

Universal Academy Charter School
District 4225-07
Financial Policies and Procedures
Updated 07/2024 - Approved

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Definitions

Executive Director: The executive director of the school.

Finance Team: The finance team at least once a month and includes the Executive Director, Board Treasurer, and the Business Manager.

Vendor: Any individual not employed by the school who provides goods or services to the school in exchange for payment.

Purchases: A single transaction in which the school pays a vendor for goods or services. Purchases must not include any contract or agreement which obligates the school to receive and pay for goods or services on more than one single occasion. Purchase of services that require the vendor's employees or agents to interact or communicate directly with the school's students are excluded from this category and must be considered service contracts, even if the services are only provided on a single occasion.

Service Contracts: An agreement between the school and a vendor which obligates the school to receive and pay for goods or services on one or more occasions.

School: Universal Academy Charter School

Responsible Individuals

Authorized Individuals

- **Executive Director**
- **Business Manager**
- **Dept Head(s)**

Title	Relation to THE SCHOOL	Name
Executive Director	Employee	
Board Directors	Board of Directors	
Assistant Director – District Wide	Employee (Dept Head)	
Operations/HR Coordinator	Employee	
Building Manager	Employee (Dept Head)	
Business Manager	Contractor (Designs for Learning)	
School Accounting Specialist	Contractor (Designs for Learning)	
Marss Coordinator	Employee (Dept Head)	
Administrative Support	Employee	

Chart of Accounts

A standard chart of accounts is used under the UFARS system that is mandated by the Minnesota Department of Education.

Cash and Investments, Revenue, Receivable and Receipts

The School Board has delegated the duties of investing cash on hand not required for immediate expenditure to the Executive Director. Annually, a resolution is passed that allows this individual to invest School cash in accordance with Minnesota Statute 475.66 as noted in the Minnesota Legal Compliance Audit Guide for Local Government. This resolution also allows this individual to designate such depositories where investing takes place. This annual resolution is considered to be the "investment policy" of THE SCHOOL.

The School contracts with Designs for Learning for accounting/financial management services. The Executive Director directly communicates with Designs for Learning who acts as the Business Manager.

Bank statements are pulled electronically and mailed to Designs for Learning where they are opened by the Business Manager, examined, reconciled, and entries recorded into Smart Finance. The Executive Director, School Board Treasurer, and all other School Board members are given a list of all cash disbursements and electronic fund transfers for review. The Business Manager at Designs for Learning also reviews the reconciliations of all bank accounts and ensures that reconciled bank accounts agree with the general ledger.

The School's primary revenue sources consist of state/federal grants and aids. State/federal grants and aids are received via wire transfers and by check. Payments are received either as regularly scheduled by the State or Federal government or as triggered via the filing of progress or completion reports or SEDRA/SERVS/MEGS reports. For amounts received by check, the check is routed to the Administrative Support and forwarded to the Business Manager for inclusion in the daily deposits. The appropriate account coding is assigned by Designs for Learning and entered into the accounting system (Smart Finance Accounting). Other receipts (such as field trip moneys) are accepted only in the main office of the School, where they are tracked by the delegated School personnel, specifically for the activity, routed to the Executive Director for weekly deposit. All deposits are additionally reviewed by another School Accounting Specialist at Designs for Learning as they are entered into the Smart Finance System.

Detailed documentation regarding all Cash and Investments, Revenue, Receivable and Receipts is kept on file at Designs for Learning.

Cash Disbursements, Expenditures for Goods and Services and Accounts Payable

School purchases of goods and services are conducted with the following guidelines and thresholds:

“Micro” Purchases and Contracts

Up to \$5,000 aggregate dollar value (“micro-purchases”). No quotes are solicited so long as the School considers the price to be reasonable. Purchases are distributed equitably among qualified suppliers to the extent practicable.

“Small” Purchases & Contracts

Between \$5,000 and \$25,000 aggregate dollar value (“small purchases”). An adequate number (never less than two) of price or rate quotations are obtained from qualified sources and the most advantageous source is selected. All quotations obtained shall be kept on file for a period of at least one year after receipt thereof.

