

# **TAPESTRY PUBLIC CHARTER SCHOOL**

**Individualized** Instruction  
**Technology** Focus  
**Small** Classes  
**Inclusion** Model  
**Hands-On** Learning



**Supportive** Environment  
**Innovative** Teachers  
School **Garden**  
**Art, Music, Drama**  
Daily **Physical Education**

## **FINANCIAL PLAN**

**Last Updated: 6/6/2017**

**Board Approved 6/29/15**

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## I. DELEGATION OF AUTHORITY

### Policy:

This Financial Plan is for Tapestry Public Charter School (TPCS), Atlanta, GA. The Plan delegates the authority and responsibility for TPCS' financial assets and financial accounting to specific individuals and committees. Such authority is established in this section.

### Procedure:

**Duties:** The **Board of Directors** (Board) has the authority/responsibility to establish any financial policy deemed to be in the best interest of TPCS, provided that such policy is within the parameters of TPCS' Articles of Incorporation, TPCS' Bylaws, GaDoE's LUA Manual, FASB's Not-for-Profit pronouncements, and applicable law.

The **Treasurer/Chief Financial Officer** serves as Chairman of the Finance Committee. The Treasurer has the authority to ensure TPCS' current accounting records accurately reflect the financial condition of TPCS. Ultimately, the Chairman's key responsibilities include (a) oversight and control of all funds, (b) assurance that accurate books and records on financial condition are maintained, (c) protection of liquid assets according to the investment objectives outlined in these policies, (d) compliance with all required reporting requirements, and (e) preparation in a timely and accurate manner of comprehensive financial reports for the Board, Auditor, and Authorizer.

The **Principal** has the authority to create and amend operating procedures/controls, make decisions regarding the duties/accountabilities of personnel, and enter into contractual agreements in accordance with the Bylaws.

The **Administrative Staff** may perform some of the Principal's tasks if these tasks are delegated by the Principal and remain under the supervision of the Principal. The Administrative Staff reports directly to the Principal. The purpose of these assignments should be to achieve proper segregation of duties throughout the financial management process, such as the opening of mail and logging of cash receipts.

The **Business Manager** has the authority to establish accounting procedures/controls that are consistent with Board policies. The Business Manager reports directly to the Principal. The Business Manager functions as TPCS' Senior Accountant with a responsibility of designing and maintaining the accounting system.

The **Finance Committee**, which includes the Principal, Treasurer, Business Manager, and up to three independent parents or other Board members, has the authority/responsibility to provide oversight to TPCS' financial activity. The Committee's duties include (a) oversight of financial transactions, (b) development of annual budgets, (c) selection of the independent auditors, and (d) allocation of investment deposits.

**Segregation of Duties:**

- No one person will have authority to carry out a financial transaction from beginning to end.
- The Business Manager, who is involved in most financial transactions, is not authorized to approve documentation nor to sign checks. The Business Manager may prepare transaction documentation, such as a deposit slip or payroll, for approval by the Principal or Treasurer.
- Reimbursements payable to the Principal must be approved by a member of the executive committee
- Board members and their family members cannot receive payment of any type (including reimbursements) to avoid conflicts of interest or the appearance thereof.

II. ACCOUNTING SYSTEM

Policy:

TPCS shall use an accounting software program to maintain its financial books and records.

Procedure:

The Business Manager has selected QuickBooks as TPCS' accounting software. The Business Manager shall use the QuickBooks accounting software to enter cash receipts and disbursements, and any items necessary to maintain the records in accordance with generally accepted accounting principles (GAAP for public schools). One option is QuickBooks Premier Nonprofit, for the current or preceding year, running on the current or preceding version of Windows (e.g., QuickBooks 2014 on the Windows 8.1 operating system). If this option is selected, the Business Manager as the sole Administrator shall post weekly backups (no later than COB Friday) to a cloud system such as Dropbox or Google that is accessible by the Finance Committee. A second option is QuickBooks Online Plus, with viewing rights for the Finance Committee.

III. CHART OF ACCOUNTS

Policy:

The Business Manager shall develop a Chart of Accounts that accurately reflects budget categories and provides information in a manner to coincide with reporting requirements from DeKalb County School District (DCSD), Georgia Department of Education (GaDoE), and the U.S. Department of Education (USDE).

Procedure:

The Business Manager shall record revenues and expenses according to GaDoE's current Chart of Accounts for LUAs. If the Business Manager adds a revenue or expense account that is not part of the GaDoE's approved Chart of Accounts, this account must be a "child" account that rolls up to an approved GaDoE account. The Business Manager shall use QuickBooks' "flags" to properly identify revenues and expenses by GaDoE's Funds, Functions, and Programs, and

by restrictions imposed by donors, governments, and TPCS' Board. The Business Manager shall modify the Chart of Accounts if the auditor recommends such modifications.

#### IV. FINANCIAL STATEMENTS

Policy:

Financial statements shall be prepared under the direction of the Treasurer. Annual financial statements shall be audited by TPCS' auditing firm. Annual tax forms shall be prepared by the Finance Committee in cooperation with the TPCS' Grant Writer. The Treasurer shall present the Board with monthly managerial statements in a format approved by the Board.

