



# **Sage Collegiate Public Charter School Fiscal Policies and Procedures**

**Adopted**

**December 2, 2020**

**Revised February 10, 2021**

**Revised May 14, 2024**

**Revised October 8, 2024**

## **INTRODUCTION**

The Governing Board of Sage Collegiate Public Charter School has reviewed and adopted the following policies and procedures to ensure the most effective use of the funds of Sage Collegiate Public Charter School to support its mission and to ensure that the funds are budgeted, accounted for, expended and maintained appropriately. The policies and procedures will be revised when the back-office provider is selected and Sage Collegiate and the selected back-office provider have entered into contract of services.

### **Grant Awards**

The Executive Director has the responsibility to coordinate with the back-office service provider to complete grant applications. The Executive Director completes the written narrative, and the back-office service provider works collaboratively with the Executive Director to complete the budget details of each grant. As soon as the Executive Director is notified that a grant has been awarded, the award notice is forwarded to the back-office service provider. A meeting is then scheduled between the Executive Director and the back-office service provider to discuss the details of the grant and to review the spending timeline. The Executive Director and the back-office service provider meet weekly to monitor the budget details of each grant. The purpose of the weekly meetings are to monitor the grants through an ongoing review of all award related operations, processes, and activities. The Executive Director then requests award-related quotes from the different vendors identified in the grant. The quotes are forwarded to the Director of Operations creates Purchase Orders (P.O.s) and sends them to the vendor. Additionally, the back-office service provider conducts a thorough monthly review of all grant-related expenditures to verify that costs are allowable, reasonable, and directly related to the grant's objectives. This process ensures compliance with both the organization's policies and the specific guidelines of each grant.

### **Grant Expenditures and Requirements**

The school under the direction of the Board of Directors will comply with all requirements under the grant as approved by the board of directors. This includes the proper expenditure of funds as budgeted in the grant including, but not limited to, salaries and benefits, time and effort, travel, equipment and supplies, contracts, and training stipends.

When expending state or federal funds under the grant, or when requesting reimbursement under the grant, the school must have the following documentation:

For any purchase

- Billing spreadsheet

### **Accounting Procedures**

This section covers basic accounting procedures for the organization. The accounting procedures used by the organization shall conform to Generally Accepted Accounting Principles (GAAP) to ensure accuracy of information and compliance with external standards.

### **Basis of Accounting**

**Policy:** The organization uses the accrual-basis of accounting at year-end, meaning that revenues are recorded when earned, and expenses are recorded when a liability is incurred regardless of when the receipt or payment of cash takes place.

**Procedures:**

- Throughout the fiscal year, revenue is recorded in the month in which it is received, and expenses are recorded in the month in which they occur.
- At the close of the fiscal year, all revenue earned in the fiscal year, but not received is accrued. All expenses that have been incurred but not paid are also accrued. This ensures that the year-end financial statements reflect all revenue earned and all expenses incurred during the fiscal year.
- Year-end books, inclusive of adjusting journal entries, are closed by November 1st, the date by which the audit report must be submitted to the school's board for review and approval. Final audit reports are due to the State and respective reporting agencies by December 1st.

### **Bank Reconciliations**

**Policy:** Bank reconciliation and approval will occur monthly.

**Procedures:** EdTec is virtually paperless, and all bank statements are saved as soft copy – no printed copies. An EdTec employee completes the bank rec, the EdTec accountant assigned to the client reviews and signs off on the bank rec, and the EdTec client manager also reviews the bank rec before it is sent to the school ED for review/approval. The accountant's review and approval are logged in a monthly task management portal with initials and date.

All fiscal records are maintained electronically in a secure location by EdTec for the duration of the relationship with the school.

Staff performing reconciliations are separate from staff initiating, finalizing, and authorizing transactions.

### **Record Keeping**

**Policy:** Financial records will be retained for a minimum of seven years or as outlined in the organization's Document Retention Policy.

**Procedures:**

- EdTec will retain financial records, including transaction ledgers, canceled/duplicate checks, attendance and entitlement records, payroll record, and any other necessary fiscal documentation at its site until the prior year audit has been completed.
- EdTec will deliver financial records to the organization for storage for the remaining years of the seven-year retention period.
- At the discretion of the Governing Board or Executive Director, certain documentation may be maintained for a longer period.
- Financial records will be shredded at the end of their retention period.



- Backup copies of electronic and/or paper documentation should be stored in a secure location
- EdTec uses NetSuite.

### **Internal Controls**

The organization employs several safeguards to ensure that financial transactions are properly authorized, appropriated, executed and recorded.

All documentation related to financial matters will be completed by computer, typewriter, or ink. Completion by pencil is not permitted. The organization employs various electronic systems and processes to complete the work associated with its fiscal operations (e.g., NetSuite, Box, Paylocity), which will be determined in agreement with the back-office provider. The electronic systems the organization chooses to use may change over time and new electronic systems may be introduced. The organization will configure the electronic systems to ensure they align to the organization's internal controls.

### **Lines of Authority Governing Board**

- Approves the fiscal policies and procedures and delegates administration of the policies and procedures to the Executive Director.
- Ensures that the fiscal policies and procedures are current, meaning that they have been reviewed and updated annually.
- Approves the opening and closing of bank accounts and the list of authorized signers and the organization address on record.
- Approves all third-party loans.
- Approves the opening of business credit cards.
- Reviews and approves the annual budget.
- Reviews annual and monthly financial statements, including the monthly check register and the EdTec prepared financial dashboard and budget-to-actual variance analysis.
- Reviews the Executive Director's performance annually and establishes the salary.
- Reviews and approves all contracts over \$10,000.
- Reviews and approves all non-budgeted expenditures over \$10,000.
- Commissions the annual financial audit by an independent third-party auditor approved by the State of Nevada.
- Approves the annual financial audit by December 1, beginning in 2021.
- Appoints someone else to perform the duties of the Executive Director in the case of absence.
- Formally acknowledge at a public meeting the receipt of any grant over \$50,000.

