

7000 SERIES—FINANCIAL MANAGEMENT

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Victory Charter School

FINANCIAL MANAGEMENT

7100

Budget and Program Planning

The annual budget is evidence of the Board of Directors' commitment to the objectives of the instruction programs. The budget supports the immediate and long-range goals and established priorities within all areas: instructional, non-instructional and administrative programs.

Prior to presentation of the proposed budget for adoption, the Principal shall prepare, for the Board's consideration, recommendations, with supporting documentation, which shall be designed to meet the needs of students within the limits of anticipated revenues.

Program planning and budget development shall provide for staff participation and the sharing of information with patrons prior to action by the Board.

Policy History:

Adopted on: September 27, 2016

Revised on:

Victory Charter School

FINANCIAL MANAGEMENT

7110

Budget Implementation and Execution

Once adopted by the Board of Directors, the operating budget shall be administered by the Principal and his or her designees. All actions of the Principal and designees in executing the programs and/or activities delineated in that budget are authorized according to these provisions:

1. Expenditure of funds for the employment and assignment of staff shall meet the legal requirements of the State of Idaho and adopted Board policies;
2. Funds held for contingencies may not be expended without approval from the Board;
3. A listing of warrants describing goods and/or services for which payment has been made must be presented for Board approval each month; and
4. Purchases shall be made according to the legal requirements of the State of Idaho and adopted Board policy.

Legal Reference: I.C. § 33-701 et seq. Fiscal Affairs of School District

Policy History:

Adopted on: September 27, 2016

Revised on:

Victory Charter School

FINANCIAL MANAGEMENT

7120

Budget Adjustments

Any person(s) proposing a budget amendment must provide written notice of the same to each Director at least seven (7) days in advance of the meeting at which such budget amendment will be proposed.

Prior to the final vote on a budget amendment proposal, notice shall be posted and published once in the manner prescribed by Idaho law. The meeting to adopt a budget amendment shall be open and shall provide opportunity for any taxpayer to appear and be heard. Budget procedures shall be consistent with statutory requirements.

With timely notice of a public meeting, Directors, by sixty percent (60%) of the members of the Board of Directors, may declare by resolution that a budget amendment is necessary to reflect the availability of funds and the requirements of the Charter School. Budget amendments are specifically authorized by I.C. § 33-701.

Budget amendments shall be submitted to the State Superintendent of Public Instruction.

Legal Reference: I.C. § 33-701 Fiscal Year – Payment and Accounting of Funds

Policy History:

Adopted on: September 27, 2016

Revised on:

Victory Charter School

FINANCIAL MANAGEMENT

7200

Accounting System Design

The Charter School accounting system shall be established to present with full disclosure the financial position and results of the financial operations of the Charter School funds and account groups in conformity with generally accepted accounting principles. The accounting system must be in compliance with the accounting system requirements established by legislative action. It shall be possible to demonstrate the accounting system's compliance with finance-related legal and contractual provisions.

Policy History:

Adopted on: September 27, 2016

Revised on:

Victory Charter School

FINANCIAL MANAGEMENT

7210

Fixed Assets and Management Discussion and Analysis (GASB Statement 34)

Purpose

The Board of Directors recognizes the need to implement the required accounting and financial reporting standards set out in Governmental Accounting Standards Board Statement 34 (“GASB 34”)

The primary objectives of implementing the GASB 34 are to assure compliance with state requirements, and to properly account for both the financial and economic resources and to provide new and additional information to users of Charter School financial statements.

Authority

Participation of and reporting shall be in accordance with Board policy and State of Idaho Fiscal Policies manuals as prepared by the office of the State of Idaho Controller’s Office and GASB 34.

Delegation of Responsibility

The responsibility to coordinate the compilation and preparations of all information necessary to implement this policy is delegated to the Principal in cooperation with the Charter School Accountant.

The designated individual shall be responsible for implementing the necessary procedures to establish and maintain a fixed asset inventory, including depreciation schedules. Depreciation shall be computed on a straight-line basis over the useful lives of the assets, using an averaging convention. Normal maintenance and repairs shall be charged to expense as incurred; major renewals and betterments that materially extend the life or increase the value of the asset shall be capitalized. A schedule of accumulated depreciation shall be consistent from year to year.

Guidelines

In order to associate debt with acquired assets, and to avoid net asset deficits, any asset that has been acquired with debt proceeds shall be capitalized, regardless of the cost of the asset. Any assets capitalized should be depreciated using their estimated useful life, not their amortization schedule.

For all other assets not acquired by debt proceeds, the dollar value of any single item for inclusion in the fixed assets accounts shall be not less than

{ } \$5,000.

The capitalization threshold shall be set at a level that will capture at least 80% of all fixed assets.

The assets listed below do not normally individually meet capitalization threshold criteria:

1. Library books;
2. Classroom texts;
3. Computer equipment;
4. Classroom furniture.

Assets that fall below the capitalization threshold for GASB 34 reporting purposes may still be significant for insurance, warranty service, and obsolescence/replacement policy tracking purposes. The intermediate unit may record and maintain these non-GASB 34 asset inventories in subsidiary ledges.

Policy History:

Adopted on: September 27, 2016

Revised on:

Victory Charter School

FINANCIAL MANAGEMENT

7220

Documentation and Approval of Claims

All financial obligations and disbursements must be documented in compliance with the statutory provisions and audit guidelines. The documentation will specifically describe acquired goods and/or services, the budget appropriations applicable to payment, and the required approvals. All purchases, encumbrances and obligations, and disbursements must be approved by the administrator designated with the authority, responsibility, and control over the budget appropriations. The responsibility for approving these documents should not be delegated.

