENTATION:

- Special Education Funds Statement of Assurances – *Appendix A*
- Conflict of Interest Policy
- Director's Code of Conduct Policy
- Nepotism Policy
- Non-Discrimination Policy
- Record Retention Policy



CONFLICT OF INTEREST (Section §200.112-113)

Skyline Math and Science Academy will document any potential conflicts of interest and will maintain this documentation in accordance with its Record Retention Policy. Skyline Math and Science Academy will consider and disclose all violations of federal criminal law involving fraud, bribery, or gratuity violations potentially affecting the federal award. Disclosure Forms are available in the Business Office.

Skyline Math and Science Academy maintains written standards of conduct covering conflict of interest and governing the actions of its employees engaged in the selection, award, and administration of contracts.

The Uniform Grant Guidance 2 C.F.R. §200 includes the following provisions:

No employee, officer, or agent may participate in the selection, award, or administration of a contract supported by Federal award if he or she has a real or apparent conflict of interest. Such a conflict of interest would arise when the employee, officer, or agent, any member of his or her immediate family, his or her partner, or an organization which employs or is about to employ any of the parties indicated herein, has a financial or other interest in or a tangible personal benefit from a firm considered for a contract. The officers, employees, and agents of Skyline Math and Science Academy may neither solicit nor accept gratuities, favors, or anything of monetary value from contractors or parties to subcontracts. However, Skyline Math and Science Academy may set standards for situations in which the financial interest is not substantial or the gift is an unsolicited item of *nominal value*. The standards of conduct must provide for disciplinary actions to be applied for violations of such standards by officers, employees, or agents of Skyline Math and Science Academy.

Skyline Math and Science Academy defines nominal value as an expense of five dollars (\$5.00) or less.

NEPOTISM

To avoid a variety of personnel problems (e.g. the perception of favoritism, awkward workplace situations, difficult work environments, employee morale and job satisfaction, and poorer job performance by other employees), charter schools are required to have a nepotism policy regarding employment and employment benefits. To this extent, SPECTRUM HIGH SCHOOL does not permit an employee to directly supervise, or be directly supervised, by a close relative. A close relative is defined as a mother(in-law), father(in-law), sister(in-law), brother(in-law), aunt, uncle, or any other individual related to an employee by blood, marriage, or legal guardianship, as well as any other member of the employee's household, or as otherwise deemed to be a close relative by the Board of Directors of Skyline Math and Science Academy.

NON-DISCRIMINATION

To meet grant requirements, Skyline Math and Science Academy has in place written personnel policies covering job descriptions, hiring procedures, promotions, and dismissals.

“Equal Opportunity Employer

SHS is fully committed to equal employment opportunities (EEO). All employment decisions will be made without regard to race, color, creed, age, religion, sex, pregnancy, marital status, familial status, disability, national origin, sexual orientation, veteran status, status with regard to public assistance, activity in a local human rights commission or any other classification protected by law. In addition, SHS complies with all applicable state and local laws governing non-discrimination in employment in every location in which SHS maintains facilities.

Decisions concerning employment are based strictly on an individual's qualifications and ability to perform the job under consideration, the comparative qualifications and abilities of the other applicants or employees, and the



individual's past performance within the organization. Employment decisions include, but are not limited to: recruitment, hiring, promotions, salary or other compensation, benefits, transfers, corrective actions, layoffs, termination and training.

If you believe that an employment decision has been made that does not conform to Skyline's commitment to equal opportunity, the matter should be brought promptly to the attention of the administration. Your complaint will be thoroughly investigated. There will be no retaliation against any employee who files a complaint in good faith, even if the result of the investigation produces insufficient evidence to support the complaint. Please see the SHS Sexual Harassment and Offensive Behavior Policy for additional information."

Skyline Math and Science Academy has a written non-discrimination policy in place prohibiting discrimination in its employment practices.

It is the established policy of Skyline Math and Science Academy to provide equal employment opportunities to all qualified persons and to administer all aspects and conditions of employment without regard to race, religion, color, sex, gender, sexual orientation, pregnancy, age, national origin, ancestry, physical or mental disability, severe/morbid obesity, medical condition, military or veteran status, genetic information, marital status, ethnicity, alienage or any other protected classification, in accordance with applicable federal, state, and local laws. Skyline Math and Science Academy takes allegations of discrimination, intimidation, harassment, and retaliation very seriously and will promptly conduct an investigation when warranted. Upon finding evidence of discrimination, the Board of Directors of Skyline Math and Science Academy will discipline an individual, which may include a written warning up to termination.