### **Executive Director**

- Is responsible for all operations and activities related to financial management.
- Develops the annual budget with EdTec.
- Reviews and approves all contracts under \$10,000.
- Reviews and approves all expenditures under \$10,000.

- Oversees the adherence to all internal controls.
- Appoints someone else to perform her/his duties in case of absence.

### **Segregation of Duties**

**Policy:** The organization's financial duties shall be distributed among multiple people to help ensure protection from fraud and error. The distribution of duties aims for maximum protection of the organization's assets while also considering efficiency of operations.

#### **Procedures:**

- Procedures for each section of this document will identify the position responsible for carrying out each function so that no single person or entity has sole control over cash receipts, disbursements, payrolls, and reconciliation of bank accounts.
- All administrative employees are required to take annual vacations of at least five (5) consecutive days. During the mandatory vacation, responsibilities shall shift to another employee who has been cross-trained in those responsibilities.

### **Financial Planning & Reporting Budgeting Process**

**Policy:** In consultation with the Executive Director and Finance Committee, EdTec will prepare the annual budget for approval by the Governing Board. The budget is to be approved by the Governing Board prior to the start of each fiscal year or by the due date established by the State and/or authorizer.

#### **Procedures:**

- The Executive Director will work together with the Coordinator of Operations and all program managers to ensure that the annual budget is an accurate reflection of programmatic and infrastructure goals for the coming year.
- EdTec will ensure that the budget is developed using the organization's standard revenue recognition and cost allocation procedures.
- EdTec, in consultation with the Governing Board, will set a target net income goal to meet strategic goals and/or comply with existing loan covenants.
- EdTec will present a draft budget to the Finance Committee prior to the end of the fiscal year or by the due date established by the State and/or authorizer.
- The Finance Committee shall review and approve a recommended fiscal year budget and submit it for approval to the Governing Board.
- The Governing Board will review and approve the budget no later than its last meeting prior to the start of the fiscal year.
- EdTec will prepare financial statements displaying budget vs. actual results for presentation to the Governing Board at each board meeting.



## **Internal Financial Reports**

**Policy:** The organization reviews regular financial reports on a monthly basis.

### **Procedures:**

- EdTec is responsible for producing the following year-to-date reports within 45 days of the end of each month (in August through June): Income Statement including budget to actual variances, Balance Sheet, Financial Analysis, and Cash Flow Projection.
  - EdTec will also provide the Executive Director with the bank reconciliation for review.
  - EdTec will also present a check register at each board meeting.
  - The Executive Director, Coordinator of Operations, and Board Finance Committee will review financial reports each month.
  - EdTec and/or the Finance Committee will present the financial reports to the Governing Board at each meeting.
- EdTec reconciles monthly in conjunction with completion of reimbursement requests.

**Audit Policy:** The Governing Board will contract annually with a qualified independent certified public accounting firm to conduct an audit of the organization's financial statements in accordance with auditing standards generally accepted in the United States of America, Government Auditing Standards issued by the Comptroller General of the United States, and, if applicable, the U.S Office of Management and Budget's Circular A-133. The selected audit firm must be familiar with these standards, related State of Nevada and Charter School regulations, in order to properly conduct the audit engagement, and a firm approved by the State of Nevada to conduct charter school audits.

### **Procedures:**

- The Governing Board will appoint an Audit Committee of one or more persons by January 1 of each year.
- The Audit Committee may include persons who are not members of the board but may not include any members of the staff of the corporation, including the president or CEO or the treasurer or CFO. In addition, any person with expenditure authorization or recording responsibilities within the organization may not serve on the committee.
- The Audit Committee will be responsible for contracting with an audit firm by March 1 of each year, unless the existing contract is a multi-year contract.
- The Audit Committee will be responsible for reviewing the results of the annual audit and developing a corrective action plan to address all relevant weaknesses noted by the auditor.
- The Governing Board will review and approve the audit no later than December 15.
- The audit firm will be responsible for submitting the audit to all reporting agencies no later than December 1.

## **Tax Compliance**

### **Exempt Organization Returns**

**Policy:** The audit firm contracted by the Governing Board to conduct the annual financial audit will prepare the annual Federal Form 990. The tax forms are to be filed no later than May 15 of each year.

#### **Procedures:**

- EdTec will work with the tax preparer to complete the organization's tax returns.
- The Executive Director will review the tax returns before submitting to the Governing Board for final approval prior to Nov. 15. (The 990 due date is Nov 15, with 2 extensions available – latest due date with approved extensions is May 15.)
- The Form 990 will be available to the public via GuideStar, an information service specializing in reporting on U.S. nonprofit companies.

### **Quarterly/Annual Payroll Reports**

**Policy:** EdTec will prepare the state and federal quarterly and annual payroll tax forms and will submit the forms to the respective agencies within established deadlines.

#### **Procedures:**

- EdTec will utilize a 3rd party payroll administrator to prepare employee W2s by January 31 each year.
- EdTec will file quarterly payroll tax reports (941 and DE9) by the filing deadline.

### **Revenue & Accounts Receivable Cash Receipts**

**Policy:** Cash receipts (including check or cash payments received via mail or in person and deposits received via Electronic Fund Transfer) shall be recorded completely and accurately to prevent the misappropriation of assets.

#### **Procedures:**

- For each fundraising or other event in which cash or checks will be collected, the Executive Director will designate a staff member to be responsible for managing the process to collect and hold all cash and checks related to the event.
- The designee will record each transaction in a receipt book or document each item sold at the time the transaction is made in a log or similar.
- The designee shall give the cash, checks, deposit summary, and any related supporting documentation to the Coordinator of Operations immediately.
- The Coordinator of Operations and the designee will recount and reconcile the amount received with the supplied supporting documentation and each will sign for approval. The Coordinator of Operations will immediately put the funds in a secure, locked location.
- Cash/checks dropped off in the classroom will be held by the teacher. Each morning, the teacher will collect all forms, payments, etc. that have been brought in by students that day and place them in a large envelope. Before the end of the workday, the teacher will bring the envelope from her/his classroom to the office where the cash/checks will be counted by the teacher and the Coordinator of Operations.
- Mail (including anything official such as governmental notices, invoices and checks) received at

the school must be opened by office staff members and stamped with a “received” stamp. If possible, the person opening the mail should not also be responsible for making bank deposits.