The Charter School business office will be responsible for the development of the procedures and forms to be used in the requisition, purchase, and payment of claims.

Policy History:

Adopted on: September 27, 2016

Revised on:

Disclaimer:

Charter School Financial Fraud or Theft is a criminal matter and covered by State laws. This policy is merely a guideline so that all Charter School employees understand the possible repercussions of such actions. If you have questions regarding fraud and/or theft, please contact your counsel and/or your local law enforcement agency.

Victory Charter School

FINANCIAL MANAGEMENT

7225

Financial Fraud and Theft Prevention

All Charter School employees, Directors, consultants, vendors, contractors, and other parties maintaining a business relationship with the Charter School shall act with integrity and due diligence in matters involving Charter School fiscal resources.

The Principal shall be responsible for developing internal controls designed to prevent and detect fraud, financial impropriety, or fiscal irregularities within the Charter School. Every member of the Charter School's administrative team shall be alert for any indication of fraud, financial impropriety, or irregularity within his or her areas of responsibility.

The Principal shall investigate reports of fraudulent activity in a manner that protects the confidentiality of the parties and the facts. All employees involved in the investigation shall be advised to keep information about the investigation confidential. While investigating and responding to the financial fraud allegations, the Principal or Chair of the Board of Directors will give priority to avoiding possible retaliation or reprisals.

Staff Responsibilities

Any employee who suspects that financial fraud, impropriety, or irregularity has occurred shall immediately report those suspicions to their immediate supervisor and/or the Principal or his or her designee who shall have the primary responsibility for initiating necessary investigations. Additionally, the Principal shall coordinate investigative efforts with the Charter School's legal counsel, auditing firm, and other internal or external departments and agencies, including the county prosecutor's office and law enforcement officials, as the Principal may deem appropriate.

An employee who believes they have suffered reprisal, retaliation, or discrimination for a report under this policy shall report the incident(s) to the Principal or designee. The Board will attempt to ensure that no employee who makes such a report will suffer any form of reprisal, retaliation, or discrimination for making the report. Employees are prohibited from preventing or interfering with those who make good faith disclosures of misconduct. This policy shall not apply when an employee knowingly makes a false report.

In the event the concern or complaint involves the Principal, the concern shall be brought to the attention of the Chair of the Board who is hereby empowered to contact the Charter School's legal counsel, auditing firm, and any other agency to investigate the concern or complaint.

Definition

As used in this policy, "fraud" refers to intentionally misrepresenting, concealing, or misusing information in an attempt to commit fiscal wrongdoing. Fraudulent actions include, but are not limited to:

1. Behaving in a dishonest or false manner in relation to Charter School assets, including theft of funds, securities, supplies, or other Charter School properties;
2. Forging or altering financial documents or accounts illegally or without proper authorization;
3. Improper handling or reporting of financial transactions;
4. Personally profiting as a result of insider knowledge;
5. Disregarding confidentiality safeguards concerning financial information;
6. Violating Board conflict of interest policies; and
7. Mishandling financial records of Charter School assets, such as destroying, removing, or misusing them.

Internal Controls

The following internal controls shall be a regular practice of the Charter School in an effort to prevent the possibility of fraud:

1. **Treasurer's Receipts:** The clerk should have receipts and numbered duplicates for everything paid out in his or her custody.
2. **Checks:** The clerk shall keep personal custody of any signature stamps and maintain a log for every check written.
3. **Audit:** An individual not connected to the business office should audit the check register regularly.
4. **Conduct background checks on potential business office employees:** Check all possible references, not just those offered, and perform criminal background checks on key business officials and other warranted individuals.
5. Monthly reviews by an individual not connected with the business office are performed. Checklists are provided to the auditor each year during the audit.

Policy History:

Adopted on: September 27, 2016

Revised on:

Victory Charter School

FINANCIAL MANAGEMENT

7230

Financial Reporting and Audits

The Board directs that financial reports of all Charter School funds shall be prepared in compliance with statutory provisions and generally accepted accounting and financial reporting standards. In addition to the reports required for local, State, and federal agencies, financial reports will be prepared monthly and annually and presented to the Board. The financial reports shall reflect the financial activity and status of the Charter School funds.

Appropriate interim financial statements and reports of financial position, operating results and other pertinent information will be prepared to facilitate management control of financial operations.

The Board directs that school audits shall be conducted in accordance with Idaho law (I.C. § 67-450B). Each audit shall be a comprehensive audit of the affairs of the Charter School and the Charter School funds. The audits shall comply with all statutory provisions and generally accepted governmental auditing standards.

The report shall be filed with the State Department of Education after its acceptance by the Board of Directors not later than November 10.

Legal Reference: I.C. § 33-701 Fiscal Year – Payment and Accounting of Funds
I.C. § 67-405B Independent Financial Audits by Government Entities

Policy History:

Adopted on: September 27, 2016

Revised on:

Victory Charter School

FINANCIAL MANAGEMENT

7235

Fiscal Accountability and IDEA Part B Funds

The Charter School must ensure fiscal accountability at each phase in the use of Individuals with Disabilities Education Act (IDEA) Part B funds. The purpose of this policy is to ensure that the Charter School complies with the State Department of Education requirements described in the Idaho State Department of Education IDEA Funding Manual.

