



# Fiscal Policies and Procedures Handbook

# NEUSE CHARTER SCHOOL

## Fiscal Policies and Procedures Handbook

### Revision History

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### POLICIES OVERVIEW

The Board of Directors of Neuse Charter School (hereinafter BOD) has reviewed and adopted the following policies and procedures to ensure the most effective use of the funds of Neuse Charter School to support the mission and to ensure that the funds are budgeted, accounted for, expended, and maintained appropriately.

1. The BOD formulates financial policies and procedures, delegate's administration of the policies and procedures to the Executive Director and reviews operations and activities on a regular basis.
2. The Executive Director has responsibility for all operations and activities related to financial management.
3. Financial management and services will be provided by a third party vendor OR designated school staff, whichever is preferable to the BOD and prudent based on staff's capacity for performing required duties and impact to the finances. Designee for these services will hereinafter be referred to as "Financial Services."
4. Financial duties and responsibilities must be separated so that no one employee has sole control over cash receipts, disbursements, payrolls, and reconciliation of bank accounts.
5. All documentation related to financial matters will be completed by computer, word processor, typewriter, or ink.
6. The BOD will commission an annual financial audit by an independent third party auditor who will report directly to them. The BOD will approve the final audit report, and a copy will be provided to the charter-granting agency. Any audit exceptions and/or deficiencies will be resolved to the satisfaction of the BOD and the charter-granting agency.
7. The Executive Committee of the BOD can appoint someone else to perform the Executive Director's responsibilities in the case of absence.

### Annual Financial Audit

1. The Finance Committee of the BOD will select an auditor by March 1 prior to year-end (June 30) and recommend to the BOD for approval.
2. Any persons with expenditure authorization or recording responsibilities within the school may serve on the committee, but will have no vote in the selection of an auditor or independent CPA.
3. The Finance Committee will annually contract for the services of an independent certified public accountant to perform an annual fiscal audit.
4. The financial audit shall include, but not be limited to:
  - 4.1. An audit of the accuracy of the financial statements
  - 4.2. An audit of the attendance accounting and revenue accuracy practices
  - 4.3. An audit of the internal control practices

### PURCHASING

1. The Executive Director may authorize expenditures and may sign related contracts within the approved budget. The BOD must review and authorize 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

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check #, payee, date, and amount., AND the signature of two authorized BOD members on each printed check. The BOD must also approve contracts over \$2,000.00.

2. The Executive Director must approve all purchases. Purchase requisitions, authorizing the purchase of items greater than \$500 (format to be provided by Financial Services), must be signed by the Executive Director and submitted to Financial Services with the related invoice.
3. When approving purchases, the Executive Director must:
  - 3.1. Determine if the expenditure is budgeted
  - 3.2. Determine if funds are currently available for expenditures (i.e. cash flow)
  - 3.3. Determine if the expenditure is allowable under the appropriate revenue source
  - 3.4. Determine if the expenditure is appropriate and consistent with the vision, approved charter, school policies and procedures, and any related laws or applicable regulations
  - 3.5. Determine if the price is competitive and prudent. All purchases over \$2,000 must include documentation of a good faith effort to secure the lowest possible cost for comparable goods or services
4. Any individual making an authorized purchase on behalf of the school must provide Financial Services with appropriate documentation of the purchase.
5. Individuals other than those specified above are not authorized to make purchases without pre-approval.
6. Individuals who use personal funds to make unauthorized purchases will not be reimbursed. Authorized purchases will be reimbursed by a bank check as soon as possible after receipt of appropriate documentation of the purchase.
7. The Executive Director may authorize an individual to use a school credit card to make an authorized purchase on behalf of the school, consistent with guidelines provided by the Executive Director and/or BOD.
  - 7.1. The school card will be kept under locked supervision in the Executive Director's office, and authorized individuals must sign the credit card out and must return the credit card and related documentation of all purchases within 24 hours of the purchases, unless otherwise authorized by the Executive Director.
  - 7.2. If receipts are not available or are "missing", the individual making the charge will be held responsible for payment.
  - 7.3. Credit cards will bear the names of both Neuse Charter School and the Executive Director.
  - 7.4. Debit cards are not allowed.