“Large” Purchases & Contracts

Greater than \$25,000 and higher aggregate dollar value (“sealed bids”). The School performs cost or price analysis and develops independent estimates before going out for bid. An invitation for bids is publicly advertised and bids are solicited from an adequate number of known suppliers. A list of known suppliers is maintained by the Finance Team and updated regularly. The invitation for bids, which includes any specifications and pertinent attachments, defines the goods or services for merchants to properly respond. It also includes and incorporates a clear and accurate description of the technical requirements for the goods or services to be procured. A date is set for the public opening of all bids that allows sufficient response time from suppliers. The sound reason for rejecting any bid is documented. A firm fixed price contract award is made in writing to the lowest responsive and responsible bidder.

Competitive thresholds for purchasing: Thresholds for purchases that require competitive bidding processes, including that a competitive bidding process must occur for **any procurement estimated to exceed \$25,000**. Staff are prohibited from breaking up a procurement into smaller components to avoid the thresholds in this section.

Competitive proposals: Under conditions in which sealed bids would not be appropriate, the School seeks competitive proposals from an adequate number of qualified sources. Requests for proposals are publicized and identify all evaluation factors and their relative importance. The School conducts technical evaluations of the proposals received and awards the contract to the responsible firm whose proposal is most advantageous to the program. Qualification-based methods are only used in the case of procurement of architectural or engineering professional services.

Noncompetitive proposals: Noncompetitive proposals are utilized only if the item is only available from a single source, or, the public exigency or emergency for the requirement will not permit a delay resulting from competitive solicitations, or, the federal awarding agency or pass-through entity expressly authorizes noncompetitive proposals in response to a written request from the School, or, competition is deemed inadequate after solicitation of multiple sources.

General Procurement Guidelines

The School conducts all procurement transactions in a manner providing full and open competition. The School does not place unreasonable requests on firms in order for them to qualify to do business, and does not require unnecessary experience or excessive bonding. The School does not specify that only “brand name” products be offered. The School does not impose geographical preferences except in accordance with applicable law. The School does not offer noncompetitive contracts to consultants that are on retainer contracts. Please refer to the detailed conflict of interest policy described later in these processes.

The School strives to purchase goods and services from minority businesses, women’s business enterprises, and labor surplus area firms whenever possible. The services of organizations such as the Small Business Administration and the Minority Business Development Agency are found to be helpful with this and are utilized where appropriate. Minority and women’s businesses are placed on solicitation lists and solicited whenever they are potential sources. The School does not eliminate such a business as a potential source without first considering whether the business may be able to fulfill part of the request if it were split, or whether the business may be able to fulfill the request under an altered delivery schedule. If the School employee purchasing goods or services has not followed these procedures, the Executive Director will not sign the purchase order or contract to approve the purchase. No contracts are signed allowing a contractor to subcontract without also adhering to these procedures.

The School considers entering into state and local intergovernmental agreements where appropriate for procurement or use of common or shared goods and services.

The School awards contracts only to responsible contractors possessing the ability to perform successfully under the terms and conditions of a proposed procurement. Consideration is given to such matters as contractor integrity, compliance with public policy, record of past performance, and financial and technical resources. Final determination of whether a contractor is unsuitable lies with the School Board.

Reference §200.322 for Domestic preference for procurements.