Procedure:

The Business Manager shall prepare periodic Statements of Financial Position and Statements of Activities. These statements shall include a comparison of year-to-date actual and year-to-date budget, and shall be reviewed and presented by the Treasurer at each monthly and annual meeting of the Board. Any line item on the monthly financial statements with a variance of more than 20% from the budget shall be explained with a footnote. If the budget is red for any month, a method and timeline to correct the deficit shall be explained with a footnote. The Secretary or Finance Committee shall post all audited financial statements and Board-approved operating budgets to a TPCS website or network accessible by the public.

#### V. MANAGERIAL AND GOVERNMENTAL REPORTS

Policy:

TPCS shall report to the public by the accrual system of accounting.

Procedure:

The Business Manager shall issue all external reports to various government entities—U.S. Internal Revenue Service (IRS), USDE, GaDoE, and DCSD—on the accrual or modified accrual bases. The Business Manager may use the cash basis for internal managerial reporting, provided that cash entries be documented for the auditor if such entries would qualify as another fiscal year's accruals. Both external and internal financial reports shall be reviewed by the Treasurer prior to delivery to the Board or external users.

#### VI. BANK ACCOUNT MANAGEMENT: OPENING/CLOSING

Policy:

The Board must approve the opening or closing of all bank accounts, including quasi accounts such as debit cards, credit cards, gift cards, electronic transfers, smartphone apps, and other cash-like technologies. The signature of the Chair, Vice Chair and Treasurer shall be required to open or close accounts.

Procedure:

The Treasurer, with the help of the Business Manager, shall compile any necessary information, including signatures, to open or close any TPCS accounts.

## VII. BANK ACCOUNT MANAGEMENT: INFLOWS

### Policy:

The Principal's staff shall log receipts immediately.

### Procedure:

The Administrative Staff shall open most mail and receive all customer payments (e.g., school fees, After School Program — ASP, School Nutrition Program — SNP). The Administrative Staff shall maintain a chronological log of all cash and checks received, to include date received, payer, check #, amount, and if known, purpose. The Administrative Staff shall endorse all checks immediately with "For Deposit Only." Cash deposits shall be verified by a Board member or a third party on the administrative staff. The Administrative Staff shall keep all cash and checks in a locked cabinet until they can be taken to the bank. The Administrative Staff shall prepare the deposit slip and communicate the amount to be deposited to the Business Manager before the deposit leaves the building. Deposits may be made by the Chair, Vice Chair, or Treasurer of the Board or by any other person so authorized by the Board. After the deposit, the Administrative Staff shall attach the deposit slip to the detailed listing of deposited receipts, and give the combined deposit slip/listing to the Business Manager. The Business Manager shall file the deposit slip/listing and use it for reconciliation of the bank statement.

## VIII. BANK ACCOUNT MANAGEMENT: OUTFLOWS

### Policy:

The Business Manager shall adhere to all check signing procedures established by the Board.

### Procedure:

Checks shall be issued only within the approved budget and with the approval of the Principal (any expenses) or Treasurer (non-instructional expenses only). No checks may be prepared where the "PAY TO THE ORDER OF" field is blank, "Cash," or "Bearer." Beginning in FY2014-15, all checks must be pre-numbered and written in sequence. The Principal, President, and Treasurer shall have check writing/signing authority; they may also assign recurring payments to Automatic Bill Pay from TPCS' checking account. Two signatures are required for any budgeted purchase over \$5,000, or for any non-budgeted purchase over \$250. The Business Manager shall not have check-signing authority or withdrawal authority. The persons authorized to write/sign checks shall not have bookkeeping authority. Voided checks shall be defaced and retained to insure proper maintenance of checking account records. Unused checks shall be kept in a secure place.

Any person requesting a TPCS check shall prepare a Purchase Order Form (POF). A blank POF shall be approved by the Board. The POF shall have rows to describe each item, or each

class of items, purchased. The POF shall have signature blocks for those authorized to approve the expense. The person cashing the TPCS check shall attach the seller's original receipt to the signed POF, and give the completed expense POF to the Business Manager for filing. Only original receipts and invoices are acceptable proof of expenses. The Business Manager shall mark such receipts and invoices "PAID" with a date as payments are made.

#### IX. PETTY CASH

Policy:

The Administrative Staff may maintain a petty cash fund used to make change.

Procedure:

At the discretion of the Principal, a Petty Cash fund of \$100 may be maintained by the Principal's staff. The Petty Cash box shall be kept in a locked cabinet. On a weekly basis, all expense vouchers shall be given to the Office Manager for entry into the accounting system. The Office Manager shall stamp the vouchers as "PAID" and reset the balance in the cash box to \$100.

#### X. ACCOUNTS RECEIVABLE

Policy:

TPCS submits periodic invoices to its members, donors, grantors, and authorizers. The invoices shall state that for payments to be recognized as other than gifts, the payments must be made electronically or by check, not by cash.

