

Pagosa Peak Open School  
Financial Policies and Procedures  
August 2017- Updated September 2019

OBJECTIVE

The financial objective of Pagosa Peak Open School (the School) will be to conduct its operations and business with sound fiscal management.

RESPONSIBLE PARTIES

Financial management of the School shall be the responsibility of the following:

The Board of Directors  
The School Director  
The Finance Committee  
The Board Treasurer  
The Business Manager

The ultimate responsibility for financial management rests with the Board of Directors.

INTERNAL CONTROLS

The Finance Committee shall be responsible for the installation and supervision of effective internal control systems. The School Director and the Board Treasurer will install and supervise internal controls on behalf of the Finance Committee. Internal controls shall facilitate management of the following:

- Receipt and deposits of moneys
- Payment of salaries and wages as adopted by the Board
- Timely payment of bills
- Accurate posting of transactions and reconciliation of accounts
- Responsible administration of employee benefits
- Procurement of assets
- Execution of the annual budget
- Other financial items deemed appropriate by the Finance Committee.

## ANNUAL BUDGETS

The annual budget is the financial plan for the operation of the School. It provides the framework for both expenditures and revenues for the year and translates into financial terms the educational programs and priorities of the School.

The Board assigns to the School Director and Finance Committee overall responsibility for budget preparation and budget presentation. Final adoption of the budget, or any revisions thereto, must be approved by the Board.

Insofar as possible, the budgets adopted by the Board shall be sufficient to implement all programs and policies that have had Board approval.

Legal Ref.: C.R.S. 22-44-101 through 22-44-117; C.R.S. 22-44-203 and 22-44-204 (3)

The Finance Committee, through the ~~Board Treasurer~~ **Business Manager**, shall be responsible to the Board to provide counsel in the form of a written comment regarding the fiscal impact of all recommended financial decisions which may have a major impact on the budget or exceed originally budgeted amounts for major individual fund objects by \$15,000 or 10%, whichever is less.

In order to assure the Schools' financial integrity, the Board shall determine and set aside sums as contingency reserves to be included in the general fund budget to avoid borrowing money to conduct operations.

## BUDGET PLANNING, PREPARATION AND SCHEDULES

### Timelines

1. Each month the Board Treasurer or designee shall review and present the financial reports for the previous months activities to the Finance Committee. This report ~~shall~~ **may** include, at a minimum, a financial summary comparing the budget to year to date expenditures, income statement, balance sheet, projected change in year-end fund balance information and check registry.
2. During February and March of each fiscal year, the Finance Committee shall meet regularly for the purpose of developing the budget for the following fiscal year.
3. A Finance Committee representative shall present the proposed new budget to the Board of Directors during the month of ~~March~~ **April**, with the preliminary budgets to be given to Archuleta School District by the first week of April **May** unless a later date is acceptable and approved by Archuleta School District.

## DEFERRAL TO THE FINANCE COMMITTEE

The Board may elect to defer to the Finance Committee (the Committee) in the event a need arises that is deemed beyond the scope or authority of the Board Treasurer and the School Director. The Committee shall be comprised of the Board Treasurer, School Director, Business Manager, and other interested parties as designated by the Board.

#### FINANCIAL EMERGENCIES

If the Board determines, during any budget year, that the amounts appropriated for expenditure in the budget exceed actual revenues available plus available Fund Balance, the Board may declare a fiscal emergency. Such declaration shall require the affirmative vote of two-thirds of the members of the Board.

The Board will determine if the formation of a special committee is appropriate and what actions should be taken.

Legal Ref.: C.R.S. 22-44-115.5

#### FUND TRANSFERS

When a contingency occurs, the Board may direct a transfer of any unencumbered moneys from the contingency reserve account, which is within the general fund, to another School fund or account in accordance with current Colorado Department of Education (CDE) and ~~CSI~~ guidelines.

#### GRANTS FROM PRIVATE SOURCES

Only the Board may accept grants, gifts or bequests on behalf of the School in excess of \$5,000. The title to all gifts, grants and bequests shall rest with the Board(s) and not with any School or department. Every effort shall be made to maintain the given item(s) within the School or department to which donated. Any gift less than \$5,000 will need approval from the School Director prior to acceptance.

Legal Ref.: 22-32-110(1)(y)

#### REVENUES FROM INVESTMENTS/USE OF SURPLUS FUNDS

All Board funds are allocated to a specific use, but surplus funds shall be invested by a designee of and under the direction of the Finance Committee in accordance with Colorado statutes and in a manner designed to accomplish the following objectives:

a. To ensure the legality and safety of all Board funds. The Board will not enter into investment transactions which will expose itself to undue credit risk of an issuer or broker/dealer.

b. To ensure that adequate funds are available at all times to promptly pay all of the Schools' financial obligations. Transactions entered into will consider the liquidity needs of the Schools and minimize exposure to interest rate risks.

c. To earn maximum return possible on the funds available for investment while complying with state statutes and Board policies, while maintaining adequate liquidity and safety.

