

CONTROLS, BUDGET, AND FISCAL MANAGEMENT

Excelsior Charter Group will maintain in effect the following principles in its ongoing fiscal management practices to ensure that, (1) expenditures are authorized by and in accordance with amounts specified in the board-adopted budget, (2) ECG's funds are managed and held in a manner that provides a high degree of protection of ECG's assets, and (3) all transactions are recorded and documented in an appropriate manner.

Segregation of Duties

ECG will develop and maintain simple requisition and purchase order forms to document the authorization of all non-payroll expenditures. All proposed expenditures must be approved by the Chief Operations Officer who will review the proposed expenditure to determine whether it is consistent with the Board-adopted budget and sign the requisition.

All transactions will be posted in an electronic general ledger. The Business Office will maintain appropriate segregation of duties procedures in accordance with generally accepted accounting principles and external auditor recommendations.

Budget Transfers

The Chief Operations Officer shall submit quarterly budget and actual expense reports to the Board of Directors for review. Budget transfers shall be incorporated with the monthly report.

Banking Arrangements

ECG will maintain its accounts at a federally insured commercial bank or credit union. Funds will be deposited in non-speculative accounts including federally-insured savings or checking accounts or invested in non-speculative federally-backed instruments. The Board must appoint and approve all individuals authorized to sign checks or warrants in accordance with these policies and all checks must be signed by two authorized signatories. The Board Chair will be one of the signatories on all warrants issued to ECG Officers.

The Business Office staff will reconcile ECG's ledger(s) with its bank accounts or accounts in the county treasury on a monthly basis and prepare (1) a balance sheet, (2) a comparison of budgeted to actual revenues and expenditures to date. The Chief Operations Officer and the Board will regularly review these statements. ECG will deposit all funds received as soon as practical upon receipt. A petty cash fund, not to exceed \$1,000, may be established with an appropriate ledger to be reconciled monthly by the Business Office staff who shall not be authorized to expend petty cash.

All funds received in other departments shall be deposited or transferred into the Business Service Office at the earliest possible convenience and in no event later than 72 hours after receipt.

Purchasing Procedures

All material item purchases over \$500 must include documentation of a good faith effort to secure the lowest possible cost for comparable goods or services. A requisition will be submitted to the Business Office where funds will be encumbered for the amount of the requisition upon budget approval and a purchase order issued.

All purchases in excess of \$25,000 will require Board approval prior to purchase order being issued except in the case of emergencies that necessitate the purchase of emergency response goods, equipment, or services.

Record Keeping

Transaction ledgers, canceled/duplicate checks, attendance and entitlement records, payroll records, and any other necessary fiscal documents will be maintained by ECG staff in a secure location for at least three years, or as long as required by applicable law, whichever is longer. Appropriate back-up copies of electronic and paper documentation, including financial and attendance accounting data, will be regularly prepared and stored in a secure location.

Property Inventory

The Chief Operations Officer shall establish and maintain an inventory of all nonconsumable goods and equipment worth over \$5,000. This inventory shall include the original purchase price and date, a brief description, serial numbers, and other information appropriate for documenting ECG's assets. This property will be inventoried on an annual basis and lists of any missing property shall be presented to the Board.

Any excess or surplus property owned by ECG may be sold or auctioned by the Chief Operations Officer provided the Chief Operations Officer engages in due diligence to maximize the value of the sale or auction to ECG. The sale or auction of property owned by ECG shall be approved in advance by the Board.

Payroll Services

The Chief Operations Officer will establish and oversee a system to prepare time and attendance reports and submit payroll check requests. The Chief Operations Officer will review payroll statements monthly to ensure that (1) the salaries are consistent with staff contracts and personnel policies and (2) the proper tax, retirement, disability, and other withholdings have been deducted and forwarded to the appropriate authority. All staff expense reimbursements will be on checks separate from payroll checks.

Upon hiring of staff, a personnel file will be established with all appropriate payroll-related documentation including a federal I-9 form, tax withholding forms, retirement date, and an accounting of the use of sick leave.

Annual Financial Audit

By February of the audit year, the Board of Directors will appoint an external auditor to review and substantiate the fiscal practices of ECG. The audit shall include, but not be limited to (1) an audit of the accuracy of ECG's financial statements, (2) an audit of ECG's attendance accounting and revenue claims practices, and (3) an audit of ECG's internal controls practices. The Audit shall be completed, and reviewed by the Board.

Adopted: 02/13/2018

Amended: 04/09/2019