Summary Table of Purchase & Contract Criteria

Purchase Type		Amount	Vendor Selection	Process
Micro Purchases	Regular Purchases	Up to \$250	Ensure reasonable prices from qualified suppliers	Any staff member may make purchases with prior permission from the Executive Director so long as the cost falls within the approved department budget
	Field Trips	Up to \$5,000	Ensure reasonable prices from qualified suppliers	Any staff member may make field trip purchases so long as the field trip cost has been approved by the Executive Director.
Small Purchases		\$5,001 - \$25,000	Two or more quotes from qualified suppliers	Purchase: Dept Head Approval: Executive Director
Large Purchases	Regular Purchases	\$25,001-\$75,000	Sealed Bid or Request for Proposals	Purchase: Dept Head Approval: Executive Director
	Regular Purchase	\$75,000 and up	Sealed Bid or Request for Proposals	Purchase: Executive Director Approval: Board of Directors
Micro Contracts		Up to \$5,000	Ensure reasonable prices from qualified suppliers	Reviewed, approved, and signed by Executive Director.
Small Contracts		\$5,000 - \$25,000	Two or more quotes from qualified suppliers	Reviewed, approved, and signed by Executive Director.
Large Contracts		\$25,001-\$100,000	Sealed bid or direct negotiation. Two or more quotes from qualified suppliers when possible,	Reviewed, approved, and signed by Executive Director.

Larger Contracts	\$100,001 and up	Sealed Bid or Request for Proposals	<p>Reviewed by the Finance Team and attorney if applicable. Approved by the Board of Directors. Signed by the Executive Director.</p> <p><i>Vendor search must be made on Sam.gov to determine if the vendor is suspended or disbarred. Must also provide a screenshot of confirmation of the vendor search that shows the vendor name and the date of the search</i></p>
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If services are only available from one vendor, then documentation will be provided to support purchasing from that vendor to remain in compliance with services provided.

Purchase Process

Any staff member may make purchases with prior permission from the Executive Director so long as the cost falls within the approved budget.

1. **Purchase Order:** A purchase order is completed at the request of the vendor.
2. **Reimbursements:**
 - a. Reimbursement requests are submitted when a purchase is wanted, and that item or service will be paid for by the employee. Reimbursement forms are in the office.
 - b. Only after the employee submits original receipts will the reimbursement be made.
 - c. Reimbursement must have prior approval from the Executive Director.
 - d. Tax charges are not reimbursed. Tax exempt form will need to be provided.
 - e. Mileage reimbursement is also included on a reimbursement request. A mileage log must be attached to the request. mileage is reimbursed at the standard mileage rate by the IRS.
3. Cash equivalents such as gifts cards, prepaid cards, vouchers, etc are not allowed.

Contract Process

1. Finance Team Review

Finance Team Review shall review all proposed contracts to ensure:

- a. Required vendor selection process was followed
- b. Selected vendor is reputable and qualified
- c. Expense is for a public purpose if paid for with public funds
- d. Cost aligns with approved budget
- e. Term of contact is reasonable
- f. Termination requirements and penalties are reasonable
- g. Prior approval has been obtained from MDE if required

- h. A specific school employee has been selected to serve at the point of contact for the vendor and a specific employee or agent of the vendor has been selected to serve at the point of contact for the school
- i. Vendor is obligated to maintain insurance coverage with limits that satisfy the school's current requirements for the type of services provided
- j. Vendors are obligated to comply with school's background check requirements.
- k. Contract language is clear and enforceable in its entirety
- l. Contract does not obligate the school to violate local, state, or federal law
- m. Termination requirements and penalties are clearly identified

2. Time and Material Services:

Time and materials services will be negotiated based on hourly rate and are subject to vendor approval process.

3. Attorney Review

All contracts are subject to attorney review (at the discretionary of the Board Directors).

4. Execution

- a. Micro and Small Contracts: After the Finance Team (and attorney if applicable) has reviewed and approved the proposed contract, the Executive Director will sign and execute the contract.
- b. Large Contracts: After the Finance Team (and attorney if applicable) have reviewed and approved the proposed contract, the board may either approve the execution of the contract directly or the board may authorize a the Executive Director to sign and execute the contract.