Equal employment opportunity includes, but is not limited to, employment, training, promotion, demotion, transfer, leaves of absence, and termination.

RECORDS RETENTION

Skyline Math and Science Academy will ensure that all necessary records and documents are adequately protected and maintained. In addition, Skyline Math and Science Academy will ensure that all records no longer needed or of no value are discarded at the proper time and means.

STANDARDS FOR FINANCIAL AND PROGRAM MANAGEMENT (Sections §200.300-309) Through the implementation of the Procurement Procedures and compliance with audit requirements, Skyline Math and Science Academy collects and maintains documentation to support the receipt of federal state grants. This information also contains necessary detail to prove that the funds were used in accordance with the terms and conditions associated with the grant.

SUB-RECIPIENT MONITORING AND MANAGEMENT (Sections §200.330-332)

Skyline Math and Science Academy understands that the Minnesota Department of Education will provide the following document with it disburses the federal award:

Required Federal Award Identification

- I. Sub-Recipient name (which must be a registered name in DUNS);
- II. Sub-Recipient DUNS number (see 200.32 Data Universal Numbering System (DUNS) number);
- III. Federal Award Identification Number (FAIN);
- IV. Federal award date (see 200.39 federal award date);
- V. Sub-Award Period of Performance State and End Date;



- VI. Amount of federal funds obligated by this action;
- VII. Total amount of federal funds obligated to the Sub-Recipient;
- VIII. Total amount of federal award;
- IX. Federal award project description, as required to be responsive to the federal Funding Accountability and Transparency Act (FFATA);
- X. Name of federal awarding agency, pass through entity, and contact information for awarding official; XI. CFDA Number and Name (the pass through entity must identify the dollar amount made available under each federal award and the CFDA number at the time of disbursement);
- XII. Identification of whether the award is R&D; and
- XIII. Indirect cost rate for federal award (including if the de minimis rate is charged per 200.414 Indirect (F&A) costs).

INDIRECT COSTS SECTION §200.414

Skyline Math and Science Academy has an indirect cost allocation plan or negotiated indirect cost rate prepared in accordance with the provisions of Uniform Grant Guidance 2 C.F.R. §200.414.

Audit cognizance of the plan has been established and the rates are acceptable to all participating Federal and State agencies. Skyline Math and Science Academy has procedures in place that provide reasonable assurance that consistent treatment is applied in the distribution of direct and indirect charges to all grants.

BUDGET ESTIMATES

Skyline Math and Science Academy uses budget estimates for interim accounting purposes. The Board of Directors of Skyline Math and Science Academy creates a budget annually by June 30 prior to the start of the state fiscal year. Special education estimates are entered into SERVS and EDRS. Actual expenditures are entered into the aforementioned systems by November 30th of the following fiscal year. The Business Assistant, in conjunction with the Contracted Service Provider, will review actual expenditures and compare them to the budget on a quarterly basis. The Contracted Service Provider then reviews the grant expenditures while compiling the financial statements and shares this information with Administration and the Board of Directors. Should there be any concerns, the Contracted Service Provider will work to resolve the concerns with the rest of the team. The review of the financial statements and any related discussions are documented in the minutes of board meetings. Modifications for the expenditure of federal funds will be managed through the SERVS system. The Business Assistant, in conjunction with the Contracted Service Provide, will ensure that SERVS and UFARS accounting data are in alignment.

PROCUREMENT STANDARDS (Sections §200.317-326)

Individuals requesting material goods or contracts to be purchased with Federal Funds granted to Skyline Math and Science Academy will complete two documents prior to purchase. This practice must be followed for any STAFF DEVELOPMENT requests, in addition to tangible items. The Procurement Summary and Request for Proposal document assure the district of the following:

- a. All purchases are conducted in a manner providing a full and open competition (see Conflict of Interest Policy), void of excessive requirements, such as experience, bonding, and geographical preference
- b. Non-duplication of purchases from the same program;
- c. The purchase of a quality product rather than a brand name; and
- d. An accurate description of the product and its use.

The two aforementioned documents will be maintained for each purchase for a period of 7 years in accordance with



Skyline Math and Science Academy's Record Retention Policy.

The following documents will be maintained for 7 years from the date of submission to the dates of the final expenditure report.

- Financial records
- Supporting documentation
- Statistical records, etc.

Skyline Math and Science Academy will maintain quarterly and/or annual reports for ongoing grants, in addition to the aforementioned documents.

