



## Parker Performing Arts School Official Financial Policy

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In order to fulfill the Mission and Vision of Parker Performing Arts School, PPA will maintain a Financial policy.

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The PPA Fiscal Year is July 1 – June 30 each year.

Our Fiscal Quarters are:

- Q1: July, August, September
- Q2: October, November, December
- Q3: January, February, March
- Q4: April, May, June

### Credit Card Purchase Procedure

Parker Performing Arts School (PPA) maintains a credit card for purchases. Use of the credit card is only authorized when proper purchasing procedures have been followed.

Authorized Card Holders are the Board of Directors President, Principal, and Business Manager.

### Acceptable Transactions for Credit Cards

1. Use of the card must be in compliance with all other school policies
2. School credit cards must not be used for personal expenditures
3. Payment for business related travel, meals, and hospitality
4. Other purchases as appropriate and approved by the Principal

### Documentation Requirements

1. Credit card statements must be reviewed and initialed by the Principal and Board Treasurer
2. Original receipts and credit card charge slips must accompany the statement
3. Unsubstantiated charges will be the responsibility of the card holder

School credit cards are the property of PPA and must be surrendered upon termination of employment or otherwise when so directed by Administration. Misuse of the card may result in suspension of credit card privileges, disciplinary action and/or employee termination.

### Collection and Deposits

All monies collected for processing through PPA will be handled as follows:

#### Fees/Monies Collected at the Front Office

1. All payments received from students, parents or on behalf of students for any purpose must be given to the front office.
2. Office personnel will complete the Internal Deposit Form and attach checks/cash.
3. All monies must be locked up in the Business Manager's office.
4. The person receiving the funds is responsible for funds until they are delivered to the Business Manager.

#### Fees/Monies Collected in Classrooms

1. Teachers must complete an Internal Deposit Form for all funds collected.
2. The form and monies must be delivered to the Business Manager within 24 hours of collection.
3. The teacher receiving the funds is responsible for funds until they are delivered to the Business Manager.

### **For All Monies**

1. All cash and checks are kept in a secure location and deposited in the bank on a timely basis.
2. The individual collecting the cash should reconcile cash received with the information about why it is being received.
3. Front office staff will prepare the bank deposit form and return to the Business Manager who will deliver to bank.

### **Quarterly Internal Audit Checklist**

For quarters 1, 2, & 3 (before the next regular board meeting after quarter end), an informal audit will be performed by the Board Treasurer. The following are steps to be taken to complete the internal audit:

### **Bank Statement Review**

1. Verify monthly reconciliation. Treasurer will initial the front page of Bank Statement.
2. Pull at random 3 deposits and review for proper procedures/documentation.

### **Accounts Payable**

1. Pull at random 5 invoices and verify proper documentation
  - a. Purchase order—signed
  - b. Packing Slip with noted items received and initialed by office staff member tasked with receiving items
  - c. Invoice—verify correct amount submitted
2. Credit card statement—review and initial
3. Balance Sheet—review
4. Budget vs. Actual—review and explain all 10% variances
5. Employee Contract Review—compare 3 employee Letters of Agreement with amount actually paid from Paychex records.

### **Purchasing and Reimbursement**

All purchases must fall into the approved PPA budget. Individual employees may be reimbursed for expenditures that have received prior approval from their immediate supervisor. Expenditures made without prior approval may not be reimbursed. PPA cannot pay or reimburse sales tax.

### **To Make a Purchase Request - PPA Employees**

1. Fill out a Purchase Request Form complete with Company contact information, item number, description and cost.
2. Submit to your immediate supervisor for approval; once approved administrator will give to Business Manager for processing.
3. Business Manager will keep all Purchase Request Forms until the items arrive.
4. Front office staff will check original order against packing slip and items received. He/she will indicate any discrepancies and initial purchase.

### **To Make a Reimbursement Request - PPA Employees, Board Members or Volunteers**

1. Fill out a Request for Reimbursement Form
2. Attach receipt—receipts must only include items purchased for school use; no personal items are to be included.

3. Reimbursement requests must be made within 60 days of purchase (or 15 days prior to the last day employees report at the end of the school year).

### **Disbursements**

1. Checks should be prepared once per week by the Business Manager
2. For any checks written, there must be proper documentation and approval
3. Checks and supporting documentation are given to the Principal who reviews the disbursement and signs the checks.
4. Reimbursement checks to the Principal will be reviewed and signed by the Board of Directors President.

### **Check Signatures for Large Amounts**

PPA is a large organization and often pays bills in large amounts. However, for fraud protection purposes, the Principal, and the Board President must sign checks for amounts greater than \$50,000

### **Policies and Procedures for Federal Funds**

Below is a list of the policies and procedures that will be incorporated into our Financial Policy draft once they are each appropriately fleshed out.