In order to effectively make use of the School's cash resources, all funds needed for general obligations will be pooled for investment purposes. The income derived from any pooling will be distributed to the various funds as directed by the Board in accordance with state statutes.

Legal Ref.: C.R.S. 11-10.5-101 et seq. C.R.S. 11-47-101 et seq. C.R.S. 24-75-601 et seq. C.R.S. 24-75-701 et seq.

## REVENUES FROM INVESTMENTS

In order to achieve the cash management objectives established by the Board, the following regulations are to be followed in implementing the Board policy.

### Eligible Depositories

1. All state and national banks with offices in Colorado which are insured by the Federal Depository Insurance Corporation (FDIC) and which are approved as eligible public fund depositories by the State of Colorado Division of Banking. C.R.S. 11-10.5-103(6)
2. All state and federal chartered savings and loan associations with headquarters in Colorado which are insured by the FDIC and which are approved as eligible public fund depositories by the State of Colorado Division of Banking. (11-47-103(6))

### Eligible Securities Broker/Dealers

1. Securities dealers and banks which are designated as reporting dealers by the Federal Reserve Bank of New York (Primary Dealers) or regulated by the National Association of Securities Dealers, maintain a local office in Colorado, and are approved by the Board Treasurer.
2. National and state banks, state and federally chartered savings and loan which have been approved by the Colorado Banking Board and/or the Division of Financial Services as an eligible public depository in the State of Colorado and which may be approved by the Board.
3. Securities dealers which are not designated reporting dealers by the Federal Reserve Bank of New York and are approved by the Board.

Annually, the designee may require each approved securities dealer to provide audited financial statements demonstrating financial stability and verifying the required capitalization as prescribed by NASD.

#### Eligible Investments

1. Obligations of the United States Government or its agencies, including but not limited to the following: (C.R.S. 24-75-601)

- United States Treasury Obligations, including Bills, Notes, Bonds, Strips and other zero coupon securities (i.e.: CATS, TIGRS, TRs, etc.) of appropriate maturity.
- Federal Farm Credit Bank (FFCB) discount notes, notes and bonds.
- Federal Home Loan Bank (FHLB) discount notes, notes and bonds.
- Federal Home Loan Mortgage Corporation (FHLMC) discount notes, notes and bonds. Federal National Mortgage Association (FNMA) discount notes, notes and bonds.
- Student Loan Marketing Association (SLMA) discount notes, notes and bonds Resolution Funding Corporation, Refcorp strips.
- Other government agencies that may hereafter be created by an act of Congress which are under the control of the federal government.

Additionally, where deemed appropriate, the School may invest in mortgage backed assets issued and guaranteed by the above listed government agencies, within the Growth Impact Fund, Self Insurance Fund and Building Fund. Such investments shall be evaluated based upon, ultimate maturity of five years or less, stability of cash flows and consistent yield exceeding comparable Treasury securities.

Repurchase agreements (Repos) on the above securities made in compliance with CRS 24-75-601, as amended. All Repos must be settled on a "Delivery Versus Payment Basis," with collateral perfected and delivered to a third party safekeeping account. Repos will be collateralized at a minimum of 102 percent of the purchase price of the Repos. The Board Treasurer shall execute the Public Securities Association Master Repurchase Agreement to govern all repurchase agreement relationships.

Time certificates of deposit of savings accounts in state or national banks which are insured by the FDIC and which are approved by the State of Colorado Division of Banking.

Under the Colorado Public Deposit Protection Act (PDPA), certificates of deposit which exceeded the insured amount (\$250,000) shall be collateralized by eligible government securities having a market value equal to or exceeding 102 percent of the difference between the insured amount and each of the Schools' total deposits.

Time certificates of deposit of savings accounts in state or federally chartered savings and loans with headquarters in Colorado, which are insured by the Federal Savings and Loan Insurance Corporation (FSLIC) or FDIC which are approved by the State of Colorado Division of Banking.

Under the Colorado PDPA, certificates of deposit which exceed the insured amount (\$250,000) shall be collateralized by eligible securities in accordance with PDPA. This collateral will have a market value equal to or exceeding 102 percent of the difference between the insured amount and each of the Schools' total deposits. Shares of government entity investment pools, or money market mutual funds, authorized under the provisions of CRS 24-75-701, as amended. Such funds shall be invested in United States Treasury and Agency obligations and managed to maintain a constant net asset value, with a maximum maturity of 360 days and weighted average maturity not to exceed 180 days.

#### Security Maturity Schedule

All investments made by the School are intended to maximize income while meeting cash management requirements. Therefore, all investments shall be matched, to the extent practical, to anticipated shortfalls within the Schools' cash flow budgets. Additionally, the designee shall determine a minimum cash balance that shall be maintained to meet unanticipated cash requirements or revenue shortfalls.

