COMPASS
COMMUNITY COLLABORATIVE SCHOOL

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Section C: Fiscal Management

OBJECTIVE

Financial Objective for Compass Community Collaborative School (the "School") is to maintain the financial integrity and sound fiscal management of our school while providing quality programs that meet or exceed the needs of all students.

FINANCIAL CODE OF ETHICS

All Governing Board members and employees of Compass Community Collaborative School shall:

- Act with honesty and integrity, including handling actual or apparent conflicts of interest between personal and professional relationships in an ethical manner;
- Sign an Ethical Behavior Conflict of Interest Disclosure Statement annually.
- File complete, accurate, timely, and understandable disclosure statements as required by applicable laws, rules, or policies;
- Comply with applicable federal or state laws and local ordinances, and with other applicable rules
- Act in good faith, responsibly, and with due care, competence and diligence, without misrepresenting material facts or allowing one's independence of judgment to be subordinated;
- Share knowledge and maintain skills important and relevant to job requirements;
- Respect the confidentiality of information acquired in the course of work and made confidential by law; and
- Proactively promote ethical behavior in all financial dealings and other activities within Compass Community Collaborative School.

FISCAL MANAGEMENT GOALS

The financial management shall be the responsibility of the Board of Directors (Board), the School Leader and the Chief Financial Officer (CFO). The School Leader and the CFO shall administer the budget for the School making expenditures and commitments with Board approval. The ultimate responsibility for the financial operations falls upon the Board. The School Leader and CFO shall report to the Board and act in an advisory capacity with regard to financial matters.

Strategies to support and ensure highest levels of fiscal responsibility include:

- ➢ Transparent, long range and student-centered budget planning that includes a balanced budget over five years.
- ➢ Prioritizing funds in order to support the continued professional development of all staff.

- ➢ Remain competitive in salary and benefits in order to recruit and retain quality staff.

The School Leader, in conjunction with the CFO, shall be responsible for the installation and supervision of proper internal control systems to include, but not limited to:

- ➢ Receipt and deposits of monies
- ➢ 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
- ➢ Timely generation of monthly financial statements and reports for Board and Finance Committee review

To assure the School's financial integrity, the Board shall set aside operational reserves of 10% in addition to the required Tabor reserves of 3% of expenditures for the School as contingency reserves to include in each general fund budget to avoid borrowing money to conduct operations. Being a startup Charter school the Board acknowledges that it will take a couple of years to meet the goal of 10% operational reserves.

The Board may establish additional reserves for future needs, which may include but are not limited to long-term facility needs, transportation requirements, technology, and future expenses not provided for in annual budgets.

LONG-TERM FINANCIAL STRENGTH

The School will operate in a manner which ensures its long-term financial strength:

- ➢ The School will operate in the black.
- ➢ The School will manage cash in a way that ensures maximum liquidity and safety.
- ➢ The School will use designated contributions only for the purposes intended by the donor. The School will not use restricted fund balances for operations.
- ➢ The School will pay payroll and other debt obligations in a timely manner.

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 School Leader and CFO. The Committee will be comprised of management representatives from the School, including but not limited to the School Leader the CFO and Board member(s).

The Committee will be responsible for organizing and meeting on an established basis. The Committee will be responsible to make its own policies and regulations with Board approval. The Committee will report directly to the Board, make recommendations and develop long-range strategic

plans. Activities of the Committee will not, in any way, interfere with the administrative operations of the School.

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 overall responsibility for budget preparation, budget presentation and budget administration to the School Leader who may delegate portions of this responsibility to the CFO.

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

LEGAL REFS.:

C.R.S. 22-44-101 through 22-44-117;

C.R.S. 22-44-203 and 22-44-204 (3)

BUDGET PLANNING, PREPARATION AND SCHEDULES

Timelines

1. Each month within 20 days from the close of the month and/or prior to the monthly board

meeting, the CFO shall review and present the financials for the previous month activities to the Finance Committee. Upon review by the Finance Committee these reports will be sent to the Board for approval. Financial statements provided to the Board or the Committee should include Balance Sheet, Statement of Revenue and Expenditures vs. Budget. The School Leader or CFO is designated as the School's representative to the Poudre R-1 School District and State for all financial questions and clarifications.

