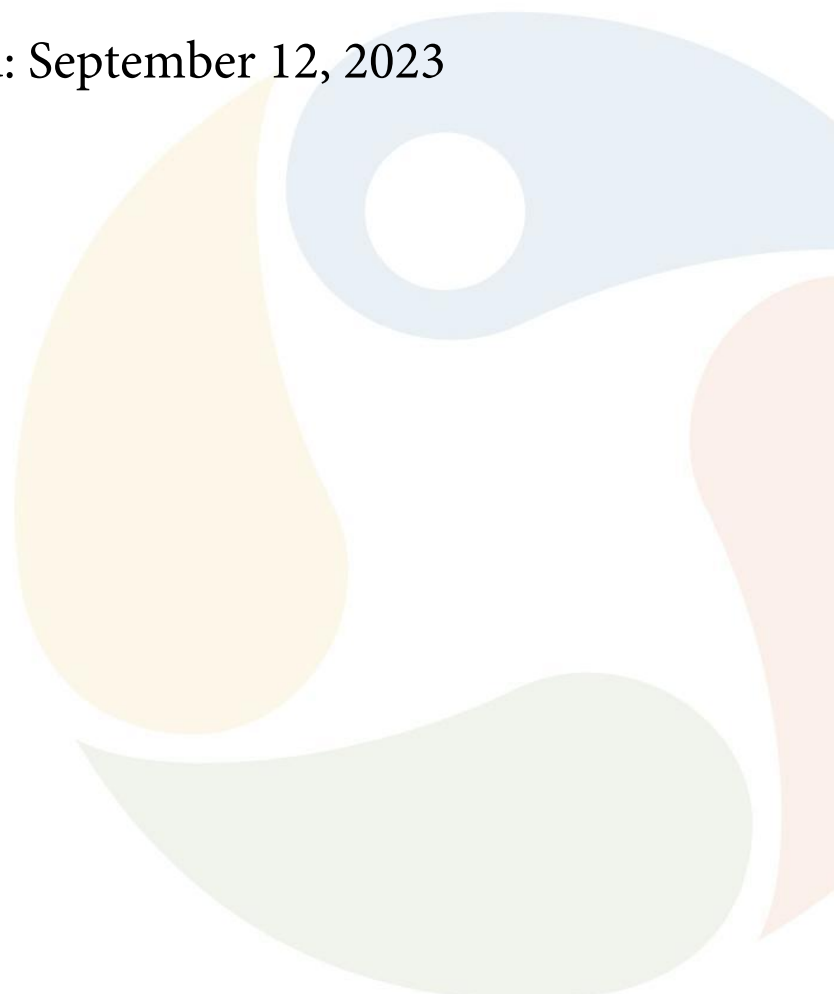


iLEAD Lancaster

Fiscal Policies & Procedures

Board Approved: September 12, 2023

Board Approved: _____



I. OVERVIEW AND GENERAL BUSINESS POLICIES

A. Principles of Fiscal Management

The Board of Directors (the “Board”) of iLEAD Lancaster, (or “iLEAD Lancaster”), a California non-profit public benefit corporation operating iLEAD Lancaster, a public charter school (or “School”), has reviewed and adopted the following policies and procedures to ensure the most effective use of the funds of the School to support the mission and to ensure that the funds are budgeted, accounted for, expended, and maintained appropriately.

iLEAD Lancaster will maintain in effect the following principles in its ongoing fiscal management practices to ensure that:

1. The Board approves financial policies and procedures, delegates administration of the policies and procedures to the School Director, and reviews reports on operations and activities on a regular basis.
2. The Governing Board and School Director have responsibility for all operations and activities related to financial management. Day-to-day fiscal operations and responsibility is overseen by the School Director, Business Manager, and contracted services with shared service provider, under the direction and supervision of the Board and School Director.
3. In the absence of the School Director, the governing board may appoint someone else to perform the School Director’s responsibilities described herein, during the period of absence.
4. Financial duties and responsibilities must be appropriately segregated so that no one employee has sole control authorizing transactions, recording financial transactions, and custody of assets. A list of Board and School Director’s authorized designees and their scope of responsibility within this fiscal policy will be kept and presented to the board to ensure segregation of duties.
5. Expenditures are authorized by and in accord with the Board-adopted budget,
6. The iLEAD Lancaster's funds are managed and held in a manner that provides a high degree of protection of iLEAD Lancaster's assets.
7. All transactions are recorded and documented in an appropriate manner, and recorded and documented digitally or by ink.