Surplus cash in excess of the minimum cash balance shall be invested such that total cash flows and interest are sufficient to meet the Schools' cash flow budget. This is best accomplished by developing an appropriate ladder maturity schedule, avoiding undue concentrations of maturities that would expose the School to excessive reinvestment or liquidity risk.

The School may invest funds in securities exceeding a maturity of [threefive](#) years only with specific approval from the Board.

The School may elect to liquidate securities prior to maturity if, for market reasons, the funds may be reinvested in a similar quality and maturity security generating an economic gain.

#### Safekeeping of Securities

The School will establish a safekeeping account with the bank or registered securities dealer to be a custodian for marketable securities owned by the Schools. Securities shall be held by the custodian in the Schools' name and segregated from

each institution's own securities. The custodian shall provide the School with safekeeping receipts and/or monthly statements detailing all securities held for the School.

Institutions issuing certificates of deposit will hold the certificates of deposit and send the School a safekeeping receipt.

#### Local Participation

The Board will make every reasonable effort to support the financial institutions located in the local community. Investments in institutions located outside of the local community will be made when competitive rates, lack of collateral available, allocation of assets or financial stability from the community's financial institutions make this decision in the best interest of the School.

#### Competitive Participation

The designee shall seek competitive quotes on investments. The designee shall determine the current level of interest rates available in the market prior to purchasing investments, insuring that purchases are made at competitive rates.

#### Investment Selection

Based on the investment quotes obtained, the designee shall purchase investments that provide the highest net yield. Net yield will be the investment income less costs of executing the investment. Costs will include the following: brokerage fees, wire transfer fees, safekeeping fees, staff time to purchase and redeem the investment and other cost factors needed to manage the investment.

#### Documentation

All purchases and sales of investments will be authorized or confirmed in writing with the issuer/dealer. Internal controls will be implemented, including separation of duties, balancing of internal records against custodian statements and tracking of cash flow and interest income. Any investment with a maturity greater than three years will be reviewed by the Finance Committee with recommendations made to the Board of Directors. The Board of Directors will authorize all investments with maturities greater than three years and including the results of the authorization and vote in the meeting minutes.

#### Auditing

The School shall conduct regular and/or unscheduled reviews of all of the investment transactions. Problems or concerns found in these reviews will be reported to the appropriate personnel.

## Reporting

The Finance Committee will receive a monthly report of investment earnings, as a part of the financial reports, which shall be provided by the designee.

### DEPOSITORY OF FUNDS

All revenue received by the Schools shall be deposited in an official bank or banks as designated by the Board. Such financial institutions must qualify as eligible public depositories in accordance with state law. The operation goal is to never have less than ~~\$1000 cash on hand in the bank~~ \$1,000 of cash on on hand in bank one month of obligated funds in the bank and ~~and~~ make deposits frequently enough to ensure that level of cash on hand is maintained.

All moneys belonging to the School, including moneys derived from food services and School activities shall be deposited by the person designated most appropriate by the School Director (official custodian) in a depository or depositories as designated by the Board.

The School Designee or official custodian shall comply with all requirements of state law regarding the deposit of funds.

LEGAL REFS.: C.R.S. 24-75-601 Legal Investment of Public Funds

C.R.S. 11-10.5-101 et seq. (relates to deposits of public funds in banks)

C.R.S. 11-47-101 et seq. (relates to deposits of public funds in savings and loan institutions)

C.R.S. 22-32-104 (4) (c)

C.R.S. 22-32-107 (3), (4), (6)

C.R.S. 22-32-109 (1) (g)

C.R.S. 22-32-110 (1) (x)

C.R.S. 22-40-104 (related to county treasurer)

C.R.S. 22-40-105

C.R.S. 22-45-104 (relates to collection and deposit of fees and fines)

C.R.S. 23-71-404 (1)

### BONDED EMPLOYEES AND OFFICERS

All employees of the School who are responsible for money shall be covered by a blanket form of surety bond. This bond shall be in an amount not less than \$10,000. The cost of bonding shall be borne by the School.

LEGAL REFS.: C.R.S. 22-32-104 (4)(b)(c) C.R.S. 22-32-109 (1)(h)

### TYPES OF FUNDS

State statutes and regulations recommend that the School use a standardized accounting structure, such as the structure identified in this Financial Policies and



Procedures Handbook. Within the standardized structure the School may elect to use a variety of funds to group specific activities. The Board Treasurer shall determine the funds and fund types which the School shall use for all accounting and reporting purposes.

## FINANCIAL REPORTS AND STATEMENTS

A summarized total of revenues and expenditures of the School's funds shall be provided to the Finance Committee or at the regular Board meeting.