2. Every April, the School Leader and CFO will meet with the Finance Committee to discuss the budgetary priorities for the next school year. Following this meeting, the School Leader and CFO will develop a proposed budget for the following school year.

3. The School Leader and CFO shall present the proposed budget to the Board during the month of May. When requested, the School Leader will give the preliminary budget to the Poudre R-1 School District.

4. If necessary, the Board will approve a revised budget at the January Board meeting after the official student count is known.

FINANCIAL EMERGENCIES

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

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

BUDGET TRANSFERS

Any administrative request for an increase in expenditures, which will result in a budgetary expenditure increase greater than $10,000 per year on a single budgetary line item or an exception or deviation from School policies, requires Board approval before being enacted. The School Leader may approve budgetary line item changes under $10,000 as long as the total budget for the fiscal year remains the same.

All transfers in excess of $10,000 or an increase in the total budget will require Board approval.

LEGAL REFS.: C.R.S. 22-32-107; C.R.S. 22-44-112; C.R.S. 22-44-102 (3); C.R.S. 22-44-113;

C.R.S. 22-44-106;

PURCHASING AND PURCHASING AUTHORITY

The School Leader, in conjunction with the CFO, 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 purchase, payment documentation and bidding procedures.

Employees must receive prior approval for all purchases. If prior approval is not received the employee may not be reimbursed for the purchase and may be subject to disciplinary action if school becomes liable for any unauthorized purchases. At no time shall any person who is not an employee of the school make purchases or enter into purchase order agreements or contracts with suppliers/vendors on the school's behalf. The Director of Operations will make every effort to source goods and services for the best price and quality from existing suppliers in a timely manner.

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

PURCHASE REQUISITION/CHECK REQUEST/EXPENSE REPORT

1. The School Leader, Assistant School Leader and the CFO (Authorizers) are responsible for approving purchase requisitions within their scope of budgetary authority.

2. All purchases must be charged to the correct budgetary account (not where funds are available).

3. The requestor submits the Purchase Requisition to the appropriate Authorizer for approval. The Authorizer returns the approved or declined Purchase Requisition to the requestor. If approved, the requestor forwards the requisition to the Director of Operations for order placement unless the requestor has specific authorization to order the items.

4. The vendor will ship the merchandise to the School, referencing the Purchase Order number if applicable. The Director of Operations or originator of the purchase of goods

and/or services shall maintain records as to the status of all such requests and shall be responsible for verifying receipt against the Purchase Order and packing slip (if provided). After the originating staff member verifies and signs for the receipt of the merchandise, they will forward the Purchase Requisition, Purchase Order, invoice, and packing slip to the Accounting Department.

5. The Accounting Department will reconcile the invoice with the Purchase Order and process payment. The Accounting Department will process payment only after receiving the necessary paperwork from the originator making the purchase.

6. If the originator receives an item that is not wanted after it is ordered, it is their responsibility to re-package the product, affix address labels, return the merchandise to the vendor and advise the Business Office 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 Purchase Requisition will be held personally liable for that purchase.

9. Expense reports are to be used for all reimbursement requests. Pre-approval must be obtained by Administration and included with the Expense Report.

BIDDING REQUIREMENTS

It is the goal of the Board to obtain goods and services at the best value, while meeting quality and consistency standards that meet the needs of the School. All bidding and awarding of contracts shall be done in an ethical manner and shall comply with applicable laws, regulations, and policies, including conflict of interest policies.

The School Leader, Assistant School Leader, and CFO with the assistance of the Director of Operations will secure written bids on all single item purchases or bulk purchases exceeding $10,000 and on all other purchases of supplies, equipment and projects when it is in the best interest of the School. Purchases valued at less than $10,000 but more than $5,000 may be based upon verbal quotations.

