



TCSA Model Board Policy Series

Module 100: *Financial Operations 2012 Charter Board Policy for:*

Cedars International Academy Charter School

INTRODUCTION

The Model Board Policies for Charter Schools is a series of publications by the Texas Charter Schools Association (TCSA). These publications are an educational tool for charter school leaders to aid in the operation and management of open-enrollment charter schools in Texas.

Overall Policy Framework

Each module in the Board Policy Series provides a summary of federal and state statutes, regulations, and related materials applicable to open enrollment charter schools. Citations to these materials are provided throughout the module and many contain a hyperlink so the actual statutory or regulatory provision can be accessed on the Internet. The summary is designated by the LEGAL AUTHORITY tab on the right edge of each page.

After the LEGAL AUTHORITY portion of the module you will find the model policy section designed to comply with current statutory and regulatory requirements described in the LEGAL AUTHORITY summaries. These policies are designated by the red CHARTER BOARD POLICY tab on the right edge of each page.

These are suggested policies to address the requirements set forth in this Module. Prior to adoption of the model policies by the Board of a charter school, each policy should be customized by including the school's name and by tailoring the language, if appropriate, to fit the specific needs, culture and requirements of the school. TCSA recommends that the Board of a charter school consult with and obtain the advice of the school's legal counsel in connection with adopting policies to comply with laws governing charter schools.

TCSA plans to update the Model Board Policies for Charter Schools after each Texas Legislative Session to reflect changes in applicable laws and regulations. We encourage you to renew your subscription to the policy series after each update to ensure that your school has the most recent laws and regulations.

Scope of Service & Copyright Notice

This policy module prepared by the TCSA is designed and intended as a resource of information for charter schools and is not to be construed as legal advice. It should be used in connection with consulting and obtaining the advice of the school's legal counsel to ensure compliance with applicable legal requirements.

This policy module and all updates are copyrighted publications of the TCSA. All rights are reserved and will be enforced to the fullest extent of the law. The policy modules are for the sole use of the purchaser. Duplication and distribution in whole or in part are prohibited unless otherwise specifically authorized in writing by TCSA. Inquires should be directed to TCSA, 700 Lavaca, Suite 930, Austin, TX 78701.

For questions concerning the Model Board Policies for Charter Schools contact:

Veronica L. Garcia, Texas Charter Schools Association
vgarcia@txcharterschools.org
512.584.8272

Module 100: Financial Operations 2012

The Financial Operations, Module 100, is the first module of the Model Board Policies. The material included in this module provides a comprehensive summary of statutes and regulations that apply to the financial operations of charter schools, as well as specific model board policies designed to comply with these legal requirements. Other policy modules in the series include:

Module 200: Charter School Governance & Organization

Module 300: General School Operations

Module 400: Students

Module 500: Open Government

Module 600: Human Resources

Legal Abbreviations Used In the TCSA Model Board Policy Series

Atty. Gen. Op.	Attorney General Opinion
C.F.R	Code of Federal Regulations
Tex. Admin. Code	Texas Administrative Code
Tex. Educ. Code	Texas Education Code
Texas Gov't Code	Texas Government Code
Tex. Labor Code	Texas Labor Code
Texas Local Gov't Code	Texas Local Government Code
U.S.C.A	United States Code Annotated

100.020. ANNUAL OPERATING BUDGET *(adopted 3-10-16)*

The governing body (“Board”) of CEDARS INTERNATIONAL ACADEMY adopts the following policy which shall be effective on the date that the policy is adopted by the Board.

SECTION 1. Budget Process

SECTION 1.1. FASRG. The Superintendent will ensure that CEDARS INTERNATIONAL ACADEMY follows a budgeting process that is consistent with the requirements in the Budgeting Module of the Texas Education Agency’s (“TEA”) Financial Accountability System Resource Guide (FASRG).

SECTION 1.2. Superintendent. The Superintendent is responsible for the preparation of the annual budget.

SECTION 1.3. Campus Improvement Plan. Each year before the annual operating budget is drafted the Superintendent shall ensure that a campus improvement plan, which is based on a needs assessment of CEDARS INTERNATIONAL ACADEMY, is drafted and finalized. The needs assessment and campus improvement plan shall be completed by the last Friday in April. The campus improvement plan shall inform the drafting of the annual budget.

SECTION 1.4. Adoption. The Board shall formally adopt the budget, in a meeting open to the public, before the fiscal year of September 1st begins and before the expenditure of any funds.

SECTION 1.5. Minutes. The Secretary of the Board will record the adoption of the budget and any amendments in the Board meeting minutes in which the adoption occurs.

SECTION 1.6. Post-Adoption. After the adoption of the budget the Superintendent and the Board shall review actual fund disbursements compared to the adopted budget and make proposed amendments as needed. This shall occur soon after actual student enrollment is determined.

SECTION 1.7. Application for Accelerated Payments. The Superintendent will determine annually whether CEDARS INTERNATIONAL ACADEMY may be eligible for accelerated payments from the Foundation School Program, and if so, will make a recommendation to the board concerning whether the charter school should to apply to the Commissioner for accelerated payments of state funding.

SECTION 2. Fiscal Compliance

The Superintendent shall ensure that CEDARS INTERNATIONAL ACADEMY complies with all state and federal laws and rules concerning the budget and related processes of the school, including but not limited to, laws and rules concerning online budget posting.

100.040. USE OF STATE FUNDS

The governing body ("Board") of Cedars International Academy Charter School adopts the following policy which shall be effective on the date that the policy is adopted by the Board.

SECTION 1. Use of State Funds

The Superintendent of Cedars International Academy Charter School shall ensure that the school uses state funds only for lawful purposes.