Procedure:

The Business Manager and/or Office Manager shall prepare invoices for student payments when applicable. The Business Manager, Office Manager, Development Chairperson, or Executive Committee member shall prepare all other invoices for private, local, state, or federal grants. The Business Manager and/or Office Manager shall prepare invoices for pledges whenever the pledges are due within 30 days. The Business Manager shall record all invoices in the general ledger.

#### XI. PURCHASING

Policy:

TPCS shall use purchase orders and maintain a purchase order log for all non-recurring purchases. The Business Manager or the Principal may design a purchase-request form for the staff's use. A signed contract, purchase-request form, or other appropriate documentation is required prior to the time any service begins.



Procedure:

TPCS shall issue purchase orders for all non-recurring purchases. Each purchase request must be approved by the Principal or Treasurer, as appropriate, before being submitted to the Business Manager. TPCS shall maintain a numbered purchase order log for each school year. The Business Manager must receive an approved TPCS purchase request, a TPCS Receiving Report, and a Vendor Invoice for a purchase to be paid. The Business Manager shall stamp these documents as “PAID” at the time of payment.

XII. ACCOUNTS PAYABLE

Policy:

TPCS, whenever practical, shall pay invoices within 14 days of their issue, unless alternative arrangements are made with vendors or unless a dispute arises. Recurring bills are to be paid with sufficient time for the payments to arrive timely. Invoices of an amount which precludes payment within 60 days may be paid from a Line of Credit.

Procedure:

Accounts payable shall be maintained in the QuickBooks accounting software by the Business Manager. All invoices shall be entered on a weekly basis to ensure that payments are neither duplicated nor overlooked. Unpaid invoices shall be filed in the accounting office separately from paid invoices.

XIII. PAYROLL

Policy:

TPCS shall use a payroll service to issue employees’ paychecks.

Procedure:

TPCS shall use Paychex to issue employees’ paychecks and benefits, as well as employer obligations. Salaried staff are paid at the end of each month. Staff paid hourly/daily are paid semi-monthly on the 15<sup>th</sup> and at the end of the month. Timesheets are due to supervisors for approval following the end of the pay period. The Business Manager shall send employee hours to the payroll service prior to the TPA required deadline for the given pay period. Payments shall be issued on a lag. The Business Manager shall review the payroll report prior to release of paychecks. Employees must receive their payments by Automatic Clearing House (ACH)/Direct Deposit, unless employee is exempted from such a requirement..

XIV. BUDGETING OF FUNDS

Policy:

TPCS shall prepare and maintain a one- to five-year budget at all times. A one-year budget is acceptable during TPCS’ early years of operations. The Board shall approve these budgets.

Procedure:

The Finance Committee shall develop an annual budget in conjunction with TPCS' short- and long-term plans. After the initial budget is developed, it shall be presented to the Board for review and vote prior to the start of the fiscal year. The Chair of the Finance Committee, or the Principal or a designee thereof, shall submit the approved budget to school authorizers by the annual deadline. The Secretary shall post the approved initial budget to a website accessible by the public. At a minimum, TPCS shall offer such opportunity for public comment as may be required by law or Department of Education Policy.

The budget shall be reviewed periodically and updated with current information. The Business Manager reviews all incoming expenses before any payments are processed; provided, however, that in the event of an emergent situation during which the Business Manager is unavailable for review, payments may be issued by two signatories acting in concert. The Finance Committee reviews the budget monthly with the Business Manager. The Board reviews the budget quarterly. In addition, the Finance Committee may prepare a final budget at the conclusion of the fiscal year, with this final budget matching the actual fiscal-year revenues and expenses. The Secretary shall post the approved final budget to a website accessible by the public.

XV. CAPITAL OUTLAYS

Policy:

TPCS has procedures for determining whether an expenditure should be classified and tagged as an operating expense (Supplies O6XX), a capital-outlay depreciation expenditure (Capital Assets B2XX), or a capital-outlay reserve expense (Property O710-O730). TPCS depreciates school facilities (Buildings B231), and Equipment in accordance with the Capital Depreciation section of the policies. TPCS sets aside adequate reserves for the replacement of past expenses on O715 Land Improvements; O720 Building Acquisition, Construction, and Improvement; O730 Purchases of Equipment — Other than Buses and Computers; O734 Purchase or Lease-Purchase of Computers; and O735 Purchase of Software to be Capitalized.

Procedure:

The Business Manager records operating expenses and capital expenditures in QuickBooks according to the following guidelines:

1. If the unit cost of an expense O7XX is \$5,000 or more and the useful life is estimated at more than one (1) year, or of an asset B2XX, the purchase will be considered Capital Outlay, and must be individually tagged and accounted on inventory records as a fixed asset. Suitable purchases are B211, B231, O715, O720, O730, O734, and O735.
2. If the unit cost of an expense is between \$500-\$4,999, the unit is identified as part of a "group item" aggregating to more than \$5,000, and the useful life is estimated at more than one year, the purchase will be considered Capital Outlay also, and must be individually tagged and accounted for on inventory records as a fixed asset. Group items that may be tagged include chairs, desks, tables, study carrels, workstations, file cabinets, and microwave ovens.