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

The School shall award all contracts and open market orders to the most qualified supplier, taking into consideration the quality of materials or services and contribution to program goals.

Waiver of formal bidding procedures:

1. The School Leader or CFO may waive, in writing, the formal bidding procedures when

time is of the essence and the best interests of the School will be served by such action. Proceeding under this section, the School Leader or CFO shall submit an informal

memorandum to the Board stating all essential terms of the contract and the reasons for waiving the formal bidding procedures.

2. The following items or services shall not be subject to formal bidding requirements: textbooks and curriculum materials

food service requirements

goods or services from agencies of the Federal, State, or Local government

proprietary or sole source items or services

3. The School Leader or CFO shall report all contracts for which formal procedures are

waived under this section to the Board.

In the case of items available only from one source, purchases may be made based on negotiations with that source.

Bidding requirements shall not apply to professional services. If Compass Community Collaborative School needs to procure professional services in the area of, but not limited to, psychological testing, accounting, educational counseling, special education support, architectural or maintenance work, human resources or other professional services, and believes that the best qualified services can be obtained without bidding for those services, then the School Leader or CFO may contract for these services without complying with a competitive bidding process.

Construction, Capital Improvement, or Facility Alteration/Renovation Contracts

Construction, capital improvement, or facility alteration/renovation projects in excess of $10,000 shall be bid out in accordance with this section. Each bidder may be required to submit with the bid a bid-bond in an amount to be determined by the estimated cost of the project to ensure that any bidder, if selected, will accept the contract.

If more than three bidders submit a bid then the Board may request that staff reduce the number of bids to be presented to three, based on factors to be determined by the Board. The Board will consider the three presented bids and award the contract to the bidder that offers the best value, after considering the following factors:

1. Cost and quality of materials and/or services being offered; 2. Track record of the bidder;

3. Financial, personnel, and other resources of the bidder and likelihood they will complete the project on time; and

4. Any other factors deemed important to members of the Board.

Bidders will be required to provide specific information necessary to verify qualifications, including licenses or other regulatory documents and any information necessary to check for conflicts of interest.

The School reserves the right to reject any and all bids in whole or in part, to waive irregularities, technicalities, or any other requirements of this section and accept any bid or approve any contract in order to serve the best interests of the School.

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

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.

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

Selection of vendors that are considered environmentally friendly (Green) and local vendors will be encouraged.

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

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 or 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 the expressed prior written consent of the Board. These service contracts should be reviewed by the Board at least annually.

GRANTS

The School Leader, Assistant School Leader or CFO are responsible for the maintenance and implementation of all grants written for the School, as well as meeting the reporting requirements to each grantor.

The School Leader will notify the Board prior to acceptance of any grant, gift or bequest on behalf of the School in excess of $10,000. The title to all gifts, grants and bequests shall rest with the Board and not with any department within the School. Every effort shall be made to maintain

the given item(s) within the program to which donated. No grant shall be accepted that includes matching, multi-year commitments or other financial commitments without prior approval of the Board.

LEGAL REF.: C.R.S. 22-32-110(1)(y)

FUNDRAISING ACTIVITIES

The School Leader or his/her designee shall approve all fundraising programs before any activity begins or is announced to staff or students. It is the intention of the Board that any fundraising activity should produce a reasonable amount of profit or be in the best interest of School spirit before it is approved.

ACTIVITY FUNDS

Activity Funds are monies collected at the School from pupils, staff members and through fundraising activities. The School provides record keeping and oversight functions relating to each of the funds; thus acting as a Trustee of the funds. Activity Fund functions are sometimes unique and do not meet the normal criteria for which the Purchasing Policy was designed.

It is recognized that some of the functions of the Activity Fund are simply to act as a record- keeping device for account/vendor transactions. However, it is expected that whenever possible and practical, the purchasing policy should be followed to ensure that the best possible price and quality are received for these purchases.

