



## **1.0 Purpose**

The Nord Country School Board is committed to fiscal responsibility and conservative fiscal management. This policy is adopted to ensure that, (1) expenditures are authorized by and in accord with amounts specified in the board-adopted budget, (2) the school's funds are managed and held in a manner that provides a high degree of protection of the school's assets, and (3) all transactions are recorded and documented in an appropriate manner.

To comply with federal guidelines concerning the procurement of goods and services, the Administration or designee shall comply with the standards specified in 2 CFR 200.317-200.326 and Appendix II of Part 200 when procuring goods and services needed to carry out a federal grant as well as any more restrictive state laws and district policies.

As appropriate to encourage greater economy and efficiency, the Administration or designee shall avoid acquisition of unnecessary or duplicative items, give consideration to consolidating or breaking out procurements, analyze lease versus purchase alternatives, consider entering into an interagency agreement for procurement of common or shared goods and services, and/or use federal excess or surplus property.

## **2.0 Segregation of Duties**

- 2.1 All proposed expenditures shall be approved by the Principal/Superintendent. Expenses shall be reviewed for consistency with the Board-adopted budget prior to authorizing a purchase.
- 2.2 To ensure separation of expenditure authorization and check signing functions, approved purchases shall be reviewed by the Chief Business Officer prior to a check being cut and signed by an authorized signer.
- 2.3 All transactions will be posted in an electronic general ledger. Transactions should be posted to the ledger by someone at the School site or by a contracted bookkeeper. To ensure segregation of recording and authorization, accounts payable personnel may not sign checks or purchase orders.

## **3.0 Budget Transfers**

- 3.1 The Principal/Superintendent may transfer up to \$5,000 from one unrestricted budget item to another without board approval, but shall notify the Board of the transfer at the next regularly scheduled meeting.

## **4.0 Banking Arrangements**

- 4.1 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 or invested in non-speculative federally-backed instruments or in the County's Pooled Money Investment Fund.

- 4.2 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.
- 4.3 The School's Chief Business Officer will reconcile the school's ledger(s) with its bank accounts or accounts in the county treasury on a monthly basis and prepare (1) a balance sheet, (2) a comparison of budgeted to actual revenues and expenditures to date, and (3) a cash flow statement. The Principal/Superintendent and the Board will regularly review these statements.
- 4.4 The School will deposit all funds received as soon as practical upon receipt and in no event later than seven days after receipt. Funds will be in a locked cabinet or safe while awaiting deposit.

## **5.0 Purchasing Procedures**

- 5.1 All solicitations shall incorporate a clear and accurate description of the technical requirements for the material, product, or service to be procured. Such description shall not, in competitive procurements, contain features which unduly restrict competition. The description shall avoid detailed product specifications to the extent possible, but may include a statement of the qualitative nature of the material, product, or service to be procured and, when necessary, shall set forth those minimum essential characteristics and standards to which it must conform if it is to satisfy its intended use. When it is impractical or not economical to make a clear and accurate description of the technical requirements, a brand name or equivalent description may be used to define the performance or other salient requirements of procurement, clearly stating the specific features of the named brand which must be met by offers. In addition, every solicitation shall identify all requirements which the offer must fulfill and any other factors to be used in evaluating bids or proposals. (2 CFR 200.319)
- 5.2 Individuals other than the Office Manager or the Administrators are not authorized to make purchases without written preapproval. This includes members of the Board and subcommittees of the Board.
- 5.3 The Principal/Superintendent may authorize an individual to use a school credit card to make an authorized purchase on behalf of the school.
  - 5.3.1 The school card shall be kept within direct control of the Principal/Superintendent. Authorized individuals must sign the credit card out and must return the credit card and related documentation of purchases within 24 hours of the purchases, unless otherwise authorized.
  - 5.3.2 Each charge to the credit card must be supported by a receipt of the expenditure and a concise description of the cost or activity and its school-related purpose. The receipt must contain detail of the item(s) purchased. If receipts are not available or are missing the individual making the charge will be held responsible for payment.
  - 5.3.3 Credit cards will bear the names of both Nord Country School and the school employee.
  - 5.3.4 Credit cards may not be used for cash advances or withdrawals at any time, even if the cash is to be used for a school-related purpose.
  - 5.3.5 Credit card accounts shall be paid in full each month; a balance shall not be allowed to be carried over into the next billing cycle.