3. If the unit cost of an item is less than \$500, the useful life is estimated at more than one year, and the item is identified as a "hot item," the purchase will be recorded as an operating expense, but the Hot items must be tagged for inventory tracking purposes. Hot items may include window A/C, digital cameras, video cameras, computer monitors, external disk drives, CD/DVD players, computers, laptops, printers, musical instruments, handheld computer, personal digital assistant (PDA), overhead projectors, mobile radio/walky-talky, scanners (any type), TV, VCR, and large appliances (ovens, refrigerators, washer/dryers, etc.). Suitable Objects are Expendable Software O612, Expendable Equipment O615, and Expendable Computer Equipment O616.

The Office Manager shall maintain an inventory of capital assets. The inventory must include, but may not be limited to, all items included in the equipment category for federal grant programs. The inventory listing must contain the following:

- A description of the equipment, including manufacturer, model, and serial number.
- A tag number for a permanent ID tag applied by TPCS.
- Identification of the grant under which TPCS acquired the equipment.
- Acquisition date and unit acquisition cost.
- Information on how the grant share of the cost was determined if the cost was shared by TPCS.
- Location, use, and condition of the equipment and the date this information was recorded.
- All pertinent information on the ultimate transfer, replacement, or disposition of the equipment.

#### XVI. CAPITAL DEPRECIATION

Policy:

TPCS records capital depreciation on a straight-line basis over the life of the items.

Procedure:

The Board and/or the Principal shall approve all capital-asset purchases. Single assets and the collective value of group assets in excess of \$5,000 shall be depreciated over their useful life, if recorded as assets (account codes B2XX). Tagged items shall have budget reserves over their useful life, if recorded as supplies (O6XX) or property (O7XX). Assets under \$5,000 and "canned" software purchases shall be expensed. Disposition of assets and property shall require the approval of the Board. The Business Manager shall not record depreciation expense except once per year on June 30.

#### XVII. STAFF AND TRAVEL EXPENSES

Policy:

Staff may be reimbursed for pre-authorized travel and related expenses while on TPCS business or training, subject to Principal approval.

Procedure:

All staff should seek the approval of Principal prior to incurring any travel-related expense(s). The Principal should insure that funds are available in the budget for such travel prior to granting any travel approval. All staff shall submit purchase requests documenting expense(s) incurred to the Principal for approval. The purchase request should state that payment is desired as a check made out to the employee. Original receipts for any travel and related expenses incurred should be attached to the purchase request. Within twenty (20) business days of submission of a completed purchase request to the Principal, the staff member shall be reimbursed for any expense(s) approved by the Principal, and/or notified of any expenses that have not been approved by the Principal, which notification, if applicable, shall state the reason that the expense(s) were not approved. In the event any expense(s) are not approved, the staff member shall have the opportunity to present, within twenty (20) business days, additional information to the Principal supporting the legitimacy of the expense. Within twenty (20) business days of receipt thereof, the Principal shall issue a reimbursement for any expense(s) that remains outstanding and/or issue a final determination stating why such expense(s) have not been approved.

XVIII. ANNUAL AUDIT

Policy:

An independent audit shall be conducted annually by an accounting firm selected by the Finance Committee. The accounting firm must be acceptable to TPCS' authorizers. The Treasurer, acting as the Chairman of the Finance Committee, shall be the liaison between the independent auditing firm and TPCS.

Procedure:

The Finance Committee shall engage and contract with the independent auditor and monitor the progress of the auditor, Business Manager and Office Manager in completing the audit.

During July, the Business Manager and Office Manager shall assemble all supporting documents for the entries in the previous year's accounts, prepare a trial balance, and complete any checklists required by the auditor. By August 31, the proposed Management's Discussion and Analysis of Financial Condition and Results of Operations and the draft audit report shall be completed and provided to the finance committee. The auditor's Engagement Letter shall state that the draft audit report is to be completed by August 31 and the audit is to be entirely complete by September 30. Prior to the October meeting of the Board, each Board member shall receive a complete copy of the audit. The Finance Committee shall present the audit results to the full Board for acceptance. At the October meeting, the Board shall vote to accept the audit. The Board demonstrates its approval by signing a *Board Acceptance Letter*. By October 31, the Business Manager or Principal shall submit the audit to the school's authorizers. The Secretary or Finance Committee Chairperson shall post the audit report to a TPCS website or network accessible by the public.

Supporting documents for the audit shall include the following:

- Deposit slips and bank-deposit receipts.
- Bank statements, copies of cancelled checks, and bank reconciliations.
- Paid invoices and payment authorization forms.
- Year-end accounts receivable and payable balances forms.
- Grant reimbursement documents
- Fundraising Financial Reports.

## XIX. INSURANCE

### Policy:

TPCS shall maintain appropriate insurance coverage.

### Procedure:

The following insurance shall be maintained: (a) Commercial Package, (b) Umbrella, (c) Trustees and Officers Liability, (d) Disability, (e) Worker's Compensation, (f) Student Accident, and any other insurance deemed necessary per TPCS' Charter, agreement with vendors, agreement with partners, or recommended by the insurance broker and approved by the Board. TPCS shall contribute to the state unemployment Insurance Fund in accordance with applicable law.