B. Authorized Signers

1. The Board authorizes the following iLEAD Lancaster officials (each an “Authorized Signer”) to execute duly-approved contracts, purchases, and expenditures, and to endorse checks, drafts, and orders for the payment, withdrawal, or transfer of money in the name of and on behalf of the School: Board members, officers, School Director,

and/or School Director designee. The School Director may designate necessary and appropriately trained staff in accordance with appropriate internal controls.

C. Financial Reports

1. In consultation with the School Director or designee, the Board will be presented an annual financial budget, and revised budget, as required by the law. District, State, and Federal reports will be presented to the board as required by law.
2. The School Director and Board will regularly review financial reports, such as: balance sheet, budget-to-actuals, cash flow, and payment register at Board meetings.
3. The School Director and Board will review additional financial reports, as needed or requested.

D. Annual Financial Audit

1. The Board shall annually contract for the services of an independent certified public accountant to perform the School's annual fiscal audit. The audit shall include, but not be limited to
 - a. an audit of the accuracy of iLEAD Lancaster's financial statements,
 - b. an audit of iLEAD Lancaster's attendance accounting and revenue claims practices,
 - c. review of iLEAD Lancaster's internal controls over financial reporting.
2. If the school exceeds over the federal limit, a Single Audit shall be conducted, and the audit shall be prepared in accordance with any relevant Office of Management and Budget audit circulars.
3. The Audit shall be completed, reviewed by the Board, and submitted to the charter-granting agency authorizer, the County Superintendent of Schools, the Office of the California State Controller, and the California Department of Education prior to the statutory deadline (generally on or before December 15 of each year).

II. PURCHASING, PROCUREMENT AND VENDOR PAYMENT

A. Purchases

1. The School Director or designee may authorize expenditures and may sign related contracts within the approved budget. The governing board must review all expenditures. This will be done via approval of a payment register, which lists all payments issued during a set period of time, and includes payee, date, and amount. A Board approved list of Board and School Director's authorized designees will be maintained.
2. The Board may, by majority vote, delegate to the School Director or School Director designee the authority to enter into contracts on behalf of iLEAD Lancaster. For contracts exceeding \$50,000, to be valid or to constitute an enforceable obligation against iLEAD Lancaster, all such contracts must be approved and/or ratified by the Board.
3. The School Director or School Director designee(s) approves invoices and purchases.
4. When approving purchases, the School Director or School Director designee must:
 - a. Follow the Procurement Policy, as applicable;

- b. Determine if the expenditure is budgeted;
 - c. Determine if funds are currently available for expenditures (i.e. cash flow);
 - d. Determine if the expenditure is allowable under the appropriate revenue source;
 - e. Determine if the expenditure is appropriate and consistent with the vision, approved charter, school policies and procedures, and any related laws or applicable regulations; and
 - f. Determine if the price is competitive and prudent.
- 5. Asset purchases with a cost basis of \$5,000 or more and a useful life of more than one year should be capitalized and depreciated. Remodeling and replacement costs for integral structural components should only be capitalized when their cost exceeds \$50,000. Depreciation or amortization should be calculated using the straight-line basis over the useful life of an asset unless board policy establishes an alternative depreciation method
- 6. Any individual making an authorized purchase on behalf of iLEAD Lancaster must provide appropriate documentation of the purchase (such as itemized receipt, etc.).
- 7. Individuals other than those specified above are not authorized to make purchases without approval.
- 8. Individuals who use personal funds to make unauthorized purchases will not be reimbursed.
- 9. Authorized purchases will be promptly reimbursed upon receipt of appropriate documentation of the purchase.
- 10. Employees will not make personal long distance calls on the telephones without prior approval from a supervisor. Employees will reimburse the school for all personal telephone calls that result in extra charges.
- 11. Awards and Recognition may be permitted as follows:
 - a. Gifts of public funds are not permitted.
 - b. Cash awards or gift cards are not permitted.
 - i. The Board of Directors encourages recognition of the services of its employees and outstanding achievement of its learners. The School Director or designee may issue awards and mementos in accordance with nominal value with the fiscal policies for such service and achievement.
 - ii. The Board of Directors believes that individuals and organizations may provide contributions for long standing service to the organization. The Board believes that commending such service promotes community understanding, engagement, and retention.