### PETTY CASH

1. A designated staff member will manage the petty cash fund.
2. The petty cash fund will be capped at \$200.
3. All petty cash will be kept in a locked petty cash box in a locked drawer or file cabinet. Only the Executive Director and the designated staff member will have keys to the petty cash box and drawer or file cabinet.
4. All disbursements will require a completed and signed petty cash slip. A register receipt for all purchases must be attached to the petty cash slip.

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5. Financial Services will insure that the petty cash slip is properly completed and that a proper receipt is attached.
6. At all times the petty cash box will contain receipts and cash totaling \$200. A register receipt must support the petty cash slip. The individual using the petty cash to make a purchase is responsible for submitting the receipt for the petty cash slip to the designated staff member within 48 hours of withdrawing the petty cash.
7. When expenditures total \$100 (when cash balance is reduced to \$100), the designated staff member will total the disbursements, complete a petty cash reimbursement form, and obtain the approval of the Executive Director. This should be done on at least a quarterly basis. The petty cash slips and supporting receipts will be attached to the reimbursement request form and forwarded to Financial Services.
8. Petty cash fund reimbursement checks will be made payable to the Executive Director.
9. Any irregularities in the petty cash fund will be immediately reported in writing to the Executive Director, who will immediately inform members of the Finance Committee.
10. Loans will not be made from the petty cash fund.
11. Financial Services and/or the Finance Committee may conduct surprise counts of the petty cash fund.

### CONTRACTS

1. Consideration will be made of in-house capabilities to accomplish services before contracting for them.
2. 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 \$2,000.
  - 2.1. Competitive bids will be obtained where required by law or otherwise deemed appropriate and in the best interests of the school.
3. Written contracts clearly defining work to be performed will be maintained for all contract service providers (i.e. consultants, independent contractors, subcontractors).
  - 3.1. 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 Executive Director may also require that contract service providers list the school as an additional insured.
  - 3.2. All contracts will include the following indebtedness clause: "No indebtedness of any kind incurred or created by the charter school shall constitute an indebtedness of the State or its political subdivisions, and no indebtedness of the charter school shall involve or be secured by the faith, credit or taxing power of the state or its political subdivisions."
4. If the contract service provider is a sole proprietor or a partnership (including LP, and LLP), the designated staff member will obtain a W-9 from the contract service provider prior to submitting any requests for payments to Financial Services.
5. The Executive Director will approve proposed contracts and modifications in writing.
6. Contract service providers will be paid in accordance with approved contracts as work is performed.
7. The Executive Director will be responsible for ensuring the terms of the contracts are fulfilled.

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8. Potential conflicts of interest will be disclosed upfront, and the Executive Director and/or Member(s) of the BOD with the conflict will excuse themselves from discussions and from voting on the contract.

## ACCOUNTS PAYABLE

### Bank Check Authorization

1. All original invoices will immediately be forwarded to the Executive Director for approval.
2. The Executive Director will carefully review each invoice, attach all supporting documentation, 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. If a packing list is not included, the designee will reference the original order. The packing list and/or original order should be filed with the invoice, and the invoice should be submitted to Financial Services with any corrections noted. The designated staff member will adjust the invoice for any missing items noted on the packing list before sending to Financial Services for payment.
3. Once approved by the Executive Director, he/she will indicate check authorization on the invoice and complete the required information, including noting the specific budget line item on the associated invoice log that is to be charged for the specified expenditures. The invoice log, invoice and supporting documentation will be sent to Financial Services on at least a weekly basis (Executive Director should be aware of invoice due dates to avoid late payments). Financial Services will then process the invoices with sufficient supporting documentation.
4. The Executive Director may authorize Financial Services to pay recurring expenses (e.g. utilities) without the Executive Director'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 Financial Services in writing and updated on an annual basis.

### Bank Checks

1. The BOD will approve, in advance, the list of authorized signers on the school account to include BOD members serving on the Finance Committee, the Board Chair, and one other board member as designated by the BOD. (this will take effect in the 2017-18 school year)
2. The BOD will authorize the Finance Committee to open and close bank accounts.
3. Financial Services and the Executive Director will be responsible for all blank checks and will keep them under lock and key.
4. When there is a need to generate a bank check, the Executive Director will send appropriate approved documentation to Financial Services.
5. Once approved by the Executive Director, Financial Services processes the check based on the check authorization prior to obtaining the appropriate signature(s).
6. All checks require the signature of two authorized BOD members.
7. Checks may not be written to cash, bearer, or petty cash. Under no circumstance will any individual sign a blank check.