Use of IDEA Part B Funds

The Charter School shall use IDEA funds only to pay excess costs of providing special education and related services to children with disabilities. A cost is determined to be an excess cost of providing special education only if it meets each of the following criteria:

1. The cost would not exist in the absence of special education needs;
2. The cost is not also generated by students without disabilities; and
3. If the cost is specific to a particular child and it is documented in that child is on an Individual Education Plan (IEP).

The Board directs the Principal to establish procedures and internal controls to ensure that IDEA Part B funds are used only for allowable, excess costs of providing special education and that these costs are accounted for in the proper function/program codes described in 34 CFR 300.202-205. These procedures and controls shall also ensure the accuracy of the Charter School's Excess Cost Calculation, as required by 34 C.F.R. 300.16 and Appendix A to 34 C.F.R.300.

Time and Effort Reporting

In order to determine if Personnel Costs are allowable under IDEA Part B, the Charter School shall maintain auditable "time and effort" documentation that show how each employee paid with IDEA Part B funds spent his or her compensated time. Such documents are written reports of how the time was spent.

The Board directs the Principal to establish a system for time and effort reporting that complies with the requirements of OMB Circular A-87 and OMB Circular A-133.

Property Procurement and Tracking

The Board directs the Principal to establish written procedures to ensure that the Charter School's mechanism for procurements using IDEA Part B funds conforms to the standards outlined in 34 C.F.R. 80.36. The Board also directs the Principal to establish a system to maintain adequate inventory management of property purchased with IDEA Part B funds.

Property records in the inventory management system should include, at a minimum:

1. Property description;
2. Identification number;
3. Source of funding;
4. Acquisition date and cost;
5. The location, use, and condition of the property; and
6. Any ultimate disposition data including the date of disposal and sale price of the property.

In addition to the above information, the inventory management system should ensure that all source documents in support of the above information are maintained throughout the life and disposition of the equipment. These records should be updated frequently so that every piece of equipment purchased with federal funds can be accounted for at any given time.

Retention of Records

The Board directs the Principal to ensure that fiscal records are retained for a minimum of three (3) years from the obligation of funds. These records shall be available for inspection if required.

Legal Reference:	34 C.F.R. §§80.36 34 C.F.R. §§80.42 34 C.F.R. §§300.132-133 34 C.F.R. §§300.16 34 C.F.R. §§300.202-205 34 C.F.R. §§300, Appendix A Fiscal Accountability Checklist: For Sub-Recipients of IDEA Part B Funds OMB Circular A-87 OMB Circular A-133	Procurement Retention and Access Requirements for Records Provision of Services for Parentally-Placed Private School Children with Disabilities Excess Costs Use of Amounts Excess Costs Calculation
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Policy History:

Adopted On: September 27, 2016

Revised On:

Victory Charter School

FINANCIAL MANAGEMENT

7250

Fund Accounting System

The accounts of the Charter School are organized on the basis of funds, each of which is considered to be a separate accounting entity. The operations of each fund are accounted for by providing a separate set of self-balancing accounts.

Legal Reference: I.C. § 33-901 et seq. School Funds
 I.C. § 33-701 et seq. Fiscal Affairs of School District

Policy History:

Adopted on: September 27, 2016

Revised on:

Victory Charter School

FINANCIAL MANAGEMENT

7260

Student Activity Fund

The Board is responsible for the establishment and management of student activity funds. The purpose of student activity funds shall be to account for revenues and disbursements of those funds raised by students through recognized student body organizations and activities, including:

1. Admission charges for interscholastic activities;
2. The sale of yearbooks and annuals;
3. Student fee collections which are used to provide more than one activity/benefit to all of the students of a school or school building; and
4. Receipt from vending machines located on school property.

Such funds shall be used for appropriate expenditures.

The funds collected by the Charter School shall be maintained in an account requiring two (2) authorized signatures for the distribution of funds. One signature shall be by a person designated by the Board as an assistant treasurer and the other shall be a designated signatory of the Charter School.

The funds shall be deposited and expended by regular check in a bank account maintained by the Charter School. The use of the student extra- and co-curricular funds is limited to the benefit of the students. All funds collected or received for school programs, activities, or students' use are by Idaho law public monies and the care, custody, control, and accounting for such monies is the duty and responsibility of the Treasurer and the Administrative Officer of the District. The treasurer of the District shall provide accounting procedures for the receipt, deposit, expenditure, and withdrawal of such moneys.

The management of student activity funds shall be consistent with sound business practices. Authority is delegated to the Principal to require the Charter School to conform to accounting procedures for the receipt, deposit, and withdrawal of funds. This includes providing for the safekeeping of monies, proper accounting and administration of the funds, and compliance with the Board of Directors' policies and procedures. The Principal is responsible for the proper collection, disbursement, and control of all school activity funds.

Projects for the raising of funds shall generally contribute to the educational experience of students and shall not detract from the instructional program. All fundraising projects must have the approval of the principal. Solicitation of funds outside the school must have the approval of the principal.

Policy History:

Adopted on: September 27, 2016

Revised on:

Victory Charter School

FINANCIAL MANAGEMENT

7270

Property Records

Property records and inventory records shall be maintained on all land, buildings, and physical property under the control of the Charter School. Such records shall be updated annually.