B. Credit Card Purchases

- 1. Credit cards should be issued only to personnel who have a legitimate need to purchase goods and services, either in person or online, to carry out their job responsibilities when a purchase order cannot be approved in time or when the regular accounts payable process is not viable. Every staff member who is authorized to use a credit card is required to sign a credit card use policy statement. Such staff members will

acknowledge policies and procedures that require the card to be used exclusively for legitimate business purposes.

2. The School Director or designee may authorize an individual to use a credit or purchase card to make an authorized purchase on behalf of the school.
 - a. Credit card statements will be reconciled and paid in full monthly.
 - b. Credit card statements of the School Director should be reviewed by at minimum a Board member. Credit card statements of other employees should be reviewed by the School Director or School Director designee.
 - c. Credit cards will be coded in the same fashion as other purchases.
 - d. Failure to follow the credit card policies may result in the loss of a credit card privilege.
 - e. Rewards or cash back earned through the use of the iLEAD Lancaster's credit card are property of iLEAD Lancaster. Use of such rewards shall be at the discretion of the School Director and should be used for the benefit of iLEAD Lancaster.

C. Payment Authorization

1. Copies of invoices and supporting documentation will be promptly forwarded to the accounting system.
2. Once entered in the accounting system, the School Director or designee will approve the invoice and complete the required information.
3. The transaction will be recorded in the accounting system and general ledger.

D. Expense Reimbursements

1. Employees and volunteers may be reimbursed for authorized expenses.
2. Employees may be reimbursed for necessary and appropriate mileage expenses with approval from the School Director or designee. Mileage will be reimbursed at the government-mandated rate for the distance traveled, less the distance from the employee's residence to the primary work site for each direction traveled. Employees requesting mileage reimbursement must submit appropriate documentation reflecting the origin, destination, and total miles driven. Employees do not need to deduct the distance traveled from the employee's residence to the primary worksite if mileage is derived on a weekend or holiday.
3. Board members shall serve without compensation, but may be reimbursed for actual and necessary expenses. All expenses shall be approved in accordance with the fiscal policies herein.
4. School Director expense reports must be approved by a designated member of the Board (as selected at a board meeting), and be submitted to the business office for processing and payment.
5. The individual incurring authorized expenses while carrying out the duties of the school will complete and sign an expense report.
6. The School Director or School Director designee will approve the expense report, and submit it to the financial office for payment processing.
7. Petty cash may not be used for reimbursements.

E. Travel Reimbursements

1. Employees may incur expenses in the course of performing their assigned duties and responsibilities. To ensure the prudent use of public funds, the School Director or School Director designee shall establish rules to keep such expenses to a minimum, while affording employees a reasonable level of safety and convenience.
2. The School Director or designee shall establish procedures for the approval of travel requests and the submission and verification of expense claims. The School Director or School Director designee also shall establish reimbursement rates in accordance with law and Board policy.
3. Traveling employees may be provided a per diem up to the established U.S. General Services Administration per diem rate found at <http://www.gsa.gov/portal/category/100120> for any meal and incidental that is not included as part of the related event. Employees will be responsible for any excess expenses beyond the established per diem rate.
4. An employee shall obtain approval from the School Director or School Director designee prior to traveling. The School Director or School Director designee may approve travel requests in accordance with the adopted budget and upon determining that the travel is authorized or assigned by the employee's supervisor, is necessary to attend a conference or other staff development opportunity that will enhance employee performance, and/or is otherwise necessary to the performance of the employee's duties.
5. Cost saving should be emphasized, and advance planning should occur. Reasonable care should be taken to obtain competitive cost for booking of airfare and hotels.
6. Travel expenses (e.g., airfare, rental cars, hotel) should be paid for directly by iLEAD Lancaster, when possible, and payment via reimbursement should be used sparingly. Staff should plan expenses for travel in advance.
7. Employees should use the least expensive method of ground transportation that meets the employee's schedule, and business needs (e.g. airport shuttles, taxis, car rentals, train, bus, etc.).
8. Reimbursable travel expenses may include, but are not limited to, costs of transportation, parking fees, lodging when iLEAD Lancaster business reasonably requires an overnight stay, registration fees for seminars and conferences, and other communication expenses incurred on iLEAD Lancaster's business, and other necessary incidental expenses. Internet access (e.g., hotel, airport, hotspot, etc.) is an allowable expense provided that the access is necessary for business purposes and not personal use.
9. iLEAD Lancaster shall not reimburse personal travel expenses including, but not limited to, alcohol, entertainment, laundry, expenses of any family member who is accompanying the employee on iLEAD Lancaster related business, personal use of an automobile and personal losses or traffic violation fees incurred while on company business.

