



**SNTHS**

SOUTHERN NEVADA  
TRADES  
HIGH SCHOOL

**FINANCIAL POLICIES  
AND PROCEDURES  
MANUAL**

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## FOREWORD AND GENERAL OUTLINE

The Board of Directors of Southern Nevada Trades High School (SNTHS) has adopted sound financial policies and accounting procedures in accordance with Nevada Law. These policies, identified in this Financial Policies and Procedures Manual, ensure effective internal controls over revenues, expenses and fixed assets and are evaluated on a regular basis to ensure compliance with all statutory and regulatory authorities.

The school Administrator will be responsible for all aspects of school operations within the scope of operating policy and budgetary approval by the Board of Directors. The school's on-site administration/faculty and staff will report directly to the Administrator, who then reports to the Board of Directors. The back-office provider, contracted by the board, will provide bookkeeping, and financial forecasting services to the Board of Directors for its oversight and approval.

The Board, at minimum, will be responsible for:

1. reviewing and approving a preliminary annual budget prior to the beginning of the fiscal year
2. reviewing quarterly financial statements, which include a balance sheet and statement of revenue, expenditures and changes in fund balance, at each public board meeting
3. annually adopting and maintaining operating budget for the school
4. retaining the services of a certified public accountant/auditor to conduct the annual Independent financial audit
5. reviewing and approving the audit report, including audit findings and recommendations; and reporting to all applicable legal agencies
6. overseeing the school's Administrator and all financial matters delegated to the Administrator

School invoices relating to daily operations will be managed by the Board-approved back-office provider. The on-site Administrator will manage the daily operations and site-based finances, including expenditures and receivables and seek prior approval from the Board for expenditures over a pre-approved amount. The Administrator and back-office provider will report monthly to the Board of Directors on all payroll reports, financial statements, and any other information requested by the Board.

## 1. CHARTER SCHOOL BUDGET

The SNTHS budget will serve as the financial plan of operation for the charter school and will include estimates and purpose of expenditures for a given period and the proposed means of financing the estimated expenditures. The charter school will provide the budget and budget documents in accordance with the rules and regulations as specified by the Nevada Department of Education on an annual basis.

The SNTHS budget will be prepared in full compliance with NRS 386.550 and NAC 386.370,

The Administrator will be responsible for the preparation of the budget document in conjunction with the back-office provider.

## 2. FUND BALANCE

The Board of Directors recognizes its responsibility to strive to secure and maintain an unreserved fund balance in an amount sufficient to:

1. Protect the charter school from unnecessary borrowing in order to meet cash- flow needs.
2. Provide prudent reserves to meet unexpected emergencies and protect against catastrophic events.
3. Meet the uncertainties of State and Federal funding; and
4. Help ensure a charter school credit rating that would qualify the charter school for lower interest costs.

In determining an appropriate unreserved fund balance, the Board of Directors will consider a variety of factors with potential impact on the charter school's budget including the predictability and volatility of its expenditures, the availability of resources in other funds as well as the potential drain upon general fund resources from other funds; liquidity; and designations. Such factors will be reviewed annually.

## 3. BUDGET PREPARATION

SNTHS Administrators have the responsibility to coordinate with back-office provider to complete budget preparation for Board review and should develop such procedures necessary to ensure that the proposed budget reflects *all* areas of charter school operation.

The Administrator and the Board of Directors will establish budget priorities for the charter school and will make appropriate recommendations related to those priorities.

## 4. BUDGET TRANSFER AUTHORITY

The adopted budget is a financial plan which may be subject to change because of circumstances or events occurring during the ensuing budget period. All appropriation transfers shall be made using the guidelines in NAC Chapter 354.

## 5. PROCEDURES FOR COLLECTING AND DEPOSITING NON-DISTRIBUTIVE SCHOOL ACCOUNT (DSA) FUNDS

All non-DSA revenues received by the school will be received by the School Office manager/ Receptionist. The Office Manager/Receptionist is required to issue a paper receipt to the payor in a receipt book. The receipt book must be a pre-numbered, multi-part receipt form.

At the end of each day, the Office Manager/Receptionist is required to turn over all payments and receipts to an onsite Administrator. The Administrator and one other available school employee, but not the person who will be depositing the funds, will tally the total of the receipts and monies collected and verify the amounts match. The Administrator will then endorse all checks For Deposit Only to the

School's account and prepare a deposit slip. A copy of all cash receipts and checks which support each deposit must be made and kept with a copy of the deposit slip.

A School Administrator is responsible for transporting all non-DSA funds to the Banking Institution selected by the Board of Directors. Deposits must be made either once a week or whenever more than \$500.00 in cash has been received, whichever comes first.

## 6. STAFF TRAINING

Training in financial policies and procedures for Administrators, Staff Members and staff needs to be provided at least annually. Documentation of training should be retained, and a copy of the documentation should be submitted to the Board of Directors.

## 7. AUTHORIZED SIGNATURES

Authority to sign checks written on any of the school accounts shall be as follows:

Under \$5000 - One Signature required

- Executive Director (if not purchase order authorized by Executive Director)
- Principal (if not purchase order authorized by the Principal)
- Board Chair
- Board Treasurer

\$5000 up to \$25,000 - Two Signatures

- Executive Director or Principal AND
- Board Chair or Treasurer

Over \$25,000 -Two Signatures

- Board Chair AND
- Board Treasurer

## 8. UTILITIES

The School may set up automatic payments with utility companies (electric, phone/internet, water/sewer, etc.). The school will create a PO for each invoice that will require a signature from the Administrator. Signature limits shall not apply to utility bills.



## 9. BOARD APPROVED CONTRACTS

The board will authorize the Administrator to approve online payments via wire transfers or ACH on contracts that have been presented and approved by the Board of Directors. If a check needs to be cut instead of a line payment the Executive Director or Principal may also be the second authorizing signature on checks above \$25,000 for board approved contracts.

## 10. FUNDING PROPOSALS AND APPLICATIONS

SNTHS shall pursue Federal, State or private grants or other such funds that will assist the charter school in meeting adopted Board of Directors and charter school goals.

Proposals for external funds will be submitted to the Board of Directors for evaluation and approval. In the event an opportunity arises to submit a grant proposal and there is insufficient time to place it before the Board of Directors, the Administrator is authorized to use his/her judgment in approving it for submission. The Administrator will review the proposal with the Board of Directors at its next regular meeting. The Board of Directors reserves the right to reject funds associated with any grant which has been approved.

The Board of Directors shall, before an acceptance of such funds, consider the charter school's obligations, expectations or encumbrances when the grant ceases.

## 11. INVESTMENT OF FUNDS

The Board of Directors may authorize the investment or reinvestment of funds which are not immediately needed for the operation of the charter school. Such investments will comply with State law and Nevada Administrative Code.

## 12. FISCAL ACCOUNTING AND REPORTING

The charter school's accounting and reporting system will be in accordance with generally accepted accounting principles and will conform to State laws and regulations. Accounting procedures shall show a detailed and meaningful analysis of both receipts and expenditures. This analysis should be adequate for study and evaluation by the Board of Directors and school management, and will serve as a basis to make financial and related educational decisions, to formulate future plans, to safeguard public funds and to ensure adequate financial accountability.

Payment on all charter school accounts, including the general fund and special accounts, shall operate according to established accounting procedures.

All cash received is to be properly receipted. Money received shall be placed in deposit.

The Administrator shall be the lawful custodial officer of all charter school funds and shall demand receipt for, and safely keep according to law, all bonds, mortgages, notes, moneys, effects, books and

papers belonging to the charter school. Funds may be commingled in the depository so long as they are budgeted and accounted for separately.

### 13. FINANCIAL REPORTS AND STATEMENTS

The Board of Directors, through the Board Treasurer, will receive and accept financial reports that include monthly bank Statement reconciliations, estimates of expenditures for the general fund in comparison to budget appropriations, actual receipts in comparison to budget estimates and the charter school's overall cash condition. Supplementary reports on other funds or accounts will be furnished upon request of the Board of Directors or Administrator.

Appropriate back-office staff will be available at any Board of Directors meeting, upon the Board of Directors' request, to respond to questions and to present current financial information. The Administrator will notify the Board of Directors at any time of substantial deviations in the anticipated revenues and/or expenditures.

### 14. PROPERTY INVENTORY AND CAPITALIZATION

In addition to the tracking of Federally funded assets using Asset Panda, the charter school will maintain a complete property inventory which lists all school buildings, equipment and supplies with a value greater than \$500. This inventory will be updated as necessary. The Board of Directors may authorize the employment of an appraisal company to assist with the inventory procedure.