- 5.4 For any purchase of \$25,000 or more, the Principal/Superintendent or designee shall verify that any vendor which is used to procure goods or services is not excluded or disqualified by the federal government.
- 5.5 The Principal/Superintendent or designee shall maintain sufficient records to document the procurement, including, but not limited to, the rationale for the method of procurement, selection of the contract type, contractor selection or rejection, and the basis for the contract price. (2 CFR 200.318)
- 5.6 The procurement of goods or services with federal funds shall be conducted in a manner that provides full and open competition in accordance with state laws and district regulations and the following requirements:
  - 5.6.1 Any purchase of supplies or services that does not exceed the "micro-purchase" threshold specified in 48 CFR 2.101 may be awarded without soliciting competitive quotes, provided that the district considers the price to be reasonable and maintains written evidence of this reasonableness in the record of all micro-purchases. (2 CFR 200.67, 200.320)
  - 5.6.2 For any purchase that exceeds the micro-purchase threshold but is less than the bid limit required by Public Contract Code 20111, the Superintendent or designee shall utilize "small-purchase" procedures that include obtaining price or rate quotes from an adequate number of qualified sources. (2 CFR 200.320)
  - 5.6.3 Contracts for goods or services over the bid limits required by Public Contract Code 20111 shall be awarded pursuant to California law and AR 3311 - Bids, unless exempt from bidding under the law.
  - 5.6.4 If a purchase is exempt from bidding and the district's solicitation is by a request for proposals, the award may be made by either a fixed-price or cost-reimbursement type contract awarded to the entity whose proposal is most advantageous to the program, with price and other factors considered. (2 CFR 200.320)
  - 5.6.5 Procurement by noncompetitive proposals (sole sourcing) may be used only when the item is available from a single source, the need or emergency will not permit a delay resulting from competitive solicitation, the awarding agency expressly authorizes sole sourcing in response to the district's request, and/or competition is determined inadequate after solicitation of a number of sources. (2 CFR 200.320)
  - 5.6.6 Time and materials type contracts may be used only after a determination that no other contract is suitable and if the contract includes a ceiling price that the contractor exceeds at its own risk. Time and materials type contract means a contract whose cost is the sum of the actual cost of materials and direct labor hours charged at fixed hourly rates that reflect wages, general administrative expenses, and profit. (200.328)

## **6.0 Record Keeping**

- 6.1 Transaction ledgers, canceled/duplicate checks, attendance and entitlement records, payroll records, and any other necessary fiscal documents will be maintained by school staff in a secure location in accordance with the School's Document Retention and Destruction Policy.
- 6.2 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.
- 6.3 All district employees who are paid in full or in part with federal funds, including employees

whose salary is paid with state or local funds but is used to meet a required match or in-kind contribution to a federal program, shall document the amount of time they spend on grant activities. (2 CFR 200.430)

## **7.0 Property Inventory**

- 7.1 The Principal/Superintendent or designee shall establish and maintain an inventory of all non-consumable goods and equipment worth over \$1,000.
- 7.2 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.
- 7.3 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.
- 7.4 Any excess or surplus property owned by the school may be sold or auctioned by the Administrator provided the Administrator engages in due diligence to maximize the value of the sale or auction to the school.
- 7.5 The sale or auction of property owned by the school with a fair market value in excess of \$3,000.00 shall be approved in advance by the Board.

## **8.0 Payroll Services**

- 8.1 The Chief Business Officer will prepare, or cause to be prepared, payroll checks, tax and retirement withholdings, tax statements, and perform other payroll support functions.
- 8.2 The Office Manager will establish and oversee a system to prepare time and attendance reports and submit payroll check requests.
- 8.3 The Principal/Superintendent and a Board member [who is also an authorized Bank signatory](#) will review payroll statements monthly 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.
- 8.4 All staff expense reimbursements will be on checks separate from payroll checks.
- 8.5 Upon hiring of staff, a personnel file will be established with all appropriate payroll-related documentation including a federal I-9 form, tax withholding forms, pay scale, retirement date, and an accounting of the use of sick leave.

## **9.0 Attendance Accounting**

- 9.1 The Office Manager will establish and maintain an appropriate attendance accounting system to record the number of days students are actually in attendance at the School and engaged in the activities required of them by the School.
- 9.2 The annual audit will review actual attendance accounting records and practices to ensure compliance.
- 9.3 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:
  - 9.3.1 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;

- 9.3.2 The School's instructional calendar will include at least the minimum number of days of instruction as provided by the Administrative Code regulation to avoid any fiscal penalties. The calendar must also document that the school offers an amount of annual minutes of instruction as required pursuant to applicable law; and
- 9.3.3 If offered, 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 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.

## **10.0 Annual Financial Audit**

- 10.1 The Board shall annually contract for the services of an independent certified public accountant to perform an annual fiscal audit.
- 10.2 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 (3) an audit of the school's internal controls practices.
- 10.3 If the Federal funding threshold is exceeded, the audit shall be prepared in accordance with any relevant Office of Management and Budget audit circulars.
- 10.4 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.
- 10.5 Whenever the district expends \$750,000 or more in federal grant funds during a fiscal year, it shall arrange for either a single audit or a program-specific audit in accordance with 2 CFR 200.507 or 200.514. (2 CFR 200.501)
- 10.6 The Principal/Superintendent or designee shall ensure that the audit meets the requirements specified in 2 CFR 200.500-200.521.
- 10.7 Specified records pertaining to the audit of federal funds expended by the district shall be transmitted to the clearinghouse designated by the federal Office of Management and Budget and shall be made available for public inspection. Such records shall be transmitted within 30 days after receipt of the auditor's report or within nine months after the end of the audit period, whichever is sooner, unless a longer period is agreed to in advance by the federal agency or a different period is specified in a program-specific audit guide. (2 CFR 200.512)
- 10.8 In the event that the audit identifies any deficiency, the Principal/Superintendent or designee shall promptly act to either correct the identified deficiency, produce recommended improvements, or demonstrate that the audit finding is invalid or does not warrant action. (2 CFR 200.26, 200.508, 200.511)

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

- 11.1 The Principal/Superintendent, working in conjunction with the Chief Business Officer or Office Manager, will produce and submit to the charter granting agency any and all required fiscal, attendance, enrollment and other data reports as may be required by state or federal law, or mandated by the terms of the school's charter.