Financial reports shall be prepared as soon as practicable after the month's closing.

## INVENTORIES

The School shall maintain a system for an annual inventory of all items costing \$1,000 or more and having a life expectancy of over one year and all Technology Equipment, with the exception of equipment permanently fixed in a building such as heaters or lockers. This includes but is not limited to computers, laptops, projectors and smart boards.

The School Director, in conjunction with the Board Treasurer, shall develop procedures for conducting annual inventories of School property. ~~Biannual accounting of said inventory is due no later than January 5 and July 31 if each year of operations. Biannual accounting of said inventory is due no later than January 5 and July 31 of each year of operation. Annual accounting of inventory must be completed within 60 days of the end of the fiscal year.~~

Classroom content lists, needed for insurance purposes, will be prepared by the teachers prior to the end of the School year. Lists for all other building areas will be prepared by the School Director or their designee. These content lists will at a minimum include a room number, description of all contents and the quantity. When accepted by insurance providers, a video of contents maybe used in lieu of written content list.

Responsibility for the inventory system shall lie with the School Director and shall be accountable for the maintenance of proper inventory in their School.

LEGAL REF.: C.R.S. 29-1-506(2)

## AUDITS

In accordance with state law, all funds and accounts of the School shall be audited annually, following the close of the fiscal year.

The Finance Committee shall appoint an independent auditor licensed to practice in Colorado and knowledgeable in government accounting to conduct the audit. The

independent auditor also shall audit all accounts of the School and the report will be provided to Archuleta School District and ~~the Colorado Department of Education~~ (the CDE)-CDE.

Competitive bidding shall be utilized to assist the Board in selecting an audit firm whose services and fees best meet the needs of the School. The independent auditor shall serve at the discretion of the Board. The Board may choose to use an auditor from a previous year instead of repeating the bidding process.

The audit report shall contain, among other information:

- a. Financial statements prepared in conformity with Generally Accepted Governmental Accounting Principles and GASB 34. (The financial statements are the representation of the School, whether prepared by the Schools or by the auditor.)
- b. Disclosures in accordance with the Financial Policies and Procedures Handbook. The supplemental schedules of receipts and expenditures for each fund shall be in the format prescribed by the CDE and shall be in agreement with the audited financial statements of the School.
- c. All funds and activities of the School.
- d. Budget to actual comparisons for each fund and activity.
- e. The auditor's opinion on the financial statements. If the opinion is anything other than unqualified, the reason must be explained. The opinion shall include general fixed assets.
- f. Disclosure of all instances of noncompliance with state law, including the Public School Finance Act of 1988, irrespective of materiality.
- g. A supplemental listing of all investments held by the School at the date of the financial statements.

The auditor also shall make recommendations to the Board concerning its accounting records, procedures and related activities, as may appear necessary or desirable, and shall perform such other related services as may be requested by the Board.

The audit report must be completed and submitted by the auditor to the School ~~CSI~~ within four months after the close of the fiscal year in accordance with the audit deadline in its charter contract, unless a request for an extension of time is granted by Archuleta School District. Within 30 days after receiving the audit, the School shall submit copies to Archuleta School District, the State Auditor and the State Commissioner of Education.

The Board reserves the right to request an audit at more frequent intervals if desired.

LEGAL REF.: C.R.S. 22-32-109 (1)(k) C.R.S. 24-75-601.3  
C.R.S. 29-1-601 et seq.

#### PURCHASING AND PURCHASING AUTHORITY

The Board Treasurer, in conjunction with the School Director, shall be responsible for the installation and supervision of proper internal control systems for purchasing, including but not limited to, a purchase order system, proper verification of purchases, payment documentation and bidding procedures.

LEGAL REFS.: C.R.S. 22-32-109 (1) (b) C.R.S. 24-17-201

#### PURCHASE ORDERS

1. The School Director will be responsible for the review and approval of purchase orders originating from within their scope of budgetary authority. A purchase order (a PO) request will be completed by the individual requesting a purchase for the School or a department. The individual will submit the PO to the School Director for approval.

2. After the School Director's approval, the PO will be forwarded to the ~~Bookkeeping Office~~Business Manager for processing, ~~and a copy will reside in QuickBooks.~~ Any purchase order exceeding ~~\$3500~~ ~~\$3500~~\$5000 will need approval from the Board of Directors. There will be an exception for curriculum purchases and items specifically or previously approved by the Board in the annual budget.

3. Availability of funds is checked at time of approval. All purchases must be charged to the correct budgetary account. The approved copy forwarded to the School Director will list the budget line item(s) related to the PO for tracking purposes.