## XX. CONTRACTS AND GRANTS

### Policy:

The execution of contracts and grants shall be within the scope of TPCS' mission, goals, and annual plans.

### Procedure:

All contracts over \$5,000 and all multi-year contracts shall be approved by the Finance Committee prior to being endorsed by two authorized signers. Such contracts must have explicit clauses for Scope of Work, Price, Default, and Arbitration. The Secretary or Principal shall maintain the original contract and the Business Manager shall receive a full copy of each contract, except pages considered to have personal information not required by the Business Manager.

The Finance Committee shall review all governmental funding requirements prior to receiving any funds from governmental grants. The review shall document that TPCS has proper procedures in place for compliance with such grants, including an adequate segregation of such funds in TPCS' bank accounts and Chart of Accounts. Following the initial determination, the Finance Committee shall review compliance with governmental grant requirements on a monthly basis during the duration of the grants. Any grant funds received and the expenditure thereof must be accounted for in the budget.

## XXI. INVESTMENT POLICIES

### Policy:

Excess funds shall be invested only in FDIC insured or collateralized money market accounts. The investment objectives of TPCS shall be, in order of importance, safety of principal, liquidity, and competitive rate of return. The Treasurer may open and maintain a stock and mutual fund account for the sole purpose of receiving appreciated stocks or mutual funds as gifts.

### Procedure:

The Business Manager may maintain a money market account to invest excess funds. Amounts held in the investment accounts shall be determined at the discretion of the Finance Committee. Stock and mutual funds shall be sold on the first available business day following receipt, with the cash deposited into an account that satisfies TPCS' investment policies.

## XXII. BORROWING FUNDS

### Policy:

The borrowing of funds and the establishment of a line of credit (LoC) must be approved by the Board. Currently, TPCS may maintain a \$100,000 LoC at an approved bank Charter Bank for temporary funding. The purpose of the LoC is to cover the cost of major expenses between the time these expenses are incurred and the next QBE allotment is received. The Board may use the LoC to cover allowable expenses on federal grants or GaDoE Allotment Sheets. The Board must authorize the Treasurer or other board member as delegated, to make such draws at Charter Bank, or other bank as approved by the Board..

### Procedure:

The Board shall determine if TPCS should make any changes in the borrowing terms of its LoC, or incur any mortgages or other long-term debt. The Treasurer or Principal shall notify TPCS' authorizers and other creditors about the existence of the LoC. Following any new borrowing, the Treasurer shall provide a revised annual budget at the next Board meeting.

**Loans against federal grants:** When TPCS has a quote or invoice that would otherwise result in insufficient funds, the Treasurer requests a draw from the bank. The Charter Bank deposits the requested amount into the grant sweep account #3412, where the funds are transferred automatically to grant account #3989. The Business Manager records the loan as Loans Payable B451 to Fund 430. TPCS issues a check from the grant account #3989 to cover the allowable expenses. Once the check clears, the Treasurer or Grant Chairman requests reimbursement from the county. The county deposits the reimbursement back to the DCSD account #4812, where the funds are transferred automatically to operating account #9126. The Business Manager transfers the funds to grant account #3989. As cash flow permits, TPCS issues a check from the grant account #3989 to the Bank to repay the loan.

**Loans against operations:** When the operating account #9126 would otherwise result in insufficient funds, the Treasurer requests a draw from the bank. The Charter Bank deposits the requested amount into the grant sweep account #3412, where the funds are transferred automatically to grant account #3989. The Business Manager records the loan as Loans Payable B451 to Fund 100 and transfers the funds to operating account #9126. The county deposits Allotment Sheet funding to the DCSD account #4812, where the funds are transferred automatically to operating account #9126. As cash flow permits, TPCS issues a check from the operating account #9126 to The Charter Bank to repay the loan.

### XXIII. BEQUESTS AND CONTRIBUTIONS (GIFTS)

Policy:

Non-restricted gifts shall be used for operations or special projects, consistent with any restrictions set by the Board or Principal. Gifts that are donor restricted shall be used for the purpose articulated by the donor.

Gift-In-Kind contributions greater than or equal to \$1,000 shall be recorded as revenue. The value of such contributions shall be determined using the fair market value (FMV) of the goods or services received at the time of the donation. Contributions recorded as revenues that are capital assets should be capitalized and depreciated in accordance with the Capital Depreciation & Reserves policy if the goods would also meet the capitalization threshold of \$5,000. For gift-in-kind contributions of goods valued at \$1,000 or more and less than \$5,000, the corresponding entry should be an expense for the value of the goods received. For gift-in-kind contributions of services valued at \$1,000 or more, the corresponding entry should be an expense for the value of the services received.

Procedure:

All gifts shall be presented to the Business Manager. No noncash gifts shall be accepted by the Business Manager if such gifts do not meet all the requirements of TPCS' Board-approved Gift Acceptance Policy (GAP). The donor, Board, or Principal may designate the use of gifts, but designations by the donor must be in writing prior to the acceptance.