## **12.0 Property and Liability Insurance**

- 12.1 The Principal/Superintendent or designee shall ensure that the school retains appropriate property and liability insurance coverage.
- 12.2 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.
- 12.3 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 \$1 million per occurrence.

## **13.0 Authority to Enter Into Contracts and Agreements**

- 13.1 Except as otherwise provided in these policies, the Administrators may enter into contracts and agreements not to exceed \$3,000.00 without Board approval, provided funds sufficient for the contract or agreement are authorized and available within the school's board-adopted budget.
- 13.2 Contracts and agreements in excess of \$3,000.00 must be submitted for Board approval and may be executed by the Administrators or other person specifically designated by the Board after the Board has duly approved the contract or agreement.
- 13.3 The Principal/Superintendent or designee shall ensure that all contracts for purchases using federal grant funds contain the applicable contract provisions described in Appendix II to Part 200 – Contract Provisions for Non-Federal Entity Contracts Under Federal Awards. (2 CFR 200.326)

## **14.0 Capital Expenditures**

- 14.1 Capital – The term *capital* shall mean equipment with a useful life of more than one year and valued at five thousand dollars (\$5,000) or more, including actual or estimated tax, shipping and handling, and land, buildings, and improvements. All items over five thousand dollars (\$5,000) with a useful life of more than one year shall be capitalized.
- 14.2 Equipment Classified as Capital – In addition, in order to maintain property control, the following are recorded and tracked the same as capital even though they may be less than five thousand dollars (\$5,000) or have a useful life of less than a year:
  - 14.2.1 equipment purchased with grant funds or required by the terms of the grant to be tracked as capital;
  - 14.2.2 furnishings for new spaces;
  - 14.2.3 cameras;
  - 14.2.4 musical instruments; and
  - 14.2.5 television sets, VCR units, AV projectors, computer systems (PC, keyboard, monitor, printer and hard drives).
- 14.3 The Principal/Superintendent or designee shall obtain prior written approval from the awarding agency before using federal funds to make capital expenditures, including the acquisition of land, facilities, equipment, and intellectual property and expenditures to make additions, improvements, modifications, replacements, rearrangements, reinstallations, renovations, or alterations to capital assets that materially increase their value or useful life. (2 CFR 200.12, 200.13, 200.20, 200.33, 200.48, 200.58, 200.89, 200.313, 200.439)

## 15.0 Fundraising, Grant Solicitation, and Donation Recognition

- 15.1 The PTO, the Board, and the Principal/Superintendent or designee will develop a fundraising calendar at the beginning of the school year so that fundraising efforts can be coordinated. The Board shall be notified no later than the next regular board meeting of any changes that are made to the fundraising calendar.
- 15.2 All fundraising or grant solicitation activities on behalf of the school must be approved in advance by the Principal/Superintendent.
- 15.3 The Board shall be informed of 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.
- 15.4 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.

## 16.0 Cash Handling and Deposits

- 16.1 Cash and checks paid to the School shall be received by the Office Manager. Each transaction shall be recorded in a bound triplicate receipt book at the time the payment is made, with a copy of the receipt given to the payer. One copy shall be clipped to the cash or check and placed in the school safe to await deposit. The remaining copy shall be left in the book as proof of receipt of funds.
- 16.2 At least weekly, funds collected in the school safe shall be prepared for deposit by the Office Manager or designee, verified by the Principal/Superintendent or designee, sealed into a night drop bag, and deposited at the school's bank. The deposit cover sheet given to the Chief Business Officer, cash count sheets and other supporting information along with their receipts, shall be given to the Chief Business Officer for entry into the accounting system ~~and deposit in the school's bank.~~
- 16.3 Cash and checks received by teachers for field trips shall be collected, counted in dual with another school employee, recorded on a cash count sheet, and deposited at least weekly.
- 16.4 Cash and checks received during fundraising events, when practical, shall be receipted in a bound receipt book. Funds will be counted in dual and recorded on a cash count sheet immediately following the event. Funds may be held in the school safe until deposit or deposited immediately into the bank night drop. Cash count sheets, with or without funds, shall be given to the Chief Business Officer for entry into the accounting system and deposited if needed.

## 17.0 Adoption and Review

- 17.1 Originally Adopted: 6/14/2005
- 17.2 Most Recent Revision: 10/27/2021~~8/2020~~