

TRCS Financial Policies and Operational Guidelines

The Directors or his/her designee shall be responsible for properly accounting for all funds received and all expenses incurred in the operation of the School. No funds shall be expended until the annual budget is approved by the Board of Directors. The Directors shall exercise his/her responsibility to the highest ethical standards and shall conform to generally accepted accounting principles for government accounting. Such accounting shall be done in a manner that is easily reviewed by the Board and lends itself to auditing and reporting to the Authorizer. Financial statements shall be prepared for presentation and reporting for every regularly scheduled board meeting. Financial statements will be made available to board members in the board packets prior to the scheduled meeting.

Policies and Procedures

Proper cash and liquidity management are high priorities for the Two Rivers Community School ("School"). In addition to the information specific to the management of the School's bank accounts detailed below, the following guidelines are followed to maximize working capital and reduce the likelihood of fraud or losses associated with high-risk financial activities:

1. Financial Controls

Authorization for two signatures necessary on contracts, checks, and orders for payment, receipt or deposit or withdrawal of money, and access to securities of the School shall be provided by resolution of the Board.

1. The Directors or his/her designee is authorized to purchase goods and/or services for the School shall follow the procedures set forth in these policies.
2. The Directors and the Board's Finance Committee shall be responsible for reviewing and recommending an annual operating and capital budget to the Board for approval.
3. The Board shall be responsible for adopting the annual operating and capital budgets and supplemental budgets, and shall comply with all mandated reserve requirements (TABOR).
4. No expense shall be incurred in excess of the total budgetary appropriations without prior approval of the Board.
5. The Directors shall be responsible for and ensure compliance with auditing requirements following Governmental auditing & reporting requirements.
6. Annually the Board of Directors will meet with the auditors performing the annual audits to discuss and review their audit reports and findings (i.e. management letter.)

2. Check-Signing Authority

1. When practical, checks will be signed by two authorized school officials; the Directors may sign checks w/o a second signature when necessary. Authorized signers include the Directors, Board Chairperson or Treasurer or any board member authorized by the school's bank.

3. Cash Receipts

1. All checks received by the School shall be promptly endorsed with an approved ink stamp, indicating the account to which the funds will be deposited.
2. Cash that comes to the school must be given to the office manager or a designee who will document the amount, purpose and issue a receipt.

The Directors, or a designee, will verify totals and make bank deposits. The deposit slip and list of cash will go to the business manager for accounting records and reconciling bank statements.

All cash receipts, when operationally feasible, shall be deposited within 3 business days of receipt by the Directors or his/her delegate. Total cash receipts exceeding \$15,000 must be deposited in person within 2 business days. Under no circumstances may cash receipts more than \$300 remain undeposited longer than 5 business days.

3. The duties of collecting cash, maintaining documentation, preparing deposits, and reconciling records should be separated among different individuals (i.e. office manager and secretary or other administrative staff person). These procedures shall be written and filed in the main office.

4. Cash Disbursements

1. An authorized check signer will make disbursements only upon review and approval of the transaction. This will include review for the existence of proper supporting documentation, such as a purchase order and evidence of the receipts of the goods and services, names of those involved in meetings, verification that the expenditures are not reimbursable with funds from another School, etc. Reimbursements made to the Directors shall be signed by the Board Chairperson or Treasurer.

2. All payments will be made as close to the contractually committed due date without incurring late penalties or fees.

3. The procedure for collecting and verifying documentation, etc, follows procedures within all entities of the School.

4. Disbursements will be mailed or delivered to the payee within 2 business days of check drafting and signature.

5. Expense reimbursements:

Appropriate reimbursable expenses include but are not limited to:

1. Support for the Board of Directors that advances the interests of the school.

2. Support for the Directors that advances the interests of the school.

3. Support for staff activities that support the advancement of the School.

2. Reimbursement will not be made for:

1. Expenses reimbursable by another agency, School, or person (i.e. travel expenses that have been paid by a national agency).