### XXIV. DEBIT/CREDIT CARDS

Policy:

TPCS may maintain debit or credit cards if such cards are authorized by the Board. Debit cards may be issued only to Board officers. Credit cards may be issued only to staff. The Principal may designate the credit-card holders. Such debit/credit cards shall be solely used for TPCS' fiduciary purposes.

Procedure:

All debit/credit cards shall be billed directly to TPCS and shall be monitored by the Principal and the Business Manager. Board/Staff who are issued debit/credit cards must turn over all receipts to the Business Manager or Principal. In the event of termination, Board/staff shall be required to return any debit/credit cards that have been issued to them. Purchases by debit or credit cards are subject to the same purchase order approval process as any other purchases.

The Business Manager is authorized to obtain any access card that is required to link electronically TPCS' financial books with its financial institutions. The access card could be a random-number generator, a credit card, or an ATM card, but if there is a choice, the choice must be approved by the Board.

## XXV. SECURITY OF FINANCIAL DATA

### Policy:

TPCS shall take precautions to protect itself from financial fraud.

### Procedure:

The Business Manager shall protect account numbers from publication, shall keep checks and other financial instruments secure from theft, and shall take all other measures reasonably practicable to protect TPCS from financial fraud, while taking care not to violate any laws regarding public access to financial data.

## XXVI. RETENTION OF BUSINESS RECORDS

### Policy:

The Business Manager shall retain all accounting records according to the Retention Schedule. The Retention Schedule applies to records regardless of their electronic or physical nature.

### Procedure:

All records shall be stored in two secure locations, one being the lockable business office on campus and the other being a cloud service. The Business Manager shall upload the accounting records to a password-protected cloud service at the end of each week, month, and fiscal year. Once the required time period has elapsed, all documentation should be disposed of in such a way so that no sensitive information can be obtained by any outside parties (e.g., shred).

### Retention Schedule

<i>Accounting</i>	<i>Years</i>	<i>Corporate</i>	<i>Years</i>
AP Records	5	Annual Reports	Permanently
AR Records	5	Budgets	5
Audit Reports	Permanently	Contracts (After Expiration)	7
Bank Statements	3	General Correspondence	3



## Tapestry Public Charter School

Bank Reconciliations	3	Legal Correspondence	Permanently
Deposit Receipts/Packets	3	Insurance Policies (After Expire)	5
Financial Statements	Permanently	Leases (After Expire)	7
General Ledgers	Permanently	Minutes	Permanently
Invoices	7	Financial Statements	Permanently
Registers/Cash Books	7		
Payroll Records	5		
Transactions in the Clouds	3		
Transactions in QuickBooks	3		

<i>Personnel</i>	<i>Years</i>
Contracts	5
Personnel Files	5
Employment Applications	5
Insurance Records	Permanently
Handbooks/Manuals	Permanently
Travel Records	3

### XXVII. YEAR-END FUND BALANCES

#### Policy:

In accordance with GASB 54 fund-balance policy, TPCS' long-term goal is to achieve and maintain reserves in the general fund at fiscal yearend of not less than three months' operating expenses, net of any funds committed to capital reserves.

#### Procedure:

The Business Manager shall exclude Student Activity Funds, Student Nutrition Programs, After School Programs, Summer Programs, and other enterprise and fiduciary funds from the calculation of year-end fund balances. The Business Manager shall alert the Finance Committee if the total expected reserves at fiscal yearend fall below the goal. The Finance Committee shall develop a restoration plan to achieve and maintain the minimum fund balance.

### XXVIII. FUNDRAISERS

#### Policy:

TPCS cannot operate a superior school on government funding alone. The school encourages fundraising activities that can provide additional operating revenues.

#### Procedure:

The Fundraising Committee shall complete a Fundraising Financial Report (FFR) for preapproval of each event. Any event must be on a list of fundraisers approved and posted by the Board. Each fundraiser must have a beginning and ending date, not to exceed three months.

The Principal shall sign the FFR. Copies of the signed FFR go to the sponsor of the event, the Fundraising Committee, the Principal, and the Business Manager. Proceeds from a fundraiser are given to the Administrative Staff for deposit. The Administrative Staff shall provide the sponsor with a receipt from a designated receipt book provided by the Treasurer. Purchases in cash or refunds in cash are not permitted from the fundraising amounts; such expenses shall be paid by a TPCS check. The sponsor shall provide the Business Manager with a final FFR at the completion of the fundraiser.

## XXIX. FINANCIAL ROLE OF THE PRINCIPAL

### Policy:

The Principal is the first-line supervisor of the Business Manager. As the supervisor, the Principal has responsibility that enumerated financial procedures are enforced.