The charter school will maintain an inventory of all capital assets in accordance with governmental accounting standards. The charter school's inventory will be updated annually to include property newly purchased and disposed.

Capital assets includes all charter school-owned property such as land, buildings, improvements to property other than buildings (i.e., parking lots, athletic fields, playgrounds, etc.) and equipment with a value greater than \$5,000. (See NAC 386.342)

### 15. AUDITS

An audit of all charter school accounts will be made at least annually by an accountant selected by the Board of Directors.

A copy of the audit report will be presented to the Board of Directors.

### 16. CHARTER SCHOOL PURCHASING

The function of charter school purchasing is to serve the educational program by providing the necessary supplies, equipment and services.

The purchasing agent will be appointed by the Board of Directors. He/She will be responsible for developing and administering the charter school's purchasing program.

No obligation may be incurred by any officer or employee of the Board of Directors unless that expenditure has been authorized in the budget or by Board of Directors action and/or Board of Directors policy. In all cases calling for the expenditure of charter school money, except payrolls, a requisition and purchase order system must be used.

Unless authorized by the Administrator, no purchase [with the exception of a petty cash purchase] will be authorized unless covered by an approved purchase order. No bills will be approved for payment unless purchases were made on approved orders.

The Administrator or designee is authorized to enter into and approve payment on contracts obligating charter school funds not to exceed (\$10,000) for products, materials, supplies, capital outlay and services that are within current budget appropriations. The Board of Directors shall approve all contracts that are collective bargaining agreements or service contracts that include the provision of labor performed by charter school employees, such as custodial, food service and transportation services.

The Administrator will review bills due and payable for the purchase of supplies and services to determine if they are within budget amounts. After appropriate administrative review, the Administrator will direct payment of the just claims against the charter school. The Administrator is responsible for the accuracy of all bills and vouchers.

No Board of Directors member, officer, employee or agent of this charter school shall use or attempt to use his/her official position to obtain financial gain or for avoidance of financial detriment for himself/herself, a relative or for any business with which the Board of Directors member or a relative is associated. Acceptance of any gratuities, financial or otherwise, from any supplier of materials or services to the charter school by any Board of Directors member, officer or employee of the charter school is prohibited.

Bids or proposals shall be called for on all purchase, lease or sale of personal property, public improvements or services other than agreements for personal service, in accordance with applicable competitive procurement provisions of Nevada Revised Statutes and adopted public contracting rules. (See NRS Chapter 332, NRS 386.573)

## **17. FOOD SERVICE ACCOUNTS (NATIONAL SCHOOL LUNCH PROGRAM)**

If the charter school elects to participate in the National School Lunch Program (NSLP) for all or any campus, the school will create a separate bank account to process the NSLP transactions. All procedures received for the NSLP will be deposited into the NSLP checking account and expenses related to the NSLP will first be paid out of this checking account until the funds are exhausted, then the remaining balances will be paid out of the general operating funds. No proceeds or profits from the NSLP shall be used for any other purposes than that approved by the NSLP.

## 18. EXPENDITURE OF CHARTER SCHOOL FUNDS FOR MEALS, REFRESHMENTS AND GIFTS

The charter school recognizes there may be occasions when it is appropriate for Board of Directors members, Administrators and others to expend charter school funds in the course of conducting charter school business to provide meals or refreshments (bakery goods, snacks, fruit, punch, coffee, tea, soft drinks, etc.). The purchase of gifts may also be approved, in certain situations. Such occasions may include, but are not limited to, various charter school meetings, gatherings to celebrate charter school successes or recognize individual achievements, contributions or outstanding service to the charter school and other charter school sponsored activities.

Meals may be provided by the charter school to recognize the contributions of staff, through retirement dinners or other recognition events; Meals may be provided by the charter school as a part of Board of Directors or administrative work sessions, at charter school or committee meetings or other charter school approved activities. Meals provided at staff meetings and trainings must be supported by adequate documentation, which shall include a list of attendees.

Meals not directly business related may be provided to staff or others at the individual's expense only.

Board of Directors members, Administrators and other charter school administrative staff may use charter school funds to provide refreshments for staff, parents or others at meetings, in-service programs or other similar charter school or school-sponsored activities, not to exceed \$10 per participant and subject to the following additional requirements:

- The purchase of alcoholic beverages with charter school funds is strictly prohibited;
- The use of charter school funds for parties is prohibited.

There are numerous occasions that may arise whereby Board of Directors members, Administrators or other charter school staff may feel the need to recognize employees, i.e., Bosses' Day, Secretaries' Day, classified employees' week, birthday, etc. A Board of Directors member, Administrator or other charter school employee may provide such recognition at his/her expense only, unless as otherwise permitted below:

The charter school may provide a small token of appreciation for a Board of Directors member's

or employee's retirement and years of service and other related activities utilizing charter school funds, as approved in advance. For example, the Board of Directors generally proclaims special recognition for classified employees' week and teacher appreciation week;

Administrators may use charter school funds to provide an appropriate token of appreciation on behalf of the Board of Directors. The value of this item may not exceed \$10 per person;

No other expenditure of charter school funds for gifts is permitted without prior authorization from the Body or Administrator.

## 19. PETTY CASH ACCOUNTS

The school is not permitted to have petty cash accounts. The school may however withdraw cash for the purpose of making change at school events. These transactions should be limited to change only transactions and should not be used for purchases.

## 20. CREDIT CARDS

The Board of Directors authorizes the Administrator to hold a bank credit card in the name of the charter school and to issue such cards to designated employees. Approved card holders will be held responsible for maintaining sole possession and security of issued cards at all times. Credit cards shall have a Board of Directors approved maximum limit.

Credit cards issued to employees may only be used to purchase items authorized by the adopted charter school budget when purchase orders are not feasible.

Purchase slips and receipts must be turned in to the back-office provider for reimbursement within 30 days of the transaction. The back-office provider shall pay in full the credit card balances no later than the due date so that finance charges will not be incurred.

Charter school-issued credit cards shall be subject to the following:

- Personal items shall not be charged on charter school-issued credit cards. If a personal item is inadvertently purchased on a charter school-issued credit card in violation of this policy, repayment by the employee must be made immediately. Failure to make the required payment may result in an automatic deduction from the individual's next payroll disbursement. Accordingly, the charter school will require individuals issued credit cards to sign a written authorization for payroll deduction in the event of such personal use;
- The purchase of alcoholic beverages is strictly prohibited. The purchase of gasoline for a privately-owned vehicle is also prohibited without prior authorization;
- Leaving a gratuity that exceeds [15%] is prohibited;
- Airline tickets may be purchased with a charter school-issued credit card only with prior Administrator or designee approval. If the issued credit card provides for purchase incentives (i.e., points, discounts or airline mileage credits), such incentives shall only be redeemed for authorized charter school business.

Violation of the provisions of this policy may result in the revocation of the credit card and/or discipline up to and including termination of employment.

## 21. PAYMENT PROCEDURES

All claims for payment from charter school funds will be processed by back-office provider in conformance with charter school procedures. Payment will be authorized against invoices properly

supported by approved purchase orders, with properly submitted vouchers approved by the Board of Directors.

The Administrator will be responsible for assuring that budget allocations are observed and that total expenditures do not exceed the amount allocated in the budget.

## 22. PAYROLL

Preparation of payroll, including time schedules and payroll periods, will be done in accordance with each employee's agreement with the Board of Directors. Employee health, accident, dental and other types of insurance will be provided as outlined in the agreements. Mandatory payroll deductions will be withheld as required by State and Federal law.

## 23. EXPENSE REIMBURSEMENTS

The Board of Directors recognizes that certain expenses are incurred by charter school employees in carrying out authorized duties. The Board of Directors approves the reimbursement of necessary and reasonable expenditures as outlined in the accompanying administrative regulation and consistent with Internal Revenue Service requirements and Nevada Administrative Codes.

All approval and reimbursement procedures must be followed prior to reimbursement. Reimbursement for out-of-State travel by private vehicle will be made on the basis of air fare or mileage rate, whichever is lower.

Expense reimbursement for staff traveling on approved charter school business will be governed by the following procedures. Travel expenses include travel fares, meals and lodging and expenses incident to travel. Only travel expenses as are ordinary and necessary in the conduct of approved travel for charter school business purposes and directly attributable to it will be reimbursed. As used in this regulation an "ordinary" expense means one that is common and accepted in the profession; a "necessary" expense means one that is essential and appropriate in order to conduct charter school business.

Reimbursement procedures established by the charter school will also apply to Board of Directors members traveling on charter school business, as applicable.

Expense reimbursements for staff or board travel shall not exceed the maximum General Services Administration (GSA) approved rates.