For the purposes of this policy, "equipment" shall mean a unit of furniture or furnishings, an instrument, a machine, an apparatus, or a set of articles which retains its shape and appearance with use, is nonexpendable and does not lose its identity when incorporated into a more complex unit. The Principal shall ensure that inventories of equipment are systematically and accurately recorded and are updated annually. Property records of facilities and other fixed assets shall be maintained on an ongoing basis. No equipment shall be removed for personal or non-school use except according to Board policy.

Property records shall show, appropriate to the item recorded, the:

1. Description and identification;
2. Manufacturer;
3. Date of purchase;
4. Initial cost;
5. Location;
6. Serial number, if available; and
7. Model number, if available.

Equipment may be identified with a permanent tag that provides appropriate District and equipment identification.

Cross Reference: 7210

GASB Statement 34 (Accounting System)

Legal Reference: I.C. § 33-701

Fiscal Year – Payment and Accounting of Funds

Policy History:

Adopted on: November 28, 2017

Revised on:

Victory Charter School

FINANCIAL MANAGEMENT

7300

Revenues

The Charter School will seek and utilize all available sources of revenue for financing its educational programs. This includes revenues from non-tax, local, State, and federal sources. All revenues received for the Charter School will be properly credited to the appropriate fund and account as specified by federal and State statute and the accounting and reporting regulations for Idaho school districts and charter schools.

The Charter School will collect and deposit all direct receipts of revenues as necessary but at least once monthly. The Charter School will make an effort to collect all revenues due from all sources, including, but not limited to, rental fees, bus fees, fines, tuition fees, other fees and charges.

Policy History:

Adopted on: September 27, 2016

Revised on:

Advertising in Schools/Revenue Enhancement

Revenue enhancement through a variety of Charter School-wide and Charter School approved marketing activities, including but not limited to advertising, corporate sponsorship, signage, etc., is a Board-approved venture. These opportunities are subject to certain restrictions as approved by the Board of Directors in keeping with the contemporary standards of good taste. Such advertising will seek to model and promote positive values for the students of the Charter School through proactive educational messages and not just traditional advertising of a product. Preferred advertising includes messages that encourage student achievement and the establishment of high standards of personal conduct.

All sponsorship contracts will allow the Charter School to terminate the contract at least on an annual basis if it is determined that it will have an adverse impact on implementation of curriculum or the educational experience of students.

The revenue derived should:

1. Enhance student achievement;
2. Assist in the maintenance of existing Charter School athletics and activity programs; and
3. Provide scholarships for students participating in athletic, academic, and activity programs who demonstrate financial need and merit.

Appropriate opportunities for these marketing activities include but are not limited to:

1. Fixed signage;
2. Banners;
3. Charter School-level publications;
4. Television and radio broadcasts;
5. Athletic facilities, to include stadiums, high school baseball fields, and high school gymnasiums;
6. Charter School level projects;
7. Expanded usage of facilities beyond traditional use, such as concerts, rallies, etc.;
8. Interior and exterior of a limited number of Charter School buses only if the advertising is associated with student art selected by the Charter School. The only advertising information will note that the student art is sponsored by the participant in the Charter

School sponsorship. Maintenance for these buses will include but not exceed normal maintenance costs; and

Advertising will not be allowed in classrooms, and corporate-sponsored curriculum materials are subject to the requirements of Board policy.

The following restrictions will be in place when seeking revenue enhancement. Revenue enhancement activities will not:

1. Promote hostility, disorder or violence;
2. Attack ethnic, racial, or religious groups;
3. Discriminate, demean, harass, or ridicule any person or group of persons on the basis of gender;
4. Be libelous;
5. Inhibit the functioning of the Charter School;
6. Promote, favor, or oppose the candidacy of any candidate for election, adoption of any bond/budget issues, or any public question submitted at any general, county, municipal, or Charter School election;
7. Be obscene or pornographic as defined by prevailing community standards throughout the Charter School;
8. Promote the use of drugs, alcohol, tobacco, firearms, or certain products that create community concerns;
9. Promote any religious or political organization;
10. Promote foods or beverages which do not meet the standards for foods sold at school described in Policy 8250. This restriction shall apply to all advertising, including signage, scoreboards, school stores, cups, packaging, vending machines, trash cans, coolers, menu boards, and food service equipment;
11. Use any Charter School or school logo without prior approval; or
12. Use age-inappropriate material.

Exception

Nothing herein shall be construed to prevent advertising in publications which are published by student organizations, PTA/PTO, booster club, or other parent groups. Funds received for approved projects involving advertising in said publications may be retained by the school-related group that is sponsoring the activity as a fundraising event.

Solicitations

Salespersons, representatives, or agents shall not solicit or contact pupils, teachers, or other employees in the school buildings or on school grounds without prior approval.