### Procedure:

The Principal's responsibilities include the following:

- Update the signature card at the bank to include the Principal's signature.
- Take deposits personally to the bank on a weekly basis or appoint a designee to do so.
- Sign all checks and contracts in cursive legible English.
- Never use a signature stamp to sign or endorse checks.
- Never sign blank checks.
- Never make checks payable to cash.
- Review and approve reconciled bank statements on a monthly basis.
- Approve all temporary transfers between accounts and ensure that the reason for the transfer is described.
- Ensure that school activity funds are used in accordance with the purpose for which funds are collected.
- Prior to issuance of checks, determine that the checking account contains sufficient funds to cover checks being issued.
- Preapprove all non-recurring disbursements by using the Purchase Order Form.
- Preapprove all out-of-town travel, and retain the signed approval form.
- Review Transaction Reports to ensure that transactions are being accurately and timely posted.
- Ensure that proper documentation such as receipts and invoices is being maintained to support all disbursements. A PDF of such documentation should be attached to the appropriate Quickbooks transaction.
- Preapprove all fundraising events by signing the Fundraising Financial Report prior to the start of the fundraiser.
- Remit all monthly, quarterly and annual financial reports by requested due dates.
- Ensure that all General Fund records are maintained on school premises.
- Review the monthly financial statements prior to each Board meeting.

## XXX. PASSWORDS

### Policy:

No person will have access to the Finance Committee's shared drive (e.g., SharePoint, Dropbox, Google) or QuickBooks unless that person has a unique username and password.

Unique usernames allow the Administrators, Board, and auditors to have a record of who made each action.

*Procedure:*

One of the Administrators will assign a username and initial password to every user of a shared drive and QuickBooks. Non-Administrators who have any privileges beyond “read only” will access these systems with their unique usernames. QuickBooks Administrators may access QuickBooks as “Admin” when making system-wide changes, but must exit and re-enter with their unique username before making any data entries.

XXXI. RECEIVING

*Policy:*

TPCS assigns the important responsibility for receiving inventory to the Business Manager. The Business or Office Manager, when available, shall be the only person to receive packages delivered to TPCS’ physical location. In his/her absence, the Principal or a designated member of her Administrative Staff may sign for such packages, provided they follow the required procedures. The designated member of the Administrative Staff must have written documentation assigning this responsibility to the staff member. In the absence of all three, the package shall be refused.

*Procedure:*

The person authorized to receive packages shall adhere to the following steps:

1. Unloading and Verifying the Shipment: The responsible person shall compare the number of containers unloaded to the carrier's manifest to make certain the total order has been received. The responsible person shall inspect the containers for external damage and note any such damage on the receipt prior to signing the receipt. Failure to follow this procedure can relieve the carrier of any liability.
2. Unpacking and Inspecting the Inventory: A responsible person shall complete three verifications:
  - Compare the inventory received against the vendor's packing slip and against TPCS' purchase order to verify that the correct items have been shipped.
  - Verify the quantity of the shipment in the same manner as above.
  - Inspect the general condition of the inventory to determine if any damages were incurred during shipment.
3. Completion of the Receiving Report: TPCS shall use a receiving report that is a copy of the original purchase order. The Administrative Staff shall file an unsigned receiving report for each anticipated delivery. The responsible person checks off what has been received and outstanding portions of the order. Then the responsible party notifies the Requestor, the purchasing department, and the accounting department that the delivery is completed. The responsible person, if not the Business Manager, gives the signed receipt and the signed receiving report to the Business Manager. The Business Manager pays the Accounts Payable, taking advantage of any available prompt-payment options.

4. Recording of the Material: If the delivery is an Expendable Equipment O615, Expendable Computer Equipment O616, Equipment O730, or a “hot” item, the Business Manager shall tag the delivery before placing it in service.

## XXXII. PREPARING OPERATING BUDGETS

### Policy:

TPCS shall adhere to all charter-school budgetary policies in the GaDoE Local Units of Administration Manual (LUAs Manual) found at <https://www.gadoe.org/Finance-and-Business-Operations/Financial-Review/Pages/LUAS-Manual.aspx>.

### Procedure:

- Adoption of budgets: Annual budgets are adopted for all funds except capital project funds and fiduciary funds (e.g., athletic and student activity funds, which are subject to separate policies). Project budgets are adopted for major capital projects.
- Balanced budgets: The budget shall be balanced for all budgeted funds. Total anticipated revenues shall equal total estimated expenditures. In the event anticipated revenues are insufficient to fund anticipated essential expenditures, a portion of the unreserved fund balance from previous years must be used to fund the shortfall. In the event there is insufficient unreserved fund balance from previous years to fund anticipated expenditures, then such expenditures must be reduced to equal anticipated revenues plus available unreserved fund balance. In the event it is known at the time the budget must be adopted that extraordinary expenditures in any year (including the budget’s first year) will cause a deficit at the beginning of that year, such deficit must be eliminated by either additional revenues or reduced expenditures.
- Budgetary GAAP: All budgets shall be adopted on a basis of accounting consistent with generally accepted accounting principles except for encumbrances or where prohibited by Georgia law. Revenues are budgeted when they become measurable and available and expenditures are budgeted when they become measurable and a liability has been incurred which will be liquidated with current resources. All outstanding encumbrances are charged to the budget appropriation in the year initially encumbered.
- Appropriations: All unencumbered appropriations lapse at year end. However, the appropriation authority for encumbrances carries forward to the next year unless such encumbrances are explicitly removed and documented by the Finance Committee.
- Fund balances: The general fund unreserved fund balance (i.e., the total fund balance less allowable reserves and capital reserve designation) is limited to 15% of the next year's budgeted general fund expenditures.
- Level of budgetary control: The budget shall be adopted at the legal level of budgetary control which is the combination of Function and Fund codes (i.e., expenditures may not exceed the total appropriation for any Function/Fund code). The Board must approve any changes between the appropriations by Function/Fund.
- Capital Improvement Projects (CIP): The Board will attempt to allocate approximately 2% of their annual general fund budget for additional and replacement building betterments.