- Once a week, the Coordinator of Operations will log cash or checks received into the Cash Receipts Book. Copies of Cash Receipt records should be sent to EdTec for posting into the general ledger.
- When utilizing merchant or online web contribution services, appropriate segregation of duties shall be in place to ensure that no single person is able to perform incompatible functions (custody, recording, approving).

### **Deposits**

**Policy:** The Executive Director is responsible for making bank deposits. Deposits totaling less than \$2,000 will be made weekly. Deposits totaling more than \$2,000 will be deposited within 72 hours.

#### **Procedures:**

- The Coordinator of Operations will restrictively endorse each check received (e.g. For Deposit Only Sage Collegiate Public Charter School).
- The Coordinator of Operations will prepare a deposit packet itemizing the amount, source, and purpose of each check or cash payment received. The deposit packet will include a copy of each check and a bank deposit slip.
- The Executive Director will review and approve the deposit packet.
- The Executive Director will make the deposit and attach the deposit receipt to the deposit packet. • The Coordinator of Operations will forward the deposit packet to EdTec.
- EdTec will reconcile the cash receipts to the deposit slip and the bank statement as part of the monthly close process.

### **Expense & Accounts Payable Payroll**

**Policy:** Employees are paid on a semi-monthly basis (15th and end of month). Under the supervision of the Executive Director, EdTec will be responsible for processing payroll through a third-party provider.

### **Time Sheet Preparation & Approval**

**Policy:** All non-exempt employees are required to record time worked, holidays, and leave taken for payroll, benefits tracking, and cost allocation purposes.

#### **Procedures:**

- Non-exempt employees will be responsible for completing a timesheet, recording hours worked and vacation, sick or holiday time if applicable.
- Each non-exempt employee will approve her/his timesheet via her/his signature or submission through the payroll system.
- Each supervisor will review and approve her/his employees’ timesheets by signing each timesheet or approving each timesheet in the payroll system.
- Supervisors will return, either physically or via the payroll system, incomplete timesheets to the employee for revision.
- If an employee is unexpectedly absent and therefore prevented from working on the last day of the



pay period or turning in her/his timesheet, the employee is responsible for notifying the signatory supervisor or for making other arrangements to submit the timesheet. The employee must still complete and submit the timesheet upon return.

- Salaried employees are responsible for requesting leave, and supervisors are responsible for tracking leave taken by salaried employees.

### **Payroll Additions, Deletions, and Changes**

**Policy:** The Executive Director is authorized to approve all payroll changes within the scope of her/his budget authority.

**Procedures:**

- The Executive Director or designee will submit, either physically or electronically via payroll system, new hire or employee change paperwork to EdTec prior to the payroll deadline for the first pay period in which the change or addition is to go into effect.

### **Payroll Preparation & Approval**

**Policy:** EdTec will prepare payroll in accordance with the organization's payroll calendar.

**Procedures:**

- The Executive Director will review electronic timecards within the payroll system to ensure that they are complete and approved for that pay period, per the EdTec payroll calendar and timing for due dates to submit payroll info each pay period.
- The EdTec Accounting Analyst, Associate, or Senior Associate assigned to the organization will prepare payroll upon notification from the Executive Director that payroll for that pay period is approved.
- Once processed, the payroll processor EdTec Accounting Manager (AM) or Vice President (VP), School Finance will review the Payroll Review Report for accuracy and completeness and will review the Employee Change Report to verify the appropriateness of all changes.
- The EdTec Accounting Manager or Vice President, School Finance will submit payroll to the 3rd party payroll provider for check (if applicable) and direct deposit processing.
- The 3rd party payroll provider will deliver the payroll package to the organization address on file one day prior to the check date (if applicable).
- The Executive Director or designee will be responsible for opening the payroll package, reviewing reports for accuracy, and notifying EdTec of any missing check (if applicable).
- The Executive Director or designee will distribute pay stubs to employees on the check date (if applicable).

### **U. Pay Upon Termination**

**Policy:** Employees who are discharged shall be paid all wages due at the time of termination.

Employees who quit without giving prior notice shall be paid wages within 72 hours (inclusive of weekends and holidays). If the employee gives at least 72 hours' notice, the wages must be paid on the last day worked. **Procedures:**

- The Executive Director or designee will inform EdTec of any voluntary or involuntary termination

immediately and will provide an accounting of the hours/days worked since the last payroll and any accrued Paid Time Off (PTO) to be paid.

- EdTec or the Executive Director will calculate the final check based on the final check calculation. EdTec will provide EdTec-generated checks to the school in accordance with the timelines required by law. The organization is responsible for obtaining the employee's signature on the final check acknowledgement.
- An employee who quits without 72 hours' notice may request that his or her final wage payment be mailed to a designated address. The date of mailing will be considered the date of payment.
- The final check may not be provided via direct deposit.
- The organization must provide EdTec with a list of non-returning staff two weeks prior to the last day of instruction to ensure that final checks are distributed in accordance with labor law.

## **V. Purchases & Procurement**

**Policy:** All purchases must be authorized by the Executive Director. Any expenditure in excess of \$5,000 for the purchase of a single item should have bids from three (3) suppliers if possible. Any food contract that exceeds \$150,000 (the small purchase threshold set by the US Department of Agriculture) shall follow a competitive bid process.

Goods or services purchased with federal funds must follow federal procurement guidelines as outlined in Education Department General Administration Regulations (EDGAR), Part 80—Uniform Administrative Requirements for Grants and Cooperative Agreements to State and Local Governments, Sub-part C (Post Award Requirements), Section 80.36 (Procurement) located at:  
<http://www2.ed.gov/policy/fund/reg/edgarReg/edgar.html>.