4. The vendor will ship the merchandise to the School or department, referencing the PO number. The School or department requesting the purchase of goods and/or services shall maintain records as to the status of all such requests and shall be responsible for checking the items actually received against the PO and packing slip. After the School or department checks the merchandise and signs for the receipt of the merchandise, the documentation will be forwarded to the ~~Bookkeeping Office~~Business Manager ~~via QuickBooks or email.~~

5. When the receipt is recorded and the PO and invoice are reconciled, the ~~Bookkeeping Office~~Business Manager will process payment. The ~~Bookkeeping Office~~Business Manager will process payment only after receiving the necessary

paperwork from the School or department making the purchase. Purchases made with a debit card must have approved documentation prior to purchase.

6. If the School or department receives an item that is not wanted after it is ordered, it is the PO originator's responsibility to re-package the product, affix address labels, return the merchandise to the vendor and advise the Bookkeeping Office Business Manager or School Director of any changes.

7. The purchasing power of the School shall not be used to obtain goods or services for the private use of any employee.

8. Any employee who charges any item without an authorized PO will be held personally liable for that purchase.

9. Requests for receiving items in order to preview them should still cause a PO to be activated. If the items are kept, a written notification to the Bookkeeping Office Business Manager requesting payment must be made.

10. Purchasing items via credit or debit card should follow the normal PO process.

#### PETTY CASH

Pagosa Peak Open School shall have no excess cash on hand. The school's debit card maybe used in times of immediate need. Any cash received must be deposited into the approved banking institution within 72 hours of receipt.

~~1. A petty cash fund of no more than \$200 is made available for the purchase of small items costing not usually more than \$50 to the designee of the School Director.~~

~~2. Petty cash will be kept in a locked strong box. One person will be given responsibility for all disbursements, with the ultimate responsibility for petty cash falling on the School Director.~~

~~3. Merchandise that is purchased with cash shall require the purchaser to obtain a receipt from the vendor. Sales tax exemption certificates are available and should be used.~~

~~4. The purchaser is reimbursed from the petty cash fund upon presentation of a vendor's receipt and by signing a petty cash voucher.~~

~~5. The vendor's receipt is attached to the signed petty cash voucher and placed with the petty cash fund. The sum of the signed petty cash vouchers and the sum of cash on hand shall equal the total petty cash fund at all times.~~

~~6. To replenish the petty cash fund, a petty cash fund balancing sheet must be completed with all petty cash expense forms and receipts attached and forwarded to~~

~~the Bookkeeping Office Business Manager for issuance of a fund replenishment check.~~

~~7. Petty cash shall not be loaned or used for check cashing services or for any other reason that is for the personal benefit of an individual.~~

## PAYMENT PROCEDURES

All items submitted for payment must be supported by a Purchase Order or request for check, as appropriate, along with all necessary supporting documentation. Payments will be made in a timely manner to avoid penalties and late or carrying charges.

1. All invoices are received by the Business Manager.
2. Invoices are reviewed by the Business Manager and matched to Purchase Order when applicable and then forwarded to the School Director for approval.
3. Upon receipt of the approved invoice a check is processed for payment.
4. Checks are forwarded to the **Board Approved Signers** for signature and to the Board Treasurer if required.
5. Checks and invoices are returned to the accounting office for disbursement to the vendors.
6. Recurring expenses, such as copier lease payments, for which there is a short elapsed time between commitment to pay and time of actual payment a check is processed and sent with the original invoice and the School Director approves the invoice and signs the check at the same time.
7. Personal credit card and personal check use is strongly discouraged. Personal credit cards and checks are to be used only when no other method of payment is available. Reimbursement will only be made when a Request for Reimbursement is accompanied by an original receipt and approved by the School Director.
8. See appendix A for a listing of current [Board Approved Signers](#).

## ONLINE PAYMENTS

Online payment is set up to pay the following recurring bills: telephone bills, utility bills, credit cards, [Insurances, Mortgage](#), payroll contributions, and payroll service fee. Any additional online payments must be approved by the School Director.

~~1. When the above bills are received the Business Manager will stamp them and send to the School Director for approval.~~

2. Upon receipt of the approved invoice the Business Manager will submit the payment online.

~~3. The payment confirmation and the invoices will be forwarded to the Board Treasurer for review. An expense by vendor report will be provided monthly to the board for review.~~

~~4. The Board Treasurer will verify the payment confirmation to the approved invoice and sign off as verification that the payment was made correctly. Review all payments made on behalf of the school for accuracy and compliance monthly.~~

## USE OF CASH

From time to time it is necessary to issue cash to individuals for the purpose of making change at a School site for payment of fees during enrollment or for an activity where admission is charged, or goods sold. Appropriate staff will utilize Petty Cash Funds and follow established procedures will be used during these times.

## CREDIT or DEBIT CARDS

Credit and or Debit cards will only be issued to the School Director and Board Treasurer. All use of the cards must be accounted for by some form of receipt.