PURCHASE THRESHOLDS

The following are purchase thresholds, along with specific procedures for each threshold, for Skyline Math and Science Academy:

A. Purchases under \$50

1. No written or verbal quotes are necessary on purchases under \$50.00
2. Due to the expense involved in processing purchase requests, those having a total of less than \$25.00 should be held to a minimum.
3. Purchases under \$25.00 may be accomplished in one of the following methods:
 - a. Petty Cash transaction
 - b. Credit Card transaction

B. Purchases under \$500.00

1. Purchases totaling \$50.00 to \$500.00 shall follow the Purchasing Procedure unless prior arrangements have been made with the Business Office.
2. Although bids or quotations are not required on items or services less than \$500.00, it will be general practice to secure informal quotes on items controversial or competitive in nature. This decision is left to the discretion of the Business Office.

C. Purchases under \$10,000.00

1. For contract or purchase amounts less than \$5,000, the contract may be made by quotation or in the open market at the discretion of the Business Office, but whenever practicable shall be based on at least two quotations.
2. For contract amounts more than \$5,000, but not exceeding \$10,000, bids may be solicited, or the contract may be made by direct negotiation by obtaining two or more quotations when possible.

D. Purchases over \$10,000

1. Three bids should be sought for all purchases or contracts that exceed \$10,000. Due to the time involved in securing bids, it is important to establish needs as far in advance as possible.
2. The Executive Director has the spending authority to spend up to the amounts budget approved by the Board of Directors. The Skyline Math and Science Academy Board of Directors must be notified by the next available regular board meeting when projected spending on any individual line of the budget exceeds 10% of the existing budget line or \$20,000 above existing budget line, whichever is less.
3. The Board must authorize the signing of any purchase order, or other contract, that exceeds 10% of the existing budget line, or \$20,000 above the existing budget line by passing a motion or resolution at a board meeting.

E. Sealed Bids (\$100,000, formal advertising, price is a major factor). Requirements for sealed bids: 1. The invitation for the bid will be publicly advertised and bids must be selected from an adequate number of known suppliers,



providing them sufficient response time prior to the date set for opening the bids. 2. The invitation for bids, which will include any specifications and pertinent attachments, must define the items or services in order for the bidder to properly respond.

3. All bids will be publicly opened at the time and place prescribed in the invitation for bid.

4. A firm fixed price contract award will be made in writing to the lowest responsive and responsible bidder.

5. Any or all bids may be rejected if there is a sound documented reason.

F. Competitive proposal (>\$100,000, fixed price or cost reimbursement, request for proposal (RFP) with evaluation methods). Requirements for competitive proposal procedures:

1. Request for proposals must be publicized requests and identify all evaluation factors and their relative importance

2. Proposals must be solicited from an adequate number of qualified sources

3. The organization must have a written method for conducting technical evaluations of the proposals received and for selecting recipients

4. Contracts must be awarded to the responsible firm whose proposal is most advantageous to the program

5. The organization may only use qualification-based methods, whereby competitors' qualifications are evaluated and the most qualified competitor is selected, in the procurement of architectural/engineering professional services.

G. Non-competitive proposal (solicitation of proposal from only one source, unique product, service). Non Competitive proposals can be utilized only in one or more of the following situations:

1. The item is available only from one single source

2. The public exigency or emergency for the requirement will not permit delay resulting from competitive solicitations

3. The federal awarding agency or pass through entity expressly authorizes noncompetitive proposals in response to a written request from the non-federal entity.

EXPENDITURES

1. Purchases are made in accordance with applicable legal requirements. Except for small purchases made from petty cash, purchase orders are required for all purchases not made by a credit card

2. The Business Assistant prepares purchase orders upon receipt of a purchase requisition. In some instances, a purchase order may be prepared by the individual department and then forwarded to the Business Assistant to continue the approval process.

3. The Business Assistant will prepare the purchase order for approval by the Executive Director. The Board of Directors, or its designee, must approve purchase requisitions for items costing more than the current budget amount. See Purchase Thresholds, letter D above.

4. All purchase orders are reviewed by the Business Assistant and prepared for approval by the Executive Director.

5. The Business Assistant determines if an appropriation exists for the purchase contemplated and if a sufficient amount is available in the appropriation account.