Reimbursement will be made for ordinary and necessary meal expenses incurred in the course of approved travel for charter school business. Meals include amounts spent for food, beverage, taxes and related gratuities. Alcoholic beverages will not be reimbursed by the charter school.

Expenses in excess of the charter school's established limit are ordinarily the responsibility of the employee and may be reimbursed only with Administrator approval. Receipts for all meal expenses must be secured and attached to the claim.

Travel must be conducted in the most expeditious and cost-effective manner, as determined by the charter school.

## 24. INSURANCE COVERAGE

All charter school employees operating private vehicles on approved charter school business are required to complete and maintain on file with the charter school, verification of vehicle liability insurance that meets or exceeds Nevada statutory minimum limits. This verification is required annually prior to any charter school approval to conduct charter school business in a private vehicle. Employees are required to update their verification of vehicle liability information maintained on file with the charter school upon any change in the employee's vehicle insurance coverage.

It is the responsibility of the owner or driver of the vehicle to be certain that the vehicle is adequately covered by insurance. Insurance costs are included as part of the mileage reimbursement for employees authorized to use a private vehicle to conduct charter school business.

The responsibility of the charter school for damages resulting from vehicle accidents is not the same as set forth in the charter school's general liability insurance policy. The employee's insurance coverage provides primary coverage when the employee is driving his/her own vehicle on approved charter school business.

## 25. TRAVEL ADVANCES & REIMBURSEMENT

A travel advance may be requested when the estimated cost for meals, lodging, etc., exceeds \$50. The travel advance may be requested by completing the form provided by the charter school. Travel advances may not exceed the maximum General Services Administration approved rate.

The cost of commercial travel tickets will not be included in a cash advance request.

In the event of loss, the employee is personally responsible for cash advances issued and for any third-party use of a charter school-provided credit card.

Only one cash advance may be outstanding to any employee at any time.

## 26. DISPOSAL OF CHARTER SCHOOL PROPERTY

Except as stipulated in NAC 386.342, the Board of Directors may, at any time, declare charter school property as surplus and authorize its disposal when such property is no longer useful to the charter school, unsuitable for use, too costly to repair or obsolete.

If reasonable attempts to dispose of surplus properties fail to produce a monetary return to the charter school, the Board of Directors may dispose of them in another manner.

## 27. INFORMATION TECHNOLOGY PROCEDURES

The Board has contracted with an outside contractor to maintain SNTHS computer networks, including the maintenance of firewalls and offsite data backup. School staff is required to work closely with the contracted firm to ensure the security of School networks and data.

## 28. INTERNAL CONTROL TESTING

The Board of Directors will contract with an independent accounting and audit firm to perform internal control testing and review annually. School Administration and Staff Members, and are required to work closely with the contracted independent audit firm to develop and implement all necessary internal controls to ensure accurate and honest accounting at all campus locations.

## 29. CONFLICTS OF INTEREST POLICY AND PROCEDURE

*For Employees and Administrators Conflict of Interest in Federal Awards*

No SNTHS employee will make any purchase or incur any obligations for or on behalf of SNTHS from any non-governmental private business, contractor or vendor in which or with which the employee has a direct or indirect financial or ownership interest.

Purchases or contracted services from any non-governmental or private business or venture in which any employee of SNTHS has a direct or indirect financial or ownership interest will be made on a competitive bid basis in strict accordance with the following procedures:

- The interested employee, business, contractor, or vendor will seek, in writing from the Administrator, a clarification of this policy stating the transaction at issue. The interested employee, business, contractor, or vendor will fully disclose, in writing, the employee's exact relationship to the business, contractor, or vendor;
- Upon written clarification from the Administrator, which will include written specifications to be followed in advertising for bids, the affected business, contractor, or vendor may submit a bid in compliance with the specifications outlined by SNTHS.
- The interested employee will not be involved in any part of the bidding process including, but not limited to, preparing specifications or advertising, or analyzing or accepting bids.
- It will be the duty of each employee, to the best of his/her knowledge and belief, to disclose in writing to the Administrator his/her financial or ownership interest in any business or other purchase arrangement with SNTHS; and
- This policy will apply to any organization, fund, agency, or other activity maintained or operated by SNTHS.

No employee will solicit gifts, gratuities, favors, prizes, awards, merchandise, or commissions as a result of ordering any items or placing any purchase order with a business, contractor or vendor on behalf of SNTHS, nor accept anything of monetary value from a business, contractor or vendor except for unsolicited gifts of fifty dollars (\$50) or less in value.



In addition to the conflicts of interest outlined above, no employee or Administrator of SNTHS may participate in the selection, award, or administration of a contract supported by a Federal award if he/she has a real or apparent conflict of interest. Such conflicts of interest include instances where any of the following has a financial or other interest in or a tangible personal benefit from a firm considered for a contract:

1. The employee or Administrator;
2. Any the employee's or Administrator's Relatives;
3. The employee's or Administrator's Partner; or
4. An organization which employs or is about to employ any of the parties listed above. The following activities are prohibited:
  - a. The purchase during the school day of any food or service from a SNTHS contractor or vendor for individual use;
  - b. The removal of any food, supplies, equipment, or school property without proper authorization; and
  - c. Individual sales by SNTHS employees of any school property, including used items.

Any SNTHS employee or Administrator who violates this policy may be subjected to disciplinary action including, but not limited to, a fine, suspension or termination. Violations of law will be referred to local, State, or Federal authority having proper jurisdiction.

## 30. FOR BOARD OF DIRECTORS CONFLICT OF INTEREST POLICY

**A.1. Purpose.** The purpose of the conflict-of-interest policy is to protect the Corporation's interests when it is contemplating entering into a transaction or arrangement that might benefit the private interest of a Director or Officer of the Corporation, might result in a possible excess benefit transaction, or otherwise jeopardize the tax-exempt status of the Corporation with the Internal Revenue Service (the "**IRS**"). This policy is intended to supplement but not replace any applicable State and Federal laws governing conflicts of interest applicable to nonprofit and charitable organizations.

**A.2. Definitions.** Capitalized terms used in this Addendum have the same meaning given to them in the Bylaws. In addition, the following terms, as used in this Addendum, shall have the definitions set forth below:

- a) "**Interested Person**" means any Director, Officer, Subordinate Officer, or member of an Executive Committee with Board delegated powers that has a direct or indirect Financial Interest, as defined below.
- b) "**Financial Interest**" means a Person that has, directly or indirectly, through business, investment, or family:
  - i. An ownership or investment interest in any entity with which the Corporation has a transaction or arrangement;

- ii. A compensation arrangement with the Corporation or with any entity or individual with which the Corporation has a transaction or arrangement; or
- iii. A potential ownership or investment interest in, or compensation arrangement with, any entity or individual with which the Corporation is negotiating a transaction or arrangement. Compensation includes direct and indirect remuneration as well as gifts or favors that are not insubstantial.

### A.3. Procedures.

- a) ***Duty to Disclose.*** In connection with any actual or possible conflict of interest, an Interested Person must disclose the existence of the Financial Interest and be given the opportunity to disclose all material facts to each Director, Officer, Subordinate Officer, or member of an Executive Committee with Board delegated powers considering the proposed transaction or arrangement.
- b) ***Determining Whether a Conflict of Interest Exists.*** After disclosure of the Financial Interest and all material facts related thereto, and after any discussion with the Interested Person, he or she shall leave the Annual Meeting or Special Meeting while the determination of a conflict of interest is discussed and voted upon. Those remaining in the Annual Meeting or Special Meeting shall decide if a conflict of interest exists. A Financial Interest is not necessarily a conflict of interest. A Person who has a Financial Interest may have a conflict of interest only if the Board or appropriately designated Executive Committee decides that a conflict of interest exists.
- c) ***Procedures for Addressing the Conflict of Interest.***
  - i. An Interested Person may make a presentation at an Annual Meeting or Special Meeting regarding a potential conflict of interest, but after the presentation, such Interested Person shall leave the Annual Meeting or Special Meeting during the discussion of, and the vote on, the transaction or arrangement involving the possible conflict of interest.
  - ii. The Chair shall, if appropriate, appoint a disinterested Director or Executive Committee to investigate alternatives to the proposed transaction or arrangement.
  - iii. After exercising due diligence, the Board or committee shall determine whether the Corporation can obtain with reasonable efforts a more advantageous transaction or arrangement from a person or entity that would not give rise to a conflict of interest.
  - iv. If a more advantageous transaction or arrangement is not reasonably possible under circumstances not producing a conflict of interest, the disinterested Directors or appropriately designated Executive Committee shall determine by a majority vote whether the transaction or arrangement is in the Corporation's best interest, for its benefit, and whether it is fair and reasonable. In conformity with the above determination the Board or appropriately designated Executive Committee shall make its decision as to whether to enter into the transaction or arrangement.
- d) ***Violations of the Conflicts of Interest Policy.***
  - i. If the Board or appropriately designated Executive Committee has reasonable cause to believe an Interested Person has failed to disclose actual or possible

conflicts of interest, it shall inform the Interested Person of the basis for such belief and afford the Interested Person an opportunity to explain the alleged failure to disclose.