~~At times the card may be loaned out, but a receipt must be turned in to the Bookkeeping Office for all transactions.~~

~~"~~

~~Use of other credit accounts (eg. Accounts with local retailers) will not be~~

## CONTRACTOR PAYMENTS

In most cases, payments to consultants, speakers or other professionals, where a receiving report would be inappropriate, will be handled by a Service Contract. A Memorandum of Agreement will be used only for independent contractors as determined by IRS regulation. It is very important that the originator of the Agreement clearly identify what services are to be rendered. Appendixes should be attached if the space on the form is not sufficient to clearly identify these services in the rare case the Schools may wish to seek legal recourse for breach of contract due to non-performance.

The procedure for processing a Memorandum of Agreement is as follows:

a. The originator will prepare the contract, including all monies to be encumbered as well as the account to be charged and necessary signatures, and will forward to the ~~Bookkeeping Office~~ Business Manager.

b. The ~~Bookkeeping Office~~Business Manager will send the proper copies to the independent contractor and the originator.

c. Upon completion of services the contractor will turn in an invoice for payment. Along with the invoice, the contractor will provide a statement of summary as to the services performed, dates and times spent on the project. Upon receipt of the above documentation, the ~~Bookkeeping Office~~Business Manager will process payment.

d. The contractor will provide a copy of liability and workers' compensation insurance in addition to completing a W-9.

#### BIDDING POLICY

The School Director as authorized by Board policy shall secure written bids on all single item purchases exceeding ~~\$3500~~ \$5000— and on all other purchases of supplies, equipment and projects when in the best interest of the School. ~~Purchases valued at less than \$3500\_ but more than \$1,000 shall be based upon at least three (3) written, faxed or oral quotations whenever feasible.~~

Contracts and competitive purchases shall be awarded to the lowest responsible qualified supplier, taking into consideration the quality of materials (services) desired and their contribution to program goals **through the use of a scoring rubric.** Donations of labor or goods will be taken into consideration and given preference when evaluating competitive bids.

When time is of the essence, bid procedures may be waived provided prudent measures are taken to obtain the best price available under the circumstances (phone, quotations, etc.)

Every effort will be made to secure at least three bids or quotations. If this is not possible, the School Director will provide an explanation as to why this was not possible.-

This shall not apply to professional services. If the School needs to procure professional services in the area of, but not limited to, psychological testing, accounting, auditing, legal counsel, educational counseling, special education support, architectural or maintenance work, human resources or other professional services it deems necessary, and believes that the best qualified services can be obtained without bidding for those services, then the School may contract for these services without complying with a competitive bidding process.

For purchases or professional services contracts using Federal funds, Uniform Grant Guidance will be followed.

In the case of items available only from one source, purchases may be made based on negotiations with that source. The Board shall have the authority to reject any or all bids.

LEGAL REFS.: C.R.S. 22-32-109 (1)(b) C.R.S. 24-17-201

CROSS REF.: BCB, Board Member Conflict of Interest DJB, Purchasing Procedures

#### MULTI-YEAR CONTRACTS

The School may enter into contracts for a term exceeding one year provided that funds for the School's performance during the fiscal year in which the contract term commences are certified as being available. All contracts will contain TABOR language and be subject to annual budget appropriation by the Board. Reservations of Fund Balance will be made for those amounts paid beyond the current fiscal year. The School's payment and performance obligations for succeeding fiscal years after a multi-year contract shall be subject to the availability of funds lawfully appropriated.

#### VENDOR RELATIONS

No favoritism shall be extended to any vendor. All employees of the School must exercise sound judgment in avoiding conflicts of interest or the appearance of impropriety in dealing with vendors. Gifts or gratuities of other than nominal value or which might obligate a School employee in any manner shall be politely and firmly refused.

No employee or any person officially connected with the School shall be an agent for the sale of any textbooks, School apparatus or supplies of any kind for use in the School without following applicable conflicts of interest policies, including, at a minimum, the expressed prior written consent of the Board. Anyone violating this policy may be subject to disciplinary action up to and including termination.

This policy shall not prevent any person from receiving royalties upon the sale of any textbook of which he is the author.

LEGAL REF.: C.R.S. 24-17-104

CROSS REFS.: BC, Board Member Conduct GBEB, Staff Conduct GBEB, Staff Gifts and Solicitation

#### EMPLOYEE/BOARD RELATED TRANSACTIONS



No employee of the School, Board member, member of the employee's immediate family, Board member's immediate family, firm owned by an employee of the School their immediate family, or firm owned by a Board member or their immediate family, will be allowed to sell to the School or to students of the School, goods or services of any kind without following applicable conflicts of interest policies, including, at a minimum, the expressed prior written consent of the Board.

Service contracts should be reviewed by the Board at least annually.

#### PAYDAY SCHEDULES

Regular and overtime wages of employees shall be paid on the last business day of each month.