6. Copies of purchase orders are distributed to the vendor. A copy is also retained in the Business Office.

CONSTRUCTION AND FACILITY IMPROVEMENT/DEVELOPMENT

Skyline Math and Science Academy will provide, when procuring construction or facility improvement contracts or subcontracts exceeding \$100,000 the following: a bid guarantee equivalent to 5% of the bid price from each bidder (such as a bid bond or certified check), a performance bond on the part of the contractor for 100 percent of the contract price, and a payment bond on the part of the contractor for 100 percent of the contract price.



CONSIDERATIONS FOR SEALED BIDS, COMPETITIVE BIDS, AND NON-COMPETITIVE PROPOSALS

When considering Sealed Bids, Competitive Bids, and Noncompetitive Proposals, Skyline Math and Science Academy will assure that minority businesses, women’s business enterprises, and labor surplus area firms are used when possible using the following guidelines:

- 1) Placing qualified small and minority businesses and women’s business enterprises on solicitation lists
- 2) Assuring that small and minority business and women’s business enterprises are solicited whenever they are potential sources
- 3) Dividing total requirements when economically feasible into smaller tasks or quantities to permit maximum participation by small and minority business and women’s business enterprises
- 4) Establishing delivery schedules, where the requirement permits, and/or encourages participation by small and minority business and women’s business enterprises.
- 5) Using the services and assistance, as appropriate, of such organizations as the Small Business Administration and the Minority Business Development Agency of the Department of Commerce. VI. Requiring the prime contractor, if subcontractors are to be used, to take the affirmative steps listed here.

Skyline Math and Science Academy’s Business Assistant will check random purchases quarterly to ensure that each guideline practice has been used.

SUPPORTING DOCUMENTS:

Procurement Summary – *Appendix B*

Request for Proposal (RFP) – *Appendix C*

CONTRACTS

Skyline Math and Science Academy creates contracts to include the following elements:

- Name of contracting agency and/or individual who will be performing work
- Credentials
- State and end date of service
- Hourly rate of service
- Where the service is to take place per student IEP
- Maximum threshold of expenditure (ceiling)
- How often the agency or individual will be invoiced (weekly/monthly)

Prior to engaging in a contract with an individual or agency, Skyline Math and Science Academy will collect information regarding the credentials of the individual performing the work.

Contracts are reviewed every year. During this review period, the Executive Director collects documentation of services provided, the dates thereof, costs of service and remaining balance on the contract. If incongruences between the contract and work performed occur, the Executive Director will resolve any incongruences by termination of contract or resolve through mediation.

APPROVAL PROCESS FOR NEW VENDORS

The Executive Director must approve all new vendors prior to requisition being approved or a purchase order is issued to a new vendor.



REQUIRED CERTIFICATION (Section §200.430)

The Executive Director has the authority to sign legally binding contracts based upon Skyline Math and Science Academy’s Board of Directors pre-approved amount and timeline.

SUPPORTING DOCUMENT:

Sample Contract – *Appendix D*

TIME AND EFFORTING REPORTING (Section §200.430)

Individuals paid with State and Federal funds will be required to report their time and effort spent on each specific award. Staff will receive annual training on reporting requirements for Periodic Annual Reporting (PAR) and Semi Annual Certifications (SAC). Data collected will be used to support the distribution of the employee’s salary or wages between specific activities/cost objectives if the employee works on one or more grants. Data collected from staff will include the following elements:

- Name of individual
- Dates of activity performed
- Description of activity
- Funding source
- Percentage of funding source allocated to activity

Data collected will be substantiated by a calendar or schedule of work performed. The staff members will sign the document after the work has been performed. The Lead Special Education Teacher or HR Manager will collect the documents and maintain them in the Special Education Office for 7 years after the fact. Training log and sign-in sheets will also be maintained in the Special Education or HR Office. The Lead Special Education Teacher will provide the Business Office with records of time and effort reporting as complete. The Lead Special Education Teacher and HR Manager will communicate adjustments in hiring at a minimum of two times per year including after December 1 child count and at end of school calendar year.

SUPPORTING DOCUMENTS:

Periodic Activity Reporting (PAR) – *Appendix E*

Semi Annual Certifications (SAC) – *Appendix F*

New Hire Forms – *Appendix G*

Record Retention Policy – See Skyline Math and Science Academy Website

MATERIALS, SUPPLIES, AND SENSITIVE ITEMS (Section §200.453)

Section 200.452 and cost define supplies less than \$5,000 per item

§200.453 Materials and supplies costs, including costs of computing devices. (a) Costs incurred for materials, supplies, and fabricated parts necessary to carry out a Federal award are allowable. (b) Purchased materials and supplies must be charged at their actual prices, net of applicable credits. Withdrawals from general stores or stockrooms should be charged at their actual net cost under any recognized method of pricing inventory withdrawals, consistently applied. Incoming transportation charges are a proper part of materials and supplies costs. (c) Materials and supplies used for the performance of a Federal award may be charged as direct costs. In the specific case of computing devices, charging as direct costs are allowable for devices that are essential and allocable, but not solely dedicated, to the performance for a Federal award. (d) Where federally donated or furnished materials are used in performing the Federal award, such



materials will be used without charge.