- ii. If, after hearing the Interested Person's response and after making further investigation as warranted by the circumstances, the Board or appropriately designated Executive Committee determines that the Interested Person has failed to disclose an actual or possible conflict of interest, it shall take appropriate disciplinary and corrective action.

**A.4. Records of Proceedings.** The minutes of all Annual Meetings or Special Meetings wherein a potential or actual conflict of interest is disclosed, discussed, voted upon, and rejected or approved, shall contain:

- a) The names of the Persons who disclosed or otherwise were found to have a Financial Interest in connection with an actual or possible conflict of interest, the nature of the Financial Interest, any action taken to determine whether a conflict of interest was present, and the decision by the Board or appropriately designated Executive Committee as to whether a conflict of interest in fact existed.
- b) The names of the Persons who were present for discussions and votes relating to the transaction or arrangement, the content of the discussion, including any alternatives to the proposed transaction or arrangement, and a record of any votes taken in connection with the proceedings.

**A.5. Compensation Conflicts.**

- a) A Director who receives compensation, directly or indirectly, from the Corporation for services is precluded from voting on matters pertaining to that Director's compensation.
- b) A member of an Executive Committee whose jurisdiction includes compensation matters and who receives compensation, directly or indirectly, from the Corporation for services is precluded from voting on matters pertaining to that member's compensation.
- c) No Director or member of an Executive Committee whose jurisdiction includes compensation matters and who receives compensation, directly or indirectly, from the Corporation, either individually or collectively, is prohibited from providing information to the Board or any Executive Committee regarding compensation.

**A.6. Annual Statements.** Each Director, Officer, Subordinate Officer, or member of an Executive Committee with Board delegated powers shall annually sign a Statement which affirms that such Person:

- a) Has received a copy of this Addendum;
- b) Has read and understands the policy on conflicts of interest set forth in this Addendum;
- c) Has agreed to comply with such policy; and
- d) Understands the Corporation is a charitable organization and in order to maintain its Federal tax exemption with the IRS it must engage primarily in activities which accomplish one or more of its tax-exempt purposes.

## 31. FEDERAL PROGRAMS POLICY AND PROCEDURE

### Allowability Policy and Procedures

SNTHS will maintain a policy and system of procedures, as described below, that comply with 2 CFR 200.302(b)(7) for determining the allowability of costs in accordance with 2 CFR 200, Subpart E (Cost Principles) and the terms and conditions of the federal award.

In accordance with 2 CFR 200.401, principles of cost as provided in 2 CFR 200, Subpart E must be used by SNTHS in determining allowable costs of work performed by SNTHS for federal awards. SNTHS personnel involved in procedures for determining the allowability of costs will be familiarized through regular and comprehensive training with the policy and procedures described here and will appropriately and consistently implement the policy and procedures as described.

Approval of allowable costs must be adequately documented by SNTHS (2 CFR 200.403(g)). This includes specific documentation for some types of costs that must be kept for costs to be allowable (i.e., time and effort documentation to support employee compensation (2 CFR 200.430(i))). SNTHS must produce all relevant documentation to support costs in the event of an audit (2 CFR 200.337).

### Factors affecting allowability of costs

SNTHS Personnel responsible for determining allowability of costs allocated to federal awards will adhere to 2 CFR 200.403 and consider the following criteria before providing approval for expenditures:

- i. Costs must be necessary and reasonable for the performance of the federal award and be allocable thereto under these principles.*
- ii. A cost is considered reasonable if it meets criteria as described in 2 CFR 200.404, Reasonable Costs.*
- iii. A cost is considered allocable if it meets criteria as described in 2 CFR 200.405, Allocable Costs.*
- iv. Costs must be incurred during the approved budget period and/or period of performance.*
- v. Costs must be part of the approved budget as defined in the executed subaward for the federal grant.*
- vi. Costs must conform to any limitations or exclusions set forth in these principles or in the Federal award as to types or amount of cost items.*
- vii. Costs must be consistent with policies and procedures that apply uniformly to both federally-financed and other activities of the SNTHS.*
- viii. Costs must be accorded consistent treatment. A cost may not be assigned to a federal award as a direct cost if any other cost incurred for the same purpose in like circumstances has been allocated to the federal award as an indirect cost.*

- ix. *Costs must be determined in accordance with generally accepted accounting principles (GAAP), except, for state and local governments and Indian tribes only, as otherwise provided for in 2 CFR 200, Subpart E.*
- x. *A cost must not be included or used to meet cost sharing or matching requirements of any other federally-financed program in either the current or a prior period.*
- xi. *Costs must be evaluated for allowability pursuant to 2 CFR 200.420 – 200.475, General Provisions and Considerations for selected items of cost.*

#### Costs for Goods or Services:

- i. The SNTHS Office Manager prepares a purchase order (PO) with costs indicated for goods or services. The federal award to which the costs are allocated must be listed on the PO. Pursuant to State Public Charter School Authority (SPCSA) requirements, if individual items are over \$250 each, three quotes for costs for the listed items should be attached to the PO for review. Any additional backup documentation to support the costs as being necessary, reasonable, and allocable to the federal award must be attached to the PO. The PO is submitted to the Executive Director for review and approval.
- ii. The Administrator reviews the costs listed on the purchase order to determine if they are necessary, reasonable, and allocable to the federal award and comply with section A of this document – Factors affecting allowability of costs. If required, the Administrator will review the three attached quotes and determine that the best price for the item(s) are obtained.
- iii. If the Administrator determines the costs on the PO are allowable, the Administrator will sign the PO. The signature of the Administrator on the PO indicates that an allowability review was conducted and costs were approved as allowable.
- iv. A copy of the approved PO and all applicable backup documentation will be maintained according to the records retention policy and procedures. The approved PO and attached backup documentation serves as adequate documentation to support the allowability of costs for goods and services allocated to federal awards.

#### Procurement Under a Federal Award

In addition to its other policies and procedures regarding procurement, The Public Charter School will adhere to the following requirements when making procurements under a Federal award. The Public Charter School will:

- Ensure that all solicitations incorporate a clear and accurate description of the technical requirements for the material, product or service to be produced, and set forth those minimum essential characteristics and standards to which the material, product or service must conform.
- Provide documentation of the method to be used to conduct technical evaluations of the received proposals and for selecting recipients, which will include the factors to be

considered in the evaluation, who performs the evaluation, the number of evaluations performed, the timeframe for conducting the evaluations and selecting a vendor. and whether another position reviews the evaluation.

- Maintain oversight to ensure that contractors perform in accordance with the terms, conditions and specifications of their contracts or purchase orders.
- Avoid acquiring unnecessary or duplicative items.
- Consider consolidating procurements to obtain a more economical purchase. Where appropriate, an analysis will be made of lease versus purchase alternatives and any other appropriate analysis to determine the most economical approach.
- Maintain a list of prequalified persons, firms, or products which are used in acquiring goods and services and include enough qualified sources to ensure maximum open and free competition.
- Award contracts only to responsible contractors possessing the ability to perform successfully under the terms and conditions of the proposed procurement. Consideration will be given to such matters as contractor integrity, compliance with public policy, record of past performance, and financial and technical resources.

Maintain records sufficient to detail the history of procurement. These records will include:

- Rationale for the method of procurement;
- Selection of contract type;
- Contractor selection or rejection; and
- The basis for the contract price.
- The use of a time and materials use contract is prohibited unless the Public Charter School determines that no other contract is suitable. Time and materials use contract means a contract whose cost to the charter school is the sum of:
  - The actual cost of materials; and
  - The direct labor hours charged at an hourly rate that reflects wages, general and administrative expenses, and profit.
- Be responsible for the settlement of all contractual and administrative issues arising out of procurements. These issues include, but are not limited to, source evaluation, protests, disputes, and claims.
- The charter school will adhere to any additional procurement rules as applicable to specific Federal programs

An inventory of all capital purchases, equipment, curricula, and library/reference books in the school will be compiled annually by the Administration. The physical inventory will be

compared to the general ledger totals; any significant difference will be reviewed and corrected by the Staff Member.

