



**FINANCIAL POLICIES
AND
PROCEDURES
2024-2025**

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1. INTRODUCTION

It is the intent of these Financial Policies and Procedures to provide a framework for the financial management of Nevada Prep Charter School ensuring compliance with the Nevada state laws and best practices in charter school finance and to implement both the letter and spirit of all applicable State and Federal policies and regulations regarding the expenditure of and accounting for public funds. The policies herein promote financial integrity, accountability, and sustainability. These Policies and Procedures may need to be modified as the school develops, and regulations change. The Board of Directors (“Board”) should approve these financial policies, and revisit them periodically.

The school board of Nevada Prep has reviewed and adopted the following policies and procedures to ensure the most effective use of funds for Nevada Prep Charter school and to support the mission of ensuring that all of our students are prepared for advanced levels of learning in high school and college. The board seeks to ensure that funds are budgeted, accounted for, expended, and maintained appropriately.

- a. The Board 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.
- b. The executive director has responsibility for all operations and activities related to financial management.
- c. Financial management and services will be provided by a third party vendor, the current vendor is Steve Higgins and This management may also be delegated to designated school staff. Designated staff must be selected with prudence depending on the capacity for performing the required duties and impact to the finances. These services will here in after be referred to as ‘Financial services’.
- d. Financial duties and responsibilities are separated so that no one employee has sole control over the flow of cash (as described in section F2). The responsible parties include the executive director, a designated finance director, financial services personnel, and oversight from the president of the board of directors.
- e. In the case of absence, the board may appoint someone else to perform the Executive Director’s responsibilities as related to financial management.
- f. The board shall review financial statements at periodic board meetings. The board shall also review and approve as requested monthly statements and bank reconciliations from the General Checking Account and the Petty Cash Account.

2. GOVERNANCE AND OVERSIGHT

To support the mission and to ensure that the funds are budgeted, accounted for, expended, and maintained appropriately, and ensure that NV Prep is operating effectively while meeting the goals and adhering to regulations, board of director and finance committee will be responsible for:

2.1 Board of Director, at a minimum,:

- a. Approving and overseeing the school's financial policies, budget, and major expenditures;
- b. Ensuring compliance with state and federal financial regulations by reviewing quarterly financial statements, expenditures, and changes in fund balance;
- c. Appointing Finance Committee to oversee financial matters
- d. Reviewing and approving the audit report, including audit findings and recommendations;
- e. Overseeing the school's principal and all financial matters delegated to the principal.

2.2 Finance Committee to:

- a. Reviews monthly financial statements and audits;
- b. Ensures accurate financial record-keeping and transparency in financial decision-making;
- c. Advises the Board on financial matter, i.e., financial risks and opportunities

3. BUDGETING AND FINANCIAL PLANNING

NV Prep Charter School's administrators have the responsibility to complete budget preparation for Board review and should develop such procedures necessary to ensure that the proposed budget reflects all areas of school operation.

3.1 Annual Budget Development

The Executive Director and Finance Committee develop a balanced annual budget. The budget is aligned with the school's strategic goals and enrollment projections. Completed budget will be presented for Board review and should develop such procedures necessary to ensure that the proposed budget reflects all areas of the school operation.

The administrator and the governing body will establish budget priorities for the school and will make appropriate recommendations related to those priorities.

The Board of Directors approves the budget before the start of the fiscal year.

3.2 Budget Amendments and Adjustments

The purpose of amendments /adjustments is to reflect changes in revenue and expenses, address unanticipated needs or changes in priorities, and transfer full time equivalent positions. All and any changes to the budget must be approved by the Board. Mid-year budget adjustments require Financial Committee review and approval.

3.3 Long-Term Financial Planning

The long-term financial plan of the school will maintain a 3-to 5-year financial projection. This will provide greater flexibility and financial risks and funding changes will be regularly assessed.

4. REVENUE MANAGEMENT

4.1 State and Federal Funding

To establish proper control over all funding, state and federal, the school under the direction of the board of directors will comply with all reporting and compliance requirements. All and any restricted funds must be used according to grant guidelines.