Equipment is defined in Section §200.33 and cost more than \$5,000 per item

§200.33 Equipment means tangible personal property (including information technology systems) having a useful life of more than one year and per-unit acquisition cost which equals or exceeds the lesser of the capitalization level established by the non-Federal entity for financial statement purposes, or \$5,000. See also §200.12 Capital assets, 200.20 Computing devices, 200.48 General-purpose equipment, 200.58 Information technology systems, 200.89 Special purpose equipment, and 200.94 Supplies.

Sensitive Items

Skyline Math and Science Academy will maintain an inventory list of all equipment purchased over \$5,000 and sensitive items purchased with federal special education funds that are still in possession of the school (sensitive items such as iPads, cellular phones and those items identified by Skyline Math and Science Academy). Materials (defined as items purchased and used immediately or within a reasonable period of time after they have been acquired) will not be included in the physical inventory.

Steps used to safeguard equipment purchased over \$5,000 and sensitive items:

1. Student specific equipment will be distributed to students at the start of the school day and collected by Special Education staff, locked and stored within the Special Education area. This will be assigned to other staff if non special education grant funds are utilized.
2. Sensitive items are placed in a locked cabinet
3. Staff report Special Education equipment that meet Skyline Math and Science Academy thresholds that is lost, damaged or stolen to the Special Education Lead Teacher and Business Assistant.
4. All testing assessments, protocols, manuals, etc., are maintained in a locked file cabinet.
5. All other curriculum, supplies, and equipment are monitored on a regular basis.
6. Skyline Math and Science Academy will perform and complete an investigation in the case of theft or vandalized equipment.
7. Skyline Math and Science Academy will contact the appropriate authorities including law enforcement authorities in the case of vandalism or theft.
8. Skyline Math and Science Academy's established control system ensures adequate safeguards to prevent loss, damage, or theft of property.
9. Adequate maintenance procedures of 6 months and annual physical review to keep property in good condition.
10. Proper sales procedures for equipment that is no longer used are established for highest possible return including but not limited to price checking, advertisement, and school website.

SUPPORTING DOCUMENTATION:

Equipment Tracking Form – Skyline Math and Science Academy utilizes an online tracking software to identify all items purchased with federal funds, and ensure proper documentation and coding. This tracks purchase, use, location, and disposition of items.–

PHYSICAL INVENTORY

§200.327 Financial Reporting. Unless otherwise approved by OMB, the Federal-awarding agency may solicit only the standards, OMB-approved government wide data elements for collection of financial information (at time of publication the Federal Financial Report or such future collections as may be approved by OMB and listed on the OMB website). This information must be collected with the frequency required by the terms and conditions of the Federal award, but no



less frequently than annually nor more frequently than quarterly except in unusual circumstances. Skyline Math and Science Academy will assure the following documentation is in place for property valued above \$5,000 1. Inventory records will include the following information (see Inventory Form):

- a. Required property record information
- b. Description of the property
- c. A serial number or other identification number
- d. The source of funding for the property (including the FAIN)
- e. Who holds title
- f. The acquisition date and cost of the property
- g. Percentage of federal participation in the project costs for the federal award under which the property was acquired
- h. The location
- i. The use and condition of the property
- j. And any ultimate disposition data, including the date of the disposal and sale price of the property.