Cross Reference: 2100	Curriculum Development and Assessment
2500	Library Materials
2520	Curricular Materials

Legal References: 7 CFR § 210.30 Local School Wellness Policy
42 USC § 1758b, Section 204 Healthy and Hunger-Free Kids Act
of 2010
42 USC § 1771 et seq. Child Nutrition Act of 1966
42 USC § 1751 et seq. National School Lunch Act

Policy History:

Adopted on: September 27, 2016

Revised on: February 22, 2017

Allowable Uses for Grant Funds

When determining how the Charter School will spend its grant funds, the Federal Programs Director will review the proposed cost to determine whether it is an allowable use of federal grant funds before obligating and spending those funds on the proposed good or service. All costs supported by federal education funds must meet the standards outlined in Education Department General Administrative Regulations, which are provided in the bulleted list below. All costs must:

1. Be necessary and reasonable for the performance of the federal award;
2. Be allocable to the federal award;
3. Be consistent with policies and procedures that apply uniformly to both federally-financed and other activities of the Charter School;
4. Conform to any limitations or exclusions set forth as cost principles in 2 CFR Part 200 or in the terms and conditions of the federal award;
5. Be treated consistently;
6. Be adequately documented;
7. Be determined in accordance with General Accepted Accounting Principles (GAAP), unless provided otherwise in Part 200;
8. Not be included as a match or cost-share, unless the specific federal program authorizes federal costs to be treated as such.

Legal Reference:	2 CFR § Part 200	Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards
	2 CFR § Part 3474	Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards

Policy History:

Adopted on: September 27, 2016

Revised on:

Victory Charter School

FINANCIAL MANAGEMENT

7400

Purchasing

Authorization and Control

It is the policy of this Charter School to conduct its purchasing program in a manner to ensure optimum use of School funds. The Board, or its designee, reserves the right to determine what is in the best interest of the School.

The Principal is authorized to direct expenditures and purchases within the limits of the detailed annual budget for the school year and pursuant to state purchasing and federal procurement requirements. Board of Directors approval for purchase of capital outlay items is required when the aggregate total of a requisition exceeds \$25,000, except the Principal shall have the authority to make capital outlay purchases without advance approval when it is necessary to protect the interests of the Charter School or the health and safety of the staff or students. The Principal shall establish requisition and purchase order procedures as a means of controlling and maintaining proper accounting of the expenditure of funds that align with state purchasing and federal procurement requirements. Staff members shall not obligate the Charter School without express authority. Staff members who obligate the Charter School without proper authorization may be held personally responsible for payment of such obligations.

Bids and Contracts

With the exception of the purchase of curricular materials, and in accordance with the requirements of Idaho Code, whenever the cost of any construction, repair, or improvement; or the acquisition, purchase, or repair of any equipment; or other personal property necessary for the effective operation of the Charter School exceeds \$50,000, formal bids shall be called for by issuing public notice as specified in statute as well as following federal procurement requirements. Specifications shall be prepared and be made available to all vendors interested in submitting a bid. The contract shall be awarded to the lowest responsible bidder, except that the Board may reject any bid, reject all bids, or publish notice to rebid the project. If after calling for bids a second time, no satisfactory bid is received, the Board may proceed under its own direction, subject to the approval of the State Board of Education.

When purchasing good and services pursuant to Idaho Code, and determining the most qualified bidder for award of the contract, the Charter School, at its sole discretion, may consider not only the amount of the bids, but may also consider additional factors including but not limited to the relative experience, ability, references and integrity of the bidders to do faithful and conscientious work and promptly fulfill the contract according to contract requirements.

Except where a Request for Proposals is advertised, in the event the Charter School awards a contract to a bidder other than the lowest responsive bidder, the Board shall declare its reason or reasons on the record and shall communicate such reason or reasons in writing to all who

have submitted a competing bid. The disappointed bidders shall have the right to submit a timely written objection, at which time the Charter School shall stop all work on the project, and shall review its decision and determine whether to affirm its prior award, modify the award, or choose to re-bid, setting forth its reason or reasons therefor. After completion of the review process, the political subdivision may proceed as it deems to be in the public interest.

The Principal shall establish bidding and contract awarding procedures that align with state purchasing and federal procurement requirements.

Cooperative Purchasing

The Charter School may cooperatively enter into contracts with one or more districts to purchase materials necessary or desirable for the conduct of the business of the Charter School provided that the purchasing cooperative follows State purchasing and federal procurement requirements.

Personnel Conflicts of Interest

No employee will make any purchase or incur any obligations for or on behalf of the Charter School from any private business, contractor, or vendor in which or with which the employee has a direct or indirect financial or ownership interest.

Purchases or contracted services from any private business or venture in which any employee of this Charter School has a direct or indirect financial or ownership interest will be made on a competitive bid basis strictly in accordance with the following procedures:

1. The interested employee, the business, the contractor, or the vendor will fully disclose, in writing, the employee's exact relationship to the business, the contractor, or the vendor;
2. The affected business, the contractor, or the vendor may submit a bid in compliance with the specifications outlined by the Charter School;
3. The interested employee will not be involved in any part of bidding process, including but not limited to, preparing specifications, advertising, analyzing, or accepting bids; and
4. This policy will apply to any organization, fund, agency, or other activity maintained or operated by the Charter School.

No employee will solicit gifts, gratuities, favors, prizes, awards, merchandise, or commissions as a result of ordering any items or as a result of placing any purchase order with a business, contractor, or vendor on behalf of the Charter School nor accept anything of monetary value from a business, contractor, or vendor except for unsolicited gifts of \$50 or less in value.

I.C. § 67-2806	Procuring Services or Personal Property
I.C. § 67-2806A	Request for Proposal
I.C. § 74-401 et seq.	Ethics in Government
2 C.F.R. § 200.317	Procurement by States
2 C.F.R. § 200.318	General Procurement Standards
2 C.F.R. § 200.320	Methods of Procurement to be Followed

Policy History:

Adopted on: September 27, 2016

Revised on: November 28, 2017

Victory Charter School

FINANCIAL MANAGEMENT

7400F

Time and Effort Documentation

Employee: _____

Position: _____

Reporting Period: _____

Cost Objective (Program Activity)	Fund Code or Program Function Code	Program	Distribution of Time (Percentage of Hours)

I hereby certify this report is an accurate representation of the total activity expended during the period indicated.