SECTION 2. Comingling of Charter & Non-Charter Business Prohibited

The Superintendent shall ensure that the business activities of Cedars International Academy Charter School 501(3)c that are not directly related to the management and operation of Cedars International Academy Charter School are kept in a separate and distinct accounting, auditing, budgeting, reporting, and recordkeeping systems from those recording the business activities of Cedars International Academy Charter School. Currently Cedars International Academy Charter School 501(3)c has no financial transactions.

SECTION 3. Interested Transactions

SECTION 3.1. Each member of the Board shall comply with all conflict of interest laws and rules applicable to affected board members.

SECTION 3.2. The Superintendent shall ensure that the employees of Cedars International Academy Charter School shall comply with all conflict of interest laws and rules applicable to affected employees.

SECTION 3.3. The Superintendent shall ensure that the following shall be recorded in the accounting, auditing, budgeting, reporting, and recordkeeping systems for the management and operation of the school:

- a. Financial transactions between the school and the non-charter activities of the charter holder;
- b. Financial transactions between the school and an officer or employee of the charter holder or the school;
- c. Financial transactions between the school and a member of the governing body of the charter holder or the school;
- d. Financial transactions between the school and a management company charged with managing the finances of a school; and
- e. Financial transactions between the school and any other person or entity in a position of influence over the charter holder or the school.

100.060. STATE FISCAL COMPLIANCE*(revised and adopted 3/6/14)*

The governing body (“Board”) of CEDARS INTERNATIONAL ACADEMY adopts the following policy which shall be effective on the date that the policy is adopted by the Board.

SECTION 1. Fiscal Year

The CEDARS INTERNATIONAL ACADEMY Board adopts September 1st as the fiscal year for CEDARS INTERNATIONAL ACADEMY

SECTION 2. Financial Accounting

SECTION 2.1. Compliance. The Superintendent (“ED”) shall ensure that CEDARS INTERNATIONAL ACADEMY fully complies with: generally accepted accounting principles, Texas Education Agency’s (“TEA”) Financial Accountability System Resource Guide, TEA’s Student Attendance Accounting Handbook, Public Education Information Management System (PEIMS), and any other applicable federal or state standards for financial management systems.

SECTION 2.2. Financial Reporting. The Superintendent, or designee, shall make an accurate, current, and complete disclosure of financially assisted activities in accordance with financial reporting requirements of each grant or subgrant.

SECTION 2.3. Accounting Records. The Superintendent, or designee, shall maintain records that adequately identify the source and application of funds provided for activities assisted with state or federal funds.

SECTION 2.4. Internal Control. The Superintendent, or designee, shall maintain effective control and accountability of all federal grant and sub-grant cash, real and personal property, and other assets obtained with federal funds. The Superintendent, or designee, shall safeguard all such property and assure that it is used solely for authorized purposes.

SECTION 3. Grant Management Standards

SECTION 3.1. Compliance. If CEDARS INTERNATIONAL ACADEMY receives a grant directly from a state or federal agency the Superintendent shall ensure that CEDARS INTERNATIONAL ACADEMY is in compliance with the grant requirements of that state or federal agency.

SECTION 3.2. Employee Time Sheet. If a CEDARS INTERNATIONAL ACADEMY employee’s compensation is funded by any grant, the Superintendent shall ensure that the employee maintains a time sheet on which he or she records the time spent during the work day along with a description of the service he or she performed during that time.

SECTION 3.3. Signature. The Superintendent shall ensure that the time sheets will contain the signatures of the employee that completed the time sheet, a school official, and the CEDARS INTERNATIONAL ACADEMY's grant manager.

SECTION 4. Annual Audit by the Charter

SECTION 4.1. Annual Audit. Annually, the President of the Board for NAME OF CHARTER SCHOOL shall ensure the engagement of a certified public accountant ("CPA") to have the financial and programmatic operations of CEDARS INTERNATIONAL ACADEMY audited. CEDARS INTERNATIONAL ACADEMY shall select and contract only with CPAs that are licensed by the Texas State Board of Public Accountancy and registered as a provider of public accounting services.

SECTION 4.2. Filing with TEA. The Superintendent shall ensure that CEDARS INTERNATIONAL ACADEMY timely files a copy of the annual audit report with the TEA division responsible for school financial audits. The report shall include a certificate of the Board which will include the original signatures of both the presiding officer and the secretary of the Board. The certificate shall indicate if the Board approved or disapproved the contents of the report along with the date of the Board's approval or disapproval. This approval or disapproval shall be supported in the Board's meeting minutes. The ED shall ensure that if the Board disapproved the audit, it shall still be filed with TEA along with a statement identifying the reason(s) for Board disapproval.

SECTION 4.3. Disclosure of Interest. On behalf of the CEDARS INTERNATIONAL ACADEMY, the Superintendent shall ensure that all persons with a substantial interest in a management company are separately disclosed in the annual audit.

SECTION 5. Annual Financial Statement *(revised and adopted 3/6/14)*

SECTION 5.1. Annual Financial Statement. The Superintendent of CEDARS INTERNATIONAL ACADEMY shall prepare, or cause to be prepared, an annual financial statement for each fund subject to the authority of the Board during the fiscal year showing:

- a. the total receipts of the fund, itemized by source of revenue, including taxes, assessments, service charges, grants of state money, gifts, or other general sources from which funds are derived;
- b. the total disbursements of the fund, itemized by the nature of the expenditure; and
- c. the balance in the fund at the close of the fiscal year.

SECTION 5.2 Posting of Annual Financial Statement. The Superintendent, or designee of CEDARS INTERNATIONAL ACADEMY shall ensure that the annual financial statement is posted continuously on the school's Internet website.

SECTION 6. Annual Financial Management Report

SECTION 6.1. The Superintendent shall ensure that CEDARS INTERNATIONAL ACADEMY complies with the reporting procedures TEA develops for charter holders to prepare and distribute the school's annual financial management report.