2. Physical inventory is taken and reconciled with property records at least annually.

3. The Business Assistant, in conjunction with the Lead Special Education Teacher, will rotate the responsibility.

PROCEDURES FOR DISPOSITION OF EQUIPMENT IN EXCESS OF \$5,000

1. Skyline Math and Science Academy will establish a Uniform Finance Accounting and Reporting Standards (UFARS) unique Course Code for the purpose of tracking the receipts and expenditures of the sale of a piece of equipment that was federally funded.
2. Skyline Math and Science Academy will notify the Division of Program Finance at the Minnesota Department of Education in writing of the sale. The notice will include a description of the equipment, date of sale, proceeds of the sale, and the unique Course Code established by the district that will designate use of these funds.
3. Skyline Math and Science Academy will receive the funds from the sale of the equipment with the appropriate UFARS Source Code and established Course Code.
4. Skyline Math and Science Academy will use a general journal entry to transfer \$850, or ten percent of the proceeds (whichever is less) for the district's selling and handling expenses.
5. The remaining funds from the sale of the equipment will only be used for the purpose of the delivery of special education and related services and will be accounted for using UFARS program code 400, Course Code as established with the appropriate expenditure UFARS Object Code.
6. Skyline Math and Science Academy will expend the funds from the sale of the equipment in the current fiscal year.
7. Skyline Math and Science Academy is aware that these expenditures will not be included in the calculation of the Maintenance of Effort requirement of the Individuals with Disabilities Act (IDEA).
8. Skyline Math and Science Academy will submit an Activity Report to the Division of Program Finance at the Minnesota Department of Education as required at the end of the fiscal year to document expenses.

PROCEDURES FOR DISPOSITION OF EQUIPMENT LESS THAN \$5,000

1. If the current per-unit fair market value is less than \$5,000, the equipment will be retained, sold, or otherwise disposed of with no further obligation.
2. A record of the date, reason, and method of disposal will be maintained with the equipment inventory as required under 34CFR 80.32(e)(1).

BANKING PROCEDURES



Skyline Math and Science Academy banking institution and signatories are approved by the School Board on an annual basis. All financial management procedures found within this document (Cash Management, Expenditures, Receiving, and Investments) are implemented with the bank of record.

CREDIT CARD PROCEDURES

Skyline Math and Science Academy will follow the Board of Directors approved Credit Card Policy, which is posted on the School's website. In addition:

1. Skyline Math and Science Academy's Executive Director, in conjunction with the Business Assistant, will complete the Procurement Summary and Request for Proposal (RFP) forms as needed.
2. Credit Card purchases are approved by the Executive Director.
3. Receipts for all credit card purchases will be collected for each monthly statement and submitted to the Business Assistant with the credit card statement.
4. The School will purchase insurance to cover against employee theft or fraud.

CASH MANAGEMENT

Skyline Math and Science Academy's Board of Directors will authorize all bank accounts and persons permitted to be designated as check signers and permitted to authorize electronic bank transfers. Skyline Math and Science Academy will limit the school's allowable deposits and address the specific types of risks to which the school's cash assets are exposed. The following STAFF () may sign (Executive Director and Board Chair) and deposit checks (HR Manager, Business Assistant, and Contracted Service Provider), as well as transfer funds (Executive Director, Board Chair) from Skyline Math and Science Academy's savings account to checking accounts.

CASH RECEIPTS

1. The Business Assistant opens incoming mail and checks are endorsed.
2. Check stubs are retained with back-up materials. If no stub is present, a copy of each check is retained.
3. The Executive Director, HR/Office Manager, and Business Assistant make deposits. Amounts of cash receipts are verified when entered into the accounting software.
4. Deposit slips include two NCR copies: one copy is retained in the Business Office with explanation and account number written on it. One copy goes to the bank with the check(s). The bank receipt is attached to the retained copy and other back-up materials.
5. The Business Assistant adds receipts to prepared back deposits and postings, to cash receipts journals, and to monthly account reconciliation process.
6. Receipts of currency are deposited by the Business Assistant after verification (see step 3).

ACCOUNTS PAYABLE

1. All disbursements, including payroll, are made by check except for small petty cash purchases (under \$50.00).
2. Petty Cash is kept by the Business Assistant
3. Petty Cash disbursement is documented and maintained by the Business Assistant.
4. A record of Petty Cash is retained in the Business Office and reported monthly to the Executive Director.
5. Checks are numbered sequentially. Check numbers are verified during check runs. Blank check stock is only available to the Business Assistant, HR/Office Manager, and Executive Director.
6. Checks are prepared by the Business Assistant and are independent of voucher and invoice approval.
7. Check requests are approved for payment by the Executive Director before checks are written in the Accounts Payable area. The Business Assistant matches check to invoice prior to approval. Checks are only made payable to a specific payee and are not written to "Cash" or "Bearer".
8. A record of checks written is retained in a Disbursements Journal. Supporting documentation has a duplicate



check stub attached to avoid duplicate payments.