CRIME COVERAGE

The School shall provide crime coverage to all employees or custodians of the School who are responsible for monies controlled by the Board under a commercial crime coverage that includes at a minimum employee theft (limit of $250,000 per occurrence) and forgery or alteration ($25,000 per occurrence) or to cover the amount of School monies which is likely to be in the temporary custody of the employee at any time. The School shall pay the cost for any such crime coverage.

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

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 Board shall engage an independent auditor licensed to practice in the State of Colorado and knowledgeable in government accounting to conduct the audit. The independent auditor shall serve at the discretion of the Board.

The audit report shall contain, among other information:

1. Financial statements prepared in conformity with Generally Accepted Governmental

Accounting Standards (GAGAS) principles. (The financial statements are the

representation of the School, whether prepared by the School or by the auditor.)

2. Disclosures in accordance with the Colorado Department of Education (CDE) Financial

Policies and Procedures Handbook.

3. All funds and activities of the School.

4. Budget to actual comparisons for each fund and activity for which a budget is legally

adopted.

5. The auditor's opinions on the financial statements. If the opinions are anything other than

unmodified, the auditor shall explain the reason.

6. Disclosure of all instances of noncompliance with state law, including the Public School

Finance Act of 1988, irrespective of materiality.

7. A listing of all investments held by the School at the date of the financial statements

included in the footnotes.

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 requested by the Board.

The CFO will ensure that the independent auditor completes and submits the audit reports to the School within three months after the close of the fiscal year unless the School and the Poudre R- 1 School District grant a request for an extension of time. Within 30 days after receiving the final audit report, the School shall submit copies to the Poudre R-1 School District, the State Auditor and the State Commissioner of Education.

If desired, the Board reserves the right to request an audit at more frequent intervals.

LEGAL REFS.: C.R.S. 22-32-109 (1)(k) C.R.S. 24-75-601.3

C.R.S. 29-1-601 et seq.

ACCOUNTING PROCEDURES AND POLICIES

The School will use the Colorado Department of Education Chart of Accounts as outlined in CDE's Financial Policies and Procedures Handbook for its financial reporting and accounting procedures.

The School will maintain its books and accounting records using fund accounting and the modified accrual basis of recording revenue and expenditures. The CFO shall determine the funds and fund types which the School shall use for all accounting and reporting purposes.

1. Depository of Funds

The School shall deposit all revenue received 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 School office staff shall receipt all funds received including monies derived from food service, before and after school care and school activities. The School office staff will keep all undeposited funds in a secure location until funds are turned over to the Director of Operations, a minimum of

weekly. The Director of Operations will prepare deposits and post receipt of funds to the general ledger. The Director of Operations shall deposit the funds in a depository designated by the Board.

The Treasurer shall comply with all requirements of state law regarding the deposit of funds. LEGAL REFS.: C.R.S. 11-10.5-101 et seq. (deposits of public funds in banks);

C.R.S. 11-47-101 et seq. (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)

2. Investments

All School funds are allocated to a specific use, but surplus funds shall be invested by the CFO in accordance with Colorado statutes and in a manner designed to accomplish the follow objectives:

a. To insure 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 insure that adequate funds are available at all times to promptly pay all of the School's financial obligations. Transactions entered into will consider the liquidity needs of the School 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.

The Board authorizes the School to invest excess funds in 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.

Other investment vehicles may be utilized in compliance with State statutes with prior Board approval.

LEGAL REFS.: 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.

3. Fixed Assets

The School will:

a. Acquire and dispose of fixed assets only upon proper authorization and will adequately

safeguard and insure fixed assets up to 90% of replacement value.

b. Capitalize fixed assets costing in excess of $5,000.

c. Capitalize donated fixed assets at the estimated fair value at the date of receipt.

d. Depreciate fixed assets over the estimated useful lives of the assets from three to forty years.

e. Protect, adequately maintain and not unnecessarily risk School assets.

4. 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 School Leader must approve any disposal of property and the Board must approve any item in excess of $10,000.

Non-disposal of obsolete equipment not only takes up space, but potentially increases on-going maintenance costs. The School should therefore dispose of such equipment in line with the processes set out in this policy.