5. Documentation

- a. The executed contract, along with all supporting documentation, shall be kept on file in accordance with the school's record retention policy. Supporting documentation includes:
 - i. All quotes, bids, and proposals received
 - ii. Any documentation of the selection process
 - iii. Any documentation of the finance team or attorney review of the proposed contract
 - iv. Completed W-9 from the vendor
 - v. Certificate of Insurance from the vendor

Accounts Payable Process

Finance checks are prepared by Designs for Learning. Typically, checks are printed once per week. Computer checks require one signature after the verification process has been completed. A prepayment report is sent to the Executive Director and the Designs for Learning School Accounting Specialist before checks are printed. Once the Executive Director responds with approval, payments are processed. Once a check is prepared it is matched to the invoice and remitted to the vendor for payment. After the approved amount has been compared to the budget, verified by the Business Manager, and approved by the Director, the approval process is considered complete. A budget to actual comparison is provided monthly to the School Board. A check register is provided to the Executive Director and School Board members

each month listing all individual transactions in numerical order. Detailed documentation regarding all expenditures for goods and services, including the rationale for the method of procurement, selection of contract type, contractor selection or rejection, and the basis for the contract, are stored with the Business Manager at Designs for Learning.

Credit Cards

The Executive Director and Building Manager each have a VISA credit card. Each card has a \$25,000 card limit. Authorized users include Operation Manager/HR Coordinator, Assistant Director, Marss Coordinator.

Credit Card Procedures

Credit Card Purchases:

- a. Approved staff must submit itemized receipts for all purchases. The receipt must show what was paid for, not just the total.
- b. Approved staff must write a “memo” the receipts with the budget code for the purchases. If not sure of what budget code to use, staff must consult with their supervisor.
- c. Receipts must be submitted within 14 business days of the purchase.
- d. Cash equivalents such as gifts cards, prepaid cards, vouchers, etc are not allowed.
- e. VISA credit cards are not to be used for personal use. All purchases must be made in support of legitimate school business. All items purchased will remain property of THE SCHOOL (with the exception of consumables such as food and beverage).
- f. Only the authorized users of the VISA credit cards are permitted to make purchases with the card. Never should an authorized purchaser give their physical card or card number to another person to use for any reason.
- g. If a VISA credit card is lost or stolen, it must be reported immediately to the the Executive Director and Building Manager. The card should also be locked immediately.
- h. Authorized users will be responsible for reimbursing the school for any purchases which violate these rules.

Conflicts of Interest

No individual who has a real or apparent conflict of interest may participate in the selection, award, or administration of a contract for goods or services. Such a conflict of interest would arise when the individual, any member of his or her immediate family, his or her partner, or an organization that employs or is about to employ any of these parties, has a financial or other interest in or a tangible personal benefit from a firm considered for a contract.

All employees and officers of the School are instructed that they may under no circumstances solicit gratuities, favors, or anything of monetary value from contractors or vendors, or from individuals or businesses who are seeking a contract with the School, as this may create a conflict of interest. Employees and officers of the School may accept an unsolicited gift from a contractor or vendor only if the gift is clearly of nominal value, defined by the School as having a monetary value of \$5 or less. Any violations

of this policy will be subject to the School's standard disciplinary measures as outlined in the Employee Handbook and may have consequences up to and including termination of employment.

Determinations of an organizational conflict of interest, where the School itself is in a position to be influenced or may appear to be in a position to be influenced by a related organization, are made by the School Board. The School Board does not authorize any procurement actions to be taken under such circumstances.

All conflicts of interest are required to be reported to the Executive Director for possible reporting to MDE if required.

Special Education Purchases & Contracts

Purchases and contracts for the purpose of providing services to special education students shall follow all procedures outlined in this document. A completed purchase is not assigned a special education UFARS code until the Director of Special Education has verified that the purchase is allowable, necessary, and reasonable as defined by federal and state requirements, that it is an eligible cost of providing special education services, that it is not a cost the School would have incurred in the absence of special education services, and that where applicable it is identified in the student(s) IEP(s).

Capital (Fixed) Assets

Capital (fixed) asset additions are tracked by the Designs for Learning staff in cooperation with the contracted under the direction of the School Board. The School Board has directed a threshold of \$5,000 to be used as listed in the school's capital asset policy. As equipment is purchased by the school, the items are coded into UFARS 500 level expenditure codes. At the end of each fiscal year, a detailed review of the 500-level account expenditure activity is performed to create a fixed asset addition listing. There is also an analysis of other object codes to ensure that all possible items have been considered.