The payroll cutoff for time sheets will be the 22<sup>nd</sup> day of each month. Time sheets must be approved by the immediate supervisor or the School Director and must be turned in to the HR Office by ~~the end of Tuesday following the cutoff 5pm on the~~ 23<sup>rd</sup> day of each month. Checks may be delayed up to 31 days if time sheets have not been submitted timely.

Any employee who resigns shall be paid on the regular payday. A terminated employee shall be paid on the final day worked if possible, or within 24 hours of termination or the next business day at the latest.

LEGAL REF.: C.R.S. 22-63-106

#### PAYROLL PROCEDURES

The Business Manager will follow the payroll procedures as outlined in this section.

1. Receive and review timesheets and ~~prepare the necessary data for computer input~~ input into payroll system.
2. Review data entry and make necessary changes to assure an accurate payroll. In the event of a discrepancy, the School Director will be notified prior to payroll being processed for the month.
3. Void all payroll checks on which there are errors and issue handwritten checks to take the place of those voided.
4. Prepare ~~and review draft~~ payroll register ~~and other reports necessary for for~~ approval by School Director and the Board Treasurer ~~payroll documentatio~~ before submitting payroll for processing. n and issue checks.
5. The payroll company will sign all payroll checks with a facsimile signature. Beyond correcting mistakes or payroll oversights, under no circumstances will the

~~Bookkeeping Office~~Business Manager make any additions, deletions or modifications to payroll data concerning employees without having received prior written directives from the, School Director or the Board.

These directives should be received by the Business Manager on a timely basis so that they will not interfere with the normal monthly processing of the School's payroll.

Anything unusual will be brought to the attention of the Board Treasurer for investigation.

The ~~Bookkeeping Office~~Business Manager shall reconcile computer payroll detail to all billings for employee deductions and benefits and prepare all required end-of-month checks and reports. In addition, the ~~Bookkeeping Office is responsible~~the payroll service is responsible for updating the payroll system with current tax tables, clearing system totals, etc. The ~~Bookkeeping Office~~Business Manager is responsible for the preparation of various required federal and state reports relating to payroll (unemployment report, 941's, etc.) or ensuring that the company contracted to perform such work is doing so on a timely basis.

Advances of pay will not be made under any circumstances. Any earned pay will not be processed prior to the normal payroll schedule unless a change of employment has occurred. Payroll advances do not include travel advances.

CROSS REF.: DGA, Authorized Signatures

#### SALARY DEDUCTIONS

Deductions shall be made from the paychecks of all employees for retirement (PERA) and federal, Medicare and state income tax in keeping with federal and state requirements.

Salary deductions shall be made for absences not covered by leave policies adopted by the Board. Such deductions shall be calculated on the basis of the employee's per diem rate.

All other types of deductions shall require approval by the School Director and written permission of the employee.

When available ~~All~~ employees are entitled to take advantage of the provisions of Section 401(k) and 125 Plans of the Internal Revenue Code of 1954, as amended, whereby a public School employee may have his pay reduced by an amount which is placed into his account.

The Board Treasurer and School Director shall develop procedures and guidelines for such support.

CROSS REFS.: BEA Master Agreement, Article 14--Association Rights, Section 14-1--  
Dues Deductions

#### TAX SHELTERED ANNUITY CRITERIA

The School shall not allow tax sheltered annuity/investment products to be marketed to its employees by any 403B provider.

#### EXPENSE REIMBURSEMENTS

The School shall reimburse employees and Board members within annual budgetary limitations for certain expenses incurred on behalf of the School. The following shall be reimbursable items:

1. Conference expense authorized by the School Director within policy and budgetary limitations.
2. Meal expense when traveling on School business if not covered in lump sum expenses.

An itemized expense voucher shall be completed and signed by all persons being reimbursed at School expense. The recipient shall attest to the validity of the expenses by signing the expense voucher.

LEGAL REF.: C.R.S. 24-17-104(3)(d), (e)

5. The following procedures shall apply to expense reimbursements:

a. Pre-Authorized Official travel.

- Mileage shall be allotted at the current federal rate per mile when private automobiles are used. Mileage will be calculated round trip from, 7 Parelli Way, and may be paid to employees prior to travel.
- Travel expenses shall be kept to a minimum whenever possible.
- The Board encourages the use of car pools and School vehicles whenever possible.

b. Pre-Authorized Conference expenses. Conference expenses, including meals, lodging, travel, conference fees and miscellaneous associated expenses shall be either paid by the School or reimbursed to the employee if:

- The proper forms are submitted with sufficient documentation (travel expense form or mileage reimbursement report).
- The forms are approved by the individual with budget authority.
- There is sufficient budgeted money available.

c. Pre-Authorized Mileage reimbursements.

-Mileage shall be allotted at the current federal rate per mile when private automobiles are used. Mileage will be calculated round trip from, 7 Parelli Way, and may be paid to employees prior to travel. The mileage expense report is to be completed by any employee who is requesting reimbursement for expenses incurred while using a privately-owned vehicle on School business.