SECTION 7. Audit by the Commissioner

SECTION 7.1. CEDARS INTERNATIONAL ACADEMY and its officers, employees and agents shall fully cooperate with an audit by the commissioner of education and will take all actions necessary to secure the cooperation of a management company.

SECTION 8. Attendance Accounting

SECTION 8.1. Compliance. The Superintendent shall ensure that CEDARS INTERNATIONAL ACADEMY complies with the TEA Student Attendance Accounting Handbook and all other laws and rules concerning charter school student attending accounting, reporting, and record keeping.

SECTION 8.2. Responsibility. The Superintendent, chief campus leaders, and teachers of CEDARS INTERNATIONAL ACADEMY will be responsible to the Board of CEDARS INTERNATIONAL ACADEMY and to the state to maintain accurate, current student attendance records;

SECTION 8.3. When Attendance is Taken. Attendance at CEDARS INTERNATIONAL ACADEMY will be determined by the absences recorded in the second period of the day. CEDARS INTERNATIONAL ACADEMY will not change the established period in which absences are recorded during the school year;

SECTION 9. PEIMS Data Standard

SECTION 9.1. PEIMS. The Superintendent shall ensure that CEDARS INTERNATIONAL ACADEMY's fiscal accounting system is compatible with PEIMS data standards and conforms to Generally Accepted Accounting Principles.

SECTION 9.2. Account Code Structure. The Superintendent shall ensure that, with the exception of the codes that may be used at local option, CEDARS INTERNATIONAL ACADEMY shall use the account code structure described in TEA's Special Supplement to the Financial Accountability System Resource Guide, Nonprofit Charter School of Accounts.

100.080 FEDERAL FISCAL COMPLIANCE (adopted 3-10-16)

The governing body (“Board”) of CEDARS INTERNATIONAL ACADEMY adopts the following policy which shall be effective on the date that the policy is adopted by the Board.

Section 1. Commitment to Compliance

Prior to expending federal grant funds, the Superintendent shall ensure that CEDARS INTERNATIONAL ACADEMY consults the appropriate compliance standards. The Superintendent shall adopt and follow appropriate procedures to ensure that all grant funds are expended in accordance with applicable requirements, including where applicable, the Education Department General Administrative Regulations (EDGAR).

Section 2. Federal Grant Time and Effort

The Executive Director or designee shall develop and maintain an electronic record keeping system that can receive, store, and reproduce electronic records and signatures of electronic transactions in their original form. The records shall be retained in an accessible format for as long as legally required.

Section 2.1. Employee Time Sheet. If CEDARS INTERNATIONAL ACADEMY employee’s compensation is funded by any federal grant, the Superintendent shall ensure that the employee maintains a time sheet on which he or she records the time spent during the work day along with a description of the service he or she performed during that time.

Section 2.2. Signature. The Superintendent shall ensure that the time sheets contain the signatures of the employee who completed the time sheet, a school official, and the CEDARS INTERNATIONAL ACADEMY’s grant manager.

Section 2.3. Substitute System for Time and Effort Reporting. Each school year, the Superintendent shall submit a management certification form by the deadlines required by the Texas Education Agency to qualify as a participant under the substitute system of semi-annual time and effort reporting for employees of CEDARS INTERNATIONAL ACADEMY. The Superintendent shall also ensure that any eligible employee participating in the substitute system of federal time and effort reporting completes a schedule and certification form at least semi-annually. The Superintendent shall ensure that the semi-annual certification form contains the signature of the employee and the employee’s supervisor. The semi-annual certifications for each employee shall be maintained as part of the records of the charter school.

Comment [CN1]: Moved the tab over on this page.

Section 3. Use of Federal Grant Funds for Procurement

Section 3.1. Compliance. When expending federal grant funds, The Superintendent, or the Superintendent's designee shall require compliance by CEDARS INTERNATIONAL ACADEMY's employees, officers, and agents with all applicable federal and state procurement standards and policies. Violations of applicable laws or policies may lead to disciplinary consequences including and up to termination of employment or removal from any officer position, if applicable.

Section 3.2. Shared Services. The Superintendent is encouraged to participate in group purchasing programs, shared services agreements, inter-local contracts and inter-entity agreements whenever possible to generate a cost savings for the charter school.

Section 3.3 Open and Free Competition. The Superintendent shall ensure that all procurement transactions are conducted in a manner that provides open and free competition. The Superintendent shall ensure that the procurement procedures implemented by CEDARS INTERNATIONAL ACADEMY have written selection procedures that do not contain features which unduly restrict competition.

Section 3.4. Conflicts of Interest: Standards of Conduct. The Superintendent shall ensure that no employee, officer, or agent of CEDARS INTERNATIONAL ACADEMY, who has a real or apparent conflict of interest, participates in the selection, award, or administration of a contract supported by federal funds. Employees, officers, and agents may not solicit or accept favors, gratuities, or anything of monetary value from contractors or their agents. The Superintendent shall maintain written standards of conduct governing the performance of CEDARS INTERNATIONAL ACADEMY employees engaged in the award and administration of contracts. The written standards of conduct shall also address organizational conflicts of interest. The Superintendent shall disclose in writing any potential conflict of interest to the Board of Directors, to the Texas Education Agency, and to the federal awarding agency.

Section 3.5. Disclosures of Misconduct. The Superintendent shall ensure that any evidence of fraud, bribery or a gratuity violation is promptly reported to the Board of Directors, to the Texas Education Agency, and to the federal awarding agency. The Superintendent shall also report any such evidence to local law enforcement authorities.

Section 3.6. Small and Minority Firms. Women's Businesses. The

Superintendent shall ensure that CEDARS INTERNATIONAL ACADEMY takes all necessary affirmative steps to assure that minority firms, women's business enterprises, and labor surplus area firms are used when possible.