10. All expense reimbursement claims should be submitted on a Travel Expense Reimbursement Form, within ten working days following return from travel. The form shall be accompanied by receipts and any explanation necessary to document that the expenses meet criteria for reimbursement.
11. The School Director or designee shall approve expense claims only upon verifying that all necessary documentation is provided and that all expenses are appropriate and related to iLEAD Lancaster business. If an expense claim is disallowed due to lack of documentation or inappropriate expenses, the employee may be personally responsible for any improper costs incurred.
12. When approved by the School Director or designee, an employee may be issued a credit card for use while on authorized business. Receipts documenting the expenses incurred on a credit card shall be submitted promptly following return from travel. Under no circumstances shall personal expenses be charged on a credit card, even if the employee intends to subsequently reimburse iLEAD Lancaster for the personal charges.
13. Costs associated with upgrades are not an allowable business expense and will not be reimbursed unless approved by the School Director or School Director designee, or by a member of the Board if the request is for the School Director .
14. Sharing of vehicles is encouraged if multiple travelers from the School are traveling to the same destination. Unless there is a valid reason for taking an alternative route, employees are expected to take the shortest route to the destination. Mileage reimbursement rate covers all costs associated with operating a personal vehicle for business purposes, including gas, maintenance, repairs, insurance, licensing and registration, depreciation, and other costs. Parking fees and tolls are additionally reimbursable with appropriate backup documentation.
15. Vehicles should be shared whenever possible to minimize travel costs. No employee shall be entitled to reimbursement for travel when they are transported free of charge or by another employee who is entitled to the expense reimbursement.
16. Tips and gratuities are allowable for service industries where it is customary (e.g., restaurants, ground transportation/rideshare.) Tip should be reasonable and no more than 20%. Any amount tipped over 20% will be the responsibility of the employee. A mandatory or group surcharge above the 20% may be approved by the School Director or designee on a case by case basis.
17. Travel advances are not permitted.

III. CONTRACTS, MOUs, AGREEMENTS

A. Contracts, MOUs, Agreements

1. Consideration will be made of in-house capabilities to accomplish services before contracting for them.
2. Agreements entered which obligate more than \$50,000 must be approved by the Board of Directors. All other authorization rules of purchases apply to contracts. The Procurement Policy provides further direction for more details.
3. Competitive bids will be obtained where required by law, within applicable provisions of California Public Contract Code, and other applicable law, or otherwise deemed appropriate and in the best interest of iLEAD Lancaster. The School Director will keep and maintain a contract file evidencing the competitive bids obtained (if any were required by law).
4. Goods or services purchased with federal funds must follow federal procurement guidelines as outlined in Education Department General Administration Regulations (EDGAR), Part 80 – Uniform Administrative Requirements for Grants and Cooperative Agreements to State and Local Governments, Subpart C (Post Award Requirements), § 80.36 (Procurement).
5. Any food contract exceeding the small purchase threshold set by the US Department of Agriculture shall follow a compliant procurement protocol as outlined by the USDA, CDE, and NSLP.
6. Written contracts clearly defining work to be performed will be maintained for all contract service providers (i.e. consultants, independent contractors, subcontractors).
 - a. Contract service providers must show proof of being licensed and bonded, if applicable, and of having adequate liability insurance and worker's compensation insurance currently in effect, as required by iLEAD.
 - b. The School Director may also require that contract service providers list the school as an additional insured.
7. The School Director or designee will approve proposed contracts and modifications in writing, subject to the Board approval thresholds.
8. Contract service providers will be paid in accordance with approved contracts as work is performed.
9. School Director or School Director designee will be responsible for ensuring the terms of the contracts are fulfilled.
10. Potential conflicts of interest will be disclosed in writing to the School Director and Board of Directors, and the School Director and Board of Directors should be notified, if any actual conflicts arise.

IV. BANK ACCOUNTS, RECONCILIATIONS, RECEIVABLES, CASH

A. Financial Institutions

1. All funds will be maintained at an FDIC insured financial institution.
2. If applicable, invested funds shall be maintained in high quality, short maturity (no longer than one year) liquid funds.

