



FINANCIAL ACCOUNTING AND REPORTING POLICIES AND PROCEDURES

SECTION 1. BEN FRANKLIN ACADEMY

MISSION

The mission of Ben Franklin Academy is to develop young adults with character like America's founding Renaissance man, Benjamin Franklin: well-read, scientifically curious, and civically engaged.

VISION

Our students will excel academically through a challenging, sequenced curriculum that emphasizes math, science, the arts, and literacy. We will be a data-driven institution, focusing on individual students. Our students, teachers, parents, staff, and leaders will be held accountable for the success of our school. Finally, we recognize that an education is incomplete without fostering social emotional development, character, sports, and nature.

SECTION 2. FINANCIAL PLANNING AND BUDGETING POLICY

- Purpose

Ben Franklin Academy (BFA) will operate according to a formal financial plan and operating budget. This plan will provide the framework for both anticipated revenues and planned expenditures as determined by the BFA Board of Directors (Board). The Board will be accountable for the establishment, adoption, and reporting of this proposed budget using a fiscal year reporting structure (July 1 to June 30). A modified accrual basis of accounting shall be used in measuring financial position and operating results for fund accounting purposes.

- Responsibility

The Board assigns overall responsibility for preparation and administration of the annual budget to the Principal. Prior to the Douglas County School District (DCSD) timeline due date, administration will present to the Board for their approval, the annual formal budget for the successive fiscal year, developed and reviewed by the Finance Committee in accordance with the rules of the Governmental Accounting Standard Board (GASB) and in observance of applicable Colorado State law or DCSD contractual requirement.

- Organization

Each budget shall include both a summary sheet as well as a detail sheet as per the requirements listed under C.R.S. § 22-44-105 and will perform the requirements established by the Financial Policies and Procedures (FPP) Handbook and Chart of Accounts coding requirements. Information pertaining to budget versus actual revenue and expenditures as well as projected year-end balances will be presented to the Board via a budget presentation. Material opportunities or risks that may impact the budget shall be footnoted for consideration by the Board.

- Budget Timeline

- Proposed Budget for following fiscal year. Due to the District in March/April of the current fiscal year.

- Adopted Budget for following fiscal year. Due to the District in May of the current fiscal year.
- Revised Budget for current fiscal year based upon final October student count. Due to the District in November/December of the current fiscal year.
- Final Revised for current fiscal year. The Final Revised Budget is due to the District in May of the current fiscal year.

The Board may review and change the budget with respect to both revenues and expenditures at any time prior to January 31 of the fiscal year for which the budget was adopted. C.R.S. § 22-44-110(5)

SECTION 3. FISCAL ACCOUNTING AND REPORTING

- **Purpose**

The purpose of this policy is to communicate to the BFA administration the expected frequency of financial reporting and analysis and the amount of detail required by the Board. All financial dealings including, but not limited to, all cash management and contractual dealings related to BFA shall operate through school administration.

- **Responsibility**

The Principal, including through delegation of activities to the Business Manager, shall be responsible for receiving and properly accounting for all funds of BFA. Administration shall review internal and external audit results and provide recommendations to the Board annually to assure the controls associated with payroll, accounts payable, cash management, and all other areas of business management are in compliance with policies and procedures of all governing entities.

- **Accounting System**

The accounting system utilized shall conform to the requirements of the State Board of Education and DCSD standards providing for the appropriate separation of accounts, funds, and operational duties. Fiscal accounting and reporting must meet requirements established by the State Board of Education as set forth in the Financial Policies and Procedures Handbook for public schools in Colorado. (C.R.S. § 22-44-203 and C.R.S. § 22-44-204).

- **Financial Reporting**

Financial statements for each month shall be final and available for presentation prior to the monthly Board meeting or at other times as requested by the Board. Administration shall provide the Board financial reports including, but not limited to, a Balance Sheet, Income Statement (as compared to Budget), Cash Flow Statement, and Financial Dashboard.

The Principal will inform the Board of any anticipated modifications to budgeted revenues and expenditures which may be required. Administration is not permitted to reallocate or approve expenditures that create a negative account balance in approved budget funding by major category (as defined by the CDE Chart of Accounts) without Board consent.

SECTION 4. EXPENSE PROCEDURES

- **Purpose**

In order to track expenses, the following procedures must be followed by anyone conducting school or school-related business. Proper authorization must be obtained prior to making a school related purchase, otherwise the purchaser assumes all risk associated with making this purchase, including the possibility of not being reimbursed. Purchasers are expected to provide receipts whenever

reimbursement is requested. Exceptions to this procedure are permitted only on rare occasions when prior approval is granted by the Principal.