4.2 Grants and Donations

The school may seek grants and donations from private and public sources. All fundraising activities must be approved by the Executive Director. The board's development committee will present to the board in regular board meetings. This committee report will include an account of all public and private funds raised. As required by state and federal grants, the board will vote in a public meeting to approve government grant applications and grant budgets prior to the school submitting grants or accepting grant funds. Specific forms and motion requirements may be included in different respective grant documents. The board may approve grant budgets with specific contracts or purchases that exceed \$10,000. However, if any *actual* expenses, purchases, or contracts proposed and purchased with grant funds exceed \$10,000 and exceed the value

that was explicitly approved in the board-approved grant budget an application, these purchase will be subject to approval under the same conditions as any other purchase (see 1.A of these financial policies and procedures). 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.

Grant Budgets will be developed in alignment with the requirements of each respective grant program and will support to the greatest extent possible the student achievement and student needs as identified in the school's annual needs assessment.

4.3. Student Fees

All and any student fees must comply with Nevada's free public education laws.

Any fees for extracurricular activities must be reasonable and documented.

5. EXPENDITURE MANAGEMENT

5.1 Procurement Policies

5.1.1 Purchases

Authorization of Expenditures: All purchases of goods and services shall be

consistent with the Board-approved annual budget (and board approved grant budgets,

when applicable). These purchases shall not require Board approval in a public meeting,

except for expenditures in total annual amounts greater than \$10,000. All other proposed expenditures must be approved by the Executive Director who will review

the proposed expenditure to determine whether it is consistent with the Board adopted

budget and sign the check request and purchase order forms (if applicable).

5.1.2 Contracts

- a. All professional consulting services shall be provided under contract.

Contracts for other goods and services exceeding \$10,000 on an annual basis

shall be presented to the Board for approval prior to signing. Length of contracts shall be at the discretion of the Board.

- b. In general, contracts exceeding \$25,000 shall be let after a bidding process of sufficient duration to ensure competition. However, the Executive Director may make a finding to the Board for sole sourcing a contract exceeding \$25,000; in this case, the Board may approve the contract in arrears at the time of contract execution. (The basis for such a finding may include time/urgency issues; the absence of competitors; or high service/quality from a particular contractor).
- c. Bid tabulations shall be presented to the Board along with a recommendation for action. The Board reserves the right to select whichever vendor it deems most prepared to provide the required goods/ services without regard to the low bidder being the automatic selection.

5.1.3 Commitments and Purchase Orders

- a. Purchase orders under \$10,000 must be approved by one of the following authorized positions: Treasurer, President, or Executive Director.
- b. Purchase orders of \$10,000 or more must be approved by the Executive and at least one of the following authorized positions: Treasurer or President.

5.1.4 Invoices

- a. Invoices for \$10,000 or less must be approved by one of the following authorized positions: Treasurer, President, or Executive Director.
- b. Invoices over \$10,000 must be approved by the Executive Director and at least one of the following authorized positions: Treasurer or President.

5.1.5 Petty Cash – Purpose and Usage

- a. The purpose of the Petty Cash Checking Account is for payment of incidental expenses when there is insufficient time for processing through the General Checking Account. Examples of proper expenses include,

but are not limited to, food/meals for teachers doing curriculum work

and emergency plumbing repairs. Petty cash shall not be used for teacher reimbursements, employee expense reimbursements or independent contractor payments.

- b. The Executive Director and Director of Operations shall have access to petty cash not to exceed \$400. Such funds shall be used at the discretion of the Executive Director subject to Board oversight and consistent with the approved budget and School rules and regulations.

Use of petty cash shall require original receipts for all purchases.

- c. All petty cash will be kept in a locked petty cash box in a locked drawer or file cabinet. Only the Executive Director and Director of Operations will have keys to the petty cash box and drawer or file cabinet.

- d. Petty cash fund reimbursement checks will be made payable to the Executive Director and any irregularities in the petty cash fund will be immediately reported in writing to the Executive Director

5.2 Payroll and Compensation

Preparation of payroll, including time schedules and payroll periods, will be

done in accordance with each employee's agreement with the governing body.

Salaries

must align with board-approved salary schedules. All and any benefits and stipends

must be budgeted and approved.

5.2.1 Payroll

- a. New Employees: Requests for new employees shall be initiated by the Executive Director or Director/Principal and be consistent with the approved annual personnel budget. New employees shall complete an

Application for Employment and all necessary paperwork for payroll.

