

TEACH, Inc. Fiscal Policies and Procedures
Policy Numbers: 6620, 6320, 6325, 6470, 6460, 6520, 6605, 6650
Board Approved: 05/27/25

TEACH Inc.

Fiscal Policies and Procedures

OVERVIEW AND GENERAL BUSINESS POLICIES

The Board of TEACH Inc. dba TEACH Public Schools, dba Strategic Charter Solutions, governing TEACH Academy of Technologies, TEACH Tech High School and TEACH Preparatory Mildred S. Cunningham & Edith H. Morris Elementary School (or “TEACH”) has reviewed and adopted the following policies and procedures to ensure the most effective use of the funds of the Organization 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 the procedures to the Executive Director/Chief Executive Officer (ED), or Director of Business Services & Administration (DBSA) and reviews operations and activities on a regular basis.
2. The ED has responsibility for all operations and activities related to financial management. However, the Board and ED can appoint or delegate someone else to perform the responsibilities.
3. Financial duties and responsibilities must be separated so that no one employee has sole control authorizing transactions, recording financial transactions and custody of assets.
4. TEACH 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 amounts specifies in the board-adopted budget,
 - b. TEACH’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

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

January – April

Charter Impact works with ED to review 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 ED develop the remainder of the budget including staffing levels, review of fixed costs and discretionary spending. Then a five-year budget projection is developed in accordance with TEACH’s established strategic and growth plans.

Budget Development, Oversight Calendar and Responsibilities (continued)

May – June

Charter Impact and the ED reviews revenue projections subsequent to the Governor’s annual “May Revise” budget figures, fine-tunes 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 June 20. A copy of the final budget is provided to the charter-granting agency.

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.

September – December

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

At the end of the first full week of school, the Executive Director, or Director of Operations reviews each of 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 Audit Committee of the Board reviews a copy of the audit. The Executive Director address any audit exceptions or adverse findings. Once the Board approves the audit report, it is submitted to charter-granting agency.

On a monthly basis, the ED and Board reviews current year actual versus budgeted revenues and expenditures and other financial reports as presented by Charter Impact. The Board approves any needed changes to the annual budget.

Budget Transfers

The ED may transfer up to \$50,000 from one unrestricted budget item to another without board approval but shall notify the Board of the transfer at the next regularly scheduled meeting.

Banking Arrangements

TEACH 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 or invested in non-speculative federally backed instruments or in the County's Pooled Money Investment Fund. If funds are held in accounts outside of the County Treasury, the Board must appoint and approve all individuals authorized to sign checks or warrants in accord with these policies and all checks over \$50,000 must be signed by two authorized signatories. Charter Impact will reconcile TEACH's ledger(s) with its bank accounts or accounts in the county treasury monthly.

Record Keeping

Transaction ledgers, duplicate unsigned checks, attendance and entitlement records, payroll records, and any other necessary fiscal documents will be maintained by TEACH 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 off-site location, separate from the school.

Charter Impact will retain electronic records at their site for a minimum of two (2) years; after which, the remaining five years will be the responsibility of the TEACH.

Property Inventory

The ED, DBSA and Director of Operations and Data Systems (DOS) shall together establish and maintain an inventory of all non-consumable goods and equipment worth over \$2,000. This inventory shall include the original purchase price and date, a brief description, serial numbers, and other information appropriate for documenting the school's assets. This property will be inventoried on an annual basis and lists of any missing property shall be presented to the Board.

All non-consumable school property lent to students shall be returned to the school no later than 5 working days after end of the school year. Any excess or surplus property owned by the school may be sold or auctioned by the ED or DBSA provided the ED, or DBSA engages in due diligence to maximize the value of the sale or auction to the school. The sale or auction of property owned by the school with a fair market value in excess of \$2,000 shall be approved in advance by the Board.

The ED, or DBSA will immediately notify Charter Impact of all cases of theft, loss, damage, or destruction of assets.