Employee Signature: _____

Date: _____

Reviewed by Supervisor: _____

Date: _____

Victory Charter School

FINANCIAL MANAGEMENT

7400P

Procurement Under a Federal Award

In addition to its other policies and procedures regarding procurement, the Charter School shall adhere to the following requirements when making procurements under a federal award. The Charter School shall:

1. Ensure that all solicitations incorporate a clear and accurate description of the technical requirements for the material, product, or service to be produced, and set forth those minimum essential characteristics and standards to which the material, product, or service must conform. The Charter School will identify all requirements which bidders must fulfill and all other factors to be used in evaluating bids or proposals.
2. Provide a written method for conducting technical evaluations of the proposals received and for selecting recipients, including factors considered for the evaluation; who performs the evaluation, the number of evaluations performed, the timeframe for conducting any evaluations, and the selection of a vendor and whether another positions reviews the evaluation.
3. Maintain oversight to ensure that contractors perform in accordance with the terms, conditions, and specifications of their contracts or purchase orders.
4. Avoid acquiring unnecessary or duplicative items;
5. Consider consolidating procurements to obtain a more economical purchase. Where appropriate, an analysis will be made of lease versus purchase alternatives and any other appropriate analysis to determine the most economical approach.
6. Maintain a list of prequalified person, firms, or products which are used in acquiring goods and services and include enough qualified sources to ensure maximum open and free competition.
7. Award contracts only to responsible contractors possessing the ability to perform successfully under the terms and conditions of the proposed procurement. Consideration will be given to such matters as contractor integrity, compliance with public policy, record of past performance, and financial and technical resources.
8. Maintain records sufficient to detail the history of procurement. These records will include:
 - A. Rationale for the method of procurement;
 - B. Selection of contract type;
 - C. Contractor selection or rejection; and

- D. The basis for the contract price.
- 9. The use of a time and materials type contract is prohibited unless the Charter School determines that no other contract is suitable. Time and materials type contract means a contract whose cost to a Charter School is the sum of:
 - A. The actual cost of materials; and
 - B. The direct labor hours charged at an hourly rates that reflect wages, general and administrative expenses, and profit.

When this type of the contract is used, it will include a ceiling price that the contractor exceeds at his or her own risk. The Charter School will assert a high degree of oversight over such contracts in order to obtain reasonable assurance that the contractor is using efficient methods and effective cost controls.

- 10. Be responsible for the settlement of all contractual and administrative issues arising out of procurements. These issues include, but are not limited to, source evaluation, protests, disputes, and claims.
- 11. The Charter School will adhere to any additional procurement rules as applicable to specific federal programs.

Time and Effort Documentation

Charges to federal awards for salaries and wages must be based on records that accurately reflect the work performed. Such work shall be documented on Form 7400F.

Procedure History:

Promulgated on: September 27, 2016

Revised on:

Victory Charter School

FINANCIAL MANAGEMENT

7405

Public Works Contracting and Procurement

No contract involving a public works project shall be let to any contractor who is not licensed as required by the laws of this State. Further, the Charter School shall at all times adhere to the bidding requirements for public works contracting and procurement as set out in State law.

Public Works Contractor Licensure Requirements

\$0 to \$50,000	No licensure requirement	IC 54-1903(9)
\$50,000 and above	Licensure required	IC 54-1903(9)

Exemptions from Public Works Contractor Licensure

Less than \$50,000 for construction, alteration, improvement, or repair.	Single project with any number of trades	IC 54-1903(9)
Any construction, alteration, or repair due to an emergency.	Pursuant to the provision of, Chapter 10, Title 46 Idaho Code	IC 54-1903(11)

Public Works Construction Bidding

\$0 to \$50,000	No bidding requirements	IC 67-2803(2)
\$50,000 to \$200,000	Semi-formal bidding: Issue written requests for bids describing the work to at least 3 licensed contractors. Allow 3 days for written response; objections 1 day prior to bid. Keep records for 6 months. <u>Accept low bid, or reject all bids.</u>	IC 67-2805(1)
\$≥200,000 and above	Formal bidding 2 Options A & B: Category A – Open to all licensed contractors. Publication requirements. Written objections allowed. May request bid security/bond. <u>Accept low bid, or reject all bids.</u> See code for details. (IC 67-2805(2)(a).) Category B – Open to pre-qualified contractors. After pre-qualification is determined, the bidding process is in the same manner as Category A. (IC 67-2805(2)(b).)	IC 67-2805(2)

Legal Reference: I.C. § 54-1903 Unlawful to Engage in Public Works Contracting
Without License - Exemptions
I.C. § 67-2801 et seq. Purchasing by Political Subdivisions

Policy History:

Adopted on: November 28, 2017

Revised on:

Victory Charter School

FINANCIAL MANAGEMENT

7407

Public Procurement of Goods and Services

The Charter School shall at all times adhere to the bidding requirements for the procurement of goods and services as set out in State law.