A detailed inventory listing is maintained by the business manager and IT Contractor that specifies each asset's description, purchase date, vendor purchased from, source of funding for the purchase, title holder, asset tag number, stored location, the staff member assigned to, serial number, purchase price, anticipated useful life, the purpose of the purchase, and the current condition of the asset. Additional information is tracked for equipment purchased with special education funding and for equipment purchased with federal funding, as appropriate. All assets are marked with an asset tag, and the IT Contractor or their designee conducts annual physical inventories.

Payroll and Related Liabilities

The board has delegated the Executive Director to establish salaries/rates of pay. Salaried teaching and non-teaching positions are paid based on individual employment agreements. Employee attendance records are maintained for all positions and timesheets are maintained for positions classified as non-exempt. These records are created and stored in the school's locked Human Resources office.

The Operations/HR Manager ensures that all Time & Effort reports and Assignment Schedule requirements are met for employees who work under state and federal programs. The business manager

periodically creates a report for the finance team which shows all positions and what portion of each position is funded by state and federal program revenue.

The School utilizes Designs for Learning for the processing of its semi-monthly payroll. Non-exempt employee timesheets are reviewed and approved by the employee's supervisor before each payroll. Timesheets are audited by the Operations/HR Coordinator prior to sending the payroll information to Designs for Learning for processing. Smart Finance is the system used to process payroll information.

A Payroll Proof report (or preview report) for each payroll is emailed from Designs for Learning to the Executive Director. The Executive Director reviews the report and replies to the email, giving approval to run the payroll. The Executive Director may, while on vacation or leave of absence, temporarily delegate the responsibility of approving payroll to the Business Manager. All payroll checks are prepared by Designs for Learning. The preparation of the payroll checks is completed by the School Accounting Specialist from Designs for Learning which is independent of the staff of the school. The school utilizes the electronic submission of electronic funds transfers to school employee bank accounts where applicable. For employees who decline to be paid via electronic funds transfers, physical payroll checks are printed at the Designs for Learning office and either mailed to the employee or held for pickup by the employee.

Federal and State payroll withholdings are submitted electronically. Other withholdings, garnishments, retirements, etc. are paid by check or via electronic transfer where applicable. The Business Manager reviews all such payments on a monthly basis. All detailed payroll and related liability documentation is stored electronically on secure servers hosted by Designs for Learning.

Debt and Debt Service Expenditures

The School does not carry a bank line of credit. Should the need for cash advances arise in the future, the board of directors must approve any new line of credit.

Fund Equity

Fund equity of the School is accounted for in accordance with prescribed accounts as determined by the Minnesota Department of Education and UFARS.

Federal Grants Administration

Goal

The goal is to establish administrative requirements and cost principles for Federal grant awards received by the Minnesota Department of Education (MDE) and the Federal Grants Administration.

Objective

The objective in meeting this goal is to ensure compliance with OMB Uniform Grant Guidance:

- a. Have effective controls in place to manage Federal awards and show compliance with Federal Statutes, regulations and terms and conditions of the award by identifying how compliance is evaluated and monitored.
- b. Have reasonable procedures in place to protect personally identifiable information (PII) and other information identified as sensitive by Federal agencies or pass-through entities.

Procedures

1. Segregation of Duties

- a. Personally identifiable information (PII) and sensitive data as defined by a Federal Agency or pass-through entity shall be accessible only by employees who have been determined to have need for the information. The Business Manager will determine which staff need access to personally identifiable information that may be acquired through various Federal grant processes.
- b. Only those staff members who are required to access personally identifiable information will be authorized to access it when needed to produce accurate and complete financial data for reliable and timely financial and management reports.
- c. The Department Head for the department receiving a Federal Grant Award shall be the primary responsible person to review and approve all costs associated with the Grant.
- d. All required reports related to a Federal Grant shall be prepared by the responsible Designs for Learning staff and signed by the Executive Director if a signature is required and any other official as required in the Grant document.