3. The Board will review a list of authorized check signers annually. Depending on the entity's needs, the Board may also assign dollar limits to establish classes of check signers. Check signers will be maintained in a Board approved list.
4. Check signers may delegate designated staff the authority to access bank accounts for the purpose of viewing transactions, processing electronic payments, and completing wire and bank transfers when necessary to conduct the regular operations of the entity, with the approval from an authorized signer. A Board approved list of Board and School Director's authorized designees will be maintained and presented to the Board.

B. Bank Reconciliations

1. Bank statements will be received either electronically or by mail directly from the bank.
2. The reconciliation of the bank statement will compare the reconciled bank balance to the cash in the bank account and to the general ledger.

C. Uncleared Checks

1. Checks that have not cleared within no more than three years shall escheat to the state. The California State Controller's Unclaimed Property Law and Regulations shall be followed when escheating unclaimed checks to the state.

D. Petty Cash

1. The school may maintain a petty cash fund, but other avenues of purchasing should be considered prior and petty cash should be used only in necessary and limited circumstances. Petty cash should only be used by those who have a legitimate need to purchase goods and services, either in person, to carry out their job responsibilities when a purchase order cannot be approved in time or when the regular accounts payable process is not viable.
2. The School will designate an employee (the "Petty Cash Custodian") who will manage the petty cash fund.
3. The petty cash will be capped at \$500 per resource center.
4. All petty cash will be kept in a locked cash box in a locked drawer or file cabinet. Only the Petty Cash Custodian and School Director or School Director Designee will have keys to the cash box and drawer or file cabinet. All disbursements will require documentation of purchase.
5. All disbursements will require a completed signed petty cash slip. A receipt for all purchases must be attached.
6. At all times the petty cash box will contain cash slips and cash totaling \$500. Every time an individual receives cash from the box, a cash slip should be filled out and placed in the box. The individual using the petty cash to make a purchase is responsible for submitting a receipt to be attached the petty cash slip to the Petty Cash Custodian by no later than the next business day of withdrawing the petty cash.
7. When expenditures total \$400 (when the Petty Cash cash balance is reduced to \$100), the Petty Cash Custodian will total the disbursements, complete a Petty Cash Reimbursement Form, and obtain the approval of the School Director or School Director Designee. The supporting receipts will be attached to the reimbursement request form and forwarded to the School's financial staff and/or back office.

8. Petty cash fund reimbursement checks will be made payable to the petty cash custodian.
9. Any irregularities in the petty cash fund will be immediately reported in writing to the School Director or School Director Designee.
10. Loans will not be made from the petty cash fund.

E. Accounts Receivable

1. A schedule of aged accounts and grants receivable prepared and reviewed regularly, and appropriate collection procedures are followed.
2. Cash/checks collected at the school office will be placed directly into a sealed envelope, with a copy of the receipt and any notes, forms or other descriptions, and placed in a secure location by the office support person, until removed for deposit.
3. For shared resources expense, iLEAD Lancaster will regularly provide a statement outlining that party's share of costs for the shared resources, and payment is due to iLEAD Lancaster. Each party's share of costs shall be reflected in the School's financial statements as accounts receivable until paid in accordance with the resource sharing agreement. The resource sharing agreement may be amended or renewed from time to time.

F. Returned Check Policy

1. A returned-check processing fee may be charged for checks returned as non-sufficient funds (NSF). Unless otherwise pre-approved by School financial staff and/or Back Office or the School Director or designee, payment of the NSF check and processing fee should be made by cash, money order or certified check.

G. Payroll

1. Contracted service provider will prepare payroll checks, tax and retirement withholdings, tax statements, and perform other payroll support functions. School Director or School Director designee will review.
2. The Finance Department lead will ensure there is a system to establish and oversee the preparation of time and attendance reports and payroll check requests.
3. The Payroll Division lead will review payroll statements to ensure that:
 - a. the salaries are consistent with staff contracts and personnel policies, and;
 - b. the proper tax, retirement, disability, and other withholdings have been deducted and forwarded to the appropriate authority.

V. FUNDRAISING

A. Fundraising

1. Projects for the raising of funds shall in general contribute to the educational experience of learners.
2. Fundraising shall be done in accordance with best business practices including sound budgetary and accounting procedures.