\$0 to \$50,000	No bidding requirements	IC 67-2803(2)
\$50,000 to \$100,000	Semi-formal bidding: Issue written requests for bids describing goods or services desired to at least three vendors. Allow three days for written response, unless an emergency exists; One day for objections. Keep records for six months. <u>Accept low bid, or reject all bids.</u>	IC 67-2806(1)
\$100,000 and above	Formal bidding: Publish bid notice at least two weeks in advance of bid opening. Make bid specifications available; written objections allowed. May request bid security/bond. Can reject all if able to purchase more economically in the open market.	IC 67-2806(2)

Exemptions to Public Procurement of Goods and Services Bidding

Personal Property	Already competitive bid (piggy-backing)	IC 67-2803(1)
Less than \$50,000	Contracts or purchases of goods or services	IC 67-2803(2)
Any Amount	Payments of Wages	IC 67-2803(3)
Any Amount	Personal or professional services performed by an independent contractor. (Refer to info on qualifications in I.C. 67-2320)	IC 67-2803(4)
Any Amount	Procurement of an interest in real property – lease or purchase	IC 67-2803(5)
Any Amount	Procurement of insurance	IC 67-2803(6)
Any Amount	Costs of Joint Powers participation	IC 67-2803(7)
Any Amount	Procurement of used personal property	IC 67-2803(8)
Any Amount	Procurement from federal government general services administration (GSA) schedules or federal multiple award schedules (MAS)	IC 67-2803(9)
Any Amount	Procurement of personal property or services through contracts entered into by the division of purchasing of the department of administration of the state of Idaho	IC 67-2803(10)
Any Amount	Procurement of goods for direct resale	IC 67-2803(11)
Any Amount	Procurement of travel and training;	IC 67-2803(12)
Any Amount	Procurement of goods and services from Idaho correctional industries	IC 67-2803(13)

Any Amount	Procurement of repair for heavy equipment	IC 67-2803(14)
Any Amount	Procurement of software maintenance, support and licenses of an existing system or platform that was bid in compliance with state law	IC 67-2803(15)
Any Amount	Procurement of public utilities	IC 67-2803(16)
Any Amount	Procurement of food for use in jails or detention facilities	IC 67-2803(17)
Any Amount	Procurement of used equipment at an auction if authorized by the governing board	IC 67-2803(18)
Any Amount	Emergency Expenditures	IC 67-2808(1)

Legal Reference: I.C. § 67-2801 et seq. Purchasing by Political Subdivisions

Policy History:

Adopted on: September 27, 2016

Revised on: November 28, 2017

Victory Charter School

FINANCIAL MANAGEMENT

7415

Authorizer Fee

Unless the Charter School's authorizing entity declines payment, the Charter School shall pay an authorizer fee to its authorizing entity by March 15th of each fiscal year in accordance with State law and administrative rules.

This fee shall be equal to the Charter School's proportional fee share of the moneys appropriated to the public charter school commission plus fifteen percent (15%).

The authorizer fee shall not exceed whichever of the following is greater:

1. All state funds distributed to public schools on a support unit basis for the prior fiscal year, divided by the statewide number of public school students in average daily attendance in the first reporting period in the prior fiscal year; or
2. Whichever of the following is less:
 - A. The result of the calculation described above multiplied by four (4); or
 - B. The result of the calculation described above multiplied by .015, then multiplied by the Charter School's average daily attendance in the first reporting period in the current fiscal year.

The Board of Directors may elect to divert up to ten percent (10%) of the authorizer fee to pay membership fees for an organization that provides technical assistance, training, and advocacy for Charter Schools.

Legal Reference: I.C. § 33-5208 Public Charter School Financial Support

Policy History:

Adopted on: September 27, 2016

Revised on:

Victory Charter School

FINANCIAL MANAGEMENT

7420

Personal Reimbursements

While it is recommended that all purchases of goods or services be made within established purchasing procedures, there may be an occasional need for an employee to make a purchase for the benefit of the Charter School from personal funds. In that event, an employee will be reimbursed for a personal purchase under the following criteria:

1. It is clearly demonstrated that the purchase is of benefit to the Charter School;
2. The purchase was made with the prior approval of an authorized administrator;
3. The item purchased was not available from resources within the Charter School; and
4. The claim for personal reimbursement is properly accounted for and documented with an invoice or receipt.

The Charter School business office will be responsible for the development of the procedures and forms to be used in processing claims for personal reimbursements.

Policy History:

Adopted on: September 27, 2016

Revised on:

Travel Allowances and Expenses

Every Charter School employee and Director will be reimbursed for approved travel expenses while traveling outside of the Charter School area and engaged in official Charter School business under any federal program awards. All travel expenses must be reported on the established travel expense and voucher forms and, for employees, approval must be granted prior to traveling by the employee's supervisor and the Principal.

The Charter School business office will be responsible for the development of procedures and forms to be used in connection with travel expense claims and reimbursements.

Travel Costs Under Federal Award

General: Travel costs are the expenses for transportation, lodging, food, and related items incurred by employees who travel on official business under a federal award. Such costs may be charged on an actual cost basis, or on a per diem mileage basis, or on a combination of the two, provided the method used is applied to an entire trip and not selected days of the trip.

Lodging and subsistence: Costs incurred by employees and officers for travel, including costs of lodging, other subsistence, and incidental expenses, shall be considered reasonable and otherwise allowable only to the extent such costs do not exceed charges normally allowed by the Charter School in its regular operations. If these costs are charged directly to the federal award, the Charter School will maintain documentation justifying the following:

1. Participation of the individual is necessary to the federal award; and
2. The costs are consistent with this policy and any related procedures.