The Governing Board must approve any contract over \$10,000.

## **Procedures**

- All purchases over \$100 require a purchase requisition.
- The Executive Director will approve the purchase requisition after determining:
  - If the expenditure is budgeted.
  - If funds are available for the expenditure.
  - If the expenditure is allowable under the appropriate revenue source.
  - If the expenditure is appropriate and consistent with the vision, approved charter, school policies and procedures and any related laws or applicable regulations.
  - If the price is competitive and prudent and proper bidding procedures have been followed.
- The Governing Board will review expenditures during each board meeting through the review of a check register that will list all checks written since the Governing Board's last meeting and will include the check #, check date, payee, and check amount.

## **W. Contracts**

- The Executive Director will consider in-house capabilities to accomplish services before contracting

for them.

- The Coordinator of Operations will keep and maintain a contract file evidencing the competitive bids obtained (if any were required) for any contract over \$5,000.
- The Coordinator of Operations will confirm that the contractor is not listed in the US government's Suspended or Disbarred list via a search of the System for Award Management ([www.sam.gov](http://www.sam.gov)). The Coordinator of Operations will keep a record of all searches.
- The Coordinator of Operations will ensure that a written contract clearly defining work to be performed is on file for all contract service providers (i.e. consultants, independent contractors, subcontractors).
- Contract service providers must show proof of being licensed and bonded, if applicable, and of having adequate liability insurance and workers' compensation insurance currently in effect. The Executive Director may also require that contract service providers list the school as an additional insured.
- The Executive Director will approve proposed contracts and modifications in writing.
- Contract service providers will be paid in accordance with approved contracts as work is performed.
- The Executive Director will be responsible for ensuring the terms of the contracts are fulfilled.
- Per the organization's Policy Against Conflicts of Interest and Nepotism, potential conflicts of interest will be disclosed upfront, and the Executive Director and/or Member(s) of the Governing Board with the conflict will excuse themselves from discussions and from voting on the contract.

## **X. Credit Cards**

**Policy:** Organization credit cards shall only be issued with the formal approval of the Governing Board and may only be used for organization-related expenditures.

**Procedures:**

- Purchase requisition and other documentation requirements apply to credit card purchases, including purchase amount limits and approvals.
- The bank and/or consumer credit card (Amazon, Home Depot, Staples, etc.) will be kept under the supervision of the card holder.
- An itemized receipt should be turned in for all purchases.
- If receipts are not available, missing or contain an inappropriate expense, the individual making the charge will be held responsible for payment.
- In the case of a missing receipt, a missing receipt form shall be submitted and approved by the Executive Director. Should the Executive Director be required to complete a "missing receipt" form, authorization must be granted by a member of the Governing Board.
- Credit cards will bear the names of both the organization and the cardholder as authorized by the Governing Board.
- Cardholders will be the Executive Director. Any other cardholders will be approved by the Board of Directors.
- The Executive Director will be limited to purchases of up to \$5,000 monthly. Any other cardholders will be limited to purchases of up to \$3,000 monthly.
- Individual credit card purchases will be limited to \$5,000 for the Executive Director, and \$1,000 for any other cardholders
- Credit card use is restricted to situations in which it is the most efficient or only payment option.
- No personal charges are permitted.
- All reward points or discounts are property of the school. Use of such points or discounts is at the discretion of the Executive Director and should be used for the benefit of the organization.
- Upon termination, the employee shall immediately return the credit card and all receipts to the Executive Director.

## **Y. Debit Cards**

**Policy:** Organization debit cards are not permitted.

**Procedures:** If a debit card is automatically issued by the bank, the Executive Director will:

- Contact the bank to deactivate debit card service from the account.
- Destroy the physical debit card.

## **Z. Independent Contractors**

**Policy:** The organization will comply with all applicable federal and state laws relative to the use of independent contractors.

**Procedures:**

- The Executive Director has the authority to establish a contract with an independent contractor and is responsible for verifying that the person is appropriately classified as an independent

contractor and not as an employee and for obtaining a Form W-9.

- School employees may not serve as independent contractors.
- Contract service providers must show proof of being licensed and bonded, if applicable, and of having adequate liability insurance and workers' compensation insurance currently in effect. The Executive Director may also require that contract service providers list the school as an additional insured.
- All services performed by independent contractors will be processed as accounts payable.
- At the close of the calendar year, EdTec will issue a Form 1099 to all independent contractors in accordance with IRS regulations.

### **AA. Invoice Approval & Processing**

**Policy:** The Executive Director must approve all invoices. Any invoice over \$10,000 must also receive approval from a member of the Board. The following procedures will be performed either manually or electronically.

**Procedures:**

- The Coordinator of Operations will open and review invoices and bills and will notify the Executive Director of any unexpected or unauthorized expense.
- When receiving tangible goods from a vendor, the Coordinator of Operations will trace the merchandise to the packing list and note any items that were not in the shipment.
- The Coordinator of Operations will code invoices to the correct budget line.
- Invoices are then routed to the Executive Director for payment approval.
- If the vendor is a sole proprietor or a partnership (including LP, and LLP) providing a service, the Coordinator of Operations will obtain a W-9 from the vendor prior to submitting any requests for payments to EdTec.
- EdTec will review the invoice for sufficient supporting documentation, verify the coding, and process payment.

### **BB. Cash Disbursements**

**Policy:** Bank checks will be issued upon receipt of appropriate documentation (e.g. vendor invoice, purchase order, packing slip, etc.).

**Procedures:**

- Once an invoice is approved by the Executive Director for payment, the EdTec AP rep t will prepare an in-sequence check and will submit the check to the EdTec.
- The EdTec AP rep will review the supporting documentation for completeness and the check for accuracy and will sign the check with the Executive Director's facsimile signature stamp, and a Board Member's facsimile signature stamp if the check is over \$10,000, which are maintained in a secured location when not in use.
- EdTec will distribute the check as follows:
- Original – mailed or delivered to payee
- All files are stored electronically by batch and linked to the AP transaction in the accounting system

- Should a check need to be voided, "VOID" will be written in ink on the signature line of the check.