3. iLEAD Lancaster shall not be obligated to pay for any expenditure or contract made for a fundraising activity without prior written approval. The staff member, student advisor, or coach may be liable for such unapproved purchases.
4. All campus sales involving food of any kind must be in conformance with state law and county ordinances.
5. Gifts of money, material, or equipment may be accepted by iLEAD Lancaster upon approval by the School Director, Site Director, or the Board. The Board, School Director, and lead contracted staff shall be informed of any conditions, restrictions, or compliance requirements associated with the receipt of such funds.
6. Fundraising by groups adjunct to the entity (e.g., iSupport) which uses the entity name in any way to represent all or part of the school or specific groups of the school, must have the approval from the School Director prior to conducting fundraising activities.
7. The general rules below should be followed in fundraising campaigns:
 - a. All fundraising campaigns must have the approval of the site director or prior to the fundraising campaign.
 - b. All fundraising campaigns must be confined to a definite period of time to a specific goal or project.
 - c. All contributions to adjunct groups should be completely voluntary. No quota shall be established other than informally for any fundraising campaign for any individual, school, or group.
8. In negotiating fundraising contracts the following should be considered:
 - a. Reasonable product cost;
 - b. Product quality;
 - c. Profit percentage realized;
 - d. Contracted company will provide services and incentives.
9. For all activities approved by the School Director or designee, pursuant to the School's Fundraising Policy, the School will establish internal controls to ensure the safeguarding of assets.
10. For each fundraising or other event in which cash or checks will be collected, a staff member or volunteer coordinator will be designated by the School Director or School Director designee. The "Supervising Official" designated, will be responsible for collecting, documenting, and safeguarding all cash and checks for the purpose of the fundraising activity.
 - a. All funds raised shall be counted immediately after the fundraiser (i.e. on the same day) by the Supervising Official and at least one other person, both of whom shall sign an affidavit attesting to the accuracy of the count. All funds shall be deposited in the School's bank account as soon as reasonably practicable after collection, but no later than the next regularly scheduled deposit. All funds shall be kept in a secure location at an iLEAD Lancaster site until deposited.
 - b. All fundraising or grant solicitation activities on behalf of the school must be approved in advance by the Board, School Director, or School Director designee in accordance with the School's Fundraising Policy and the "General Procedures for Non-Governmental Cash Receipts" described herein. The Board shall be

informed of any conditions, restrictions, or compliance requirements associated with the receipt of such funds, including grants or categorical programs sponsored by the state or federal government.

VI. LOANS

A. Loans

1. The School Director and the Board will approve all loans, lines of credit, and other forms of indebtedness received from third parties.
2. Once approved, a promissory note, loan agreement, or other documentation specifying the material terms will be prepared and signed and/or approved by the School Director or designee Authorized Signer before funds are borrowed.
3. Loans to or from employees and Board members are not permitted.

VII. OTHER FISCAL POLICIES

A. Insurance

1. The School Director or School Director's designee will ensure that appropriate insurance is maintained at all times.
2. The School Director or School Director's designee will maintain the files of insurance policies, including an up-to-date copy of all certificates of insurance, insurance policies and procedures, and related claim forms.
3. The School Director or School Director's designee will carefully review insurance policies on an annual basis, prior to renewal.
4. Insurance will include insurance sufficient to meet the entity's needs (e.g., but not limited to general liability, worker's compensation, student accident, professional liability, sex abuse, and director's and officers' coverage) based on risk assessment and other legal requirements. Insurance coverage will be at minimum aligned with the limits required in the school's approved charter petition or authorizer MOU.

B. Inventory and Asset Management

1. The School Director or School Director designee shall establish and maintain an inventory of all non-consumable goods and equipment worth over \$500 as determined by the School Director or designee. This inventory shall include the original purchase price and date, a brief description, serial numbers, and other information appropriate for documenting iLEAD Lancaster's assets. This property will be inventoried at a minimum on an annual basis.
2. All non-consumable School property lent to students should be returned to the school no later than ten working days after the student graduates, or otherwise leaves the school.
3. Any excess or surplus property, or unneeded property or items owned by the school, may be sold or auctioned by the School, provided the School Director or School Director

designee engages in due diligence to maximize the obtain a reasonable value of the sale or auction for the school. The sale or auction of property owned by the school with a fair market value in excess of \$500 as determined by the School Director or designee shall be approved in advance by the Board.

4. Staff will immediately notify the employee supervisor of known cases of theft, loss, damage, or destruction of assets as determined by the School Director or designee. In addition, any asset valued over \$500 must also be reported to the finance office.