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8. Financial Services will record the check transaction(s) into the appropriate checkbook and in the general ledger.
9. Financial Services will distribute the checks and vouchers as follows:
  - 9.1. Original – mailed or delivered to Neuse Charter School for signature
  - 9.2. Duplicate or voucher – attached to the invoice and filed by vendor name by a Financial Services Account Executive.
  - 9.3. Cancelled Checks – filed numerically with bank statements by a Financial Services Account Executive.
  - 9.4. Voided checks will have VOID written in ink. The original check will be attached to the duplicate and forwarded to Financial Services who will attach any other related documentation as appropriate.

### Bank Reconciliation

1. Bank statements will be accessed by the designated member of the finance and accounting team assigned to the school at Financial Services.
2. Financial Services will examine all paid checks for date, name, cancellation, and endorsement. Any discrepancies regarding the paid checks or any checks over 90 days will be researched and if applicable adjusted accordingly.
3. A Financial Services Account Executive will prepare the bank reconciliation, verifying the bank statements and facilitating any necessary reconciliation.
4. The Financial Services Account Executive will compare the reconciled bank balance to the cash in the bank account and to the general ledger, immediately reporting any material discrepancies to the designated member of the finance and accounting team assigned to the school and the Executive Director.
5. The Financial Services Account Executive will prepare a monthly summary report to be approved by the designated member of the finance and accounting team assigned to the school.

### ACCOUNTS RECEIVABLE

1. Documentation will be maintained for accounts receivable and forwarded to Financial Services.
2. Accounts receivable will be recorded by Financial Services in the general ledger and collected on a timely basis.

### Cash Receipts (Cash and Checks)

1. For each fundraising or other event directly sponsored by the school in which cash or checks will be collected, a Volunteer Coordinator will be designated, who will be responsible for collecting and holding all cash and checks for the purpose of the fundraising activity.
  - 1.1. The Volunteer Coordinator will record each transaction in a receipt book at the time the transaction is made, with a copy of the receipt provided to the donor.
  - 1.2. The cash, checks, receipt book, and deposit summary must be given to the school designated staff member by the end of the next school day, who will immediately put the funds in a secure, locked location.

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- 1.3. Both the Volunteer Coordinator and the designated staff member will count the deposit and verify the amount of the funds in writing.
2. Cash/checks dropped off at the school office will be placed directly into a lock box by the person dropping off the cash/checks.
  - 2.1. All funds are 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.
  - 2.2. The designated staff member and one other staff member will jointly open the lock box to verify the cash/check amounts, and sign off on the amounts received.
  - 2.3. The lock box will be emptied at least two times per week, corresponding to days when deposits are made.
3. Cash/checks dropped off in the classroom will utilize the teacher/classroom receipt bags. Each teacher/classroom has a designated receipt bag assigned to the teacher/classroom. Each morning, the homeroom teacher assigned to that classroom will collect all forms, payments, etc. that have been brought in by students that day, receipt any monies collected, and place all monies and receipt books in the teacher/classroom receipt bag. Before lunchtime, a staff member shall bring receipt bags to the office, where they will be processed daily following the guidelines used for the lock box, above.
4. Business Mail received at the school must be opened in the presence of at least two office staff members (who may be an office staff member or an aide).
  - 4.1. For any cash or checks received in the mail, the designated staff member will prepare a deposit packet itemizing the amount, source, and purpose of each payment, with another staff member counting the funds and verifying this in writing.
5. No less than twice a week, the designated staff member will log cash or checks received into the Cash Receipts Log. The Cash Receipt logs should be sent to Financial Services with the weekly mailing of invoices.
6. All checks will be scanned, logged and deposited using an automated check processing machine approved for use by the school's banking institution. When/if the machine is unavailable, checks will be immediately endorsed with the school deposit stamp.
7. A deposit slip will be completed by the designated staff member and initialed by the Executive Director 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.
8. Deposits totaling greater than \$2,000 will be deposited within 24 hours by the designated school employee. Deposits totaling less than \$2,000 will be made weekly by the designated school employee. All cash will be immediately put into a lock box.
9. The duplicate deposit slip and deposit receipt will be attached to the deposit documentation and forwarded to Financial Services to be filed and recorded weekly.