### **CC. Wire Transfers**

**Policy:** Wire transfers initiated by the client or EdTec will be executed upon receipt of appropriate documentation (e.g. vendor invoice, purchase order, packing slip, etc.). Any wire transfer over \$10,000 must also receive approval from a member of the Board.

**Procedure:**

EdTec does not execute wire transfers for schools, but payroll is processed via ACH withdrawal from bank account, initiated via 3rd party payroll administrator per EdTec direction. The school will be responsible for providing EdTec with all supporting documentation for wire transfers to record in the accounting system.

**Procedures for client initiated and executed wire transfers:**

- The Coordinator of Operations shall prepare all supporting documentation for the wire transfer • Executive Director will review all supporting documentation and approve in writing
- School will send all documentation to EdTec

### **DD. Petty Cash**

**Policy:** The Coordinator of Operations will keep a petty cash box not to exceed \$100. Petty cash will be kept in a lockbox that is stored in a secure location. Access to the cash box should be limited to authorized personnel. Petty cash shall only be used for reasonable and allowable school purposes (not advances, personal uses, reimbursements, etc.).

**Note:** It is recommended by EdTec that schools **not** have a petty cash policy, though this one is well defined. **Procedures:**

- The Coordinator of Operations will manage the petty cash fund.
- The Coordinator of Operations will maintain a log of all disbursements made from the petty cash fund and will use a petty cash slip for all disbursements. The petty cash slip must be signed by the Coordinator of Operations and the petty cash recipient.
- Within 48 hours of the petty cash withdrawal, the petty cash recipient will submit an original receipt to the Coordinator of Operations who will attach the receipt to the petty cash slip and store in the petty cash box.
- At all times the petty cash box must contain receipts, petty cash slips, and cash totaling \$100.

When the petty cash balance is low the Coordinator of Operations will prepare a petty cash reimbursement form, totaling all the petty cash disbursements and attaching the original petty cash slips and receipts to the form. The Executive Director will review and approve the petty cash reimbursement form and supporting documentation.

- The Coordinator of Operations will forward the petty cash reimbursement form and original supporting documentation to EdTec.
- The EdTec Accounting Analyst will record the petty cash disbursements in the general ledger and issue a check made payable to the Coordinator of Operations in the amount of the total petty cash disbursement.

- It is the Coordinator of Operations' responsibility to cash the check and to keep track of funds in the box. Reconciliation must occur when funds are replenished, and/or at a minimum, on a monthly basis.
- EdTec will conduct surprise counts of the petty cash fund.
- Loans will not be made from the petty cash fund.

## **EE. Employee and Volunteer Expense Reimbursements**

**Policy:** The organization will reimburse pre-authorized school-related expenses that are accompanied by an original receipt or other appropriate documentation. Only the Executive Director may incur school-related expenses without pre-approval.

### **Procedures:**

- An employee or school volunteer seeking to make a school-related purchase must obtain pre-approval from the Executive Director.
- Employees will submit signed expense reports monthly, as necessary, to the Executive Director for approval. Original receipts or other appropriate documentation (e.g. e-mail receipt) must be attached to the expense report.
- Executive Director expense reports must be approved by a member of the board.
- The Coordinator of Operations will submit the approved expense report and supporting documentation to EdTec.
- EdTec will issue a reimbursement check within five business days of receipt of appropriate and complete documentation.
- Employees will submit expense reports within the fiscal year in which the expenses were incurred.
- The organization reserves the right to refuse reimbursement for any inappropriate expenses made.

## **FF. Travel Expenses**

**Policy:** The Executive Director must pre-approve all school related travel. Mileage will be reimbursed at the organization-approved mileage rate, not to exceed the current IRS reimbursement rate.

### **Procedures:**

- For the purposes of mileage reimbursement, where a trip is commenced or terminated at the employee's home, the distance traveled shall be reduced by the employee's home-to-office commute distance.
- Employees will be reimbursed for overnight stays at hotels/motels when pre-approved by an administrator and the event is more than 75 miles from either the employee's residence or the school site. Hotel rates will 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 up to the established per diem rate found at (<http://www.gsa.gov/portal/category/100120> - US Government Rates) for any breakfast, lunch, dinner, or incidental expense that is not included as part of the related event. Employees will be responsible for any excess expenses beyond the established per diem rate.



- Transportation expenses such as airfare will be purchased at the lowest rate available.
- Employees should utilize bus/shuttle service whenever possible. When traveling in groups, taxis may be more economical. Employees should choose between long-term parking or a taxi based on whichever is the more economical for the organization.
- After the trip, the employee must enter all of the appropriate information on an expense report, attach original receipts, and submit it to the Executive Director for approval and then on to EdTec for processing.

#### **GG. Governing Board Expenses**

- The individual incurring authorized expenses while carrying out the duties of the school will complete and sign an expense report and attach original receipts.
- The Executive Director and/or another board member will approve and sign the expense report and submit it to EdTec for payment.

#### **HH. Asset Management**

##### **Cash Management and Investments**

**Policy:** All funds will be maintained in high quality financial institution or invested with the following objectives in order of priority; preservation and safety of principal, liquidity, and yield.

##### **Procedures:**

- The Executive Director will obtain Governing Board approval before opening or closing a bank account.
- Governing Board will adopt an investment policy before funds are to be invested.

#### **II. Capital Equipment**

**Policy:** The organization capitalizes any item, purchased or donated, with a value of \$5,000 or more and with a useful life of more than one year. This \$5,000 capitalization threshold is consistent with other schools, districts, state agencies in NV.

##### **Procedures:**

- EdTec will maintain a ledger of all capitalized items. The ledger will include the original purchase price and date and a brief description of the asset.
- The organization will take a physical inventory of all assets within 90 days of the end of each fiscal year, indicating the condition and location of the asset.