#### **Policies/Procedures for Accounting Records**

We will describe the following items in detail:

- How and where we will house source documentation and authorizations for
- federal awards received by the school.
- How federal award funds are obligated (and what is done with unobligated balances).
- How assets gained by federal award funds are recorded and reported.
- How expenditures/income of federal award funds are recorded and reported.
  - This includes federal award budget to actuals.
- How the school will follow the request for funds policies and procedures of Douglas County School District who serves as its fiscal agent.

#### **Policies/Procedures for Transmission/Storage/Destruction of Financial Records**

We will describe the following items in detail:

- How federal award records will be kept for at least 7 years (current year plus 6 prior years).
- Which financial records will be reported out, and at what intervals.
- How financial records will be made publicly available (Financial Transparency page on website).
- How/When financial records will be destroyed.
- Our potential digital file structure.

#### **Policies/Procedures for Internal Controls**

We will describe the following items in detail:

- How our internal controls comply with the guidelines surrounding federal awards.
- How internal controls are evaluated and monitored.
- The actions taken when instances of noncompliance occur.
- The measures taken to safeguard personally identifiable information.
- The processes that safeguard funds, property and assets, i.e.:

- Physical control over vulnerable assets (Inventory)
- Segregation of duties
- Proper execution of transactions and events
- Accurate and timely recording of transactions and events
- Appropriate documentation of transactions and internal controls
- How assets will be used solely for their authorized purpose.
- How the 5 standards of Internal Control are incorporated. Specifically, for:
  - Control Environment – we will describe how management and employees are working to establish and maintain an environment that sets a positive, supportive attitude towards internal control.
  - Risk Assessment – we will describe how the school will identify and analyze the risks associated with achieving plans (strategic, unified improvement, etc.).
  - Control Activities – we will describe our current financial policies/procedures and how are they established/analyzed/revise. Information and Communications – we will describe how information (financial and other) is identified, captured, and distributed so that people can perform their duties efficiently.
  - Monitoring – we will describe how the school will ensure that findings on audits and other reviews are promptly evaluated and responsive actions are identified and completed so that identified deficiencies are corrected, improvements are made, and findings thus do not warrant management action.

### **Required Certifications**

We will adhere to the description (usually contained within the RFF document) that certifies that the request for federal funds is accurate and that falsifying documentation may subject the individual to penalties

### **Budget Controls**

We will describe how a description of a comparison of expenditures to budgets amounts will be made available to the public.

### **Cash Management Procedures**

We will describe the procedure for requesting and receiving federal fund reimbursements from Douglas County School District.

### **Allowability Procedures**

We will create policies and procedures that describe how the school determines that a cost is part of the following:

- Is Necessary, reasonable, and allocable
- Conforms to federal law and grant terms, as well as state and local policies
- Is consistently treated
- In accordance with GAAP
- Not included as a match
- Net of applicable credits
- **Adequately documented**

### **Procurement Procedures**

We will describe the following items in detail:

- How we seek out clear and accurate descriptions of the technical requirements for the material or service to be procured.
- How we administer oversight of contractors.

- How we manage conflict of interest regarding the awarding of contracts.
  - This includes limiting school stakeholders from participating in the evaluations of bids for services funded with federal dollars if they have an interest in the bid.
  - This also includes limiting stakeholders of the school from accepting anything of monetary value from potential contractors bidding on services that will be paid with federal funds.
  - This further includes an assurance that if the school ever creates a parent, affiliate, or subsidiary organization, that organization must also maintain standards covering conflicts of interest.
- How we will provide for full and open competition for contracts, and procedures for handling disputes regarding contract awards.
  - This includes identifying a description that all bidders must follow when they submit their bids or proposals.
  - This also includes an assurance that allowable bidders will not be precluded from participating in bids/proposals solicitations.
- Our method of procurement for Micro-Purchases ( $\geq$  \$3000) vs Small Purchases ( $\geq$  \$150,000).
  - For Micro-Purchases, to the extent practicable (unless limited by sole-source options), the school will distribute Micro-Purchases equitably among qualified suppliers. Bids may not be solicited if the school considers the price reasonable.
- How we handle of travel and entertainment charges.
- How we manage our inventory.
- How we will ensure that no parties that have been suspended/debarred by the federal government are receiving federal funds.

#### **Time and Effort**

Staff whose pay comes in part or hole from federal funds must have their time and effort recorded.

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## **Policy History and Amendments**

The PPA Board of Directors will review the financial policy at least one time annually, and will consider any additions, alternatives, or changes in the policy at any other time.