### **Volunteer Expenses**

1. All volunteers will submit a purchase requisition form to the Executive Director for all potential expenses.

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- 1.1. Only items with prior written authorization from the Executive Director will be paid/reimbursed.

### Returned Check Policy

1. A returned-check processing fee will be charged for checks returned as non-sufficient funds (NSF). Unless otherwise pre-approved by Financial Services or the Executive Director, payment of the NSF check and processing fee must be made by money order or certified check.
2. 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.
3. 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 Executive Director and/or BOD.
4. If unsuccessful in collecting funds owed, the school may initiate appropriate collection and/or legal action at the discretion of the Executive Director and/or BOD.

### PERSONNEL

1. All new and continuing employee contracts must be approved by the BOD, including that of the Executive Director.
2. The Executive Director will be accountable for all new employees completing or providing all of the items on the attached Personnel File Checklist.
3. The Executive Director will be accountable for maintaining this information in the format as shown on the Personnel File Checklist.
4. An employee's hiring is not effective until the employment application, background check, form W-4, form I-9, and health insurance forms have been completed.
5. A position control list will be developed during budget season. Financial Services will notify the BOD of any variances to the position control throughout the year.

### PAYROLL

#### Timesheets

1. All classified 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.
2. The completed timesheets will be submitted to the Office Manager on the last working day of the designated payroll period. A payroll log including adjustments based on collected time sheets will be submitted to Financial Services in accordance with the annual schedule, which will be approved by both parties prior to the start of each fiscal year.
3. 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.

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4. 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

1. Advanced approval in writing by the authorized supervisor is required for compensatory time and overtime.
2. Overtime only applies to classified employees and is defined as hours worked in excess of forty (40) hours within a work week. Any hours worked in excess of forty (40) hours must be pre-approved by the supervisor, unless it is prompted by an emergency. No overtime will be paid without the approval of the employee's supervisor. 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 Executive Director for further guidance.

### Payroll Processing

1. 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 Executive Director 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. The Office Manager will submit a payroll log including information from timesheets to Financial Services who will verify the calculations for accuracy.
2. For salaried employees, employees must follow established check-in procedures, procedures to be reviewed annually for efficacy. The Office Manager will provide the designated school employee with any payroll-related information such as sick leave, vacation pay, and/or any other unpaid time.
3. For substitute teachers, the Office Manager will maintain a log of teacher absences and the respective substitutes that work for them. Administration will verify that the substitutes complete the daily substitute form verifying completion of duties. This form will be verified and signed and kept on file.
4. The Executive Director will notify financial services of all authorizations for approved stipends.
5. Financial Services will prepare the payroll based on the payroll log from the designated school employee.
6. Payroll will be processed through automatic deposit; all employees must submit an authorization for automatic deposit prior to receiving their first payroll check. In the event a payroll check must be issued, it will be delivered to the school. The Executive Director will document receipt of the paychecks and/or paycheck stubs and review the paychecks and/or paycheck stubs prior to distribution.

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### Payroll Taxes and Filings

1. Financial Services will prepare payroll check summaries, tax and withholding summaries, and other payroll tracking summaries.
2. Financial Services will prepare the state and federal quarterly and annual payroll tax forms, review the forms with the Executive Director and BOD, and submit the forms to the respective agencies.

### Record Keeping

1. The Office Manager will maintain written records of all full time employees' use of sick leave, vacation pay, and any other unpaid time.
2. The Office Manager will immediately notify the Executive Director if an employee exceeds the accrued sick leave or vacation pay, or has any other unpaid absences.
3. Records will be reconciled when requested by the employee. Each employee must maintain personal contemporaneous records.

## EXPENSES

### Expense Reports

1. Employees will be reimbursed for approved expenditures within fourteen (14) business days of presentation of appropriate documentation.
2. Employees will complete expense reports monthly, as necessary, to be submitted to the Executive Director for review and, upon approval, will be submitted to Financial Services for processing.
3. Receipts or other appropriate documentation will be required for all expenses to be reimbursed.
4. The employee and the Executive Director must sign expense reports.
5. Executive Director expense reports should be approved by a member of the BOD and always be submitted to Financial Services for processing and payment.
6. Expenses greater than two months old will not be reimbursed, unless otherwise approved by the BOD.