The organization will maintain a separate inventory of all property and equipment purchased with federal funds, and all property and equipment will be labeled accordingly.

- The Executive Director will be notified of all cases of theft, loss, damage or destruction of assets.
- The Coordinator of Operations will submit to EdTec written notification of plans for disposing of assets with a clear and complete description of the asset and the date of the disposal.

#### **JJ. Loans Policy**

The Governing Board will approve all loans from third parties. In the case of a long-term loan, approval



may also be required from the chartering authority in accordance with the terms of the charter and/or other lenders in accordance with the loan documents.

Employee loans, including salary advances, are not allowed.

**Procedures:**

- The Executive Director and/or Governing Board designee shall review and sign the promissory note before funds are borrowed.
- Loan agreements should specify all applicable terms, including the purpose of the loan, the interest rate, and the repayment schedule.
- Loan covenants and reporting requirements are to be acknowledged by the board at the time of adoption.

**KK. Insurance Policy:** The organization will maintain all coverages as required by NDE and authorizer" insurance with a high-quality insurance agency at all times for:

- General Liability
- Property
- Workers' Compensation
- Professional Liability
- Directors' and Officers' Coverage
- Umbrella and student accident policies are considered prudent add-ons.

**Procedures:**

- The Executive Director will carefully review insurance policies with the Broker on an annual basis prior to renewal to determine compliance with Charter authorizer and any applicable loan covenant requirements.
- The Executive Director or Coordinator of Operations will forward to EdTec all insurance policies and related documents (e.g. certificates of insurance, claim forms, etc.).

**LL. Parking Lot Liability**

**Policy:** Parking lot related incidences are not covered under any school insurance policy. The organization assumes no liability for damage to cars unless a student is observed by an adult accidentally causing damage to a vehicle while engaged in a school activity.

**Procedures:**

- If a student willfully causes damage the student's parent or guardian is responsible.
- If a parent or other visitor causes damage, that individual is responsible.
- If an employee causes damage, the employee is responsible.
- If an unknown person causes damage and there is no witness, the affected individual will determine if s/he has applicable coverage through her/his individual insurance policies.

**MM. Operating Reserves**

**Policy:** The organization will ensure adequate cash balances to meet annual cash flow needs. The target minimum operating reserve fund is recommended to be equal to 3 months of average



operating costs. The amount of Operating Reserves will be calculated each year after approval of the annual budget and included in monthly financial reports.

**Procedures:**

- EdTec will monitor the organization's reserve level and will report the reserve level to the Executive Director and the Governing Board monthly.
- It is the responsibility of the Executive Director and the Governing Board to understand the organization's cash situation and it is the responsibility of the Executive Director to prioritize payments as necessary to manage cash flow.
- The Governing Board may restrict a portion of the operating reserve fund for strategic goals.
- The Governing Board may develop an additional Operating Reserve Policy to specify use of the Operating Reserves.

## **ALLOWABILITY POLICY AND PROCEDURES**

Sage Collegiate will maintain a policy and system of procedures, as described below, that comply with 2 CFR 200.302(b)(7) for determining the allowability of costs in accordance with 2 CFR 200, Subpart E (Cost Principles) and the terms and conditions of the federal award.

In accordance with 2 CFR 200.401, principles of cost as provided in 2 CFR 200, Subpart E must be used by Sage Collegiate in determining allowable costs of work performed by the school for federal awards. Sage Collegiate personnel involved in procedures for determining the allowability of costs will be familiarized through regular and comprehensive training with the policy and procedures described here and will appropriately and consistently implement the policy and procedures as described.

Approval of allowable costs must be adequately documented by Sage Collegiate (2 CFR 200.403(g)). This includes specific documentation for some types of costs that must be kept for costs to be allowable (i.e., time and effort documentation to support employee compensation (2 CFR 200.430(i)). Sage Collegiate must produce all relevant documentation to support costs in the event of an audit (2 CFR 200.337).

### **A. Factors affecting allowability of costs**

Sage Collegiate personnel responsible for determining allowability of costs allocated to federal awards will adhere to 2 CFR 200.403 and consider the following criteria before providing approval for expenditures:

- i. *Costs must be necessary and reasonable for the performance of the Federal award and be allocable thereto under these principles.*
- ii. *A cost is considered reasonable if it meets criteria as described in 2 CFR 200.404, Reasonable Costs.*
  - iii. *A cost is considered allocable if it meets criteria as described in 2 CFR 200.405, Allocable Costs.*
- iv. *Costs must be incurred during the approved budget period and/or period of performance.*
- v. *Costs must be part of the approved budget as defined in the executed subaward for the federal grant.*
- vi. *Costs must conform to any limitations or exclusions set forth in these principles or in the Federal award as to types or amount of cost items.*
- vii. *Costs must be consistent with policies and procedures that apply uniformly to both federally-financed and other activities of Sage Collegiate.*
- viii. *Costs must be accorded consistent treatment. A cost may not be assigned to a federal award as a direct cost if any other cost incurred for the same purpose in like circumstances has been allocated to the Federal award as an indirect cost.*
- ix. *Costs must be determined in accordance with generally accepted accounting principles (GAAP), except, for state and local governments and Indian tribes only, as otherwise provided for in 2 CFR 200, Subpart E.*
- x. *Not be included as a cost or used to meet cost sharing or matching requirements of any other*



federally-financed program in either the current or a prior period.