Section 3.7. Record Documentation. The Superintendent shall maintain records sufficient to detail the history of each procurement secured with federal funds. The records must include, but not be limited to, the rationale for the procurement method, the selection of the contract type, contractor selection or rejection, and the basis of the contract price.

Section 3.8. Mandated Contract Provisions. The Superintendent shall ensure that all legally mandated provisions are included in each procurement contract.

Section 4. Special Fiscal Requirements under Title I, Part A of NCLB ("Title I")

Section 4.1. Supplement not Supplant. The Superintendent shall ensure that Title I funds will be used to supplement, not supplant regular non-federal funds.

Section 4.2. Documentation. Documentation shall be maintained, or caused to be maintained, by the Superintendent. The documentation must clearly demonstrate the supplementary nature of federal funds.

Section 4.3. Campus Improvement Plan. The Superintendent shall ensure that Title I funds used by CEDARS INTERNATIONAL ACADEMY shall be aligned to the campus improvement plan. There shall be no costs expended that are not directly related to the campus improvement plan.

- a. A comprehensive needs assessment shall be conducted that will inform the drafting of the campus improvement plan. The campus improvement plan shall be aligned to the needs assessment and only needs that can be met with current funding levels shall be addressed in the campus improvement plan.
- b. New goals shall be added as new money is identified.
- c. The Superintendent shall ensure that CEDARS INTERNATIONAL ACADEMY shall conduct the needs assessment and campus improvement plan prior to any grant application.

Section 4.4. Comparability Testing. Unless the charter school is exempt from Title I's comparability requirements, the Superintendent or designee shall ensure that CEDARS INTERNATIONAL ACADEMY remains in compliance with all applicable comparability requirements. To ensure proper use of the receipt of any Title I, Part A funding, CEDARS INTERNATIONAL ACADEMY will strive to avoid diverting state and local resources away from its Title I, Part A campus(es) by:

- a. Implementing a district-wide salary schedule. The Superintendent shall recommend for Board approval a salary schedule that indicates salary comparability across all Title I and non-Title I campuses and positions. The district wide salary schedule shall allow for fair and comparable compensation for each position based each employee's job duties, special assignments, education, certifications, and experience. The Superintendent shall administer the compensation plan in a manner consistent with the annual budget adopted by the Board;
- b. Ensuring equivalence among campuses in teachers, administrators, and other staff. The ratio of students to teachers, administrators, and other staff at each Title I campus shall be equivalent to the ratio of students to teachers, administrators and other staff at non-Title I campuses. Equivalence shall be determined by various reasonable and appropriate factors;
- c. Ensuring equivalence among campuses in the provision of curriculum materials and instructional supplies. Each Title I and non-Title I campus shall receive equivalent funding for curriculum and instructional materials. Equivalence shall be determined by various reasonable and appropriate factors; and
- d. Adjusting to Ensure Comparability. The Superintendent or designee shall conduct testing to measure comparability and maintain records documenting compliance. If any instances of noncompliance are identified, the Superintendent or designee shall promptly implement adjustments as needed to ensure comparability, seeking board approval where necessary or appropriate.

Section 5. Special Fiscal Requirements under IDEA, Part B (Special Education)

The Superintendent shall ensure that CEDARS INTERNATIONAL ACADEMY complies with the specific requirements applicable to the receipt of special education funding including maintenance of effort, excess costs, supplemental use, and Coordinated Early Intervening Services.

Section 6. Charter Schools Program (CSP), NCLB Title V, Part B

Section 6.1. Compliance. If CEDARS INTERNATIONAL ACADEMY receives CSP grants, the Superintendent shall ensure that CEDARS INTERNATIONAL ACADEMY shall comply and use the federal funds in accordance with all statutes, regulations, and approved applications.

Section 6.2. Fiscal Control. The Superintendent shall directly administer or supervise the administration of any projects funding through CSP funds, and shall use fiscal control and fund accounting procedures that ensure proper disbursement of, and accounting for, federal funds.

Section 6.3. Conflicts of Interest. CEDARS INTERNATIONAL ACADEMY Board members and employees shall avoid apparent and actual conflicts of interest. An individual is prohibited from participating in an administrative decision regarding a project funded through CSP funds if the decision is likely to benefit that person or an immediate family member and the person is a public official or has a family or business relationship with CEDARS INTERNATIONAL ACADEMY. A person is prohibited from participating in a project to use his or her position for a purpose that is, or gives the appearance of being, motivated by a desire for a private or financial gain for that person or for others.

Section 6.4. Procurement. When using CSP funds to enter into a contract for equipment or services the Superintendent, or the Superintendent's designee, shall comply with the applicable federal procurement standards. No Board member, employee, officer, or agent of CEDARS INTERNATIONAL ACADEMY may participate in the selection, award, or administration of any contract supported by federal funds if a real or apparent conflict of interest exists.

Section 7. National Child Nutrition Programs

SECTION 7.1. National School Breakfast Program Participation. If at least 10 percent of enrolled students in CEDARS INTERNATIONAL ACADEMY are eligible for free or reduced-price breakfasts under the national school breakfast program, provided for by the Child Nutrition Act of 1966, the CEDARS INTERNATIONAL ACADEMY shall either make the benefits of the program available to all eligible students or develop and implement a locally funded program to provide free or reduced-priced meals according to each student's eligibility.

Unless the Board has obtained a waiver from the Commissioner for applicable school year, if at least 80 percent or more of the students in CEDARS INTERNATIONAL ACADEMY qualify for a free or reduced-price breakfast under the National School Breakfast Program, CEDARS INTERNATIONAL ACADEMY shall provide a free breakfast to every student at the school.

The Superintendent shall ensure the school's compliance with all federal and state rules governing administration of the National School Breakfast Program.