### Travel

1. Employees will be reimbursed for mileage when pre-approved by an administrator. 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.
2. The Executive Director must pre-approve all out of town travel.
3. Employees will be reimbursed for overnight stays at hotels/motels when pre-approved by the Executive Director and the event is more than 60 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 school's established per diem rate for any breakfast, lunch, or dinner that is not included as part of the related event.
4. Travel advances require written approval from the Executive Director.

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5. Travel advances require receipts for all advanced funds.
6. After the trip, the employee must enter all of the appropriate information on an expense report and submit it to the Executive Director for approval and then on to Financial Services for processing.
7. If the advance exceeds the amount of the receipts, the employee will pay the difference immediately in the form of a check.
8. 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.

### Board of Directors Expenses

1. The individual incurring authorized expenses while carrying out the duties of the school will complete and sign an expense report.
2. The Executive Director will approve and sign the expense report, and submit it to Financial Services for payment.

## FINANCE

### Financial Reporting

1. In consultation with the Executive Director, Financial Services will prepare the annual financial budget for approval by the BOD.
2. Financial Services will submit a monthly budget report and monthly revenue and expense summaries to the Executive Director including a review of the discretionary accounts and any line items that are substantially over or under budget (\$5,000 or +/- 10% of established budget, whichever is greater). The report will be reviewed at the scheduled board meeting and action will be taken, if appropriate.
3. Financial Services will provide the Executive Director and/or BOD with additional financial reports, as needed.

### Loans

1. The Finance Committee shall review all loan provisions and present to the BOD for approval.
2. Once approved, a promissory note will be prepared and signed by the Board Chair or Designated Officer before funds are borrowed.
3. Employee loans are not allowed under any circumstances.

### Financial Institutions

1. All funds will be maintained at a high quality financial institution.
2. All funds will be maintained or invested in high quality, short maturity, and liquid funds.
3. Physical evidence will be maintained on-site for all financial institution transactions.

### Retention of Records

1. Financial records, such as transaction ledgers, canceled/duplicate checks, attendance and entitlement records, payroll records, and any other necessary fiscal documentation will be retained

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for a minimum of seven (7) years. At the discretion of the BOD or Executive Director, certain documentation may be maintained for a longer period of time.

2. Financial Services will retain records at their site for a minimum of two (2) years; after which, the remaining five years will be the responsibility of the School.
3. Financial records will be shredded at the end of their retention period.
4. 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.

## RESERVES/INSURANCE/LIABILITIES/ASSETS

### Funds Balance Reserve

1. A funds balance reserve of the total unrestricted General Funds revenues will be maintained in accordance with general statutes and/or requirements/recommendations set forth by NCDPI and/or the NC Office of Charter Schools.
2. Financial Services will provide the Executive Director with budget reports on a monthly basis. It is the responsibility of the Executive Director and the BOD to understand the school's cash situation. It is the responsibility of the Executive Director to prioritize payments as needed. The Executive Director has responsibility for all operations and activities related to financial management and will work closely with the Finance Committee to ensure fiscal responsibility is maintained.

### Insurance

1. The Finance Committee, will work with the Executive Director and Office Manager to ensure that appropriate insurance is maintained at all times with a high quality insurance agency.
2. The Executive Director and Office Manager will maintain the files of insurance policies, including an up-to-date copy of all certificates of insurance, insurance policies and procedures, and related claim documentation.
3. The Executive Director and Office Manager, in conjunction with the Finance Committee, will carefully review insurance policies on an annual basis, prior to renewal.
4. Insurance will include property, general liability, worker's compensation, student accident, professional liability, and directors' and officers' coverage. Additional coverage may be required from time-to-time to provide insurance protection for future risks that may arise, like after-hours and weekend activities.

### Asset Inventory

1. An asset is defined as all items, purchased or donated, with a value of \$1,000 or more and with a useful life of more than one year.
2. Designated staff will file all receipts for purchased assets and notify the Media/Technology Coordinator with pertinent information to add to the inventory log.