- **Purchasing Authority**

The Board assigns the overall responsibility for purchasing approval to the Principal. The Principal or designee shall have the authority to independently issue purchase orders for amounts within budget parameters. Purchase orders outside of budget parameters shall require approval by the Board and signature by a Board officer.

- **Signature Requirements**

The Principal, Assistant Principal(s), Board President, Board Vice-President, and Board Treasurer (collectively, the “Signatories”) shall have authority to approve BFA business-related checks. All checks must have two original signatures, including one signature from the Principal or Assistant Principal(s) and one signature from the Board President or Board Treasurer. Material Expenses (“Material Expenses”) are expenditures, including capital expenditures, that are outside the annual budget and exceed a threshold of \$500.00 that is subject to periodic change. Any Material Expenses must be approved by the Board before authorization for expenditure or commitment to a project is given. Please note: any expenditure from the Capital Reserve/Insurance Reserve Fund requires prior BFA Board approval as per C.R.S. § 22-45-103.

- **Credit Card Policy – Corporate Credit Cards**

Corporate credit cards will be assigned to designated staff and Board members for school-related purchases and travel expenses. Credit card limits will be set by the Board. Each cardholder will also receive a budget amount that will correlate to the use of his/her credit card. It will be the responsibility of the staff member to ensure that this budget is not exceeded. It is expected that staff members will exercise due care and judgement when using the school credit card. If the cardholder misses more than one deadline for submitting monthly statements, his/her card will be revoked. It is the responsibility of the cardholder to ensure purchases are tax-exempt and to track down missing receipts (no exceptions, all purchases must be tax-exempt and documented with itemized receipts).

Documentation & Reconciliation Procedures

At the close of each month, monthly statements will be distributed by the Business Office and a due date will be set. Cardholders must attach itemized receipts and return the statement to the Business Office within the deadline set by the Business Manager to enable timely reconciliation and payment of amounts due. The Business Office will review and ensure all transactions have been entered into the financial software. Statements and receipts will then be submitted to the Business Manager for account reconciliation and payment.

The Board Vice President will review the statement for the Board Treasurer’s credit card account. On a quarterly basis, the credit card statements and supporting documentation/receipts must be reviewed by the Treasurer or the Finance Committee of the Board. The purpose of the review is to ensure items charged to the credit card meet all Board Policies and Procedures, are reasonable and justifiable, and are adequately documented with receipts and explanations for expenditures.

SECTION 5. PAYROLL PROCEDURES

- **Purpose**

This policy ensures that all BFA employees are paid in an accurate and timely manner while conforming with the requirements established by the Federal Wage and Hour Division within U.S. Department of Labor. BFA will operate on a monthly payroll cycle with payment being made by the last business day of every calendar month.

- **Board Approval**

Employee wages and salaries are established by the Principal and approved by the Board. Pay structure for all employees as well as contractor rates will be included in this analysis. The Board reviews and approves all budgets, including the Payroll Procedure, each fiscal year as part of the Financial Planning and Budgeting Procedure.

- **Hourly Employees**

Hourly employees will be required to clock in and out using a time and attendance tracking system. At the end of every time period, time data sheet must be verified and approved electronically by the employee and his/her immediate supervisor. Once approved, the pay period will be closed, and the timecard information will be used by the Business Manager for final review and payroll processing. Any changes to the timecards after the pay period is closed will require signature by the employee and Business Manager.

- **Benefits**

In addition to the hourly or salary rate, employees working over 30 hours per week may be eligible for health insurance benefits, as underwritten and administered by a third-party administrator chosen by the Board. Health insurance benefits are paid via Electronic Funds Transfer (“EFT”).

Employees must contribute to the Public Employee Retirement Association (“PERA”) as per C.R.S. § 22-51-309. Contributions to PERA are submitted via EFT.

- **Salaried Employees**

Salaried employees are not required to clock in/out but will need approval by the Principal or the employee’s supervisor to have days of leave or time off.

Employees are responsible for submitting Time-Off Requests via the payroll system to be approved by his/her supervisor. Once approved, these requests will be recorded in the Leave Calendar so that they are visible by all administration.

- **Printing and Distribution of Payroll Checks & Transfers**

Once all payroll data has been approved, the Business Manager will upload data from the time and attendance system to the payroll system for processing. Payroll payments are made via direct deposit. Once the payroll cycle is complete, a report outlining all payroll deductions and withholdings will be submitted to the Business Manager so that all bank transactions and adjustments can be entered.