SECTION 7.2. National School Lunch Program.

The Superintendent or designee shall ensure compliance with all federal and state rules governing the administration of the National School Lunch Program.

100.100 CASH MANAGEMENT & CREDIT CARD PROCEDURES

The governing body ("Board") of Cedars International Academy Charter School adopts the following policy which shall be effective on the date that the policy is adopted by the Board.

School funds are public funds. Consequently, all expenditures of school funds, including cash expenditures, shall be documented and accounted for by daily receipts.

As a general rule, cash will not be used to make purchases except from petty cash, as described below. School checks shall not be made payable to "Cash".

The Superintendent of Cedars International Academy Charter School shall ensure that appropriate "separation of duties" are complied with in the handling of all money transactions, including reconciliation.

SECTION 1. Accounting for Cash Transactions

SECTION 1.1. Documentation. All cash transactions shall be recorded in writing, such as by a hand written receipt, which shall be signed and dated by the individual who receives the cash. Staff members who receive or collect money from parents or teachers shall document from whom the money was received and in what amount. A copy of the receipt shall be kept with the cash received. Such money shall be submitted to the Administrative Assistant on the same school day as it is received for deposit.

SECTION 1.2. Depositing Cash. The Superintendent shall be responsible for ensuring that cash received is deposited in Cedars International Academy Charter School's bank account. Deposits shall be made whenever cash receipts total \$1000, or, at a minimum, weekly. A copy of the validated deposit slip shall be returned to the school on same day the deposit is made or the next day after the deposit is made.

SECTION 1.3. Petty Cash Prohibited. The use of petty cash shall not be allowed at Cedars International Academy Charter School.

SECTION 2. Checks

SECTION 2.1. Cedars International Academy Charter School Checks. All authorized finance check drafted on Cedars International Academy Charter School's bank account over shall have two authorized check signers. The following Cedars International Academy Charter School officers are authorized to sign checks from Cedars International Academy Charter School's bank account on behalf of Cedars International Academy Charter School: Superintendent, Board Treasurer, Board President, and Board Secretary. Each check must be completed in its entirety before it is signed by either party.

SECTION 2.2. Checks Received. Checks received shall be endorsed "for deposit only" and shall either be deposited when the total amount is at least \$1000 or at least weekly, whichever is more frequent.

SECTION 2.3. Check Requests. Services or products rendered, reimbursement requests with original receipts, or mileage reimbursements may receive payment with a check. Mileage reimbursements are paid at the federal reimbursement rate as determined August 1 of each current year. A check request form must be completed by the requestor and approved with a signature by the Superintendent. The check request form shall contain the name of the payee, the date the check is requested to be written, the amount of the check, a brief description for the issuance of the check, and the funding source that will be drawn from. Checks made payable to "Cash" are prohibited. The check request shall then be submitted to the Administrative Assistant for processing. All check request forms shall be maintained by the Administrative Assistant in the front office. (Revised and adopted 2/19/15)

SECTION 2.4. Check Acceptance Policy. Parents of students enrolled at Cedars International Academy Charter School and employees of Cedars International Academy Charter School must receive prior notice from Cedars International Academy Charter School that in the event a check they have submitted to Cedars International Academy Charter School is returned for insufficient funds, or any other reason, Cedars International Academy Charter School shall collect from the check maker the amount originally due in addition to any fee assessed to Cedars International Academy Charter School by the bank because of the returned check.

SECTION 3. Paying Bills with State or Federal Grant Funds

SECTION 3.1. Grant funds shall not be requested from the Texas Education Agency until Cedars International Academy Charter School is prepared to pay any outstanding balances within three days from when the funds are deposited in Cedars International Academy Charter School's bank account. The Superintendent shall ensure that all bills, including payroll and related withholding taxes, shall be paid by Cedars International Academy Charter School within three working days from when such funds are deposited in Cedars International Academy Charter School's bank account.

SECTION 4. Bank Reconciliations

The Superintendent or designee is responsible for bank reconciliations a minimum of once a month. Each Cedars International Academy Charter School bank statement, assets, and liabilities shall be reconciled to both the checkbook and the general ledger.

SECTION 5. Debit Card Procedures

All authorized users of the Cedars International Academy Charter School debit card assume the responsibilities pertaining to the use and reconciliation of the debit card. The Cedars International Academy Charter School debit card shall only be used for school business expenditures. It may not be used for personal purchases and/or cash transactions and shall be maintained by the highest level of security.

Employees issued a Cedars International Academy Charter School debit card must receive prior, documented approval from the Superintendent or designee before the use of the debit card. Each debit card transaction by any user must be accompanied by appropriate documentation such as original receipts documenting each transaction.

SECTION 6. Activity Funds

SECTION 6.1. Parent/Volunteer Groups. The Superintendent, or designee, shall develop procedures for parent and school volunteer groups to follow in the collection of funds. Such procedures should distinguish between what the school is collecting and what the parent group is collecting. See Texas Education Code §12.108 for allowable fees that may be collected by Cedars International Academy Charter School.

SECTION 6.2. Activity Expenditures. The following individual(s) is/are authorized to approve activity expenditures: Superintendent

SECTION 6.3. Fiduciary Responsibility The Superintendent, principal, and sponsor, as applicable, shall be responsible for the proper administration of District and campus activity funds and student activity funds in accordance with state law and local policy, District approved accounting practices and procedures, and the *TEA Financial Accountability System Resource Guide*.

SECTION 6.4. Student Activity Funds The Superintendent or designee shall ensure that student activity accounts are maintained to manage all class funds, organization funds, and any other funds collected from students for a school related purpose. The principal or designee shall issue receipts for all funds prior to their deposit in to the appropriate District account at the District depository.