- xi. *Costs must be evaluated for allowability pursuant to 2 CFR 200.420 – 200.475, General Provisions and Considerations for selected items of cost.*

**B. Procedures for determining allowability of costs**

*[Procedures must ensure that federal funds are spent only on allowable costs. Procedures should include adequate internal controls to ensure compliance and reduce fraud, waste, and abuse of federal funds. Describe how the charter school determines the allowability of costs, the relevant staff positions involved, levels of approval/authorization, and what documentation or records are maintained to support expenditures. The procedures for types of costs provided below are only examples of possible procedures and may be modified to reflect actual business processes at a charter school.]*

Costs for goods/services:

1. Sage Collegiate prepares a purchase order (PO) with costs indicated for goods or services. The federal award to which the costs are allocated must be listed on the PO. Pursuant to SPCSA and State of Nevada requirements, if individual items are over \$250 each, 3 quotes for costs for the listed items should be attached to the PO for review. Any additional backup documentation to support the costs as being necessary, reasonable, and allocable to the federal award must be attached to the PO. The PO is submitted to the Executive Director or designee for review and approval.
2. The Executive Director or designee reviews the costs listed on the purchase order to determine if they are necessary, reasonable, and allocable to the federal award and comply with section A of this document – Factors affecting allowability of costs. If required, the Executive Director or designee will review the 3 attached quotes and determine that the best price for the item(s) are obtained.
3. If the Executive Director or designee determines the costs on the PO are allowable, the Executive Director or designee will sign the PO. The signature of the Executive Director or designee on the PO indicates that an allowability review was conducted and costs were approved as allowable.
4. A copy of the approved PO and all applicable backup documentation will be maintained according to the records retention policy and procedures. The approved PO and attached backup documentation serves as adequate documentation to support the allowability of costs for goods and services allocated to federal awards.

#### Costs for Travel

1. Sage Collegiate prepares a travel request form with backup documentation according to the travel policy & procedures. The federal award to which the costs are allocated must be listed on the travel request form. Sage Collegiate signs the travel request form and provides it to the traveling employee.
2. The traveling employee signs the travel request form and submits it with backup documentation to the Executive Director or designee for review and approval.
3. The Executive Director or designee reviews the costs listed on the travel request (and associated backup documentation) to determine if they are necessary, reasonable, and allocable to the federal award and comply with section A of this document – Factors affecting allowability of costs, AND Sage Collegiate travel policy & procedures.
4. If the Executive Director or designee determines the costs on the travel request are allowable, the Executive Director or designee will sign the travel request. The signature of the Executive Director or designee on the travel request indicates that an allowability review was conducted and costs were approved as allowable.
5. A copy of the approved travel request and all applicable backup documentation will be maintained according to the records retention policy and procedures. The approved travel request and attached backup documentation serves as adequate documentation to support the allowability of costs for travel allocated to federal awards.

## **INVENTORY POLICY**

Sage Collegiate will maintain a system of inventory management, including records of inventory, that complies with 2 CFR 200. 313(d) to ensure full accounting of all grant funds expended for purchase of equipment, supplies, or other tangible property in connection with each grant program. Inventory records will be made available for all reporting requirements, monitoring activities, and for program performance and fiscal audits.

Sage Collegiate inventory management system is part of the financial management system, includes records documenting compliance with Federal Statutes, regulations, and the terms and conditions of the Federal Award, is sufficient to permit the preparation of reports required by general and program-specific terms and conditions; and the tracing of funds to a level of expenditure adequate to establish that such funds have been used according to the Federal Statutes, regulations, and terms and conditions of the Federal Award.

### **A. Definitions of Inventory**

Equipment means tangible personal property (including information technology systems) having a useful life of more than one year and a per-unit acquisition cost which equals or exceeds the lesser of the capitalization level established by the non-Federal entity for financial statement purposes, or \$5,000.

Supplies means all tangible personal property other than those described in the definition of *equipment* in this section. A computing device is a supply if the acquisition cost is less than the lesser of the capitalization level established by the non-Federal entity for financial statement purposes or \$5,000, regardless of the length of its useful life.

### **B. Inventory Management System**

The Sage Collegiate uses a perpetual inventory document provided by the State Public Charter School Authority as well as web-based systems from our technology management company. This system is tracked through Google Education and Google licensing software and tracked through the use of activity. Any device not used for three consecutive months is deemed missing or broken and any loss, damage, or theft must be investigated. All data is stored in secure web-based application through Box and Google. The Executive Director and Director of Operations are responsible for the management system and the technology management company has access.

### **C. New Inventory Procedure**

1. Authorization for inventory purchases is acquired through the accounting system or by email notification, and then approved on Purchase Order forms after verifying the allowability of the costs and availability of funds. Only authorized items will be considered for purchase. Specific funding sources must be identified prior to authorization to obligate funds and approval of purchase orders.
2. Once an approved Purchase Order is submitted to a vendor, the original order documentation and PO are provided to the Executive Director or Director of Operations. Upon delivery, a copy of the invoice and packing slips are also submitted to the Executive Director or Director of Operations.

Hard copy records are stored in the Director of Operations secure file cabinet by month, and electronically on the finance management system hosted by EdTec, consistent with the Sage Collegiate records retention policy.

3. Upon receipt of new items, the Executive Director or Director of Operations will inspect the inventory to ensure it's in good condition and that it matches the item(s) specified on the purchase order, invoice, and packing slip. Items are then identified and tagged, and inventory information is then entered into the inventory management systems by the Executive Director or Director of Operations within three (3) business days.
4. After new inventory has been identified, tagged, and entered to the inventory management system, items are disseminated appropriately.

#### ***D. Inventory Information & Records***

Inventory records will be maintained that include: a description of the property, a serial number or other identification number, source of funding for the property including the FAIN, who holds title, the acquisition date, the cost of the property, the percentage of federal participation in the project costs for the federal award under which the property was acquired, the location of the property, the condition (including if lost, damaged, or stolen) and current use of the property, and disposition data (date of disposal and sale price of the property).

#### ***E. Physical Inventory***

Annually, in June, a physical inventory is conducted. Inventory records from the inventory management system are printed and all of property items are reconciled by the administration and operations teams. Updates are made as needed in the inventory management systems. Records from the physical inventory are reviewed and approved by Executive Director or Director of Operations and stored according to the records retention policy for the Sage Collegiate.