Items can be available for disposal because they are:

Not capable of running required operational software systems or being upgraded

No longer required, due to changed procedures, functions or usage patterns

No longer complying with occupational health and safety standards

Beyond repair but able to be sold for scrap

Options for the Disposal of Assets

Assets identified for disposal may be dispensed using the procedures outlined below:

Transfer of the assets to a new school site

Sale of assets

Donation of assets to a community service organization or school

Destroy assets



Recycle assets

Choice of the most appropriate disposal option will normally be influenced by the age and functionality of the equipment for disposal and by market value.

It is essential to follow documented procedures, which are clear and transparent to minimize the risk of allegations of unfairness in any process of distribution.

Donating or Selling Items to Staff

When offering items to staff, the School must follow procedures to avoid any impropriety or any suspicion of improper conduct. In this regard, if the School receives any such offers, they should

carefully consider what subsequent action may be appropriate. For example, items should be appropriately advertised within the School to allow all staff the opportunity to see available items. In addition, consideration could be given to allocating items like computer equipment via a lottery if there are more interested parties than items available.

As well as updating the School's inventory to reflect the donation/sale, it is essential to retain appropriate documentation of the disposal process. Such documentation should be retained in case of query/challenge later. Staff should also understand that computer/laptop hard drives will be cleared of all programs and data prior to any handover.

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

5. Inventories of Fixed Assets

a. The School shall perform an annual inventory of real and personal property with a value of $5,000 or greater and all technology equipment, with the exception of equipment permanently attached to a building such as heaters or lockers.

b. The School Leader, in conjunction with the Director of Operations, shall develop procedures for conducting annual inventories of School property.

c. The School Leader or designee will distribute current computerized property listings by classroom and other locations to appropriate School personnel. Annual physical inventories shall be required in order to update the property lists.

d. Responsibility for the inventory process shall lie with the School Leader with the assistance of the Director of Operations whom shall be accountable for the maintenance of proper inventories.

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

6. Purchasing Procedures

General Supplies (not curriculum)

When a staff member has a request for a purchase order that is not a curriculum or instructional request, the staff member must have:

CONSIDERATION BY IMMEDIATE SUPERVISOR: Submit a purchase requisition form or email to his/her immediate supervisor for approval. The immediate supervisor will approve or disapprove of the purchase request. If approved, the supervisor considers if the purchase falls under the local departmental budget (if applicable). Purchases may also be made by the School Leader, Assistant School Leader and the Director of Operations may also make general purchases using their credit cards when authorized. For all other purchases, the purchase requisition form is forwarded to the Director of Operations for order placement.

APPROVED: If approved, the authorizer signs the requisition and forwards it to the Director of Operations for order placement. Note: The School Leader or CFO has the authority to revoke the purchase approval at any time.

Curriculum and Instructional Materials

When staff has a request for curriculum or instructional materials, the staff member must:

CONSIDERATION BY ADMINISTRATION: Submit the curriculum purchase requisition or email to the School Leader. The School Leader decides to approve or disapprove of the curriculum purchase request.

APPROVED: The School Leader forwards the approved purchase requisition or email to the Director of Operations for order placement using site instructional materials funds in the general operating budget.

7. Payment Procedures

All items submitted for payment must have necessary supporting documentation and a copy of the purchase order as appropriate or approval from designated budget / department approval. Payments will be made in a timely manner to avoid penalties and late or carrying charges.

All invoices will be approved by the authorizers as designated by the CFO up to $10,000. All invoices will be forwarded to the Director of Operations for processing.

The Business Office will maintain a log of all checks issued. Checks issued for more than $10,000 require two signatures. Checks that are for less than $10,000 require only one signature. Authorized signers include a designated Board member, and the School Leader. The log and checks are reviewed weekly and approved by the CFO.