2. Expenditures without proper documentation, including but not limited to date, location, those in attendance, purpose and description of how the activity advances the School.

3. Travel, registrations, meals, etc, for family members or spouses of Board members or School staff unless spouse programming is specifically detailed in the conference program.

4. Other restrictions may be determined by the Board at any time.

6. Accounts

The School shall maintain its cash accounts in banking institutions that are federally insured under the Public Depository Protection Act (PDPA). All nonproductive funds shall be invested in accordance with the Investment Policy established by the Board.

All bank and investment account reconciliation should be performed no less than once a month. The reconciliations shall be reviewed by the Directors monthly.

7. Authority to Sign

Orders of withdrawal (checks) shall bear the signature of one of the following staff members or Officers:

1. Directors
2. Board Chairperson or Treasurer
3. Others as designated in writing by Board Chairperson or board member authorized by school's bank. Any checks payable to any one of the above-named persons shall be signed by someone other than the payee.

8. Borrowing of Funds

From time to time it may be necessary for the School to borrow funds from outside sources to fund operations and expansion. This will be necessary because of the seasonality of income from fees, donations, and other revenue, and due to major expansions or revisions of the School programs. Funds are to be borrowed only as required to meet these needs, and borrowing is to be consistent with sound fiscal and management practices. Borrowings are not intended to make up for inadequate planning or spending above budgeted levels.

All borrowing must be approved by the Board of Directors at the time of borrowing, even if the borrowing is included in the current operating budget.

Borrowing funds should be done within the following guidelines:

1. Borrowing should be within appropriate limits approved by the Board prior to the time of borrowing.
2. Amounts should be borrowed at the lowest available interest rates.
3. Most borrowing will be done at short-term conditions due to the seasonal nature of income. Long-term borrowing will be done only if rates are favorable and amounts for short-term would be at the same minimum level.

8. Contracts and Agreements

The Directors are authorized to sign contracts, purchase agreements (non-recurring) with a total commitment amounts less than \$25,000. This includes vendor services, Independent Contractors/Consultants, and Authorizer commitments on behalf of the school unless specified otherwise by the Director and/or Board. All multi-year agreements and purchases exceeding \$25,000 must be approved by the Board.

Purchasing – To make a purchase, staff will submit a written request to the office manager or designee who will gather pricing information and create a purchase order. The Principals(s) or designee will approve orders and the office manager or designee makes purchases. The employee requesting the purchase will check-in items to verify order accuracy. The office manager will compare the invoice with the packing slip and approved purchase order and will approve payment. Approved invoice goes to the business manager for payment.

9. Debit/Credit Cards

The Directors are responsible for proper management & documentation of debit/credit card purchases. Misuse of or incomplete documentation for any School debit/credit cards will result in immediate card termination and an investigation should be conducted to determine if additional disciplinary steps should be taken.

10. Preparation of Financial Statements and Annual Budget Development and Review

The School shall complete monthly financial statements by the 10th of each month, and submit those financials to the Finance Committee for review, prior to the Board meeting.

The annual budget is the financial plan for the operation of the School. The annual operating budget will be based on a fiscal year that runs from July 1 to June 30. It provides the framework for both expenditures and revenues for the fiscal year and translates into financial terms the educational programs and goals of the schools. The operating budget shall ultimately support the vision and mission of the school. In April of each fiscal year, the Directors shall propose to the Board a budget for the upcoming fiscal year. Such budget proposals will contain recommendations for staff compensation and benefits. As a contractual agreement with the Authorizer, the Board will approve the final budget and submit it by Authorizer's required date.

By June of each fiscal year, the Directors will obtain the Board's final approval for any budget appropriations or revisions for the current fiscal year budget prior to the close of year end.

11. Annual Review

This Policy is to be reviewed on an annual basis.

12. Approval

Adopted: _TRCS Board of Directors – 5/5/14 _____