New employees shall be fingerprinted, and tested for tuberculosis(TB),

consistent with State law. Fingerprint clearance must be received by the school before any employee can start work.

- b. Employees shall accrue vacation and sick leave time based on the personnel policy of the school.

5.2.2 Timekeeping (for hourly staff)

- a. The Executive Director or Director/Principal shall develop procedures to ensure accurate and timely preparation of timesheets for hourly employees.
- b. Authorized timesheets shall be forwarded to the school's contracted back-office service provider according to policies and procedures set forth separately. Payroll processing and payment shall take place according to policies and procedures set forth separately.
- c. 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.
- d. 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 the timesheet to be submitted. However, the employee must still complete and submit the timesheet upon return.

5.3. Travel and Expense Reimbursements

The governing body recognizes that certain expenses are incurred by the school employees in carrying out authorized duties. The governing body approves the reimbursement of necessary and reasonable expenditures as outlined in the accompanying administrative regulation and consistent with Internal Revenue Service requirements.

5.3.1 Employee Mileage Reimbursement

All employees are reimbursed at the standard mileage rate per mile 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. 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.

5.3.2 Employee Reimbursement

- a. Business of telephones or cell phones shall be reimbursed. Business meals shall be reimbursed using standard applicable IRS guidelines
- b. Under no circumstances shall alcohol be reimbursed.
- c. The Executive Director must obtain a Board member's authorization on reimbursement requests payable to the Executive Director's name.

5.4. Credit Card Use

5.4.1 Credit and Debit Card Usage: Unless otherwise specified by the Board of Directors and/or school management (i.e., in a separately adopted School Credit Card Policy), the use of School credit and debit cards shall not be allowed for any School purchase. Cash, checks

5.4.2 Other Electronic Payments: Other electronic methods (wire, ACH, transfer between bank accounts, etc.) shall not be permitted for payment of any expenses or reimbursements without the express written consent of the Executive Director and one of the following authorized positions: Treasurer or President.

5.4.3. Violation of the provisions of this policy may result in the revocation of the credit card and/or discipline up to and including termination of employment.

6. INTERNAL CONTROLS AND RISK MANAGEMENT

The school's accounting and reporting system will be in accordance with generally accepted accounting principles and will conform to state laws and regulations.

The Executive Director shall be the lawful custodial officer of the school funds and shall demand receipt for, and safely keep according to the law, all bonds, mortgages, notes, moneys, effects, books, and papers belonging to the school.

6.1 Financial Reporting

To ensure financial information is accurate, reliable, and comparable,
annual reports must be submitted to the Nevada Department of Education. The board
will receive and accept financial reports that include monthly statement
reconciliations,
estimates of expenditures for the general fund in comparison to budget
appropriations,
actual receipts in comparison to budget estimates and the school's overall cash
condition. Supplementary reports on other funds and accounts will be furnished
upon request of the governing body.

6.2 Bank Account Management

The school will maintain separate operating and reserved accounts to ensure
financial efficiency, security, and compliance. As such, two signatures are
required
for transactions above \$5,000.00

6.2.1 Banking

a. General Checking Account

i. 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.

ii. The General Checking Account shall be the primary account for
School
needs. Authorized signatories to this account shall be the Treasurer, the
President, and the Executive Director. Checks above \$10,000, and
checks
payable to an authorized signer, must be signed by two authorized
people.

iii. The General Checking Account shall be reconciled monthly by a
school
staff member or outsourced accountant that does not have the ability
to

approve expenses or disburse funds from the account. The monthly
Bank

Reconciliations shall be reviewed and approved by the Board or a
representative of the Board that does not have access to the account.

b. Petty Cash Checking Account – Account Setup and Maintenance

i. The Petty Cash Checking Account shall have a maximum balance of
\$2,000. The Account shall be funded from the school's business General
Checking Account as necessary. A simple ledger shall be maintained by
the Director of Operations and reconciled monthly by a staff member or
accountant that does not have transactional access to the account. The
petty cash bank reconciliations shall be reviewed by a representative of
the Board. Replenishment of the Petty Cash Checking Account shall
occur through the normal accounts payable process (see accounts
payable policies and procedures set forth separately).