9. Checks written in an amount of \$15,000 or more require a second signature from the Skyline Math and Science Academy Board Treasurer. The first signature, that of the Executive Director, is Magnetic Ink Character Recognition (MICR)-printed on the check during the printing procedure.
10. Check signers are authorized by the Board of Directors when a change in signers has taken place. No authorized check signers have complete responsibility for voucher preparation, approval of payment, check preparation, cash receiving, petty cash, purchasing and receiving, or timekeeping for payroll records. Signing of blank checks is prohibited.
11. Voided checks are stamped with a "Void" stamp and retained.
12. The Executive Director approves all non-check disbursements, such as wire transfers. If the Skyline Math and Science Academy amount is more than a predetermined amount, the financial institution will call the school district to verify the amount with a designated party.
13. Invoices are separated into those that reference a purchase order and those that need approval from the Executive Director.
14. Upon proper approval, all Payables are entered into the business office software and checks are printed within 72 hours.
15. Discounts, freight terms, etc., are checked for accuracy when Payables are entered in the software.
16. Employees processing Payables are independent of those performing purchasing, receiving, inventory, and general ledger functions.
17. Access to Accounts Payable functions is limited to those employees who have logical need for access.

EXPENDITURES

1. All vendor invoices are routed directly from incoming mail to the Business Assistant.
2. Invoices are matched against received paperwork to determine that they are not duplicate invoices (duplicates are destroyed) and against approved copies of purchase orders.
3. The Executive Director approves all payables either during the purchase order process or before a non-purchase order invoice is paid.
4. The Executive Director, Business Assistant, and department supervisors review and approve the Procurement Summary and Request for Proposal (RFP) forms.
5. The Business Assistant assigns the invoice a corresponding accounting code (UFARS, etc.).
6. Original invoices are maintained in the Business Office and files and copies are only distributed when requested.
7. Payments are generated from invoices only. Payments are not made based on statements. Vendors' month-end statements are reconciled to record liabilities based on invoices accrued and reviewed for non-current invoice dates.

RECEIVING

1. A copy of all purchase orders is maintained by the Business Assistant (staff member that is receiving all packages).
2. The Business Assistant uses the purchase order and shipping documents to inspect items for condition and proper quantity.
3. The Business Assistant documents any errors in quantity received, damaged, etc.
4. The Business Assistant matches receiving paperwork against invoices for payment.
5. Upon receipt of the item, the Business Assistant will reconcile the item received with the invoice and/or packing slip; affix a serial number or other identification number to the item, file the invoice and/or packing slip, affix a serial number or other identification number to the item, file the invoice and/or packing slip, and deliver the item to the Lead Special Education Teacher.



6. The Business Assistant will record and maintain a list of inventory. The inventory is available in the Special Education Office.

INVESTMENTS

Investments

1. Authorization for acquisition and disposition of investments is vested with the Board of Directors.
2. The Board of Directors has formally adopted an investment policy that limits the school's allowable investments and addresses the specific types of risk to which the school district may be exposed.
3. The Contracted Service Provider along with the Executive Director is charged with the responsibility of determining that investments are of the character and type permitted by legal requirements and that the income earned is dispersed for authorized purposes.

Safekeeping

1. Securities are adequately protected in a locked device on site. Only the Executive Director, Business Assistant, and HR/Office Manager have access.
2. All securities are held in the name of Skyline Math and Science Academy.

Investment Record Keeping

1. Detailed records are maintained including the following information:
 - a. Date of acquisition, identification, purchase amount or cost
 - b. Physical location of item
 - c. Interest/dividend/income rates and accrual/receipt dates
 - d. Ownership by fund
2. Detail records are periodically reconciled to the general ledger control accounts and to broker/safekeeping statements by the Contracted Service Provider. The Contracted Service Provider also reviews reconciliations.
3. Investment income is recorded on a timely basis. Investment earnings are credited to the fund "owning" the investment. The Contracted Service Provider approves any adjustments of investment accounts in conjunction with the Executive Director.
4. The Contracted Service Provider periodically reviews calculations of fair value and investment income for accuracy.
5. Recordkeeping functions for securities and income are performed by employees without access to physical securities, who cannot authorize security transactions, and do not have duties in the cash area. Access to computerized investment records is limited to those with a logical need for access.

Reconciliations

1. Bank accounts are reconciled at the end of each month by the Business Assistant and Contracted Service Provider, who is independent of the Accounts Payable and Payroll functions.
2. Bank statements are received via web access for all accounts.
3. The Contracted Service Provider and Business Assistant compare dates and amounts of daily deposits on bank statements to the cash receipts journal as well as bank transfers and any items rejected by the bank due to insufficient funds, etc.
4. Reconciliation procedures include the following:
 - a. Comparison of bank statements with the disbursement journal for number, date, payee, and amount.
 - b. Review of sequence of check numbers.
5. Checks outstanding for six months are investigated by the Business Assistant.



6. Upon completion of the reconciliation process, the Contract Service Provider, in conjunction with the Executive Director, approves adjustments to cash accounts.

Encumbrances

1. All purchases for the current fiscal year are cut off on April 15 so that encumbrances can be properly recorded at year-end with the exception of necessary expenditures (i.e., graduation) made after that date.
2. Data is checked when processing encumbrances to assure that the amount on the approved purchase order matches the amount on the invoice.
3. Open purchase orders are closed at the end of the fiscal year to avoid carryover amounts.

Other Accrued Liabilities

1. Detailed subsidiary ledgers for accruals and other liabilities are maintained and reconciled to the general ledger.
2. Accruals and other liabilities are periodically reviewed for reasonableness.

Payroll

Documentation for employee work time is collected, compiled, and verified by the HR Manager. All documentation is then transmitted to the Contracted Service Provider (BKDV) for processing of payroll. PAR reports are processed in accordance with payroll dates.

Personnel, Employment, and Rate Authorizations

1. Requests for new personnel are initiated only by the Executive Director.
2. HR/Office Manager requires an employment application to be completed by all applicants and conducts an investigation of prospective hires that includes background and reference checks, and contact with former employers.
3. Classes of positions and corresponding pay rates are approved by the Executive Director.
4. Personnel files are maintained for each employee. Files in the HR/Office Manager office contain applications and reference investigations, information on hire date, original and updated pay rates and positions, earnings records and termination data where appropriate. A separate file of I-9 forms for all employees is maintained under separate cover.
5. Files in the HR Office contain W-4 forms, authorizations for payroll deductions, information on pay rates and positions, and benefit applications.
6. Written termination forms are required and are completed by the employee and submitted to the Executive Director.
7. Personnel files are only accessible to the HR/Office Manager.

Payroll Preparation and Timekeeping

1. Employees are responsible for maintaining their own time cards or time sheets and this is separated from payroll preparation.
2. HR/Office Manager approves time cards or time sheets before they are submitted to the Contracted Service Provider.
3. The HR/Office Manager uses attendance data on time cards to determine paid or unpaid absences. The HR/Office Manager double-checks computation of hours on time cards (including overtime hours), reviews cards for approval, notes any alterations on time cards, and verifies pay rates.
4. Paychecks are numbered sequentially.
5. The starting check number is verified before checks are printed for employees utilizing direct deposit of their net check. Checks are MICR-signed by the printer with the Executive Director's signature.
6. Detail reports on white paper, rather than check stock, are printed for employees utilizing direct deposit of their



net check.

7. Blank check stock is only accessible to the Contracted Service Provider.
8. Checks are drawn on the general checking account.
9. Check stubs and direct deposit reports contain detailed information on gross pay, withholdings, and deductions.
10. All pay rates are entered into an appropriate distribution account and these are monitored by the HR Manager.
11. Voided or spoiled checks are marked "Void" and maintained on file.
12. The HR/Office Manager reconciles gross and net pay amounts on tax returns to payroll registers, quarterly and annually.
13. The Contracted Service Provider processes all payroll related functions.
14. Access to payroll records and materials is limited to those with a need for such access.
15. Any identified adjustments will be resolved by the HR/Office Manager in conjunction with the Contracted Service Provider.

Year-end Preparation of W-2's

1. The HR/Office Manager, in conjunction with the Contracted Service Provider, prepares all W-2's.
2. The total of W-2 wages, including taxable fringe benefits, is reconciled to the general ledger and payroll register before W-2 information is printed or transmitted.

Payroll Bank Account

1. The bank account is the general checking account.
2. Deposits to the payroll bank account are compared to the payroll register during each pay period and during the reconciliation process.

Payroll Withholdings

1. Procedures are in place to ensure that payroll taxes are paid when due (bi-monthly) and that payroll returns are filed, as required.
2. Procedures are in place to ensure that other withholdings, such as direct deposits, cafeteria plan deductions, etc., are remitted in a timely manner, mostly on a bi-monthly basis.
3. The HR/Office Manager, for reasonableness and completeness, reviews monthly payroll-related accruals.