2. Accounting Controls

- a. The state's financial accounting system must identify all federal awards in all accounts that are received and expended by:
 - i. CFDA number and title
 - ii. Federal award ID and year
 - iii. Name of federal awarding agency
 - iv. Pass-through entity's name
- b. The payment process shall follow the Accounting procedures for Accounts Payable in this manual.
- c. The Executive Director is assigned responsibility for a federal grant shall review and approve all requests for payment under the federal grant in accordance with Subpart E Cost Principles as well as the terms and conditions of the federal grant award. All external reporting is the responsibility of the Executive Director with the assistance of the Site Administrators and business manager.
- d. Federal grant payments received shall be disbursed according to the terms and conditions of the federal grant award. If grant disbursement guidelines are not included the grant proceeds shall be disbursed within 35 days of receipt.
- e. Payments to sub recipients are:
 - i. Not required to be maintained in separate depository accounts for federal awarded funds.
 - ii. Required to be accounted for by receipt, obligation and expenditure of federal funds.
- f. Travel:
 - We allow for travel costs in accordance with our employee handbook.
 - i. Our travel guidelines must be followed. No travel costs can be submitted that are contrary to our policies. Our travel policies are within the Employee handbook guidelines.

- ii. If costs for a conference are being charged to a grant directly or through an indirect cost allocation; the supporting documentation of attendance must be retained by the participant and/or department.
- g. Personnel compensation from Federal grant awards shall follow the Accounting procedures for Payroll in this manual to ensure accurate recording of an employee's time activities associated with a federal award.
- h. Complete payroll documentation must be maintained for all employees whose salaries are paid in full or in part by a federal award (200.430 (i) (1); and used in meeting cost sharing or matching requirements on Federal awards (200.430 (i))
- i. Contracts using Federal grant funds shall be with responsible contractors that can perform successfully meeting the requirements and terms and conditions of contract award based on:
 - i. Contractor integrity
 - ii. Compliance with public policy
 - iii. Record of past performance
 - iv. Financial and technical resources
- j. Conflict of interest disclosure:
 - i. Conflict of Interest reports shall be reviewed by the Executive Director to determine if any Conflict of interest exists in regard to a Federal Grant Award.
 - ii. Any violation of Federal criminal law that involves fraud, bribery or gratuities that could affect a Federal Grant Award must be disclosed in writing to the Executive Director and Grant issuing Federal Agency.
 - iii. Any contractual or administrative issues, which may include disputes, protests and source evaluations, must be referred to the Executive Director who must provide guidance and facilitate a legal solution to the issue.
- k. Procurement of items to be purchased using Federal grant funds shall follow the Purchasing Policy contained in this manual and shall follow all state and federal rules and regulations.
 - i. Reasonable effort must be made to avoid purchasing unnecessary or duplicative items.
 - ii. Records must be maintained with sufficient detail to provide historical or audit trail for the procurement.
 - iii. Employees who have a conflict of interest relating to the selection of a contractor who will be paid from Federal Grant funds must disclose such conflict of interest to the Executive Director and/or Board Chair who shall name another employee to select an appropriate contractor.
- l. Performance reporting will require:
 - i. Financial data to be related to performance of accomplishments.
 - ii. Oversight and monitoring must cover each program or activity.
 - iii. Quantifiable data when available.
 - iv. Trend data or data analysis
 - v. Explanation of reasons why goals were not met or explanation of any cost overruns.
- m. Prior written approval must be received from the Federal Grant Award Agency for indirect costs or the incurrence of special or unusual costs and the Federal Agency approval should include timeframe or written agreement.
- n. Report Certification for the Authorizing Official for any Federal Grant Award must sign a certification on the annual and final fiscal report or voucher requesting payments that includes the following language:

“By signing this report, I certify to the best of my knowledge and belief that the report is true, complete, and accurate, and the expenditures, disbursements and cash receipts are for the purposes and objective set forth in the terms and conditions of the Federal award. I am aware that any false, fictitious, or fraudulent information, or the omission of any material fact, may subject me to criminal, civil or administrative penalties for fraud, false statements, false claims or otherwise. (U.S. Code Title 18, Section 1001 and Title 31, Sections 3729-32730 and 3801-3812).”