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3. Media/Technology Coordinator will maintain an inventory or log of all assets. The log will include the original purchase price and date, a brief description, serial numbers, and other information appropriate for documenting assets.
4. Media/Technology Coordinator will take a physical inventory of all assets at least 90 days before the end of each fiscal year, indicating the condition and location of the asset.
5. The Executive Director will immediately be notified of all cases of theft, loss, damage or destruction of assets.
6. The Executive Director will submit to the BOD Facilities Committee written notification of plans for disposing of assets with a clear and complete description of the asset and the date of disposal.

### Parking Lot Liability

1. The school assumes no liability for damage to cars:
  - 1.1. Parked in the parking lot during school hours
  - 1.2. Parked in the parking lot after school hours
2. The only exception to this policy will be when a student is observed by an adult accidentally causing damage to a vehicle while engaged in a school activity, such as physical education equipment breaking a window (e.g. a ball)
3. Otherwise, liability is as follows:
  - 3.1. If a student willfully causes damage (i.e. not an accident as described above), the student's parent or guardian is responsible.
  - 3.2. If a parent or other visitor causes damage, that individual is responsible.
  - 3.3. If an employee causes damage, the employee is responsible.
  - 3.4. If an unknown person causes damage and there is no witness, the affected individual would determine if they have applicable coverage through his/her individual insurance policies.

## FEDERAL FUNDING

### Cash Management

1. Prior to each draw down request, the Financial Services account executive reviews the general ledger to determine the exact amount of cumulative expenditures to date and reviews and calculates the exact amount of payroll and/or other payables that will be paid out within three business days once the payment is received. The Financial Services account executive verifies with a designated staff member from the school's Business Office that legible, satisfactory source documentation is on file to support each cost included in the request for payment. Prior to the draw-down request, the Financial Services account executive reviews and verifies the accuracy of the amount to be requested with a designated staff member from the school's Business Office. The Financial Services account executive requests draw down and certifies that the expenditures are true and correct and that the deposit received will be paid out within three business days of receipt in the Neuse Charter School depository account.
2. No later than four days after draw down was requested, the Financial Services account executive will verify that the deposit was received in the Neuse Charter School depository account and prepare any checks or direct deposit payroll. The Financial Services account



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executive will notify the designated staff member in the school's Business Office that payment has been received and the account executive will immediately process said payroll or other payables. The Financial Services account executive will verify all payments to ensure that no funds are being paid out for goods and services not actually received and to verify that all funds received for a particular payment are paid out and do not remain on deposit in the Neuse Charter School depository account.

### Time and Effort Reporting

All charges to payroll for personnel who work on one or more federal programs or cost objectives must be based on one of the following, depending on the circumstances:

1. **Semiannual certification** – for employees who work 100% of the time on a single program and/or cost objective in which case a signed and dated job description must be in the employee's personnel file
  - 1.1. Each employee must have a current job description on file. The immediate supervisor or manager is responsible for developing a complete and accurate job description for each employee under his or her supervision, in accordance with Neuse Charter School policies and procedures. The job description must describe the employee's job responsibilities as well as delineate all programs or cost objectives under which the employee works.
  - 1.2. Job descriptions must be updated as new assignments are made. The supervisor must review the job description with the employee upon hiring and as the job description is updated. The employee must sign and date that he or she has read and understands the job description and the programs under which he or she is working.
2. **Personnel Activity Report** – for employees working on more than one program and/or more than one cost objective
  - 2.1. Employees must prepare time-and-effort summary reports at least monthly (or every other week, as applicable) to coincide with pay periods. Such reports must reflect an after the fact distribution of 100% of the actual time spent on each activity and must be signed by the employee.

### Reconciliation and Closeout Procedures

1. If using budget estimates, NCS will periodically, at least quarterly, reconcile payroll charges to the actual time and effort reflected in the employees' time-and-effort records. If the quarterly (or more frequent) reconciled difference between the actual and budgeted amounts is 10% or greater, two things will occur:
  - 1.1. NCS will adjust its accounting records to reflect the costs based on the actual time and effort reported.
  - 1.2. To minimize future differences, NCS will revise the budget estimates for the following quarter to reflect the actual distribution, if necessary.
2. If the reconciled difference is less than 10%, NCS will adjust the accounting records annually. But in all cases, the accounting records will be adjusted to reflect actual time-and-effort records.