8. Request for Payment

This procedure applies to purchases of goods and services where the School did not issue a PO and should apply only to the following:

a. Recurring expenses, such as utilities, for which there is a short elapsed time between commitment to pay and time of actual payment.

b. Expenses which cannot be handled through the normal PO process or use of credit or purchasing cards. Examples would be payment of dues for professional organizations and subscription renewals.

c. The School strongly discourages the use of personal credit cards and personal checks. Employees should only use personal credit cards and checks when no other method of payment is available. Reimbursement will be made when the employee submits a Request for Payment accompanied by an original receipt and documentation of prior approval.

The Business Office should obtain payment approval as follows:

Department / Budget

Instructional Business Office Technology Facility

Board

Title

School Leader or Assistant School Leader School Leader or CFO

School Leader or Assistant School Leader School Leader or Facility Manager School Leader or CFO or Board President

The School Leader and/or designated Board Member will review invoices when signing checks. The signed check will demonstrate concurrence with the approvals by the above departmental approvers.

9. Purchasing Authorization and Contract Execution

Approval for the purchases of materials, supplies, equipment and/or services will be processed as follows:

A. All lease agreements regardless of the amount must be approved by the School Leader and reviewed by the CFO.

B. The purchase and execution of any necessary contract must be made with the approval of:

Amount Approval Board Approval

Under $10,000 School Leader or their N/A designee

$10,000 up to $20,000

1)School Leader or their designee

2) CFO or Treasurer of the Board

N/A

Greater than $20,000

1)School Leader or their designee

2) CFO or Treasurer of the Board

Board Approval Required

10. Construction Contracts

All construction projects must be approved by the Board. Once approved any necessary construction documents can be approved as follows:

A. Construction Agreement (Guaranteed Maximum Price (GMP): All contracts in excess of $50,000 must be:

Approved by the School Leader, CFO or Treasurer of the Board in the absence of the CFO.

Approved by the School's attorney. Approved by the Board of Directors.

B. Change Orders:

a. Change orders under $20,000 must be approved as follows: i. Architect.

ii. Owner's Rep. iii. CFO.

iv. School Leader

b. Change orders in excess of $20,000 must be approved as follows: i. Architect.

ii. Owner's Representative. iii. CFO.

iv. School Leader

v. Board of Directors.

C. Contingency Reserve Expenditures:

a. Under $20,000 must be approved by the Owner's Representative, School Leader and the

CFO.

b. Over $20,000 must also be approved by the Board.

D. Draw Request:

a. All draw requests within the budget of the approved contract shall be approved as

follows:

i. Architect.

ii. Owner's Representative. iii. CFO.

b. Any draw request in excess of the total budget must also be approved by the Board of Directors.

11. Contractor Payments

In most cases, payments to consultants, speakers or other professionals, where a Purchase Order would be inappropriate, will be handled by a contract. A contract will only be used for independent contractors as determined by IRS regulation. It is very important that the originator of the contract clearly identify the services 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 School may wish to seek legal recourse for breach of contract due to non-performance.

The procedure for processing a contract is as follows:

a. The originator will prepare the contract, including the account to charge and necessary signatures, and will forward to the Business Office.

b. The School Leader and CFO shall approve the contract before work starts.

c. The Director of Operations will send approved copies of the contract to the independent contractor and the originator.

d. Upon completion of services the contractor will submit an invoice for payment. Along with the invoice, the contractor will provide a summary statement as to the services performed, dates and time

spent on the project. Upon receipt of the above documentation, the Business Office will process payment.

e. The Director of Operations will request the contractor to complete a W-9, Request for Taxpayer Identification, in addition to a PERA Retiree Disclosure form to determine if contractor should receive a Form 1099 at year end or if PERA Retiree taxes are applicable. A copy of their workers compensation insurance should be obtained.

12. 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 procedures shall apply to expense reimbursements:

a. Official travel.

The School shall reimburse for actual travel expenses on approved travel.

January 1st of each year the School will designate an "Approved Mileage Rate" for reimbursement of School related mileage. This rate will be tied to the standard mileage rate approved by the Internal Revenue Service at the time and will remain in effect for that year.

Employees shall keep travel expenses to a minimum whenever possible.

Employees will document who, what, when, why and what was discussed for reimbursed

meals and/or other related travel expenses.