Budgets

Original budgets are prepared each spring with the cooperative effort of the School staff, the Finance Manager, and the Executive Director. Proposed budgets are presented to the School Board for review, amendments, and approval before the June 30th deadline for each upcoming fiscal year.

The School Board reviews budget activity in relationship to actual expense with each interim monthly Income Statement. ADM reports are closely monitored by the Executive Director and communicated to the Finance Manager. After enrollment is verified, revisions are made accordingly to the budget with the approval of the School Board. Changes to budgets are made by recommendation to the School Board for discussion and approval before changes are enacted.

The School Board traditionally reviews and adopts at least one revised budget during the year before June 30 for the current year.

Journal Entries

The Business Manager and School Accounting Specialist make journal entries for the School. All Journal entries are reviewed by a Designs for Learning accounting staff member prior to the entry.

Documentation as to the purpose for the journal entry is kept on file. The Business Manager sends journal entry reports to the School Board on a monthly basis.

Financial Statements

The person designated for the responsibility for the accuracy and completeness of the interim financial statements on behalf of the school is the Business Manager at Designs for Learning. Financial reports are shared with all School Board members. Any questions or concerns related to interim financial reports are fielded by the Business Manager or the Executive Director. Questions or comments are communicated as appropriate to the school’s auditing firm through the Business Manager or the Executive Director.

Record Retention

All financial records and supporting documents are retained for at least the minimum amount of time specified by state and federal statutes. The Executive Director and/or Director of Operations can authorize the destruction of School records. All records pertaining to federal programs are retained for at least three years from the date of submission of the expenditure report or the minimum amount of time required by state law, whichever is longer. Records not relating to federal programs are retained according to the School District General Records Retention Schedule of the State of Minnesota. No records that pertain to ongoing litigations or audits are destroyed.

Settlements

All settlement agreements will be processed by the designated finance team and approved by the board of directors. Settlement agreements should be sent to the Business Manager to be reviewed during the audit.

Electronic Funds Transfer Policy

I. Purpose

The purpose of this policy is to set forth the circumstances in which THE SCHOOL delegates authority to Designs for Learning to make electronic funds transfers.

II. Policy

It is the policy of THE SCHOOL to abide by Minnesota Statute § 471.38 when making an electronic funds transfer.

III. Transfers Allowed for Certain Purposes

On behalf of THE SCHOOL, Designs for Learning may make an electronic funds transfer for the following:

1. For a claim for a payment from an imprest payroll bank account or investment of excess money;
2. For a payment of tax or aid anticipation certificates;
3. For a payment of contributions to pension or retirement funds; and
4. For vendor payments;
5. For payment of bond principal, bond interest, and a fiscal agent service charge from the debt redemption fund.

IV. Policy Controls

On behalf of THE SCHOOL, Designs for Learning will only make payments via electronic funds if the following policy controls are met:

1. The School Board must annually delegate the authority to make electronic fund transfers to a designated business manager and/or the account specialist;
2. The initiator of the electronic transfer must be identified;
3. The initiator must document the request and obtain an approval from the Executive Director or designee before initiating the transfer;
4. A confirmation for the transfer are kept on file with the Account Specialist;
5. A list of all transactions made by electronic funds transfer must be submitted to the School Board at the next regular meeting after the transaction.

V. Delegation of Authority

The Business Manager and/or the Account Specialist is responsible for electronic funds transfers and activities under the direction of this policy. The Business Manager may delegate certain duties to appropriate staff but shall remain responsible for the operation of the transfer program.

Additional guidance website:

<https://www.ecfr.gov/>

<https://education.mn.gov/MDE/index.html>

Legal References:

Minnesota Statute § 124E.16, subd. 1

Minnesota Statute § 471.38, subds. 3 and 3a