### Property Classifications

- *Equipment* means tangible personal property (including information technology systems) having a useful life of more than one year and a per-unit acquisition cost which equals or exceeds the lesser of the capitalization level established by the Public Charter School for financial Statement purposes, or \$5,000. 2 C.F.R. §200.33.
- *Supplies* means all tangible personal property other than those described in §200.33 Equipment. A computing device is a supply if the acquisition cost is less than the lesser of the capitalization level established by the Public Charter School for financial Statement purposes or \$5,000, regardless of the length of its useful life. 2 C.F.R. §200.94.
- *Computing devices* means machines used to acquire, store, analyze, process, and publish data and other information electronically, including accessories (or “peripherals”) for printing, transmitting and receiving, or storing electronic information. 2 C.F.R. §200.20.
- *Capital assets means* tangible or intangible assets used in operations having a useful life of more than one year which are capitalized in accordance with GAAP. Capital assets include:
  - Land, buildings (facilities), equipment, and intellectual property (including software) whether acquired by purchase, construction, manufacture, lease purchase, exchange, or through capital leases; and
  - Additions, improvements, modifications, replacements, rearrangements, reinstallations, renovations or alterations to capital assets that materially increase their value or useful life (not ordinary repairs and maintenance). 2 C.F.R. §200.12.

### Inventory Procedure

- i. Approval for purchases is notated through email notification, or when needed by a vendor, on Purchase Order forms after verifying the funds are available through the CFSGA and the GRA; only items approved in the CFSGA will be considered for purchase. Specific funding sources must be identified prior to approval.
- ii. Once an order or a signed Purchase Order is submitted to a vendor, the original order or PO and a copy of the invoice and packing slips are submitted to the Staff Member upon delivery. Records are stored in the office of the Staff Member, and electronically.
- iii. Upon receipt of new items, the principal, or the designated receiving staff, will inspect the inventory to ensure it's in good condition and that it matches the item specified on the purchase order and invoice. The invoice is delivered to the Staff Member who enters the information into accounting records (property management system).

## Inventory Records

SNTHS will maintain an inventory management system, including inventory records, that complies with 2 CFR 200. 313(d) to ensure a full accounting of all grant funds expended for purchasing equipment, supplies, or other tangible property in connection with each grant program. Inventory records will be available for all reporting requirements, monitoring activities, program performance and fiscal audits.

The SNTHS inventory management system is part of the financial management system, includes records documenting compliance with Federal Statutes, regulations, and the terms and conditions of the Federal Award, and is sufficient to permit the preparation of reports required by general and program-specific terms and conditions; and the tracing of funds to a level of expenditure adequate to establish that such funds have been used according to the Federal Statutes, regulations, and terms and conditions of the Federal Award.

The charter school will maintain a complete property inventory that lists all school sites, buildings, equipment, and supplies with a value greater than \$500. This inventory will be updated as necessary. The charter school will maintain an inventory of all capital assets in accordance with governmental accounting standards. The charter school's inventory will be updated annually to include property newly purchased and disposed. Capital assets include all charter school-owned property such as land, buildings, improvements to property other than buildings (i.e., parking lots, athletic fields, playgrounds, etc.), and equipment with a value greater than \$500. This applies to fiscal record retention as well, see Section L.

## Inventory Management System

SNTHS uses cloud-based inventory tracking software Asset Panda or similar product. Asset Panda is a cloud-based platform that offers a suite of applications, including asset tracking and maintenance management. It is compatible with Windows, Mac, iPad, and iPhone and can be used from anywhere while updating real-time data.

Asset Panda helps users assign contacts by location and track depreciation. SNTHS uses a barcode scanner (an iPad) to look up asset details and automate pick lists. To retrieve or access the database, an authorized user can log in via an email through a web browser, tablet, or phone device. The IT Contractor is responsible for the management and administration of the system.

Asset Panda offers customized exporting and reporting features. Reports can be automated via email, with the ability to add custom calculation fields (and designate if each field should be required) before sending. Lastly, Asset Panda allows staff, students, and families to sign their technology use agreement digitally and can send a digital copy via email to those who wish to receive a digital copy.

- i. Authorization for inventory purchases is acquired via purchase order request and then approved by the Administrator, after verifying the allowability of the costs and availability of funds. Only authorized items will be considered for purchase. Specific funding sources must be identified before authorization to obligate funds and approval of purchase orders.



- ii. Once an approved Purchase Order (“PO”) is submitted to a vendor, the original order documentation and PO are provided to school staff. Upon delivery, copies of the invoice and packing slips are also submitted to the School Office Manager. Hard copy records are stored in the school's main office and electronically.
- iii. Upon receipt of new items, the School Office Manager and either the IT Contractor or the Administrator (nontechnology related purchases) will inspect the inventory to ensure it’s in good condition and that it matches the item(s) specified on the purchase order, invoice, and packing slip. Items are then identified and tagged, and relevant information is then entered into the Asset Panda by IT Contractor or Administrator by the end of the business day.
- iv. After the new inventory has been identified, tagged, and entered into the Asset Panda, items are stored in a secure location as directed by the Administrator.

### Physical Inventory

Once a year, in May, the written inventory is printed from Asset Panda and all items are catalogued by the Administrator or their delegate. Maintenance of Equipment In accordance with 2 C.F.R.313(d)(4), Public Charter School maintains adequate maintenance procedures to ensure that property is kept in good condition.

### Lost or Stolen Items

- Public Charter School maintains a control system that ensures adequate safeguards are in place to prevent loss, damage, or theft of the property.
- Computing devices stored in areas that can be locked and/or stored in a locked classroom. Computing devices must be checked out by a certified teacher or paraprofessional and to be used within the school building only and are not allowed to be taken off-site.
- If the equipment is lost or suspected to be stolen, the Administrator is notified. If the device is suspected to be stolen, the Administrator will launch an investigation into the stolen device. The Administrator would conduct interviews and file a police report if necessary. The lost/stolen property will remain listed in the inventory until the close of the school year.

### Disposal of Equipment

A staff member or the IT Contractor will identify the fair market value of the item(s) to be sold. The Staff Member/IT Contractor and Administrator will set a price range in which the item(s) can be sold. The Administrator will handle the sale of the unneeded equipment. The number of offers received must be greater than 3 (if lower than the asking price). If a full price offer is received, one offer is sufficient.

## School Property

### Real Property

Prior to acquiring real property, such property will be appraised by an appraiser certified in the State. The appraised value will be used to establish the fair market value of the property. If the Board is purchasing a site for educational purposes, such building site will be located within the boundaries of the area identified in schools charter application unless an amendment to the charter has been approved by SPCSA.

### Personal Property

The Public Charter School may purchase personal property as deemed necessary for the effective operation of the Public Charter School by any means deemed appropriate when the expenditure of funds will be less than \$50,000. When the purchase of personal property (except for curricular materials) is reasonably expected to cost \$50,000 or more, the Public Charter School will obtain a minimum of three quotes. Purchases over \$100,000 require a formal competitive bid process outlined in statute.

### Construction of School Property

The Public Charter School may enter into contracts for construction of school property as deemed necessary for the effective operation of the Public Charter School by any means deemed appropriate when the expenditure of funds will be less than \$50,000. When the construction of school property is reasonably expected to cost fifty thousand dollars (\$50,000) or more, the Public Charter School will obtain a minimum of three quotes.

### Tax-Exemption

All Public Charter School property used exclusively for educational purposes is tax-exempt.

### Travel Costs Under Federal Award

#### General

Travel costs include expenses for transportation, lodging and food, and related items incurred by employees who travel on official business under a Federal award. Such costs may be charged on an actual cost basis, or on a per diem mileage basis, or on a combination of the two, provided the method used is applied to the entire trip and not selected days of the trip.

#### Types of Travel

##### In-Area

Public Charter School employees and Administrators will be reimbursed for actual and necessary expenses incurred within the charter school area while attending to charter school business. Actual mileage driven for preapproved in-area travel will be reimbursed. It is the responsibility of the Board to review travel by the Administrator within the Public Charter School area.

## Out-of-Area

Travel outside of the Public Charter School area must be pre-approved. Administrators will obtain Board approval prior to incurring out-of-area travel expenses, while employees will obtain prior approval from the Administrator. Public Charter School employees and Administrators will be reimbursed for actual food expenses, not to exceed IRS established per diem rates, for out-of-area travel requiring an overnight stay. Public Charter School employees and Administrators will also be reimbursed for actual and necessary non-food expenditures.

## Lodging and Subsistence

Costs incurred by employees, Administrators and Board members for travel, including costs of lodging, other subsistence, and incidental expenses, will be considered reasonable and otherwise allowable only to the extent

such costs do not exceed charges normally allowed by the Public Charter School in its regular operations. If these costs are charged directly to the Federal award, the charter school will maintain documentation justifying the following:

- i. The participation of the individual is necessary to the Federal award; and
- ii. The costs are consistent with this policy and any related procedures.