No parking tickets will be reimbursed.

b. 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 with map documenting travel miles).

The forms are approved by an individual with budget authority.

There is sufficient budgeted money available.

Employees or Board Members shall carpool to minimize expenses whenever possible.

School Leader may negotiate reimbursement amounts to be lower than actual cost

depending on available budgets. Employees will have the choice to absorb a portion of the cost if they so choose for optional professional development. All required professional development will be reimbursed 100% if prior approval is received.

c. Mileage reimbursements. The mileage expense report form is to be completed by any employee who is requesting reimbursement for expenses incurred while using a privately-owned vehicle on School business.

The employee should complete and sign the form, obtain approval from the School Leader, CFO or Assistant School Leader then forward to the Business Office for payment.

Employees are reimbursed starting from School address and returning to same. The exception being if their starting location is closer to the place of travel, than the mileage will be reimbursed using this route.

Forms received more than 90 days after the due date may be denied.

d. Meal expenses. Meal expenses shall be reimbursed with receipts (detail list of items purchased) up to the maximum amount allowed for meals as follows:

Breakfast $15.00 Lunch $20.00

Dinner $25.00

The School will not reimburse for any alcohol purchases. When professional development / training occur outside of the State of Colorado and during multiday training, a per diem allowance of $45 will be provided to each participant.

e. Tax Exempt Certificate. The tax exempt certificate should be used for purchases whenever possible. Employee shall contact Business Office to obtain a copy of the sales tax exemption certificate. Employees will not be reimbursed for sales taxes if the tax exempt certificate should have been used. Employees are prohibited from using the sales tax exempt certificate for their personal benefit.

f. Travel Advances. 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 Director of Operations 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.

Mileage and other expense reimbursement will be distributed along with other non-payroll checks following normal procedures. Reimbursements require approval or authorization by the School Leader, Assistant School Leader or department head within budget responsibility.

The CFO or the Board Treasurer shall approve all reimbursements for the School Leader. The School Leader or the CFO will approve all Board member requests for reimbursement.

13. Credit Card / Purchasing Card: Purchases up to $ $5,000.00

The Credit Card / Purchasing Card may be used for any item/s costing less than $5,000.00. This type of purchase exists to help staff in expediting the procurement of small dollar purchases that must be paid for right away. The Credit Card / Purchasing Card is the preferred method of purchasing small dollar goods and services up to the cardholder's single transaction limit, not to exceed $10,000.00. Cards are subject to monthly dollar limits as well as individual transaction limits. The Credit Card / Purchasing Card should only be used by the person it is issued to and to

pay for approved Compass Community Collaborative School purchases. All bidding requirements still apply to these purchases.

The CFO, in addition to the Finance Committee shall recommend and the Board shall approve which employees will be issued a School credit card / purchasing card and indicate the dollar limit for said card as well as any vendor restrictions. Employees issued cards must sign the School's cardholder agreement.

The cardholder will:

a. Use School issued credit or purchasing card to pay for product(s); give sales tax exempt

number to vendor; receive and receipt items and review the receipt to verify taxes were

not charged.

b. Prepare Credit Card Reconciliation form for purchases and attach the original, itemized

and detailed receipts.

c. Reconcile individual monthly statement with Credit Card Reconciliation form; attach

transaction log and receipts to the statement; and sign for written approval to pay on the

statement.

d. Submit monthly statement and attachments to budgetary approver for approval, and if

required, submit monthly statement and attachments to CFO or Treasurer of the Board for approval

e. School Leader, CFO or Treasurer of the Board shall review cardholders' transactions for appropriateness and sign for written approval to pay on the statement

f. The CFO or Treasurer of the Board must approve all purchases made by the School Leader.

g. Forward all statements with the supporting documentation attached for every transaction listed on the statement to Business Office for payment

h. Business Office ensures complete documentation available for audit upon request

CARD USE INFORMATION: CARD MUST NOT BE USED FOR:

PROHIBITED TRANSACTIONS: It is a violation to use the credit or purchasing card for any of these goods and services:

a. Personal Purchases

b. Cash or Cash Type Transactions, except for the purchase of gift cards specified as to who and the amount to receive them.

c. Split Transactions (Multiple transactions under your card limit for the same purpose, in which the total exceeds your limit.)

d. Alcoholic Beverages

e. Inappropriate Purchases:

1. Contracts requiring an authorized signature

2. Drug Enforcement Agency licensed substances

3. Fuel for other than School owned, rented, or leased vehicles.

The School will investigate any violation of card usage rules and will take disciplinary action based upon the nature of the violation. Consequences of violating card usage rules may include card revocation, job termination and/or criminal prosecution.

14. Transparency Act

Within 2 months of approval by the Board, the CFO will provide the School to post to the School's website to comply with the Financial Transparency Act:

a. Adopted & Revised Budget Including Uniform Budget Summary

b. Annual Financial Audit

c. Salary Schedules or Policies

d. List of waivers received by the Charter School

e. Standardized Description and Rational for Each Automatic Waiver

f. Federal Form 990

g. Other Charter School Specific Financial Information

h. Link to Authorizing School District's Financial Transparency Webpage

i. Link to Public Financial Transparency Website View

15. Payday Schedules

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

The cutoff date for payroll processing will be determined annually and will be approximately the 20th day of each month. Hourly employees must approve entered time no later than noon following the last day of the pay period. The School Leader, Assistant School Leader and the Director of Operations review regular and overtime hours in the system before submitting hours to the payroll system.

All employees are encouraged to have a means for direct deposit of their paychecks.

An employee who resigns shall normally be paid on the regular pay day. The School shall pay a terminated employee on the final day worked if possible or within 24 hours of termination or the next business day at the latest.

16. Payroll Procedures

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

1. The Director of Operations will check the payroll report for hours worked, overtime,

missed days, and PTO Requests in agreement with the schedule.

2. The employee's direct supervisor, the Assistant School Leader or School Leader approves requests for Paid-Time-Off and forwards to School Leader's assistant. PTO requests will be logged daily and place in a log for audit prior to payroll processing. The Director of Operations will verify the PTO log against the binder of PTO requests to ensure record accuracy.

3. Any benefit changes or personnel action forms should be given to the Business Office to enter into payroll.

4. The Business Office processing applicable tax/contribution payments within 5 business days of pay date.

5. The Business Office files all payroll documentation including support for all changes and adjustments in a monthly payroll file.

Under no circumstances will the Business Office make any additions, deletions or modifications to payroll data concerning employees without having received prior written directives from the School Leader or Assistant School Leader. These directives should be received by the Business Office 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 CFO, School Leader and/or the Board for investigation.

The Business Office 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 Business Office is responsible for monitoring the outside payroll vendor to ensure that all required federal and state reports relating to payroll (unemployment report, 941E, etc.) are completed and filed timely and accurately.

17. Salary Deductions

Deductions shall be made from the paychecks of all employees for retirement, Medicare and federal 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 daily rate of pay.

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 their pay reduced by an amount which is placed into their account with a firm which will establish this sum as an annuity account.

The CFO shall develop procedures and guidelines for such support.

18. Employee Offer Letters

The School Leader and Business Office will prepare employee offer letters. The process for employee offer letters will be as follows:

1. The School Leader and CFO shall identify those areas needing a change or addition of personnel.

2. The School Leader and CFO will bring to the Board a description of the needs and receive approval from the Board to proceed with the search process.

3. The position will be offered within the pay schedule. The Board shall have the opportunity to review all the credentials, resumes and other paperwork of any/all candidates.

4. Upon finding a candidate for the position, the School Leader and CFO will approve the contract as long as the financial obligation is within the approved budget. All new positions must be approved by the Board if not in the adopted budget.

5. The selected candidate will then receive a copy of the offer letter, assuming the individual has concluded all pre-employment screening, including fingerprinting for processing by the CBI.

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.

Adopted as a comprehensive package October 2018