



MicroSociety Financial Policies & Procedures for Operation
Approved 11/8/17

Purpose: The following set of internal control policies and procedures shall help to safeguard the assets of the MicroSociety Academy Charter School (MACS) from theft or error. These policies and procedures are further intended to ensure the organization's financial well-being and assist in the smooth running of the day-to-day operations.

FINANCIAL STATEMENTS / BOARD OVERSIGHT

Financial statements (including but not limited to the income statement) will be produced for each Board Meeting to enable the Trustees to stay abreast of the financial performance and condition of the MACS. In addition, the budget-to-actual comparison will be presented at each Board Meeting.

ROLES & SEGREGATION OF DUTIES

Fiscal responsibilities at MACS are to be shared between the School Director (SD) and the BOT Treasurer, with assistance from the Finance Committee. As the current manager of operations, the SD will be charged with the oversight of the day-to-day management of the budget, bill paying, fund deposits and account management. The Treasurer (with assistance from the Finance Committee as needed) will be charged with overseeing all budgeted expenditures and all MACS finances. The SD will work with the Treasurer (and Finance Committee – at least once a month) to evaluate current budget health and develop future budgets.

The internal control principle, "segregation of duties," shall be followed at all times. As such, one person shall not be responsible for all aspects of transactions surrounding the finances of MACS. Financial procedures shall ensure that there is multi-person (i.e.: SD & Bookkeeper on the day-to-day management, or Treasurer & Finance Committee on a monthly basis) involvement in expense- and deposit- related transactions.

REVENUES & DEPOSITS

Revenues that are received whether from donation, grants, etc. must be accounted for appropriately and as they are intended. If there are any restrictions surrounding gifted/donated/fundraised money that has been received, these wishes must be documented and adhered to.

All checks and deposit records are to be copied (and/or scanned) and made part of the MACS financial files. All deposits must be documented at a minimum as follows: check source, contact information, purpose of funds, date received and any event or funding ask related to the income.

CHECK SIGNING AUTHORIZATION & CREDIT CARD:

Expenses paid by checks or credit card should only be for items that have been budgeted and approved. Any items that have not been budgeted or approved must first be discussed with the Treasurer and Chair with written approval obtained and filed with each such charge/expense records.

Check Signing: The Board Chair, Treasurer, and School Director shall have check signing authorization, with the following oversight in place:

The School Director will be the designated check signer. In the event the School Director can not sign checks the Treasurer will do so. In the event the Treasurer is not available the Board Chair will have check signing authority. To facilitate the day-to-day running of the school, the School Director will have the ability to sign checks of \$1500 or less for items that are contained in our budget and/or the approved list.

Check Authorization: If a check needs to be issued above \$1500 that is not listed in the prior approved Finance Committee list (i.e. monthly rent, utilities, supplies, curriculum supplies, etc...) the SD must obtain written approval from Treasurer, or if the Treasurer is not available, then the Chair may approve the expense. That written approval must be included in the MACS financial files in relation to the specific expense(s).

The Finance Committee approved list will be maintained by the Treasurer. In the event an item needs to be added to the list, the Treasurer will notify the Board at the next closest monthly meeting. At the start of each fiscal year, this document will be updated to reflect any changes to the list above.

Any checks up to the amount of \$1,500 require one signature. For any checks above that amount (beyond the list above) two signatures or the written approval of the Treasurer or the Chair are required. That approval must be included in the MACS financial files in relation to the specific expense(s).

No one who has check signing authority may sign a reimbursement check, over the amount of seventy-five dollars (\$75) that is written to himself/herself. A second person with check-signing authority must sign such a check, only after reviewing the documentation (most likely a receipt) clearly stating the amount, vendor/store and item detail.

Credit Card: A credit card will be issued in the school's name. The only authorized signers will be the BOT Treasurer and the School Director, and in cases of emergency, the Coordinator.

In the event that a credit card needs to be used, the necessary information will be submitted to the SD for approval who will make the credit card purchase or issue temporary credit to the employee or Trustee who needs to do so. In the event that the SD is not available then the Treasurer or Coordinator may act in this capacity.

If not on the approved Finance Committee list, expenses of \$1500 or less may be charged with no more than 1 charge per day to the same vendor. Items over \$1500 or a day that requires more than 1 credit transaction must be requested and cleared in writing from the SD to the Treasurer. If the Treasurer is not available, then the Chair may approve the expense.

ACCOUNTING SYSTEM

QuickBooks is the accounting software used by MACS. The Bookkeeper is in charge of this file and is the only person authorized to enter transactions into it. The file is password protected. Treasurer and SD shall only have viewing privileges of the QuickBooks files.