- The form should be completed and signed by the employee, approved by the immediate supervisor and forwarded to the School Director then forwarded to the Bookkeeping Office Business Manager for payment.
- Employees are not reimbursed between home and first and last duty assignment each day.
- Reports received more than 90 days after the due date shall be denied.
- The reimbursement rates should mirror the current IRS regulations.

d. Pre-Authorized Meal expenses. A daily meal allowance will be of \$32 for each employee per day of travel will be allotted. Meal per diems are based on the federal gsa.gov website per location of travel. Total meal per diem allotment may be paid prior to travel. Meal expenses shall be reimbursed only when accompanied by with the original receipts.

e. Authorization must come from the School Director or their designee.

6. Employees may receive travel advances when properly authorized by the individual with budget authority. Advances shall not exceed an amount that can be substantiated by the employee based upon the length of anticipated travel.

Employees receiving such travel advances shall complete and submit expense vouchers, accompanied by receipts, to the Bookkeeping Office Business Manager as soon as practical upon their return from travel. If actual reimbursable expenses exceed the employee's advance, the School shall reimburse the difference. However, if the advance exceeds the actual reimbursable expenses incurred, the employee shall immediately reimburse the School for the difference. Receipts not received may become the expense of the employee.

7. Mileage and other expense reimbursement will be distributed along with other non- payroll checks following normal procedures. Reimbursements require approval/authorization by the School Director or his/her designee.

#### SCHOOL PROPERTIES DISPOSAL

The Board has the authority to sell or lease any property which may not be needed in the foreseeable future, upon such terms and conditions as it may approve.

The property will be offered to a public school, state agency or political subdivision of the state, before any offer is made to a private individual, business or organization.

LEGAL REFS.: C.R.S. 22-32-109 (1) (e) C.R.S. 24-17-202

#### FUNDRAISING ACTIVITIES

All fundraising programs must be approved by the School Director. Approval will be made within the guidelines predetermined by the Board of Directors before any activity is to begin or announced to staff or students. It is the intention of the Board that any activity should show that it will produce a reasonable amount of profit before a fundraising activity be approved.

#### EMPLOYEE AT WILL HIRING AGREEMENTS

Employee AT WILL employment agreements will be prepared in accordance with industry standards and recommendations/guidance provided by the School Director and Board Treasurer. The process for new employee contracts will be as follows:

- a. The School Director shall identify those areas needing additions of personnel.
- b. The School Director will bring to the Board a description of the needs and get approval from the Board to proceed with the search process.
- c. The position will be offered a range determined by the Board unless otherwise approved by the Board.
- d. A statement of financial impact will accompany the recommendation of additions to staff.
- e. The above provisions do not apply to filling vacancies for positions previously authorized and budgeted.

#### SHORT NOTICE CONTRACTS

At times there will be little to no notice of a position vacancy. Under these circumstances, the School Director shall work to expedite the process quickly. The President of the Board shall be notified of the proposed salary and position. A Special Board Meeting may be conducted to discuss the process for filling the vacancy.

Depending upon budgetary limits and the recommendations of the Board Treasurer, and School Director, the Board may elect not to fill the vacancy.

#### EMPLOYEE PAY RAISES

The Board will review any proposals for pay increases, which shall be submitted by the School Director, with recommendations made by the Finance Committee, for the upcoming School year.

Employee At Will Agreements will be made available to the ~~bookkeeping office~~ **Business Manager** in a reasonable time after being signed and approved but not later than three weeks prior to the processing of the first payroll for the new School year. It is expected that exceptions will occur as some staff will choose not to return.

#### PRESENTATION OF FINANCIAL REPORTS

At each monthly scheduled Finance meeting, the **Business Manager** shall present the check registers for approval of accounts payables checks sent out during the prior month's accounting period. The registers will be open for discussion and approval by the Finance Committee. The reports should be sent to the Finance Committee Members via mail or email prior to the meeting. Questions regarding the registers may be directed to the Board Treasurer or for clarification.

The Business Manager shall give monthly summary reports on the overall financial condition of the School to the Finance Committee Members and the School Director. These reports will summarize the balance sheet accounts with a year-end projection for revenues and expenses. The Board Treasurer is designated as the Schools' representative to Archuleta School District and State for all finance questions and clarifications. The Board Treasurer will also present a report addressing compliance with the Financial Transparency Act.

#### POLICIES NOT ADDRESSED:

All policies not addressed in the above language will mirror those outlined in the most current Financial Policies and Procedures manual published by the Colorado Department of Education.

Appendix A

Current Authorized Signers

~~Xxxx~~

Board President- Ursala Hudson

Board Vice President- Ashley Wilson

Board Member- William Hudson

School Director- Angela Reali- Crossland

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