

Ross Valley Charter
Financial Policies and Procedures
Adopted June 17, 2021

I. PURCHASES

- A. Authorization of Expenditures: All purchases of goods and services shall be consistent with the Board-approved budget. These purchases shall not require Board-approved/executed contracts, with the exception of expenditures in amounts greater than \$10,000. All expenditures under \$10,000 must be approved by the School Director, Board Chair or Treasurer who will review the proposed expenditure to determine whether it is consistent with the Board adopted budget.
- B. Contracts
1. All professional consulting services shall be provided for under a contract.
 2. Contracts for other goods and services exceeding \$10,000 shall be presented to the Board for approval prior to signing.
- C. Commitments and Purchase Orders
1. Expenditures over \$500 but under \$10,000 must be approved by one of the following authorized positions: School Director or Board Chair or Treasurer.
 2. Items under \$500 do not need express approval but should be in the context of the budget.
- D. Invoices
1. All Invoices or other items for payment by check must be approved by two of the following authorized positions: School Director, or Board Chair. In the case of an emergency need for a manual check, if one of these two is unavailable for signing, the Secretary can be one of the two check signers.
- E. Accounts Payable: The school shall abide by EdTec accounts payable policies and procedures set forth separately.
- F. Debit Card Usage: The use of School credit cards shall not be allowed for any School purchase. The School Director and the Secretary shall be issued school debit cards on a separate checking account whose balance shall be kept under \$2,000. The Business Official will monitor the balance in this account. These cards will be used in place of petty cash for purchases of immediately needed items and services. The statements for these cards will go the Business Official and be coded and have back-up provided monthly through the normal EdTec Accounts Payable Process.
- G. Other Electronic Payments: Other electronic methods (wire, ACH, etc.) shall not be permitted for payment of any expenses or reimbursements without the approval of the School Director and Board Chair. Currently this includes certain debits for afterschool software provider expenses and PGE bills.
- H. Employee Reimbursements: Business use of telephones or cell phones shall be reimbursed. Business meals shall be reimbursed using standard applicable IRS

guidelines. Under no circumstances shall alcohol be reimbursed. The School Director must obtain the Board Chair's authorization on reimbursement requests payable to the School Director.

- I. Petty Cash: RVC will not have a Petty Cash capacity. Miscellaneous expenses under \$500 will be handled on a reimbursement basis.
- J. Personal Use of School Funds: Use of School funds for personal use is prohibited. Violation of this policy shall result in discipline up to and including dismissal or removal, including from the Board.

II. BANKING

A. General Checking Account

- 1. The Board shall authorize the establishment of commercial bank accounts for the purposes of School operations. Funds will be deposited in non-speculative accounts including federally-insured savings and/or checking accounts and/or invested in non-speculative federally-backed instruments and/or standard money market accounts.
- 2. The General Checking Account shall be the primary account for School needs. Authorized signatories to this account shall be the Board Chair, the Secretary and the School Director. All checks must be signed by two authorized people.
- 3. In addition, the School will maintain an interest bearing money market savings account and a separate checking account for use of the debit cards. The Business Official shall have signing authority on this account for the purposes of transferring money between these three accounts as needed. The Business Official shall not sign checks. It is the responsibility of the Business Official to monitor the cash balances in all three accounts and ensure that there is enough cash to make payments.
- 4. Edtec will produce cash flow statements as part of its forecast and budget updates and if a cash shortfall is anticipated, the School Director and Business Official will make recommendations on how to resolve the shortfall.
- 5. The General Checking Account shall be reconciled monthly by an EdTec accountant that does not have the ability to approve expenses or disperse funds from the account.

B. Deposits of Receipts –

- 1. The School will deposit all funds received as soon as practical upon receipt. The Office Manager will open all mail on a daily basis, immediately sort all checks and deposit them into the General Checking account after making pdf copies for backup.
- 2. The Office Manager or designee will keep a permanent record of all cash receipts, including the date they were deposited into the General Checking account.

III. TRAVEL POLICIES

A. Employee Mileage Reimbursement

1. All employees are reimbursed at the standard mileage rate per mile for out of District business travel as determined by the Internal Revenue Service for use of their own vehicle for business related travel pre-approved by their supervisor. In addition, parking fees and tolls paid are reimbursable if supported by receipts.
2. All employees requesting such mileage reimbursement are required to furnish an Expense Report containing the destination of each trip, its purpose and the miles driven, parking fees and tolls, within one month after the travel date, supported by receipts, if applicable.

IV. OTHER PRACTICES

Budget Adoption: A budget shall be adopted by the Board no later than June 30 prior to the start of each new fiscal year, or earlier if required by the authorizing entity. During the course of the year, the Board may adopt an amended budget as expenses and revenue projections change. This will be done at least twice, in December and March.