On a day to day basis mail is received and opened by the SD, Administrative Assistant and/or Bookkeeper. Each received invoice will be stamped and then submitted to the SD for review. In filling out the stamp and preparing the bill for payment, the SD must indicate if federal funds or unrestricted funds are to be used for each expense. The SD also must assign the expense(s) within each invoice to appropriate budget line item(s). These invoices, are then submitted to the Bookkeeper who will cut checks. These checks will then be signed by the SD (in accordance with the check signing policy) and disbursed. Checks will be mailed by the Bookkeeper or Administrative Assistant.

In the event that the SD cannot complete these tasks the Bookkeeper will prepare the bill for payment.

In the case of a donation, it is photocopied and stapled to the deposit slip. As for documentation regarding wire transfers, they are stamped and filled in by the SD.

CHECK STOCK

MACS check stock is maintained by the Bookkeeper in a secured locked area. In the event a check is damaged or incorrectly produced it must be voided and kept on file.

ACCOUNT OVERSIGHT

It is the responsibility of the Treasurer to carefully watch account activity on no less than a monthly basis to further ensure that the above-mentioned financial policy is being observed and that fiscal responsibility is being carried out at all times, by all parties. A log will be kept by the Treasurer documenting the day/time that this oversight has taken place (ie; deposit summaries, bank reconciliations, and payroll manifests). This log will be filed at the school on a monthly basis so that a permanent record is kept.

Documents such as receipts, contracts, and bank statements will be maintained at the School, by the school administration. These financial documents shall be kept for a minimum of seven years.

EXPENSE APPROVAL

Any expenses over \$1000, and not on the Finance Committee approved list, which are included in categories of the approved budget, may be approved in writing by the Treasurer, or the Chair if the Treasurer is not available, without additional Board approval.

The Finance Committee is empowered to approve in writing the following without additional board approval:

- Expenses outside of the approved budget for items/costs of up to \$2,500
- Changes to the budget of allocated funds less than \$2,500 from one area of the budget to another.

Expenses approved in this way, shall be reported to the Board by the Finance Committee. Expenses over \$2,500 and not in the approved budget, as well as changes in allocated funds (for example: moving funds from the supplies category to the salary category) must be brought to the Board for approval.

PETTY CASH EXPENSES

The SD may choose to establish a Petty Cash Account to facilitate the purchasing of small items by employees and/or volunteers of MACS. These items may include such items as food, supplies, etc. To allow employees and/or volunteers to have easy access to cash to pay for such purchases a petty cash fund will be established. This petty cash fund will be established with \$300.

The SD shall act as petty cash manager and will be in charge of this fund. This petty cash will be kept in a secure lock box/cabinet at MACS. The petty cash manager will be the only employee who has access to the fund. The policies and procedures pertaining to this petty cash fund are as follows

1. When an employee of MACS plans to utilize the petty cash fund they should obtain approval from the petty cash manager.
2. The employee will either get the cash advance from the petty cash manager prior to making the purchase or will use their funds and then be reimbursed out of the petty cash fund.
3. If a cash advance is given the petty cash manager will fill out a petty cash slip and have the employee sign when they are given cash. This slip will be stored in the secure lock box. After the purchase is made the employee then needs to provide the receipt and any change to the petty cash manager who will then indicate this on the slip and then fill out the petty cash journal.
4. If an employee makes a purchase with his or her own funds then a petty cash slip will be filled out by the petty cash manager when the reimbursement is requested. The employee must turn in a receipt and the petty cash manager will sign and the transaction will be recorded in the petty cash journal.

PAYROLL

MACS' payroll is to be completed every other week by the SD and Bookkeeper. Payroll reports will be submitted to SD for approval, and the Bookkeeper will make the appropriate journal entries.

All hourly employees will maintain a bi-weekly time record, which is maintained by the SD and Administrative Assistant. The SD or Curriculum & Program Coordinator must sign off on this bi weekly time record. The hourly employee must also sign off on this bi-weekly time card. This is to ensure the hours noted on the record, have actually been worked.

In the event that the SD cannot complete payroll duties, the Treasurer will take over this function. In this circumstance, the Board Chair will review the report and document that oversight has taken place.

REPORTING FISCAL MISMANAGEMENT

In the event possible financial mismanagement and/or fraud is suspected, it should first be reported to the Board Chair (or Vice Chair if it is suspected that the Chair is involved). The Chair (or Vice Chair) will then call a meeting of the Executive Committee to review the situation. If it is determined that in fact mismanagement

and/or fraud has most likely occurred, it must be immediately reported to the NH Attorney General's Office by the Chair or Vice Chair and measures must be taken to immediately suspend the person suspected of mismanagement/fraud from his/her role(s) involving fiscal responsibility. Additional actions may be taken. Should the mismanagement/fraud involve a staff person, disciplinary measures up to and including dismissal shall be determined on a case-by-case basis.

All staff and Board members are required to read and sign off on the Whistleblower Protection Act.
(www.whistleblowers.gov)

*Fiscal Policy Approved by the MicroSociety Academy Charter
School Board of Trustees on _11/16/16 (update approval)___.*