SECTION 6.5. Use and Expenditure Funds collected by student groups shall be used only for purposes authorized by the organization or upon approval of the sponsor. The Superintendent or designee shall approve all disbursements. All funds raised by student organizations must be expended for the benefit of the students.

SECTION 6.6. District and Campus Activity Funds The Superintendent shall establish regulations governing the expenditure of District and campus activity funds generated from vending machines, rentals, gate receipts, concessions, and other local sources of revenue over which the District has direct control. Funds generated from such resources shall be expended for the benefit of the District or its students and shall be related to the District's educational purpose.

SECTION 6.7. Approval. Approval from the immediate supervisor or designee shall be obtained prior to a disbursement being made to any employee, including the principal.

SECTION 6.8. Carryover Funds All funds shall be left in the appropriate account and each sponsoring group shall retain the carryover funds in the next fiscal year. If an organization ceases to function or exist, the unexpended funds of the organization shall be credited to the appropriate administrative activity account.

**100.110 ELECTRONIC SIGNATURES-(NEW JUNE 2015) ADOPTED
09/10/2015**

The governing body ("Board") of Cedars International Academy adopts the following policy which shall be effective on the date approved by the Board.

Section 1.

Cedars International Academy wishes to promote effective and efficient use of electronic communications to conduct school business. An electronic signature shall have the full force and effect of a manual signature only if the electronic signature satisfies all of the following requirements:

Section 1.1. The individual affixing his or her electronic signature to a document, contract, data transmission, or report is otherwise authorized by the governing body to represent the Cedars International Academy in legal transactions, to commit the resources of the charter school, or to make or affirm representations concerning operations of the charter school.

Section 1.2. The electronic signature identifies the individual signing the document by his or her name and title;

Section 1.3. The electronic signature and the document to which it is affixed cannot be altered once the electronic signature is affixed; and

Section 1.4. The identity of the individual signing with an electronic signature is capable of being validated.

Section 2.

The Superintendent or designee shall develop and maintain an electronic record keeping system that can receive, store, and reproduce electronic records and signatures of electronic transactions in their original form. The records shall be retained in an accessible format for as long as legally required.

Section 3.

This policy does not require electronic signatures to be created or used for any particular business transactions for the charter school.

100.120. ACCOUNTING FOR CAPITAL ASSETS

The governing body (“Board”) of Cedars International Academy Charter School adopts the following policy which shall be effective on the date that the policy is adopted by the Board.

SECTION 1

SECTION 1.1. Capital Asset. A capital asset for Cedars International Academy Charter School is an asset that is:

- a. Tangible in nature;
- b. Has a life that exceeds one year;
- c. Is valued at \$5000 per unit; and
- d. Is reasonably identified and controlled through a physical inventory system.

SECTION 1.2. Documentation. The Superintendent shall ensure that Cedars International Academy Charter School maintains accurate records of capital assets in accordance with applicable rules.

SECTION 1.3. Inventory. The Superintendent will ensure that a physical inventory of capital assets takes place once every two years in accordance with rules.

SECTION 1.4. Financial and Compliance Report. For purposes of the Financial and Compliance Report, the Superintendent shall ensure that the report includes:

- a) An exhibit in the financial and compliance report identifying all capital assets and the ownership interest of local, state, and federal parties; or
- b) A statement that all property acquired during the term of the Cedars International Academy Charter School, and all property presently held by Cedars International Academy Charter School, may be considered public property.

100.140. INVESTMENT OF STATE FUNDS (Revised and adopted 1-17-13)

The governing body (“Board”) of Cedars International Academy Charter School adopts the following policy which shall be effective on the date that the policy is adopted by the Board.

SECTION 1. Compliance. The Superintendent shall ensure that Cedars International Academy Charter School invests state funds in accordance with applicable state law and rules. The investment of state funds shall be made with judgment and care and not for speculation, but for investment, considering the probable safety of capital and the probable derived income.

SECTION 2. Investment Management Firm and/or Officer. The Superintendent may determine to recommend to the Board to contract with an investment management firm that is registered under the appropriate governmental entities to provide for the investment and management of the funds. Such a contract shall not exceed two years. If the Board determines to renew any such contract the board shall issue the appropriate order or resolution.

SECTION 3. Discrete Maintenance of Records. The Superintendent shall ensure that all investments will be maintained in a discrete, charter investment account, separate from any other of Cedars International Academy Charter School’s accounts.

SECTION 4. Investments. The following investments have received approval by the Board for the one year period from September 1 to August 31.

- Obligations of or guaranteed by the state or federal government
- Certificates of deposits or share certificates
- Fully collateralized repurchase agreements
- Securities lending program
- Banker’s acceptance
- Mutual funds
- Guaranteed investment contract
- Investment pool

The goal of all investments is conservative: preservation of principal and be able to access funds easily (liquidity).

SECTION 5. Personal Interests. A District investment officer who has a personal business relationship with a business organization offering to engage in an investment transaction with the District shall file a statement disclosing that personal business interest. An investment officer who is related within the second degree by affinity or consanguinity, as determined by Government Code Chapter 573, to an individual seeking to sell an investment to the investment officer’s District shall file a statement disclosing that relationship. A required statement must be filed with the Board and with the Texas Ethics Commission. For purposes of this policy, an investment officer has a personal business relationship with a business organization if:

1. The investment officer owns ten percent or more of the voting stock or shares of the business organization or owns \$5,000 or more of the fair market value of the business organization;

2. Funds received by the investment officer from the business organization exceed ten percent of the investment officer's gross income for the previous year; or
3. The investment officer has acquired from the business organization during the previous year investments with a book value of \$2,500 or more for the personal account of the investment officer.