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3. At the end of each fiscal year, the Financial Services account executive and the designated staff member in the NCS Business Office will review all time and effort reports for accuracy, verifying appropriate signatures and dates are included. All records will be filed in the NCS Business Office.
4. In the event an employee terminates employment prior to the end of a fiscal year, all outstanding time and effort reporting documentation will be collected during their exit interview. All records will be filed in the NCS Business Office.

# NEUSE CHARTER SCHOOL

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### STANDARD OPERATING PROCEDURES

The BOD has reviewed and adopted the preceding policies and procedures to ensure the most effective use of the funds of Neuse Charter School to support the mission and to ensure that the funds are budgeted, accounted for, expended, and maintained appropriately. This section outlines Standard Operating Procedures (SOP) developed by staff for implementation of these policies. In the absence of a SOP, refer to the policy for procedural guidance.

### FEDERAL FUNDING: Time and Effort Reporting

*All charges to payroll for personnel who work on one or more federal programs or cost objectives must be based on one of the following, depending on the circumstances:*

- 1. Semiannual certification** – *for employees who work 100% of the time on a single program and/or cost objective in which case a signed and dated job description must be in the employee's personnel file*

To ensure timely and accurate record keeping for the Semi-annual certification, reporting procedures will follow the fiscal year such that:

1. Reporting cycles for Time and Effort Reporting will be defined as January 1 through June 30, and July 1 through December 31 each year.
2. Time and Effort Reporting forms will be completed within three months of the end of each reporting cycle.
  - 2.1. Forms shall be completed by the EC Director or appropriate Academy Leader
  - 2.2. Forms shall be kept on file in the Business Office



# NEUSE CHARTER SCHOOL

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### Appendix B: Sample Personnel File Checklist



#### New Employee Checklist

Employee Name: \_\_\_\_\_ Hire Date: \_\_\_\_\_

- \_\_\_\_\_ Employee Information Sheet
- \_\_\_\_\_ Payroll Profile Sheet
- \_\_\_\_\_ NC Wise
- \_\_\_\_\_ Staff Handbook
- \_\_\_\_\_ W4
- \_\_\_\_\_ NC4EZ
- \_\_\_\_\_ Background Check
- \_\_\_\_\_ I9
- \_\_\_\_\_ Driver License
- \_\_\_\_\_ Direct Deposit Form
- \_\_\_\_\_ Favorite Things sheet
- \_\_\_\_\_ BC/BS Info Sheet
- \_\_\_\_\_ Guardian
- \_\_\_\_\_ VSP
- \_\_\_\_\_ Flex
- \_\_\_\_\_ Copy of License
- \_\_\_\_\_ Copy of either Passport OR Driver's License AND Social Security Card
- \_\_\_\_\_
- \_\_\_\_\_
- \_\_\_\_\_
- \_\_\_\_\_

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### Appendix C: Sample Time Sheet

NEUSE CHARTER SCHOOL		<b>Neuse Charter School Payroll Time Sheet</b>								NEUSE CHARTER SCHOOL	
Name:										<b>Please complete one form</b>	
Address										<b>PER area of paid service:</b>	
Contact #										<input type="checkbox"/> Regular Employee <input type="checkbox"/> Extra Duty <input type="checkbox"/> Substitute	
For the Pay Period Beginning		and Ending									
	Date	Time In	Time Out	Time In	Time Out	Total hours:	Description*/Subbing For				
Mon											
Tues											
Wed											
Thur											
Fri											
<b>TOTAL Week 1</b>											
Mon											
Tues											
Wed											
Thur											
Fri											
<b>TOTAL Week 2</b>											
Mon											
Tues											
Wed											
Thur											
Fri											
<b>TOTAL Week3</b>											
Mon											
Tues											
Wed											
Thur											
Fri											
<b>TOTAL Week 4</b>											
Mon											
Tues											
Wed											
Thur											
Fri											
<b>TOTAL Week 5</b>											
<b>TOTAL TIME WORKED FOR THIS PAY PERIOD:</b>											
I hereby certify that the above report of time is a correct statement and indicates hours worked each day for the period indicated at the top of the page.											
Signature						Date					
Administration Signature						Date					
*Employee Codes: SL=Sick VL=Vacation, AL=Annual, NP=No Pay											