Temporary dependent care costs above and beyond regular dependent care that directly results from travel to conferences are allowable provided that:

- i. The costs are a direct result of the individual's travel for the Federal award;
- ii. The costs are consistent with this policy and any related procedures; and
- iii. The costs are temporary, lasting only during the travel period.

Travel costs for dependents are not allowable, except for travel of a duration of six-months or more with prior approval of the Federal awarding agency

## Commercial Air Travel

Airfare costs which exceed the basic, least expensive unrestricted accommodations class offered by commercial airlines are not allowable except when such least expensive accommodations would:

- i. Require circuitous routing;
- ii. Require travel during unreasonable hours;
- iii. Excessively prolong travel;
- iv. Result in additional costs that would offset the transportation savings; or
- v. Offer accommodations not reasonably adequate for the traveler's medical needs.

## Documentation of Expenses

Expenses not in compliance with this policy will not be reimbursed nor paid for by the Public Charter School. Prior to reimbursement of actual and necessary expenses, the charter school employee or Administrator must submit a detailed receipt indicating the date, purpose, and nature of the expense for

each claim item and the appropriate travel expense or voucher form. Expenses requiring prior approval must also include a copy of the written prior approval. Employees will submit their receipts, travel expense and voucher forms, and documentation of prior approval, where necessary, to the Administrator. The Administrator will submit such documentation to the Board. Failure to provide a detailed receipt will make the expense non-reimbursable. In exceptional circumstances, the Board may allow a claim without a proper receipt. Written documentation explaining the exceptional circumstances will be maintained as part of the charter school record of claim. The Board directs the Administrator to promulgate procedures specifying which expenses will be reimbursable for travel of different distances and durations.

### Time and Effort Documentation

Charges to Federal awards for salaries and wages must be based on records that accurately reflect the work performed. Such work must be documented as delineated in the Code of Federal Regulations.

No employee will make any purchase or incur any obligations for or on behalf of the Public Charter School from any non-governmental private business, contractor or vendor in which or with which the employee has a direct or indirect financial or ownership interest.

Purchases or contracted services from any non-governmental or private business or venture in which any employee of the Public Charter School has a direct or indirect financial or ownership interest will be made on a competitive bid basis in strict accordance with the following procedures:

- i. The interested employee, business, contractor, or vendor will seek, in writing from the Administrator, a clarification of this policy stating the transaction at issue. The interested employee, business, contractor, or vendor will fully disclose, in writing, the employee's exact relationship to the business, contractor, or vendor;
- ii. Upon written clarification from the Administrator, which will include written specifications to be followed in advertising for bids, the affected business, contractor, or vendor may submit a bid in compliance with the specifications outlined by the Public Charter School
- iii. The interested employee will not be involved in any part of the bidding process including, but not limited to, preparing specifications or advertising, or analyzing or accepting bids.
- iv. It will be the duty of each employee, to the best of his/her knowledge and belief, to disclose in writing to the Administrator his/her financial or ownership interest in any business or other purchase arrangement with the Public Charter School; and
- v. This policy will apply to any organization, fund, agency, or other activity maintained or operated by the Public Charter School.

No employee will solicit gifts, gratuities, favors, prizes, awards, merchandise, or commissions as a result of ordering any items or placing any purchase order with a business, contractor or vendor on behalf of the Public Charter School, nor accept anything of monetary value from a business, contractor or vendor except for unsolicited gifts of fifty dollars (\$50) or less in value.

In addition to the conflicts of interest outlined above, no employee or Administrator of the Public Charter School may participate in the selection, award, or administration of a contract supported by a Federal award if he/she has a real or apparent conflict of interest. Such conflicts of interest include instances where any of the following has a financial or other interest in or a tangible personal benefit from a firm considered for a contract:

- The employee or Administrator;
- Any the employee's or Administrator's Relatives;
- The employee's or Administrator's Partner; or
- An organization which employs or is about to employ any of the parties listed above.

The following activities are prohibited:

- The purchase during the school day of any food or service from a Public Charter School contractor or vendor for individual use;
- The removal of any food, supplies, equipment, or school property without proper authorization; and
- Individual sales by Public Charter School employees of any school property, including used items.

Any Public Charter School employee or Administrator who violates this policy may be subjected to disciplinary action including, but not limited to, a fine, suspension or termination. Violations of law will be referred to local, State, or Federal authority

## 32. GRANT EXPENDITURES AND REQUIREMENTS

The school under the direction of the Board of Directors s will comply with all requirements under the grant as approved by the Board of Directors . This includes the proper expenditure of funds as budgeted in the grant including, but not limited to, salaries and benefits, time and effort, travel, equipment and supplies, contracts, and training stipends.

When expending State or Federal funds under the grant, or when requesting reimbursement under the grant, the school must have the following documentation:

For any purchase

- Billing spreadsheet
- Three or more quotes when required by the grant
- Invoice
- Proof of Payment - receipt must clearly identify what was purchased
- Evidence that materials have been received or services have been provided
- Evidence that any purchased materials have been added to the inventory
- Time and Effort
- Billing spreadsheet
- Staff Time Sheets - signed by supervisor and employee
- Student sign in sheets - signed by students (if tutoring)

- Payroll Register with highlighted salaries and benefits clearly identified
- Time and Effort Documentation - when required
- Professional Development
- Billing spreadsheet
- Paid Invoices
- Sign in sheets
- Agendas
- Training materials
- A detailed description of how it will impact student achievement (Narrative)

#### Travel

- School travel reimbursement form for each traveler, if required
- GSA Rates printed out
- Receipts
- Proof of payment
- Payroll
- Billing spreadsheet
- Payroll Register with highlighted salaries and benefits clearly identified
- Proof of payment
- Time and Effort Documentation/ Personal Activity Report (PAR), if required

## 33. PROCUREMENT POLICY AND PROCEDURE

### **PROCUREMENT OF GOODS PURPOSE OF PROCUREMENT**

The overall purpose of the procurement policy and procedure is to ensure that SNTHS gets the highest quality of desired goods and services at the best price possible. Further, the policy is aimed at streamlining the process of procurement while maintaining adequate controls. These procurement procedures apply to all staff involved in the procurement process and to all types of procurement.

### **Procurement Planning**

Procurement planning is part of the annual budgeting process. The SNTHS Administrator is responsible for planning his/her project's estimated procurement needs on an annual basis through the use of the annual procurement plan (APP)/procurement spreadsheet, which indicates the items to be bought in the various quarters of the year. The APP will also require the final approval of the Board Treasurer. The Administrator or Designee will update the APP throughout the year based on grant awards and various needs of the school on a continuous basis and as needed.

Some grants do prescribe some conditions or restrictions required to be observed in the course of procurement pertaining to the project they fund. It is the responsibility of the Administrator to ensure that such donor requirements and restrictions are observed in the procurement of goods and services but within the framework of SNTHS's procurement guidelines.

## Controls On Procurement

Goods and services will only be procured within approved budgets except in case of emergencies, which must be approved by the Executive Director or Board Treasurer. Thus, in addition to being responsible for preparing the APP/budget, the Administrator should ensure that actual procurement throughout the year remains within the budget.

It is the responsibility of the person who signs the local purchase order (LPO) to verify that the following have been done, whether or not he/she actually collects the goods concerned.

- i. That the correct quantity has been received and signed.
- ii. That the quality and price of goods is as agreed.
- iii. That all goods delivered have been securely and inventory records appropriately updated.
- iv. That the delivery note is checked, signed, and forwarded to the financial officer to await
- v. the invoice.
- vi. That 3 quotes have been generated for any items over \$200 and all technology purchases regardless of price.
- vii. Staff engaging in procurement activities will be required to adhere to the Conflicts of Interest Policy and Procedure, stating that they will not purchase goods or services from a company they have a vested interest.

## The Procurement Process Report

Upon receipt of requisitions, the Staff Member will first verify that the requisition is properly approved according to the signing authority. After this, he/she will begin the process of sourcing for the goods. The procurement report worksheet is updated to reflect requisition as they are received. It also includes information on status of each procurement requisition, complete with expected delivery date. This is to be submitted to the Administrator on a quarterly analysis.

The Staff Member is required to present a monthly financial report on procurement to the Administrator.

## Vendor Selection

Careful selection of vendors should be done to ensure that best possible price, quality and delivery time available within the markets is obtained. A list of suitable vendors (the list of pre-qualified vendors), for each type of goods and services based on letters of introduction and past performance shall be maintained. This will make the process of vendor identification much faster. The vendor list shall be reviewed and updated periodically to ensure that current known factors are taken into consideration. Once the previous year's list of vendors has been updated and approved by the procurement committee, procurement of goods, and services can be effected. Vendor selection for inclusion on the list of pre-qualified vendors will take place once per year.