SECTION 6. Quarterly Reports Not less than quarterly, the investment officer shall prepare and submit to the Board a written report of investment transactions for all funds covered by the Public Funds Investment Act. This report shall be presented to the Board and the Superintendent not less than quarterly, within a reasonable time after the end of the period. The report must:

Contain a detailed description of the investment position of the District on the date of the report.
Be prepared jointly and signed by all District investment officers.
Contain a summary statement for each pooled fund group (i.e., each internally created fund in which one or more accounts are combined for investing purposes) that states the:

Beginning market value for the reporting period;
Ending market value for the period; and
Fully accrued interest for the reporting period.

State the book value and market value of each separately invested asset at the end of the reporting period by the type of asset and fund type invested.
State the maturity date of each separately invested asset that has a maturity date.
State the account or fund or pooled group fund in the District for which each individual investment was acquired.
State the compliance of the investment portfolio of the District as it relates to the District's investment strategy expressed in the District's investment policy and relevant provisions of Government Code, Chapter 2256.

If the District invests in other than money market mutual funds, investment pools or accounts offered by its depository bank in the form of certificates of deposit, or money market accounts or similar accounts, the reports shall be formally reviewed at least annually by an independent auditor, and the result of the review shall be reported to the Board by that auditor.

100.160. PAYROLL

SECTION 1.1. Accurate & Timely Payroll. The Superintendent shall ensure that school employees are paid accurately and timely in accordance with applicable laws and rules

SECTION 2.2. Paydays.

- a. Exempt Employees. The paydays for exempt employees shall be on the last week day of the month.

- b. Non-exempt Employees. The paydays for non-exempt employees shall be on the last week day of the month.

SECTION 2.3. Withholding of Wages. The Superintendent shall ensure that the wages of school employees are not withheld except as expressly required or expressly permitted by applicable laws and rules.

100.180. PROPERTY

The governing body ("Board") of Cedars International Academy Charter School adopts the following policy which shall be effective on the date that the policy is adopted by the Board.

SECTION 1. Public Property Held in Trust

SECTION 1.1. Public Property. An interest in real estate or personal property acquired, improved, or maintained using state funds that were received by Cedars International Academy Charter School on, or after, September 1, 2001, is public property for all purposes under state law.

SECTION 1.2. Public Property Held in Trust. Public property is held by the Cedars International Academy Charter School in trust for the benefit of enrolled students.

SECTION 2. Use of Public Property

SECTION 2.1. Allowable Use. The Superintendent shall ensure that public property shall only be used for a purpose for which a school district may use school district property and only to implement a program that is described in the open-enrollment charter and is consistent with the Texas Education Code §12.102.

The Superintendent also shall ensure that Cedars International Academy Charter School employees, agents, contractors, and management companies do not use or apply public property for any purpose but a program described in Cedars International Academy Charter School's charter.

SECTION 2.2. Exception to Allowable Use. Employees of Cedars International Academy Charter School may use local telephone service, cellular phones, electronic mail, and Internet connections for incidental personal use under the following conditions:

- a. Such incidental personal use must not result in any direct cost paid with state funds. If this does happen, the Superintendent shall ensure that the employee which caused the direct cost to be incurred by Cedars International Academy Charter School shall reimburse Cedars International Academy Charter School;
- b. Such incidental personal use shall not impede the functions of Cedars International Academy Charter School;
- c. The use of public property for private commercial purposes is strictly prohibited; and
- d. Only incidental amounts of an employee's time for personal matters, comparable to reasonable coffee breaks during the day, are authorized under this section.

SECTION 2.3. Violations of Section 2.

SECTION 2.3.1. Employee Violations. The Superintendent shall ensure that a violation of Section 2 of this policy by an employee of Cedars International Academy Charter School shall

have disciplinary consequences which may include termination of employment.

SECTION 2.3.2. Contractor Violations. The Superintendent shall ensure that each contract between Cedars International Academy Charter School and another party includes language stating the allowable use of public property and that a violation of the allowable use may lead to termination of a contract. If a contract is terminated based on a violation of Section 2 of this policy Cedars International Academy Charter School will compensate the entity for services performed as required by law.

SECTION 2.4 Joint Use of Real Property. The Board President shall ensure that the Board takes a separate vote to approve any joint use of real property for charter and non-charter activities. In the meeting minutes of the vote approving the joint use, the Board Secretary shall ensure that the minutes set forth the methodology used to allocate shared costs and the percentage allocation basis between charter and non-charter activities.

SECTION 3. Lease of Cedars International Academy Charter School Facilities

Cedars International Academy Charter School may lease its facilities to various organizations such as those that are educational, religious, or civic in nature. However, the availability of facilities for lease by out- side entities will depend on Cedars International Academy Charter School's own needs and convenience.

SECTION 4. Technology Disposal (Revised and adopted 2/19/15)

Cedars International Academy Charter School adopts the following for technology (IPAD, cell phone, learn pads, tablets, computers, projectors etc) for teachers use:

- If device is lost the teacher will pay for the device at current value.
- If the device is stolen, the district files a police report. No financial obligation on the part of the teacher is incurred.
- If the district is upgrading/replacing, the technology and the district deems they cannot be used by the students, staff can purchase them for ten percent (10%) of their current value. If the property remains unsold the property the technology will be disposed of in an environmentally proper manner

CHARTER BOARD POLICY

100.200. PURCHASING & CONTRACTING (adopted 3-10-16)

The governing body ("Board") of CEDARS INTERNATIONAL ACADEMY adopts the following policy which shall be effective on the date that the policy is adopted by the Board.

SECTION 2. Public Works Contracts – Chapter 44 of the Education Code

SECTION 2.1. Applicable Law. In awarding contracts that will involve the construction, repair, or renovation of a structure, road, highway, or other improvement or addition to real Property ("construction services"), the CEDARS INTERNATIONAL ACADEMY will comply with Chapter 44, Subchapter B, of the Education Code. Pursuant to Chapter 44, Subchapter B, of the Education Code, CEDARS INTERNATIONAL ACADEMY shall select a method pursuant to Chapter 2269 of the Texas Government Code for construction services.