- Items funded 100% :
  - Funds earned for direct instructional salaries shall be 100% expended for salaries of direct instructional personnel and aides.
  - Media center costs for personnel and materials must be expended 100%.
  - Amounts allotted for staff development must be spent 100% for these costs.
- Budget Director: A single administrator shall be designated as the budget officer. In the case of TPCS, the budget director is the Treasurer.
- QBE Revenue: GAAP requires that if the July and August salary payments are accrued at June 30, the QBE allocation used to fund a portion of these salaries must be accrued for financial statement purposes.

### XXXIII. PURCHASING

Policy:

TPCS shall maintain a centralized purchasing system where all school purchases will be coordinated by the Business Manager.

Procedure:

The Business Manager shall maintain purchasing rules and regulations for internal use and shall maintain and distribute to all eligible vendors purchasing rules and regulations written specifically for these vendors.

The following information shall be included on a TPCS purchase order:

- Sequentially assigned number.
- Requestor's name.
- Date of request.
- Budget code to be charged.
- Quantity required.
- Description, model number, or other specifications of required purchase.
- Desired delivery date and location.
- Estimated unit price.
- Authorized signature of Requestor and Principal.

### XXXIV. REPORTING

Policy:

In order to access important information, the Business Manager shall set a MyGaDOE online interface account and such other accounts as may be available from the DOE and/or DCSD to improve TPCS' interaction with the applications and services that the GaDoE and/or DCSD provide.

Procedure:

The Business Manager shall coordinate with the GaDoE and DCSD to ensure that TPCS maintain the appropriate accounts to facilitate reporting procedures.

#### XXXV. BANK STATEMENT RECONCILIATION PROCESS

Policy:

TPCS reconciles its financial accounts to its bank statements early each month, prior to the monthly meeting of the Board. This policy explains the procedures for completing a reconciliation.

Procedure:

On approximately the 10<sup>th</sup> of each month, the Business Manager downloads all bank statements from bank(s) and credit-card company(ies). The Business Manager confirms that all checks are signed and dated, that the payees are exactly the same as vendors and employees in QuickBooks (QB), that large checks are co-signed by authorized payers, and that no checks have evidence of fraud (e.g., dual endorsements, cross outs, other changes). Then the Business Manager completes the bank reconciliation for each account in accordance with the Accounting Manual.

#### XXXVI. FORM 990

Policy:

Annual tax forms shall be prepared by the Finance Committee with the cooperation of the Office Manager, the Business Manager, and any other staff or Board members whose involvement is deemed advisable by the Finance Committee.. The Business Manager will flag the Chart of Accounts in QuickBooks with appropriate Form 990 codes.

Procedure:

The Finance Committee shall prepare the full Form 990. At the completion of the Auditor's examination of the financial statements, the Business Manager will provide the Form 990 preparer with a QuickBooks report of the EoY Form 990 balances. The preparer shall draft a Form 990 prior to the October meeting of the Board and distribute it electronically to each Board member. The Board shall approve the Form 990 at its October meeting. The Treasurer shall document the approval process in Schedule O, then submit the Form 990 prior to the IRS deadline on November 15. The Treasurer shall not request an extension or file any version other than the full Form 990 without the approval of the Governing Board. The Secretary or Finance Committee shall post a link to TPCS' GuideStar page on a TPCS website or network accessible by the public.

#### XXXVII. BOARD MEMBER EXPENSES

*Policy:*

A member of the Governing Board may not be reimbursed for any expenses incurred by the Board Member on behalf of the Board or School.

*Procedure:*

Board Members should seek prior approval of the board for any expense to be incurred, and should arrange for such expense to be paid by check or other means so that no reimbursement to the Board Member is required.

#### XXXVIII. MULTIPLE QUOTES / REQUESTS FOR PROPOSAL

*Policy:*

No expense for the purchase of goods or services in excess of five thousand dollars (\$5,000.00) shall be incurred without having first obtained at least two quotes or bids and/or issuing a public Request For Proposal (“RFP”) for the acquisition of such goods or the provision of such service.

*Procedure:*

Any party (a “Purchaser”) responsible for securing the purchase of goods or services that will result in an expenditure in excess of five thousand dollars (\$5,000.00) shall first publish on the TPCS web site an RFP soliciting bids or quotes for such purchase of goods or services, unless it is possible for the Purchaser to obtain multiple bids or quotes in the absence of an RFP, in which event the Purchaser may proceed to obtain bids and quotes without an RFP. The Purchaser shall not be permitted to select any party other than the low bidder to provide the goods or services sought without the express approval of the Governing Board.