A. Audit

1. An annual audit by an outside firm shall be performed each year on the close of the prior year's books. The audit shall be performed in advance of the December 15 statutory audit deadline. The audit shall include, but not be limited to, (1) an audit of the accuracy of the School's financial statements, (2) an audit of the School's attendance accounting and revenue claims practices, and (3) an audit of the School's internal controls practices.
2. If the School receives over \$750,000 from federal sources, the audit shall be prepared in accordance with any relevant Office of Management and Budget audit circulars.
3. By April 1 of each year, the School must contract with an auditor from the Certified Public Accountants Directory Service (CPADS) provided by the California State Controller's Office (SCO). Ross Valley will have a two member Audit Committee appointed by the board.
4. At the conclusion of the audit, this Committee will review the audit with the Board and propose any changes necessary in operating procedures to comply with audit findings.
5. Form 990 Federal Tax Return: The selected audit firm will prepare the Form 990 tax return and send a copy to the School Director and Business Official. The School Director and Business Official will review. and send a copy to the Board of Directors for its review. Once approved by the Board, the school will notify the audit firm who will then prepare the final return for filing Federal and State Returns. The return will be signed by the School Director (who is President of the Corporation).

B. Board Meetings: The Board shall at least quarterly review financial statements at Board meetings, in June, when the next year budget is adopted, in September with the close of the previous fiscal year, in December when the first interim budget is approved, and in March when the second interim budget is approved.

C. Conflict of Interest: Any Board member with a financial interest in a matter presented to the Board shall fully disclose such interest prior to Board discussion on the issue and shall recuse themselves from the discussion and voting on the matter. The Board has a separate more comprehensive policy on conflict of interest, and complying with the Fair Political Practices Act.

D. Payroll

1. New Employees: Requests for new employees shall be initiated by the School Director and be consistent with the approved annual personnel budget. New employees shall complete an Application for Employment and all necessary paperwork for payroll. All new employees will be approved by the board after they are hired.

2. Employees shall accrue vacation and sick leave time based on the personnel policy of the School.

3. Timekeeping (for hourly staff)

a) The School Director shall develop procedures to ensure accurate and timely preparation of timesheets for hourly employees.

b) Authorized timesheets shall be forwarded to EdTec according to EdTec policies and procedures set forth separately. Payroll processing and payment shall take place according to EdTec policies and procedures set forth separately.

c) Bi-monthly payroll shall be approved by the School Director and the Business Official.

E. Independent Contractors: The School shall only engage independent contractors if all of the following practices are followed:

1. The expense is within the approved budget or separately approved by the Board;

2. The contractor provides proof of adequate insurance and IRS form W-9;

3. IRS rules are followed regarding classification of staff as contractors versus employees; and

4. The work is done under contract.

F. Capitalization and Depreciation:

The School will capitalize and depreciate all assets costing \$5,000 or more. All other assets are charged to expense in the year incurred.

Capitalized assets are recorded at cost and depreciated under the straight-line method over their estimated useful lives which can range from:

- Leasehold Improvement – Lease term

- Equipment – 3 years
- Furniture – 5 years

Repair and maintenance costs, which do not extend the useful lives of the assets, are charged to expense. The cost of assets sold or retired and related amounts of accumulated depreciation are eliminated from the asset accounts, and any resulting gain or loss is included in the earnings in the year.

G. Disposal of Surplus Property and Donations:

Surplus property shall mean property that is no longer in use, is damaged beyond repair, or that the School feels will have no future value to the School's program, and that is declared to be surplus property by the Board. If the School wishes to dispose of equipment or other surplus property, the Board shall declare the property surplus and shall direct the staff on the actual means of disposal of the property, such as sale, donation, or destruction and disposal.

If the School wishes to sell equipment or other surplus property, the Board shall direct the staff by giving specific guidance regarding the manner in which such property is to be sold.

If the School wishes to donate equipment or other surplus property, the Board shall declare the property surplus and authorize the donation. Requirements for potential recipient organizations shall include: (1) the recipient organization is fully independent of the School, with none of the Charter Board members or key personnel involved in the recipient organization; and (2) the recipient organization shall be a non-profit or governmental entity related to education. In addition, the School shall secure a receipt from the recipient organization for the donated property, and shall remove the asset from the School's books and record the donation as required by state and federal audit guidelines.

Property Acquired with Federal Grant Funds

If the property in question cost \$5,000 or more at the time of acquisition and was acquired with federal grant funds, the School shall notify the federal contract administrator prior to donating or disposing of such property as provided above.