SECTION 2.2. Bidding Threshold. This policy applies when an expenditure of more than \$50,000 in public funds is required for construction services.

SECTION 2.3. Delegation of Authority. The Board of Directors may/may not delegate any or all of its authority under this Policy to the SUPERINTENDENT. The act of delegating authority itself shall be accomplished through an act of the Board of Directors at a lawfully held meeting in compliance with the Texas Open Meetings Act. Upon delegation of such authority, the SUPERINTENDENT shall have and may exercise the power and authority of the Board of Directors pursuant to this Policy.

If the Board of Directors has delegated any of its authority under this Policy, the SUPERINTENDENT shall ensure that any request for bids (RFB), proposals (RFP), or qualifications (RFQ) issued by CEDARS INTERNATIONAL ACADEMY, shall provide notice of the delegation, the limits of such delegation, and include the name and title of each person to whom authority has been delegated. If the Superintendent fails to include such notice, any action taken under this Policy by the Superintendent must be ratified by the Board through formal action at a meeting held in compliance with the Texas Open Meetings Act.

SECTION 2.4. Selection of Construction Methodology. For each expenditure of more than \$50,000 for construction services, the Board of Directors shall determine the procurement method that provides the best value to CEDARS INTERNATIONAL ACADEMY in accordance with applicable law. The procurement methods available to CEDARS INTERNATIONAL ACADEMY are as follows:

- a. Competitive Bidding
- b. Competitive Sealed Proposals
- c. Construction Manager-Agent

- d. Construction Manager-at-Risk
- e. Design-Build Contract
- f. Job Order Contracts

SECTION 2.5. Use of Architect or Engineer; Use of Other Professional Services. The selection or designation of any architect or engineer, or the procurement of construction materials, engineering services, testing and inspection services, or verification testing services shall be made on the basis of demonstrated competence and qualifications in accordance with Section 3 of this Policy.

SECTION 2.6. Sealed Bids. The Superintendent shall ensure that all bids, proposals or qualifications are sealed.

SECTION 2.7. Contract Award. In determining the award, regardless of the procurement method selected, the Board must consider any existing laws, including any criteria, related to historically underutilized businesses and/or existing laws or criteria related to the use of women, minority, small or disadvantaged businesses. The Board may take into account several factors, including:

- a. Price
- b. Experience and Reputation
- c. Quality of Goods and Services
- d. Impact on the ability of CEDARS INTERNATIONAL ACADEMY to comply with rules relating to historically underutilized businesses
- e. Safety Record
- f. Proposed Personnel
- g. Financial capability appropriate to the size and scope of the project
- h. any other relevant factor provided it is specifically listed in the RFB, RFP, or RFQ

The Board shall make its selection based on the applicable criteria for the particular procurement method and document the basis for its selection. The Superintendent shall ensure that the evaluations are made public not later than the seventh (7th) day after the date any contract is

awarded.

SECTION 2.8. Advertisement/Notice of Procurement Request and Notice. The Superintendent shall ensure compliance with any advertisement or notice required by Chapter 2269, Texas Government Code upon the issuance of a request for proposal, bid or qualifications, and that any such notice contains the following:

- a. The time by when and the place where the bids, proposals, or responses will be received and opened; and
- b. The criteria for the particular procurement method that will be used to evaluate the bids, proposals or responses.

SECTION 3. Professional Services

Section 3.1. Applicable Law. The Superintendent shall ensure that professional service providers are selected in accordance with the applicable law.

SECTION 4. Workers Compensation

Section 4.1. Applicable Law. The Superintendent shall ensure that any workers compensation benefits for employees are selected and provided in accordance with applicable law.

SECTION 5. Cooperative Purchasing Programs and Interlocal Contracts

Section 5.1. The Superintendent shall ensure full compliance with all applicable law and rules if CEDARS INTERNATIONAL ACADEMY has amended its charter to enter into a cooperative purchasing program.

Section 5.2. The Superintendent shall ensure full compliance with all applicable law and rules if CEDARS INTERNATIONAL ACADEMY has determined to enter an interlocal contract with another open-enrollment charter school or any other entity permitted by law to enter into interlocal contracts.

SECTION 6. Other Purchasing and Contracting

Section 6.1 Appropriate Value. In awarding contracts for goods and services that are not governed by Sections 1, 2, 3 or 4 of this policy, the Superintendent shall ensure that the CEDARS INTERNATIONAL ACADEMY receives appropriate value for the expenditure.

Section 6.2. Competitive Process Threshold. In an expenditure of school funds for a contract awarded under Section 5.1 will exceed \$50,000 then the Superintendent shall engage a competitive process before selecting a person or entity to which to make the award.

Section 6.3. Purchase Order Required. The Superintendent shall establish procedures identifying a purchase order process as the method for purchasing or expending funds. Approval for a purchase or expenditure of funds must be obtained by the Superintendent before the purchase or expenditure of funds is made.

Section 7. Board Approval Required

For any contract or purchase made pursuant to this policy, the board of directors shall approve all contracts valued above \$50,000]. The Superintendent does not

have authority to bind the board of directors or the CEDARS INTERNATIONAL ACADEMY to any contract for goods and services valued above ~~\$50,000~~. Any contract or purchase valued above this amount that is not approved by the CEDARS INTERNATIONAL ACADEMY board of directors is void and ineffective.

Section 8. State Travel Management Program

Board members, officers, and employees, engaged in travel on official business of CEDARSINTERNATIONAL ACADEMY, shall utilize the Texas Comptroller's State Travel Management Program where it provides a better value for CEDARSINTERNATIONAL ACADEMY.