## Vendor Selection Criteria

The following set of criteria is essential for deciding on choice of vendors:

- i. Price- lowest price out of 3 quotes or Sole Source
- ii. Quality of goods/services. Such a justification must be verifiable.
- iii. Availability of goods/services within the required delivery time.

- iv. After sale services, including availability of parts/supplies.
- v. Bidder's previous records of performance and service.
- vi. Vendor search on SAM.GOV to ensure vendor is not reported as being debarred or is on the debarment list.
- vii. Ability of vendor to render satisfactory service in this instance.
- viii. Financial stability of the vendor.
- ix. Availability of bidder's representatives to call upon and consult with
- x. Payment terms
- xi. Warranty offered.
- xii. Ability to provide samples

### Procedure For Tender

The Staff Member will send an invitation to tender to each supplier listed to be invited. The vendors will pick up tender documents at SNTHS specifying the goods and details or any relevant information needed to get accurate bids. All suppliers must receive the same information.

### Use Of Dealers And Sole Suppliers

In the interest of ensuring quality, reliability and timeliness, the Staff Member may establish purchase agreements or contracts with main dealers of regularly purchased goods. Where possible due to other factors, the Staff Member will negotiate rates and discounts with the supplier or a method to determine price for invoice justification. These agreements and prices (net of discounts) should be reviewed annually to ensure that they are competitive.

### Local Purchase Orders (Lpo) With Vendors

The LPO is a contract with vendors should include all information regarding the goods and services being procured as well as standard terms of delivery, payment and arbitration in case of dispute. If contracts are precise and clear, possibilities of disputes will be reduced, and SNTHS will stand far greater chance of receiving the goods and services as expected. Upon selection of a vendor, a legally binding contract or work order should be drawn-up for the goods and services in question and signed by both parties prior to procurement. Detailed specifications; quantities, unit prices, delivery deadlines, locations, and payment schedules must be specified in such contracts.

### Order For Recurring Requisition

Procurement of a recurrent nature, i.e. where the same goods and services may be issued several times a year, one vendor may be selected for a period of up to one year. In some cases, particularly for services, contracts for the goods or services can be drawn up once, which may then be referenced every time those goods or services are required without requiring separate quotations and contracts on each occasion. In other cases, particularly for regularly purchased goods, vendors can be selected once, but separate contracts drawn-up on each occasion the vendors are used.



## Certifying Delivery Of Goods And Services

The procurement process cannot be completed without certification that the goods and services satisfaction of the requisition. The procedure for receiving goods and services is therefore important in ensuring that vendors have entirely met their obligations. Once SNTHS has certified that goods and services have been received to their satisfaction payment can then be made.

In all cases, the certification of receipts of goods and services is pre-requisite to SNTHS and the following guidelines are essential for that purpose.

- i. The Staff Member should ensure that goods and services are checked against contracts, waybills, invoices, or delivery notes.
- ii. The Staff Member at the time of delivery will facilitate the receiving and checking of goods and services whereby the receiving person will have to sign the delivery notes or any other documents during delivery.
- iii. Physical checking should be done by the requisitioning department.
- iv. In some cases, receiving of goods and the physical checking of goods or services may be delegated to other SNTHS's staff who are so authorized by the Administrator. This includes cases where goods of services require a specialist's technical certification.
- v. Any differences between documents done physical checks should be noted and reported to the Administrator for action.

## Payment-Processing Procedure

The Administrator is responsible for preparing payment requisition, and then forwarding that to the Staff Member for checking and certifying. The document is then sent to the back-office provider for further checking and necessary approval and authority to pay. All payments must be made in accordance to the contractual terms between the vendor and SNTHS and in reference to the financial policies.

## Procurement Of Services Appointing And Paying Consultants

Consultants' services shall be sought for:

- i. A job for which the required technical expertise does not exist in-house at SNTHS.
- ii. A job that is not ongoing and hence does not require full time staff.
- iii. A job that does not require more than 6-months continuous engagement.

The following procedure shall be observed for engaging the services of a consultant at SNTHS in the amount over \$20,000.

- i. The decision to hire the services of a consultants shall be taken by the Administrator or the Board of Directors in services over \$20,000.
- ii. The Administrator shall send invitation to specific appropriate consultant(s) requesting for proposal for the consultancy by a Stated date.
- iii. The proposals received shall be reviewed by a panel composed of the various heads of department and the ensuing recommended name shall be submitted to the Administrator who shall discuss with the SNTHS board.
- iv. The terms of reference for the consultancy shall be mutually agreed upon

- v. The contract agreement shall be signed by both parties before commencement of the consultancy assignment.
- vi. Payment is conditional on satisfactory completion of the whole job unless the agreement provides for installments at completion of specifically agreed components/tasks.

### Procurement Under Federal Award

In addition to its other policies and procedures regarding procurement, The Public Charter School will adhere to the following requirements when making procurements under a Federal award. The Public Charter School will:

- i. Ensure that all solicitations incorporate a clear and accurate description of the technical requirements for the material, product or service to be produced, and set forth those minimum essential characteristics and standards to which the material, product or service must conform.
- ii. Provide documentation of the method to be used to conduct technical evaluations of the received proposals and for selecting recipients, which will include the factors to be considered in the evaluation, who performs the evaluation, the number of evaluations performed, the timeframe for conducting the evaluations and selecting a vendor. And whether another position reviews the evaluation.
- iii. Maintain oversight to ensure that contractors perform in accordance with terms, conditions and specifications of their contracts or purchase orders.
- iv. Avoid acquiring unnecessary or duplicative items.
- v. Consider consolidating procurements to obtain a more economical purchase. Where appropriate, an analysis will be made of lease versus purchase alternatives and any other appropriate analysis to determine the most economical approach.
- vi. Maintain a list of prequalified persons, firms, or products which are used in acquiring goods and services and include enough qualified sources to ensure maximum open and free competition.
- vii. Award contracts only to responsible contractors possessing the ability to perform successfully under the terms and conditions of the proposed procurement. Consideration will be given to such matters as contractor integrity, compliance with public policy, record of past performance, and financial and technical resources.
- viii. Maintain records sufficient to detail the history of procurement. These records will include:
  - a. Rationale for the method of procurement;
  - b. Selection of contract type;
  - c. Contractor selection or rejection; and
  - d. The basis for the contract price.
- ix. The use of a time and materials use is prohibited unless the Public Charter School determines that no other contract is suitable. Time and materials use contract means a contract whose cost to the charter school is the sum of:
  - a. The actual cost of materials; and
  - b. The direct labor hours charged at an hourly rate that reflects wages, general and administrative expenses, and profit.

- x. Be responsible for the settlement of all contractual and administrative issues arising out of procurements. These issues include, but are not limited to, source evaluation, protests, disputes, and claims.
- xi. The charter school will adhere to any additional procurement rules as applicable to specific Federal programs

An inventory of all capital purchases, equipment, curricula, and library/books in the school will be compiled annually by the Administration. The physical inventory will be compared to the general ledger totals; any significant difference will be reviewed and corrected by the Staff Member.

## 34. RECORD RETENTION POLICY AND PROCEDURES

SNTHS will maintain a system of record retention for federal grants, including all applicable fiscal and program related records, that complies with 2 CFR 200. 334, 34 CFR 76.730 34 CFR 81.31 to ensure full accounting of all grant funds expended for program activities. Records will be made available for all reporting requirements, monitoring activities, and for program performance and fiscal audits. All applicable fiscal and program records related to federal grants will be maintained for a minimum of 6 years (five years previous plus the current fiscal year).

The SNTHS record retention system is part of the financial grant management system; and includes records documenting compliance with federal statutes, regulations, and the terms and conditions of the federal grant subaward; is sufficient to permit the preparation of reports required by general and program-specific terms and conditions; and is sufficient to permit the tracing of funds to a level of expenditure adequate to establish that such funds have been used according to the federal statutes, regulations, and terms and conditions of the federal grant subaward.

SNTHS personnel involved in maintaining the record retention system will be familiarized through regular and comprehensive training with the policy and procedures described here and will appropriately and consistently implement the policy and procedures as described.

### Record Retention Procedure

- i. Current school year grant program-related records (hard copies) for SNTHS are stored in a locked file cabinet in the Principal's office and maintained by the Principal. The Principal, Executive Director and Office Manager have access to the locked file cabinet. Electronic copies of grant program records for SNTHS are stored on a shared cloud drive with access available only to the Principal, Executive Director and Office Manager.
- ii. Hard copy grants fiscal and program records for SNTHS are removed from the locked file cabinets by the Office Manager and the Principal at the end of each school year and placed into boxes to be archived in a locked records closet on site at the school. Archived, hard copy records are stored for 5 years.