ii. No deposits other than replenishments as stated above shall be made
into the Petty Cash Checking Account. All cash and checks shall be
deposited into the General Checking Account.

iii. Check writing requires signatures from one of the following people:
Treasurer, President, or Executive Director.

c. Deposits of Receipts – The School will deposit all funds received as soon
as
practical upon receipt. The Director of Operations will open all mail on a
daily
basis, immediately sort all checks and forward them to the Bookkeeper. The
Bookkeeper will immediately endorse the checks to the appropriate school
account and prepare appropriate deposits as soon as practical, ideally the
same
day and in no case later than three working days.

6.3 Fraud Prevention

To detect fraudulent transactions or banking actions, regular audits and
financial
oversight will be conducted by the authorized auditor. Whistleblower protections
are in
place for reporting financial misconduct.

6.4 Conflict of Interest Policy

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. Individuals with conflicts must abstain from related decision-making. The Board shall develop a separate more comprehensive policy on conflict of interest, hiring of relatives, and compliance with Government Code 1090 and the Fair Political Practices Act.

7. AUDITS AND FINANCIAL REPORTING

7.1 Annual Financial Audits

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.

If the School receives over \$500,000 from federal sources, the audit shall be prepared in accordance with any relevant Office of Management and Budget audit circulars. The audit firm shall be on the State approved list of School auditors.

At the conclusion of the audit, the school's contracted back-office support provider will review the audit with the Board and propose any changes necessary in operating procedures to comply with audit findings.

Form 990 Federal Tax Return: The selected audit firm will prepare the Form 990 tax return and send a copy to the school staff responsible for the audit. The school staff will review and send a copy to the Board of Directors for its review and approval before filing. Once approved by the Board, the school will notify the audit firm who will then prepare the final return for filing.

7.2 Periodic Financial Reports

The school will submit quarterly financial reports to oversight agencies. The Board shall review financial statements at periodic Board meetings. The Board shall also

review and approve the monthly check registers and bank reconciliations from the General Checking Account and the Petty Cash Account.

7.3 Compliance with State and Federal Laws

All financial activities must comply with Nevada and federal laws. The Board

shall review financial statements at periodic Board meetings. The Board shall also review and approve the monthly check registers and bank reconciliations from the General Checking Account and the Petty Cash Account.

8. ASSET MANAGEMENT

8.1 Capital Assets and Depreciation

The school will track and depreciate assets according to accounting standards.

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 or 5 years, whichever is shorter
- Equipment – 3 years,
- Furniture – 5 years

8.2 Inventory Control

Annual inventory checks will be conducted. NV Prep will maintain a complete

inventory which lists all improvements to property, building, equipment, and supplies

with a value greater than \$200. This inventory will be updated as needed. Designated

personnel 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.

8.3 Disposal of Assets

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 School's 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.

9. DEBT AND FINANCING POLICIES

9.1 Loans and Credit Lines

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

9.2 Lease Agreements

All facility lease agreements must be reviewed by legal counsel.

10. FUND BALANCE AND RESERVES

The school will maintain a reserve fund equal to at least 5% of annual expenses. Fund balances must be monitored regularly to protect the school from unnecessary borrowing in order to meet cash-flow needs; provide prudent reserves to meet unexpected emergencies and protect against catastrophic events; meet the uncertainties of state and federal funding; and help ensure a school credit rating that would qualify the school for lower interest costs.

In determining an appropriate unreserved fund balance, the governing body will consider a variety of factors with potential impact on the school's budget including the predictability and volatility of its expenditures; the availability of resources in other funds

as well as the potential drain upon general fund resources from other funds; liquidity; and designations. Such factors will be reviewed annually.

11. RECORD-KEEPING AND RETENTION

Financial records such as transaction ledgers, canceled/duplicate checks, attendance and entitlement records, payroll records, and any other necessary fiscal documentation will be retained for at least seven years. At the discretion of the Executive Director, certain documentation may be maintained for a longer period of time.

Financial records will be shredded at the end of their retention period.

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.

12. POLICY AMENDMENTS AND UPDATES

All policies will be reviewed annually and updated as needed. During the course of the year, the Board may adopt an amended budget as expenses and revenue projections change.