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Regular Employee

Please Check One:

☐ Teacher Assistant

☐ Custodial Staff

☐ Office

Substitute/Extra Duty

Pay Periods\*\*

2016-17

Pay Period	Pay Day
8/18-9/14	9/28
9/15-10/14	10/28
10/15-11/8	11/22
11/9-12/6	12/20
12/7-1/13	1/27
1/14-2/14	2/28
2/15-3/14	3/28
3/15-4/14	4/28
4/15-5/5	5/19
5/6-6/14	6/28

\*\*Time Sheets are due on the last day of the pay period.

Regular Hourly EE

Pay Periods

2016-17

Pay Period	Pay Day
September	9/28
October	10/28
November	11/22
December	12/20
January	1/27
February	2/28
March	3/28
April	4/28
May	5/19
June	6/28

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### Appendix D: Sample Overtime Approval Form



#### OVERTIME APPROVAL REQUEST FORM

No one may be paid for overtime unless this form has been completed in advance of the overtime work. Overtime is paid only when forty (40) hours have already been worked within one normal work week (12:01 Sunday through midnight Saturday). Overtime is NOT paid for working over either hours in one day. Completion of this form is the responsibility of the employee.

NAME: \_\_\_\_\_ DEPT: \_\_\_\_\_  
DATE: \_\_\_\_\_ JOB CLASSIFICATION: \_\_\_\_\_

Date forty hours have been or will be worked within work week: \_\_\_\_\_  
Estimated number of hours of overtime needed: \_\_\_\_\_

Please give explanation of work that needs to be done beyond forty hours:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

\_\_\_\_\_  
Signature of Employee

\_\_\_\_\_  
Date

\_\_\_\_\_  
Signature of Administration

\_\_\_\_\_  
Date

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### Appendix E: Sample Leave Request Form

NEUSE CHARTER SCHOOL		<b>Neuse Charter School Sick Leave Request</b>				NEUSE CHARTER SCHOOL	
Each employee must fill out this form when an absence occurs. Employees should strive to plan ahead and request a substitute in a timely fashion. In an emergency situation, please fill out this form as soon as you return to work. If you have any questions about leave, please refer to the Employee Leave Information in the Staff Handbook.							
Name:							
Position:							
Today's Date:							
Date of Leave:							
	_____ Full Day		_____ Morning		_____ Afternoon		
Reason:							
Time of Planning Period:							
I am responsible for	_____ Morning Duty		_____ Afternoon Duty				
<i>*If this is a leave as a result of a serious, ongoing medical condition, please also complete FMLA Paperwork.</i>							
Employee Signature:						Date:	
Supervisor Signature:						Date:	
FOR OFFICE USE:							
Substitute Assigned:							
	Sub Calendar						
	Sub Tracking Sheet						
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### Appendix F: Sample Expense Reimbursement Form

909 E. Booker Dairy Rd.  
Smithfield, NC 27577  
919.626.2300  
919.938.1079 (fax)



Ms. Susan Pullium  
*Executive Director*  
Ms. Sharon Johnson  
*Principal*

#### Expense Reimbursement Form

Name: \_\_\_\_\_ Date: \_\_\_\_\_

\_\_\_\_\_ Staff \_\_\_\_\_ Student \_\_\_\_\_ Parent \_\_\_\_\_ Other

Address: \_\_\_\_\_

Phone: \_\_\_\_\_ Email: \_\_\_\_\_

Trip/Reason for Reimbursement: \_\_\_\_\_

DATE	DESCRIPTION (including addresses if requesting mileage)	COST
	TOTAL REIMBURSEMENT	\$

*Mileage Rates: \$0.54/mile*

*Lodging Rates (actual, up to): \$67.30*

*Per Diem Rates (actual, up to): Breakfast - \$8.30, Lunch - \$10.90, Dinner - \$18.70 for overnight stays*

*\*Expenses must be submitted within 60 days with receipts. Please allow 2-4 weeks for reimbursement.*

\_\_\_\_\_  
Signature of Requestor

\_\_\_\_\_  
Signature of Approval

For Office Use Only:

Date Processed:	Check #:	Check Amt.:	Funding Source:	Business Office Signature:

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