- iii. Electronic grant-related records for SNTHS in the shared cloud drive are stored in perpetuity, however, files are archived electronically after 5 years within the shared drive system.

### Retention for other Documents

Any other records will be maintained per the Nevada State Library Archives retention schedule for “Records with a retention schedule related to School Districts”, as applicable: [School Districts - R2020](#)

### Responsible Staff

SNTHS charter school administrative staff and school leadership will be responsible for the organization and retention of official public records, by key personnel as designated by the school Principal. Records may be stored electronically, or physically printed, or both.

## 35. TIME & EFFORT POLICY AND PROCEDURES

SNTHS will maintain records and accounts to ensure full accounting of all grant funds received and expended in connection with each grant program, and made available for monitoring activities, and for performance and fiscal audits.

### Definition of Effort

Effort Reports shall reasonably reflect the percentage distribution of effort expended by SNTHS faculty, staff, and students involved in sponsored grant-funded projects. The Effort Report must represent, in percentages totaling 100%, a reasonable estimate of an individual’s actual effort for the period being reported. 100% effort is defined as the effort expended to accomplish the full set of activities for which an individual received compensation from SNTHS regardless of the number of hours expended on those activities. 100% effort is not defined as a certain number of hours or days per week. It does not depend on FTE status.

- i. Sponsored grant funded project activities
- ii. Institutional (non-sponsored grant funded) activities:
  - a. Service % Effort on A + % Effort on B must equal 100%

### Employees to Whom This Policy Applies

Each staff, teacher, or employee whose time is partially or fully committed to a Federally sponsored project shall complete Effort Reports as required. Reporting is required regardless of whether such time is paid by the sponsor, or is an unpaid contribution (i.e., an “in-kind” or cost share match). Committed in-kind or cost share matches, whether voluntary or mandatory, must be included in Effort Reports.

Grant funded positions will be compensated similar to a non-grant funded position.

## Time and Effort Documentation

Charges to Federal awards for salaries and wages must be based on records that accurately reflect the work performed. Such work must be documented as delineated in the Code of Federal Regulations. SNTHS, under the direction of the Board of Directors, will comply with all requirements under the grant as approved by the Board of Directors. This includes the proper expenditure of funds as budgeted in the grant including, but not limited to, salaries and benefits, time and effort, travel, equipment and supplies, contracts, and training stipends. When expending State or Federal funds under the grant, or when requesting reimbursement under the grant, the school must have the following documentation:

### *Time and Effort*

- Billing spreadsheet
- Staff Time Sheets - signed by supervisor and employee
- Student sign in sheets - signed by students (if tutoring)
- Payroll Register with highlighted salaries and benefits clearly identified
- Time and Effort Documentation – when required

### *Payroll*

- Billing spreadsheet
- Payroll Register with highlighted salaries and benefits clearly identified
- Proof of payment
- Time and Effort Documentation/ Personal Activity Report (PAR), if required

## Certification of Effort

Federal requirements stipulate that anyone certifying another individual must have first-hand knowledge of that individual's actual effort. Therefore, each faculty member is responsible for certifying his or her own Effort Report. The PI/PD is responsible for certifying the Effort Report of grant project staff.

## Reporting System

SNTHS uses an "after-the-fact" effort reporting system to certify that salaries charged or cost shared to Sponsored Grant Funded Projects are reasonable and consistent with the work performed. This indicates that the distribution of salaries and wages will be supported by activity reports signed by the employee and certified by a responsible person with suitable means of verification that the work was performed at the end of the specified reporting periods.

Payroll Context Effort Reports and payroll distributions are not the same. Payroll distributions are estimates of how effort is anticipated to be expended. The effort reporting process is a method for confirming salary charges made to all sponsored awards. Federal grant pay should be paid over the period that the services are performed.

## Roles and Responsibilities

The SNTHS Administrator and their designee is responsible for the distribution, collection, and retention of all employee Effort Reports. Individually reported data will be made available only to authorized auditors. The Administrator will be responsible for verifying that the information provided by any individuals working on their grants is accurate.

## Compliance Issues

The Federal government can impose severe penalties and funding disallowances as a result of missing, inaccurate, incomplete, or untimely effort reporting. SNTHS expects that teachers, staff, and employees will complete Effort Reports accurately and in a timely manner. Auditors will comment on any of the following:

- Late reports
- Effort certified by someone without first-hand knowledge
- Percentage of effort outside of sponsored project is not sufficient to cover teaching, service, and other work
- Revisions to Effort Reports
- Significant inconsistencies between the Effort Report and other related document

## 36. TRAVEL POLICY AND PROCEDURE

Travel costs include expenses for transportation, lodging and food, and related items incurred by employees who travel on official business. Such costs may be charged on an actual cost basis, or on a per diem mileage basis, or on a combination of the two, provided the method used is applied to the entire trip and not selected days of the trip.

SNTHS employees will be reimbursed for actual and necessary expenses incurred within the charter school area while attending to charter school business.

After approval by the Principal, it is the responsibility of back-office provider to process travel reimbursement.

Reimbursable mileage is actual miles driven from the school office to the location, and back to the school.

### Travel Request Form

Travel, if allowable under the Federal award, must be compliant with the Federal award letter. Travel outside of the SNTHS area must be pre-approved from the Principal. Upon that approval, employees will submit a travel request with details and billable information.

### Actual Costs

SNTHS employees will be reimbursed for actual food expenses, not to exceed GSA established per diem rates, for out-of-area travel requiring an overnight stay. SNTHS employees and Administrators will also be reimbursed for actual and necessary non- food expenditures.

### Lodging and Subsistence

Lodging Costs are not to exceed GSA established rates, unless per certain circumstances per State or Federal rules. Costs incurred by employees, principals/Administrators and/or board members for travel (including costs of lodging, other subsistence, and incidental expenses) will be considered reasonable and otherwise allowable only to the extent such costs do not exceed charges normally allowed by SNTHS in its regular operations. If these costs are charged directly to the Federal award, the charter school will maintain documentation justifying the following:

- i. The participation of the individual is necessary to the Federal award; and
- ii. The costs are consistent with this policy and any related procedures.

Temporary dependent care costs above and beyond regular dependent care that directly results from travel to conferences are allowable provided that:

- i. The costs are a direct result of the individual's travel for the Federal award;
- ii. The costs are consistent with this policy and any related procedures; and
- iii. The costs are temporary, lasting only during the travel period.

Travel costs for dependents are not allowable, except for travel of a duration of six-months or more with prior approval of the Federal awarding agency.

### Commercial Air Travel

Airfare costs which exceed the basic, least expensive unrestricted accommodations class offered by commercial airlines are not allowable except when such least expensive accommodations would:

- i. Require circuitous routing;
- ii. Require travel during unreasonable hours;
- iii. Excessively prolong travel;
- iv. Result in additional costs that would offset the transportation savings; or
- v. Offer accommodations not reasonably adequate for the traveler's medical needs.

### Documentation of Expenses

Expenses not in compliance with this policy will not be reimbursed nor paid for by SNTHS. Prior to reimbursement of actual and necessary expenses, employees must submit a detailed receipt indicating the date, purpose, and nature of the expense for each claim first to the Principal along with evidence of attendance, etc.

### Reimbursement Management

Only travel expenses that are ordinary and necessary in the conduct of approved travel for charter school business purposes and directly attributable to it will be reimbursed. "Ordinary" expense means one that is common and accepted in the profession; a "necessary" expense means one that is essential and appropriate in order to conduct charter school business. Reimbursement procedures established by the charter school will also apply to Board of Directors members traveling on charter school business, as applicable.

*Expense reimbursements for staff or board travel shall not exceed the maximum General Services Administration (GSA) approved rates.*

**Advance Per Diem checks** may be requested instead of paying out of pocket and submitting receipts through back-office provider. Per Diem Checks should be request with at least 2 weeks' notice, and will be in exact correlation to GSA Rates.

Reimbursement will be made for ordinary and necessary meal expenses incurred in the course of approved travel for charter school business. Meals include amounts spent for food, beverage, taxes and related gratuities. Alcoholic beverages will not be reimbursed by the charter school.

Expenses in excess of the charter school's established limit are ordinarily the responsibility of the employee and may be reimbursed only with Principal or Administrators approval. Receipts for all meal expenses must be secured and attached to the claim.

Travel must be conducted in the most expeditious and cost-effective manner, as determined by the charter school.