#### ***F. Maintenance of Property***

Following the annual physical inventory, all equipment is inspected to determine further use. Any equipment that is deemed to be in good condition by the administration and operations team is then allocated to classrooms to be used for the upcoming school year. Any equipment returned during inventory that is deemed to NOT be in good condition is investigated.

#### ***G. Controls to Safeguard Property***

Sage Collegiate has developed a control system to ensure adequate safeguards to prevent loss, damage, or theft of property. The following safeguards are in place:

- Computing devices stored in areas that can be locked and/or stored in a locked classroom.
- Computing devices must be checked out by a certified teacher or paraprofessional and to be used within the school building only and are not allowed to be taken off-site, unless there is written approval from
- Executive Director.
- If the equipment is lost or suspected to be stolen, the Executive Director is notified, and

investigation will be conducted. Inventory records (condition of property) will be updated by the Executive Director and

- Operations team to note that the property was lost, damaged or stolen. Records of the investigation will be maintained according to the Sage Collegiate records retention policy.

#### ***H. Disposal of Equipment***

Sage Collegiate, when original or replacement equipment acquired under a Federal award is no longer needed for the original project or program or for other activities currently or previously supported by a Federal awarding agency, except as otherwise provided in Federal statutes, regulations, or Federal awarding agency disposition instructions, the non-Federal entity will request disposition instructions from the Federal awarding agency if required by the terms and conditions of the Federal award. In any decision, Sage Collegiate will follow the guideline described below:

- Items of equipment with a current per unit fair market value of \$5,000 or less may be retained, sold or otherwise disposed of with no further responsibility to the Federal awarding agency.
- Except as provided in [§ 200.312\(b\)](#), or if the Federal awarding agency fails to provide requested disposition instructions within 120 days, items of equipment with a current per-unit fair market value in excess of \$5,000 may be retained by Sage Collegiate or sold. The Federal awarding agency is entitled to an amount calculated by multiplying the current market value or proceeds from sale by the Federal awarding agency's percentage of participation in the cost of the original purchase. If the equipment is sold, the Federal awarding agency may permit Sage Collegiate to deduct and retain from the Federal share \$500 or ten percent of the proceeds, whichever is less, for its selling and handling expenses.
- Sage Collegiate may transfer title to the property to the Federal Government or to an eligible third party provided that, in such cases, Sage Collegiate must be entitled to compensation for its attributable percentage of the current fair market value of the property.
- In cases where a Sage Collegiate fails to take appropriate disposition actions, the Federal awarding agency may direct Sage Collegiate to take disposition actions.





## RECORD RETENTION POLICY AND PROCEDURES

Sage Collegiate will maintain a system of record retention for federal grants, including all applicable fiscal and program related records, that complies with [2 CFR 200. 334](#), [2 CFR 200.336](#), [34 CFR 76.730](#), [34 CFR 76.731](#), and [34 CFR 81.31](#) to ensure full accounting of all grant funds expended for program activities.

All required records, as indicated in [2 CFR 200. 334](#), [2 CFR 200.336](#), [34 CFR 76.730](#), and [34 CFR 76.731](#), will be maintained by Sage Collegiate according to the policies and procedures in this document. Records needed for all reporting requirements, monitoring activities, and program performance and fiscal audits must be made available as needed for the State Public Charter School Authority, the Nevada Department of Education, or other applicable pass-through entity, and for any federal department or agency as required by federal or state statute, regulation, and policy. Per [34 CFR 76.730](#), this specifically includes:

- (a) The amount of funds under the grant or subgrant;
- (b) How the subgrantee uses the funds;
- (c) The total cost of the project;
- (d) The share of that cost provided from other sources; and
- (e) Other records to facilitate an effective audit.

In accordance with [34 CFR 76.731](#), a subgrantee shall also keep records to show its compliance with program requirements.

All applicable fiscal and program records related to federal grants, as referenced above, will be maintained by Sage Collegiate for six (6) years beyond the end of the grant period or fiscal year in which the grant ends. This timeframe total of six (6) years includes: the required three (3) years pursuant to [2 CFR 200. 334](#); an additional two (2) years to comply with the measure of recovery requirements under the General Education Provisions Act (GEPA; [34 CFR 81.31](#)); and an additional year to ensure that Sage Collegiate can meet the statute of limitations requirements under the False Claims Act (Title 31, Section 3731(b)) should it be necessary.

Sage Collegiate record retention system is part of the financial grant management system; and includes records documenting compliance with federal statutes, regulations, and the terms and conditions of the federal grant subaward; is sufficient to permit the preparation of reports required by general and program-specific terms and conditions; and is sufficient to permit the tracing of funds to a level of expenditure adequate to establish that such funds have been used according to the federal statutes, regulations, and terms and conditions of the federal grant subaward.

Sage Collegiate personnel involved in maintaining the record retention system will be familiarized through regular and comprehensive training with the policy and procedures described here and will appropriately and consistently implement the policy and procedures as described

#### **A. Record Retention Procedure**

1. Current fiscal year/school year hard copies of Sage Collegiate fiscal grant records are stored in the Executive Directors office in a locked file cabinet. The Director of Operations has access to the office and locked file cabinet. Electronic copies of Sage Collegiate grant fiscal records are stored on a shared cloud drive with access available only to the Executive Director and the Director of Operations, and EdTec representatives.
2. Hard copy grants fiscal and program records for Sage Collegiate are removed from the locked file cabinets by the Executive Director at the end of each school year and placed into the records storage closet to be archived in a locked records closet on-site at the school. Archived, hard-copy records are stored for six (6) years.
3. Electronic grant-related records for Sage Collegiate are stored in the shared cloud drive and are archived electronically after six (6) years within the shared drive system.
4. On an annual basis, the relevant staff will review this policy and procedure and will receive training on the required retention of the grant related program and fiscal records. Training will include which records must be retained, which personnel have access to records, who is responsible for record retention, how records will be stored during the current school/fiscal year, how records will be archived at the end of each school/fiscal year, and how fidelity of records will be managed and maintained.