Temporary dependent care costs above and beyond regular dependent care that directly results from travel to conferences are allowable provided that:

1. The costs are a direct result of the individual's travel for the federal award;
2. The costs are consistent with this policy and any related procedures; and
3. Are temporary, lasting only during the travel period.

Travel costs for dependents are unallowable, except for travel of duration of six months or more with prior approval of the federal awarding agency.

Commercial air travel: Airfare costs in excess of the basic, least expensive unrestricted accommodations class offered by commercial airlines are unallowable except when such accommodations would:

1. Require circuitous routing;

2. Require travel during unreasonable hours;
3. Excessively prolong travel;
4. Result in additional costs that would offset the transportation savings; or
5. Offer accommodations not reasonably adequate for the traveler's medical needs.

Documentation of Expenses

Expenses not in compliance with this policy shall not be reimbursed or paid by the Board.

Prior to reimbursement of actual and necessary expenses, the Charter School employee or Director must submit a detailed receipt indicating the date, purpose, and nature of the expense for each claim item and any appropriate travel expense or voucher form. Expenses requiring prior approval must also include a copy of the written prior approval. Employees shall submit their receipts, travel expense forms, and voucher forms to the Principal. The Principal and Directors shall submit such documentation to the Board. Failure to provide a detailed receipt will make the expense non-reimbursable.

In exceptional circumstances, the Board may allow a claim without a proper receipt. Written documentation explaining the exceptional circumstances will be maintained as part of the Charter School's record of the claim.

The Board directs the Principal to promulgate procedures specifying which expenses shall be reimbursable for travel of different distances and durations.

Legal Reference: I.C. § 33-701 Fiscal Year – Payment and Accounting of Funds
 2 C.F.R. § 474 Travel Costs

Policy History:

Adopted on: November 28, 2017

Revised on:

Victory Charter School

FINANCIAL MANAGEMENT

7450

Federal Cash Management

The Charter School will comply with applicable methods and procedures for payment that minimize the time elapsing between the transfer of funds and disbursement by the Charter School, in accordance with the Cash Management Improvement Act. Generally, the Charter School receives payment from the State Department of Education on a reimbursement basis.

However, if the Charter School receives an advance in federal grant funds, the Charter School will remit interest earned on the advanced payment quarterly to the federal agency. The Charter School may retain interest amounts up to \$500 per year for administrative expenses.

According to guidance from the U.S. Department of Education (USDE), when calculating the interest earned on USDE grant funds, regardless of the date of obligation, interest is calculated from the date that the federal funds are drawn down from the G5 system until the date on which those funds are disbursed by the Charter School.

Payment Methods

1. Reimbursements: The Charter School will initially charge federal grant expenditures to nonfederal funds.

The Charter School Grant Accountant or Business Manager will request reimbursement for actual expenditures incurred under the federal grants monthly. All reimbursements are based on actual disbursements, not on obligations. Reimbursement requests will be submitted on a Charter School form to the State Department of Education.

The Principal or his or her designee shall promulgate a procedure specifying any further requirements.

Consistent with state and federal requirements, the Charter School will maintain source documentation supporting the federal expenditures; such as invoices, time sheets, and payroll stubs; and will make such documentation available for the State Department of Education to review upon request.

Reimbursements of actual expenditures do not require interest calculations.

2. Advances: To the extent the Charter School receives advance payments of federal grant funds; the Charter School will strive to expend the federal funds on allowable expenditures as expeditiously as possible. Specifically, the Charter School shall attempt to expend all drawn downs of federal funds within 72 hours of receipt.

The Charter School will hold federal advance payments in interest-bearing accounts, unless an allowable exception applies. The Charter School will begin to calculate interest earned on cash balances once funds are deposited into the Charter School's account.

Interest will be calculated quarterly. Total federal grant cash balances will be calculated on cash balances per grant and applying the Charter School's **[choose one: actual/average]** interest rate. Within 30 days of the end of the quarter, the Charter School will remit interest earned. The Charter School may retain up to \$500 of interest earned per year.

The Principal or his or her designee shall promulgate a procedure specifying the process for remitting interest.

Legal Reference: 2 CFR § 200.305
31 CFR § 205

Payment
Rules and Procedures for Efficient Federal-
State Funds Transfers

Policy History:

Adopted on: September 27, 2016

Revised on:

Victory Charter School

FINANCIAL MANAGEMENT

7600

Declaration of Financial Emergency

This section and related Board policies shall apply in the instance of a financial emergency. However, any subsequently enacted statute or amendment to existing statutes shall control over this policy and replace this policy as well as all other related policies, procedures, and forms.

The Board of Directors is dedicated to sound and efficient financial management. Recognizing the limitations and fluctuations in funding and the potential negative impact on the Charter School's fiscal status due to historical revenue and/or expenditure issues, the Charter School must take specific action to ensure education remains the primary goal and responsibility of the Charter School. In the event the financial situation of the Charter School necessitates such action, the Board will consider a declaration of financial emergency.

Prior to declaring a financial emergency, the Board shall hold a public meeting for the purpose of receiving input concerning possible solutions to the financial problems facing the Charter School.

Legal Reference:	I.C. § 33-402	Notice Requirements
	I.C. § 33-515	Issuance of Renewable Contracts
	I.C. § 33-522	Financial Emergency
	I.C. § 33-801	School District Budget

Policy History:

Adopted on: September 27, 2016

Revised on: