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**XXV. ACCOUNTING SYSTEM****Policy:**

The Ark Community Charter School shall use the accrual system of accounting. When necessary, reports to the IRS, Charter Schools Institute, NYS Department of Education and any other government entity shall be completed using an accrual accounting system.

**Procedure:**

The Ark Community Charter School shall adhere to all generally accepted accounting procedures on an accrual basis. Reports to various government entities shall be completed by the School's Financial Advisor or by the School's auditing firm.

**XXVI. BOOKS OF ACCOUNT****Policy:**

The Ark Community Charter School shall use an accounting software program to maintain its financial books and records.

**Procedure:**

The Ark Community Charter School shall use QuickBooks accounting software to maintain its books and records. The Financial Consultant shall maintain the QuickBooks accounting software with up-to-date budget numbers, cash receipts and disbursements and any items necessary to maintain the records in accordance with generally accepted accounting principles.

**XXVII. CHART OF ACCOUNTS****Policy:**

The Financial Consultant shall develop a Chart of Accounts that accurately reflects budget categories and provides information in a manner to coincide with reporting requirements from the Charter Schools Institute and the NYS Department of Education. The Financial Consultant shall also use class tracking to properly maintain restricted funds.

**Procedure:**

The Financial Consultant shall distribute revenues and expenses according to the Chart of Accounts.

**XXVIII. FINANCIAL STATEMENTS****Policy:**

Financial statements shall be prepared as the Board of Trustees directs and shall be available for review by the Board of Trustees whenever requested. Annual audited financial statements shall be prepared by the School's auditing firm.

*Procedure:*

The Financial Consultant 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 by the Finance Committee and/or the Treasurer on a regular basis.

**XXIX. BANK ACCOUNT MANAGEMENT: ISSUING/SIGNING CHECKS***Policy:*

The Financial Consultant shall adhere to the check signing procedures established by the Board of Trustees.

*Procedure:*

The Financial Consultant prepares all checks for signature. Checks shall be issued only when within the approved budget and with the approval of the Principal. The Principal, Assistant Director and the President of the Board of Trustees shall have check signing authority. Two signatures are required for any checks over \$10,000. The Financial Consultant shall not have check signing authority or withdrawal authority. Voided checks shall be retained to insure proper maintenance of checking account records.

**XXX. BANK ACCOUNT MANAGEMENT: OPENING/CLOSING OF ACCOUNTS***Policy:*

The Board of Trustees must approve the opening or closing of any bank accounts. The signature of the President and Treasurer of the Board of Trustees and the Principal of the School shall be required to open or close accounts.

*Procedure:*

The Treasurer, with the help of the Financial Consultant, shall compile any necessary information including necessary signatures, to open or close any Ark Community Charter School accounts.

**XXXI. BANK ACCOUNT RECONCILIATION***Policy:*

Reconciliation of each charter school account shall be done before the monthly meeting of the Board of Trustees for the following month.

*Procedure:*

The Financial Consultant shall reconcile the bank accounts as soon as possible following the end of the month.

**XXXII. PETTY CASH**

*Policy:*

The Ark Community Charter School may maintain a petty cash fund used to make change for the sale of uniforms.

*Procedure:*

The Petty Cash fund will be maintained by the School Secretary(s). The Petty Cash box shall be kept in a locked cabinet and taken out only for uniform purchases. On a weekly basis, excess funds shall be given to the Financial Consultant to be taken to the bank for deposit. The amount of the deposit shall be reconciled to the uniform receipt book.

XXXIII. ACCOUNTS RECEIVABLE*Policy:*

The Ark Community Charter School bills individual school districts for students attending the School during the year. The School also submits periodic requests for disbursement of funds for state and federal grants, including school lunch reimbursement and Consolidated Grant funding.

*Procedure:*

The Assistant Director shall prepare bi-monthly bills with the help of the Financial Consultant for remittance to each school district. The School Meals subcontractor shall prepare requests for reimbursement for the school breakfast and lunch programs, and the Financial Consultant shall record these amounts in the general ledger on an accrual basis. The Financial Consultant shall prepare requests for reimbursement for other federal and state grants including the Consolidated Grant, and shall record these amounts in the general ledger on an accrual basis.

XXXIV. PURCHASING*Policy:*

The Ark Community Charter School shall use purchase orders and maintain a purchase order log for all non-recurring purchases.

*Procedure:*

The Ark Community Charter School shall issue purchase orders for all non-recurring purchases. Each purchase order must be approved by the Principal before being submitted to the vendor. The School shall maintain a numbered purchase order log for each school year. Purchase orders must be checked off when packages are received and attached to invoices in order to be paid.

XXXV. ACCOUNTS PAYABLE*Policy:*

The Ark Community Charter School, whenever practical, shall pay invoices within 60 days of their issue, unless alternative arrangements are made with vendors or unless a dispute arises. Invoices of an amount which precludes payment within 60 days may be put on a payment plan, allowing a monthly payment agreeable to both the School and the vendor, unless another arrangement is reached agreeable to both the School and the Vendor.

Procedure:

Accounts payable shall be maintained in the QuickBooks accounting software by the Financial Consultant. All invoices should be entered on a weekly basis, and all checks should be written out of the QuickBooks software to ensure that payments are not duplicated nor overlooked. Unpaid invoices shall be filed in the accounting office in a separate area from paid invoices.

**XXXVI. PAYROLL**

Policy:

The Ark Community Charter School shall use a payroll service to issue employees' paychecks.

Procedure:

The Ark Community Charter School shall use the Paychex payroll service to issue employees' paychecks. The pay period runs Saturday to Friday for 2 weeks. Timesheets are due to supervisors for approval on Monday following the end of the two-week pay period. The Financial Consultant shall call payroll into the payroll service on Tuesday or Wednesday after the end of the pay period. The pay period runs Saturday to Friday for 14 days. Checks will be issued bi-weekly on a one-week lag. Paychecks shall be distributed to employees after 12:00 noon on Thursday, although checks are dated for Friday.

**XXXVII. MAIL MANAGEMENT: INCOMING CHECKS**

Policy:

All incoming mail is opened and distributed by the School Secretary(s). Any checks received are given to the Principal, who in turn passes them onto the Financial Consultant for immediate endorsement and timely acknowledgment and deposit.

Procedure:

The School Secretary(s) shall open all mail. All checks shall be given to the Principal. After the Principal passes the checks onto the Financial Consultant, he/she shall endorse the checks and keep them in a locked cabinet until they are taken to the bank. The Financial Consultant shall prepare deposits slips and take deposits to the bank. A record of each check shall be attached to the deposit slip and shall be filed and used for reconciliation of the bank statement.

**XXXVIII. BUDGETING OF FUNDS**

Policy:

The Ark Community Charter School shall prepare and maintain a five-year budget at all times. The Board of Trustees shall approve the budget.

Procedures:

The Finance Committee, which includes the President and Treasurer of the Board of Trustees, the Principal, and the Financial Consultant, shall develop an annual budget in conjunction with the short- and long-term plans of the School. The budget shall be reviewed periodically by the Finance Committee to be updated with current information. After the budget is developed, it shall be presented to the Board of Trustees for review and vote. Upon acceptance of the budget, it shall be submitted to the Charter Schools Institute by the annual deadline.

XXXIX. CAPITAL DEPRECIATION

Policy:

The Ark Community Charter School shall maintain a capital depreciation account.

Procedure:

The Ark Community Charter School shall have its capital depreciation account maintained by its auditors and reviewed by the Financial Consultant on a periodic basis. The Board of Trustees and/or the Principal shall approve all equipment purchases. Assets in excess of \$1,000 shall be depreciated over their useful life. Assets under \$1,000 and “canned” software purchases shall be expensed. Disposition of property shall require the approval of the Board of Trustees.

XL. STAFF AND TRAVEL EXPENSES

Policy:

Staff shall be reimbursed for travel and related expenses while on Ark Community Charter School business or training.

Procedure:

All staff shall submit check requests to the Principal for approval. Original receipts should be attached to the check request. Staff shall be reimbursed within 20 business days of submission of a completed check request to the Principal.

XLI. ANNUAL AUDIT

Policy:

An independent audit shall be conducted annually by an accounting firm selected by the Finance Committee.

Procedure:

The Financial Consultant shall assist the independent auditing firm in completing its annual audit. The audit shall be submitted to the Charter Schools Institute by November 1 each year.

#### XLII. INSURANCE

Policy:

The Ark Community Charter School 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 the School's Charter, agreement with vendors, or recommended by the insurance broker. The School shall also contribute to the state unemployment Insurance Fund in accordance with applicable law.

#### XLIII. CONTRACTS AND GRANTS

Policy:

The execution of contracts and grants shall be within the scope of the Ark Community Charter School mission, goals, and annual plans.

Procedure:

All contracts shall be approved by the School Attorney and the Board of Trustees prior to be signed by the President of the Board of Trustees.

#### XLIV. INVESTMENT POLICIES

Policy:

Excess funds shall be invested only in FDIC insured or collateralized money market accounts. The School may open and maintain a stock and mutual fund account for the purpose of receiving appreciated stocks or mutual funds as gifts.

Procedure:

The School shall maintain a money market account to invest excess funds. The School shall also maintain a stock and mutual fund account to accept gifts. Amounts held in these accounts shall be determined at the discretion of the Finance Committee.

#### XLV. BORROWING FUNDS

Policy:

The borrowing of funds and the establishment of a line of credit must be approved by the Board of Trustees.

Procedure:

The School shall maintain a line of credit at a limit to be determined by the Board of Trustees to ensure smooth cash flow. The Board of Trustees shall determine if the School should incur any mortgages or other debt. Any changes in the borrowing terms must be approved by the Board of Trustees. The Board shall notify the Charter Schools Institute if borrowing over \$25,000 occurs.

#### XLVI. BEQUESTS AND CONTRIBUTIONS

Policy:

Non-restricted bequests and contributions shall be used for operations or special projects as designated and approved by the Principal, consistent with any restrictions set for by the Board of Trustees. Bequests that are donor restricted shall be used for the purpose articulated by the donor.

Procedure:

The Principal shall designate the use of bequests and contributions.

#### XLVII. CREDIT CARDS

Policy:

The Ark Community Charter School may maintain credit cards that shall be issued to staff as designated by the Principal. Such credit cards shall be solely used for School purposes.

Procedures:

All credit cards shall be billed directly to the School and shall be monitored by the Principal and the Financial Consultant. Staff who are issued credit cards must turn over all receipts to the Principal and the Financial Consultant. In the event of termination of employment, staff shall be required to return any credit cards that have been issued to them.

#### XLVIII. SECURITY OF FINANCIAL DATA

Policy:

The Ark Community Charter School shall maintain its financial data in a secure fashion.

Procedure:

All accounting records shall be maintained in the accounting office. This office will remain locked at all times. All cabinets in the office shall also be locked. Keys to this office shall be limited to the Financial Consultant, the Principal, and the Assistant Director. Accounting records on the server shall be maintained on a secure drive. Access to this drive shall be limited to the Financial Consultant, the Principal, and the Assistant Director. The computer files on the server shall be backed up on a daily basis and maintained offsite in a secure location.