Attendance Accounting

The Director of Operations and Data Systems will establish and maintain an appropriate attendance accounting system to record the number of days students are actually in attendance at the Schools and engaged in the activities required of them by the Schools. 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 the applicable California Administrative Code sections defining 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.
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 as provided by the Administrative Code regulation. The calendar must also document that the school offers an amount of annual minutes of Instruction as required pursuant to applicable law.
3. Independent study must be pre-arranged by the student's adult guardian and the School and that the adult guardian will be required to complete and submit

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documentation of engagement in Instructional activity to the school on forms prepared by the school. As applicable, such study shall be in full compliance with law governing independent study.

Annual Financial Audit

The Board shall annually contract for the services of an independent certified public accountant to perform an annual fiscal audit. The audit shall include, but not be limited to (1) an audit of the accuracy of school's financial statements, (2) an audit of the school's attendance accounting and revenue claims practices, and in conjunction with (1) and (2) above, review the school's internal controls over financial reporting. The audit shall be prepared in accordance with any relevant Office of Management and Budget audit circulars if TEACH spends in excess of the amount which requires an audit. The Audit shall be completed, reviewed by the Board, and submitted to the charter-granting agency, the County Office of Education, the Office of the State Controller, and California Department of Education prior to December 15 of each year.

Required Budget and Other Fiscal Reports

The ED, DBSA or DOS 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. These include, but are not limited to, attendance reports, enrollment and other data reports required by the California Basic Education Data System, and other related data.

Property and Liability Insurance

The ED, DBSA or DOS shall ensure that TEACH retains appropriate property and liability insurance coverage. Property insurance shall 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 shall 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 ED, or DBSA and other staff who manage funds shall be placed under a fidelity bond.

Board Compensation

Board members may not receive compensation for their services as directors or officers. They may receive reimbursement of expenses by resolution to be just and reasonable as to the time the resolution is adopted.

Fundraising, Grant Solicitation, and Donation Recognition

All fundraising or grant solicitation activities on behalf of the school must be approved in advance by the ED. The ED shall inform the Board on any conditions, restrictions, or compliance requirements associated with the receipt of such funds, including grants or categorical programs sponsored by the state or federal government. The Board shall be notified no later than the next regular board meeting of the award or receipt of any funds and shall approve the receipt of any grants, donations, or receipts of fundraising proceeds prior to their deposit in the school's accounts.

Contracts

Consideration will be made of in-house capabilities to accomplish services before contracting for them. Except as otherwise provided in these policies, the ED may enter into contracts and agreements not to exceed \$50,000 without Board approval, provided funds sufficient for the contract or agreement are authorized and available within the school's board- adopted budget. Contracts and agreements in excess of \$50,000 must be submitted for board approval and may be executed by the ED, or DBSA or other person specifically designated by the Board after the Board has duly approved the contract or agreement. Board approval is only required if a contract is entered into that exceeds \$50,000 in value or an individual transaction exceeds the \$50,000 threshold. The \$50,000 board approval threshold does not apply to cumulative expenditures that may exceed \$50,000 in a fiscal year if no contract exists.

Office staff will keep and maintain a contract file evidencing the competitive bids obtained (if any) and the justification of need for any contracts over \$25,000. Competitive bids will be obtained where required by law or otherwise deemed appropriate and in the best interests of the school.

Written contracts clearly defining work to be performed will be maintained for all contract service providers (i.e. consultants, independent contractors, subcontractors). Contract service providers must show proof of being licensed and bonded, if applicable, and of having adequate liability insurance and worker's compensation insurance currently in effect. The ED, or DBSA may also require that contract service providers list the school as an additional insured.

If the contract service provider is a sole proprietor or a partnership (including LP,

and LLP), the DBSA will obtain a W-9 from the contract service provider prior to submitting any requests for payments to Charter Impact.

The ED, or DBSA will approve proposed contracts and modifications in writing. Contract service providers will be paid in accordance with approved contracts as work is performed. The ED, or DBSA will be responsible for ensuring the terms of the contracts are fulfilled. Potential conflicts of interest will be disclosed upfront, and the ED, or DBSA and/or Member(s) of the Governing Board with the conflict will excuse themselves from discussions and from voting on the contract.

Before entering into a contract with a vendor, TEACH will use due diligence to ensure that the vendor or contractor has not been suspended by the state or county or federal agencies for any cause. In awarding contracts, consideration will be given to the contractor's integrity, compliance with public policy, a record of past performance, and financial and technical resources. TEACH will not subcontract with or award sub-grants to any person or company who is debarred or suspended. For all contracts, TEACH verifies that the vendor with whom the school intends to do business is not excluded or disqualified. 2 C.F.R. part 200, Appendix II(1) and 2 C.F.R. §§ 180.220 and 180.300. All successful contractors must provide written certification that they have not been suspended or debarred from federal projects. The DBSA will be responsible for verification. Such verification may include accessing the Online federal System for Award Management (SAM) to determine whether any relevant party is subject to any suspension or debarment restrictions.

Procedure:

Before entering into a contract with a vendor, the DBSA will check the potential vendor or contractor against the debarment or suspension databases. If the vendor has not been debarred or suspended, the DBSA will record the date and results of the search in the Contract Log. In addition, the DBSA will conduct an annual review of existing contractors for suspension or debarment annually each May and will record the results of the annual review in the Contract Log document. The Contract Log will be kept by the DBSA and made available to the fiscal team. The Contract Log will note the results of the review, the date of the review, and other pertinent contract information.

PURCHASING AND VENDOR PAYMENT

Segregation of Duties

TEACH will develop and maintain purchase order forms to document the authorization of non-payroll and non-recurring expenditures. All proposed expenditures must be approved by the ED, or DBSA, who will review the proposed expenditure to determine whether it is consistent with the Board-adopted budget. In the absence of a vendor invoice, TEACH will develop and maintain a check request form to document the approval of payment for specific items.

All transactions will be posted in an electronic general ledger maintained by Charter Impact. To ensure segregation of recording and authorization, the bookkeeper may not co-sign check requests for purchase orders.

General Purchasing Procedures

Purchases of individual items and services over \$50,000 must include documentation of a good faith effort to secure the lowest possible cost for comparable goods or services. The ED, or DBSA shall not approve purchase orders or check requests lacking such documentation. Documentation shall be attached to all check and purchase order requests showing that at least two vendors were contacted (if appropriate) and such documentation shall be maintained for three years. Purchases in excess of \$50,000 must follow a board-approved procurement process that ensures transparency, alignment with organizational goals, and responsible use of public funds.

Competitive bidding shall be used when purchasing goods or services that are **commodities or interchangeable across multiple vendors**. However, competitive bidding is **not required** when the purchase:

- Involves proprietary curriculum, instructional materials, or software platforms selected based on programmatic fit;
- Is a sole-source item with no reasonable alternative;
- Relates to professional services (e.g., legal, accounting, consulting) selected based on expertise and relationship;
- Is necessary to maintain continuity of service with existing approved vendors;
- or
- Is required for emergency response to protect health, safety, or property.

All exceptions must be documented by the Executive Director and reported to the Board. Any single purchase or contract exceeding \$50,000 must be approved by the Board prior to execution, unless it qualifies as an emergency procurement.

The ED, or DBSA may authorize expenditures and may sign related contracts within

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the approved budget. The Governing Board must review all expenditures. This will be done via approval of a check register which lists all checks written during a set period of time and includes check #, payee, date, and amount. The Governing Board must also approve contracts and non-budgeted expenses over \$50,000.

When approving purchases, the ED, or DBSA must:

- a) Determine if the expenditure is budgeted
- b) Determine if funds are currently available for expenditures (i.e. cash flow)
- c) Determine if the expenditure is allowable under the appropriate revenue source
- d) Determine if the expenditure is appropriate and consistent with the vision, approved charter, school policies and procedures, and any related laws or applicable regulations
- e) Determine if the price is competitive and prudent.

Any individual making an authorized purchase on behalf of the TEACH must provide Charter Impact with appropriate documentation of the purchase. Individuals other than those specified above are not authorized to make purchases without pre-approval.

Individuals who use personal funds to make unauthorized purchases will not be reimbursed. Authorized purchases will be promptly reimbursed by a bank check upon receipt of appropriate documentation of the purchase.

The ED, or DBSA may authorize an individual to use a school debit card to make an authorized purchase on behalf of the school, consistent with guidelines provided by the ED, or DBSA and/or Governing Board. The following provisions apply to debit card purchases:

1. The school card will be kept under locked supervision in the ED, or DBSA's office, and authorized individuals must sign the debit card out and must return the debit card and related documentation of all purchases within 24 hours of the purchases, unless otherwise authorized by the ED, or DBSA.
2. If receipts are not available or are "missing", the individual making the charge will be held responsible for payment.
3. Debit cards will bear the names of both the Schools and the ED, or DBSA.

Purchase Orders

Non-recurring purchases should be accompanied by a purchase order, which must be

approved by the ED, or DBSA.

1. The ED, Principals, Directors and DBSA all have the ability to generate a PO request in Office Books.
2. The PO is then automatically sent in Office Books to the ED, and/or DBSA for approval.
3. Once approved, the PO is then emailed to the vendor or copied and mailed for confirmation.

Payment Authorization

All original invoices will be forwarded to the ED, or DBSA for approval.

1. The ED, or DBSA will carefully review each invoice, attach all supporting documentation (including a PO), and verify that the specified services and/or goods were received. When receiving tangible goods from a vendor, the person designated to receive deliveries should trace the merchandise to the packing list and note any items that were not in the shipment. The packing list should be submitted to Charter Impact with the invoice.
2. Once approved by the ED, or DBSA, he/she will stamp a check authorization on the invoice and complete the required information, including noting the specific budget line item that is to be charged for the specified expenditures. The invoice and supporting documentation will be sent to Charter Impact on at least a weekly basis (ED, or DBSA should be aware of invoice due dates to avoid late payments). Charter Impact will then process the invoices with sufficient supporting documentation.
3. The ED, or DBSA may authorize Charter Impact to pay recurring expenses (e.g. utilities, leases, etc.) without the ED, or DBSA's formal approval (signature) on the invoice when dollar amounts fall within a predetermined range. 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.

Accounts Payable Checks

The Governing Board will approve, in advance, the list of authorized signers on the school account. The ED, or DBSA and any other employee authorized by the Governing Board may sign bank checks within established limitations.

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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 DBSA will send appropriate approved documentation to Charter Impact. This is usually an approved invoice or Check Request Form.
3. Once approved by the ED, or DBSA, Charter Impact prepares the check based on the check authorization prior to obtaining the appropriate signature(s).
4. The ED, or DBSA or Board Treasurer will co-sign checks in excess of \$50,000 for all non-recurring items. All checks less than \$50,000 require only the signature of the ED or DBSA.
5. Checks may not be written to cash, bearer, or petty cash. Under no circumstance will any individual sign a blank check.
6. Charter Impact will record the check transaction(s) into the appropriate checkbook and in the general ledger.
7. A copy of any impress check will be sent to Charter Impact with directions to transfer funds from the schools operating account to refresh the impress account balance to \$10,000 within 5 business days.
8. 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 statements will be received directly, unopened, by a district office staff member that does not have access to cash or the authority to approve payments or electronically. This staff member then scans and emails the statement to Charter Impact (or Charter Impact may be granted view-only online access). Once the statement is received:

1. Charter Impact will examine all paid checks for date, name, cancellation, and endorsement. Checks will be valid for 6th months, however any discrepancies regarding the paid checks or any checks over 90 days will be researched and if

applicable deleted from the accounting system.

2. Charter Impact will prepare the bank reconciliation, verifying the bank statements and facilitating any necessary reconciliation.
3. 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 ED, or DBSA.

CASH RECEIPT MANAGEMENT

General Procedures for Non-Governmental Cash Receipts

For all fundraising activities approved by the board, the School will establish internal controls to ensure the safeguarding of assets. The following are general procedures for recurring activities:

1. All fundraising activities must receive written preapproval from the Executive Director/Chief Executive Officer, or DBSA.
 - a. All funds must be collected by the DBSA and deposited into the lock box in a sealed envelope, along with any notes, forms, or other descriptions of how the funds are to be used.
 - b. The DBSA and one other district staff member will jointly open the lock box to verify the cash/check amounts and sign off on the amounts received.
 - c. The lock box will be emptied at least two times per week, corresponding to days when deposits are made.
2. All checks will be immediately endorsed with the school deposit stamp, containing the following information: “For Deposit Only”
3. A deposit slip will be completed by the DBSA and initialed by the ED, or Director of Operations and Data Systems for approval to deposit. The deposit slip will be duplicated and documentation for all receipts (copy of check, letter, etc.) will be attached to the duplicate deposit slip.
4. Deposits totaling greater than \$10,000 will be deposited within 48 hours by the designated school employee. Deposits totaling less than \$10,000 will be made weekly by the designated school employee. All cash will be immediately put into a lock box.

5. The duplicate deposit slip and deposit receipt will be attached to the deposit documentation and forwarded to Charter Impact to be filed and recorded weekly.

Volunteer Expenses

All volunteers will submit a purchase requisition form to the ED, or DBSA for all potential expenses. Only items with prior written authorization from the ED, or DBSA will be paid/reimbursed.

Returned Check Policy

A returned-check processing fee will be charged for checks returned as non-sufficient funds (NSF). Unless otherwise pre-approved by Charter Impact or the ED, or DBSA, payment of the NSF check and processing fee must be made by money order or certified check.

In the event that a second NSF check is received for any individual, in addition to the processing fee, the individual will lose check-writing privileges. Payment of the NSF check, the processing fee and any subsequent payment(s) by that individual must be made by money order or certified check.

In the case of NSF checks written by parents of students, failure to pay may result in the withholding of report cards/transcripts at the end of the semester and/or school year until payment is received, unless other mutually agreeable arrangements are approved by the ED, or DBSA and/or Governing Board. If unsuccessful in collecting funds owed, the school may initiate appropriate collection and/or legal action at the discretion of the ED, or DBSA and/or Governing Board.

HUMAN RESOURCES AND PAYROLL

Payroll Services and Setup

Charter Impact prepares payroll checks, tax and retirement withholdings, tax statements, and to perform other payroll support functions. The ED, DBSA or Director of Human Resources will establish and oversee a system to prepare time and attendance reports and submit payroll check requests. The ED, or Director of Human Resources will review payroll reports 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 Director of Human Resources 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.

Timesheets

All hourly employees will be responsible for completing a timesheet including vacation, sick, and holiday time (if applicable). The employee and the appropriate supervisor will sign the completed timesheet. Incomplete timesheets will be returned to the signatory supervisor and late timesheets will be held until the next pay period. No employee will be paid until a correctly completed timesheet is submitted. If an employee is unexpectedly absent and therefore prevented from working the last day of the pay period or turning in the timesheet (such as an employee calling in sick), the employee is responsible for notifying the signatory supervisor or for making other arrangements for the timesheet to be submitted. However, the employee must still complete and submit the timesheet upon return.

Overtime

Advanced approval in writing by the authorized supervisor is required for compensatory time and overtime. Overtime only applies to classified employees and is defined as hours worked in excess of eight (8) hours within a day or forty (40) hours within a week. Any hours worked in excess of an employee's regular work schedule must be pre-approved by the supervisor, unless it is prompted by an emergency. Overtime will not be granted on a routine basis and is only reserved for extraordinary or unforeseen circumstances. If a supervisor identifies a recurring need for overtime in any given position, the supervisor should immediately consult with the ED, or Director of HR for further guidance.

Payroll Processing

For hourly employees, employees must sign timesheets to verify appropriate hours worked, resolve absences and compensations, and monitor number of hours worked versus budgeted. The Principal or Director of Human Resources will approve these timesheets. No overtime hours should be listed on timesheets without the supervisor's initials next to the day on which overtime was worked. For school site salaried employees, employees must sign into a logbook to verify working days for accuracy. The Director of Human Resources will provide the designated school employee with any payroll-related information such as sick leave, vacation pay,

and/or any other unpaid time.

For substitute teachers, the School Operations Manager (SOM) will maintain a log of teacher absences and the respective substitutes that work for them. The SOM will verify that the substitutes initial the log next to their names before they leave for the day and that teacher, upon returning back to work, initial next to their names. The ED, or DBSA will notify Charter Impact of all authorizations for approved stipends.

Payroll is processed within 10 days after the period in which it is earned for hourly employees.

1. The signatory supervisor will submit a Payroll Summary Report of timesheets to Charter Impact for processing.
2. Charter Impact will prepare the payroll worksheet based on the summary report.
3. The payroll checks (if applicable) will be delivered to the district office. The DBSA or Director of Human Resources will document receipt of the paychecks and review the payroll checks prior to distribution.

Payroll Taxes and Record Keeping

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

Paychex 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 ED, or DBSA, and submit the forms to the state on behalf of the school.

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

1. The designated school employee will immediately notify the Director of Human Resources or DBSA if an employee exceeds the accrued sick leave or vacation pay or has any other unpaid absences.
2. Records will be reconciled when requested by the employee. Each employee must maintain personal contemporaneous records.

Expense Reports

Employees will be reimbursed for expenditures within thirty (30) business days of presentation of appropriate documentation. Receipts or other appropriate

documentation will be required for all expenses over five dollars and all reports must be approved by the ED, or DBSA. Expenses greater than two months old will not be reimbursed.

ED, or DBSA expense reports must be approved by another staff member (one of the other not receiving the reimbursement) and always be submitted to Charter Impact for processing and payment, petty cash may not be used.

Travel

Employees will be reimbursed for mileage when the activity is pre-approved by the ED, or DBSA. Mileage will be reimbursed at the government-mandated rate for the distance traveled, less the distance from the employee's residence to the school site for each direction traveled. For incidental travel, mileage will only be reimbursed if the one-way mileage exceeds 10 miles.

The ED, or DBSA must pre-approve all out-of-town travel. Employees will be reimbursed for overnight stays at hotels/motels when pre-approved by an administrator and the event is more than 50 miles from either the employee's residence or the school site. Hotel rates should be negotiated at the lowest level possible, including the corporate, nonprofit or government rate if offered, and the lowest rate available. Employees will be reimbursed at the established per diem rate for any breakfast, lunch, or dinner that is not included as part of the related event.

Travel advances require written approval from the ED, or DBSA and receipts for all advanced funds not returned. After the trip, the employee must enter all of the appropriate information on a Travel Expense Report and submit it to the ED, or DBSA for approval and then on to Charter Impact for processing. If the advance exceeds the amount of the receipts, the employee will pay the difference immediately in the form of a check. If the advance is less than the amount of the receipts, the difference will be reimbursed to the employee in accordance with the expense report.

FINANCE AND FINANCIAL REPORTING

Monthly Reporting

Charter Impact will submit a monthly financial report including:

- a. Statement of Financial Position
- b. Budget vs. Actual Report
- c. Monthly Forecast
- d. Accounts Payable Aging
- e. Monthly Check Register

The report will be reviewed at the scheduled board meeting and action will be taken, if appropriate.

Third Party Loans

The ED, or DBSA 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 the ED, or DBSA before funds are borrowed.

Fund Balance Reserve

A cash reserve of at least 5% of the annual expenses will be maintained. Charter Impact will provide the ED, or DBSA with a Statement of Financial Position monthly. It is the responsibility of the ED, or DBSA and the Governing Board to understand the school's cash situation. It is the responsibility of the ED, or DBSA to prioritize payments as needed.