- **Record Retention**

All records will be retained in accordance with the Division of State Archives and Public Records’ permanent records control schedule authorization. Destruction of any financial record will be done in compliance with the procedures set forth in this same schedule.

SECTION 6. COLLECTION AND DEPOSIT PROCEDURES

- **Purpose**

This section of the document defines and outlines BFA's policy with respect to the handling, receiving, transporting and depositing of cash (Cash). The term Cash includes currency, checks, money orders, negotiable instruments, and charge card transactions.

BFA funds are monies received primarily from per pupil funding, grants, tuition, interest income, community use fees, donations, rental income, student fees, and all other sources of revenue. All checks made payable to BFA are considered BFA funds.

- **Introduction**

The collection and control of Cash at BFA are very important functions. The Business Manager is the primary Cash handling agent.

- **Safekeeping of Funds**

All forms of Cash (currency, checks, money orders, negotiable instruments, and charge card transactions) should be physically protected through the use of locked cash drawers and/or locked metal boxes. The preferred cash/payment collection method will be MySchoolBucks. All field trips, fees, etc. should be directed through MySchoolBucks. In such rare cases where teachers are collecting cash/payments directly it is the responsibility of the teacher to make whatever provisions are necessary to properly safeguard the cash receipts in his/her area. Cash in excess of \$500.00 must be maintained in the locked fire-proof file cabinet located in the administrative storage room.

- **Frequency of Deposits**

Deposits will be prepared by the Business Manager or his/her designee in a timely manner, generally not less than one per week, to ensure proper posting of accounts and to ensure the safety of BFA funds. All bank deposits are to be made by the Business Manager or his/her designee at a bank acceptable to the Board and Principal as required. Cashing checks from BFA deposits, borrowing cash for personal use, lapping receipts to cover shortages in cash receipts, withholding checks for deposit in order to float checks, comingling of personal and BFA funds, improperly modifying cash records, and other financial improprieties are serious offenses and may result in immediate discharge from employment and/or prosecution.

- **Returned Check Procedures**

Any checks returned to BFA as uncollected will be assessed a returned check fee of \$25. Examples of returned checks include: non-sufficient funds (NSF), account closed, payor's signature missing, refer to maker and post-dated or stale-dated checks. If after proper due diligence is performed collection problems exist, the Business Manager may turn the debt over to collections.

- **Collections**

- **Preschool Tuition**

1. Child(ren) no longer attending. The family will be billed and notified using reasonable efforts to collect/resolve. In the event that tuition is not received, and no arrangements are made to resolve the debt, the account may be sent to collections.

2. Child(ren) still attending. The family will be notified that provided tuition is not received and, if no arrangements are made to resolve the issue, enrollment may be suspended/terminated. As part of the notification, families will be advised that in the event that enrollment is suspended/terminated there is no guarantee that the space will remain available (i.e., space may be released to another family). After action is taken terminating enrollment, in the event that tuition is still not received and no arrangements are made to resolve the debt, the account may be sent to collections. In the event that the account is resolved, and space is still available, enrollment may be reinstated.
- Student Fees and Other Fees (including but not limited to BASE/camps, late fees, library, technology, etc.)
 1. Child(ren) no longer attending. The family will be billed and notified using reasonable efforts to resolve. In the event that fees are not received, and no arrangements are made to resolve the debt, the account may be sent to collections.
 2. Child(ren) still attending. During the remaining school year, reasonable efforts will be made to collect any balances still owed. The family will be offered a payment plan.
 - Petty Cash Funds
The use of Petty Cash Funds is prohibited. Payments of any school-related purchases should be made using a corporate credit card as outlined above.

SECTION 7. EXPENDITURE PROCEDURES

- Purpose

This procedure is the process for approval and monitoring Material Expenses for BFA.

- Introduction

Approval of Material Expenses must be given by the Board before any expenditure is made or commitment to a project is given. All authorized Material Expenses must align with the plans, direction, mission, and vision of the Board.

Projects requiring Material Expenses must be approved as a complete project rather than on an individual item basis. Each project is to be defined as being self-contained and requiring no subsequent approvals or authorities. The calculation of the amount of capital expenditure for which approval is being sought is to be the total cost of the item/project including any duty, freight, internal labor costs, working capital and capitalized interest (where applicable). Any operating costs associated with the projects must be listed. If there are maintenance contracts associated with the capital expenditure, the commitment by BFA must be specified.

- Application Process

Applications for projects requiring Material Expenses must include a cost-benefit analysis with all applicable quotations/estimates. Once the capital improvement is approved, the Board will notify the Principal. Purchasing/procurement may not begin until formal, written approval is received.

Reviewed and Approved by the Board: 02/21/2023