

Suggested Model Financial Policies for Nevada Charter Schools



Nevada Department of Education

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Preface

The Suggested Model Financial Policies for Nevada Charter Schools were developed by the Nevada Department of Education to assist Nevada's charter schools in their attempts to establish and maintain strong financial standing and accountability. The manual provides guidance only, and is not meant to be automatically, wholly adopted by any charter school. The following guidelines apply to using the manual:

- Financial policies to be adopted by a charter school should be reviewed and approved by the school's legal counsel;
- Policies should also be reviewed and approved by the school's sponsor.

Fiscal Management Goals

The governing body will review the fiscal needs of the charter school annually, considering instruction, capital outlay, building improvements and adjustments to accommodate any growth or decline of student enrollment or charter school area. The governing body encourages the input of staff, parents and members of the community as a part of the review and recommendation process. After due consideration of recommendations, the governing body will adopt fiscal goals for the school year.

END OF POLICY

Legal Reference(s):

Charter School Budget

The charter school budget will serve as the financial plan of operation for the charter school and will include estimates and purpose of expenditures for a given period and the proposed means of financing the estimated expenditures. The charter school will provide the budget and budget documents in accordance with the rules and regulations as specified by the Nevada Department of Education on an annual basis.

The charter school budget will be prepared in full compliance with NRS 386.550 and NAC 386.370. The administrator will be responsible for the preparation of the budget document.

END OF POLICY

Legal Reference(s):

Budgeting System

The charter school's budgeting system will be in accordance with federal and state laws, regulations and sponsor and charter school procedures.

END OF POLICY

Legal Reference(s):

Budget Calendar

The Governing body will adopt and comply with a budget calendar which identifies dates and deadlines required for the legal presentation and adoption of the budget as determined by the Nevada Department of Education. The budget calendar will be prepared on an annual basis

The administrator will prepare and recommend a proposed calendar for governing body approval. The calendar will identify dates and activities to include those needed to comply with state law.

END OF POLICY

Legal Reference(s):

NAC 386.370

Budget Priorities

As the budget is prepared, staff will use a prioritizing system consistent with program needs as identified by staff and the governing body. Priorities should be established to be used as a basis for budget additions or reductions.

A budget committee may review suggested priorities and will either accept, modify or reject the priorities.

END OF POLICY

Legal Reference(s):

General Operating Contingencies

General operating contingencies may be established at an amount deemed sufficient by the governing body to responsibly enable the charter school to meet unforeseen financial needs due to emergencies and changing charter school needs. The amount will be established by the governing body during the budget development process.

General operating contingencies may be recommended by the administrator for governing body approval. The need, purpose and amount of the transfer shall be duly recorded.

END OF POLICY

Legal Reference(s):

NRS 386.550

NAC 386.370

Fund Balance

The governing body recognizes its responsibility to establish an unreserved fund balance¹ in an amount sufficient to:

1. Protect the charter school from unnecessary borrowing in order to meet cash-flow needs;
2. Provide prudent reserves to meet unexpected emergencies and protect against catastrophic events;
3. Meet the uncertainties of state and federal funding; and
4. Help ensure a charter school credit rating that would qualify the charter school for lower interest costs.

Consequently, the governing body directs the administrator to manage the currently adopted budget in such a way to ensure [strive for] an ending fund balance of at least 8.3 percent of total adopted revenues.

In determining an appropriate unreserved fund balance, the governing body will consider a variety of factors with potential impact on the charter school's budget including the predictability and volatility of its expenditures²; the availability of resources in other funds as well as the potential drain upon general fund resources from other funds³; liquidity⁴; and designations⁵. Such factors will be reviewed annually.

END OF POLICY

Legal Reference(s):

¹The Government Finance Officers Association (GFOA) recommends, at a minimum, that general-purpose governments, regardless of size, maintain an unreserved fund balance in their general fund of no less than 5 to 15 percent of regular general fund operating revenues, or of no less than one to two months of regular general fund operating expenditures. The Nevada Association of School Business Officials recommends, at a minimum, an unreserved ending fund balance of no less than 3 to 8 percent of the general fund budget. In general practice, levels of fund balance, typically, are less for larger governments than for smaller governments because of the magnitude of the amounts involved and because the diversification of their revenues and expenditures often results in lower degrees of volatility.

²Higher levels of unreserved fund balance may be needed if significant revenue sources are subject to unpredictable fluctuations or if operating expenditures are highly volatile.

³The availability of resources in other funds may reduce the amount of unreserved fund balance needed in the general fund, just as deficits in other funds may require that a higher level of unreserved fund balance be maintained in the general fund.

⁴The disparity between when financial resources actually become available to make payments and the average maturity of related liabilities may require that a higher level of resources be maintained.

⁵The need to maintain a higher level of unreserved fund balance to compensate for any portion of unreserved fund balance already designated for a special purpose.

Budget Preparation

The administrator has the overall responsibility for budget preparation and will develop such procedures necessary to ensure that the proposed budget reflects all areas of charter school operation.

The administrator and the governing body will establish budget priorities for the charter school and will make appropriate recommendations related to those priorities.

The administrator will deliver the budget message and actual budget document to the budget committee when the message and budget have been completed and are ready for presentation.

END OF POLICY

Legal Reference(s):

Budget Preparation

The following steps will be followed in preparing the budget:

1. In developing the proposed budget, building administrators will solicit participation by teachers and other building staff in determining the budget requirements necessary to meet identified student needs;
2. Building administrators will evaluate proposed staff budget requests to ensure compatibility with charter school goals, curriculum goals and fiscal guidelines;
3. After screening requests, administrators will submit their proposed building budgets to the management team for discussion and possible modification before presentation to the budget committee;
4. The administrator will work with the management team and other supervisory staff to develop proposed budgets for the various administrative units of the charter school;
5. The administrator will compile the proposed budget and will present it to the budget committee. He/She will see that committee members have detailed as well as summary information early enough to allow time for adequate study before decisions are made.

Budget Committee

Organization, Membership and Terms of Office

The charter school budget committee will consist of the [five] [seven] members of the governing body and [five] [seven] electors appointed by the governing body. The governing body will establish appropriate timelines and procedures for appointment of budget committee members.

A majority of the constituted committee is required for passing an action item. Majority for a [14-member budget committee is 8] [10-member budget committee is 6]. Therefore, if only [8] [6] members are present, a unanimous vote is needed for passing an action item.

Presiding Officer and Orientation of Budget Committee

- Organization: The budget committee will hold its first regular organizational meeting on a day set by the governing body. A presiding officer shall be elected from among its members at this meeting. Such meeting may be prior to or on the date the budget message and document are presented.
- Background Information: Budget committee members will be provided with data for the ensuing year(s), such as the governing body's educational plan, and other pertinent material bearing on the preparation of a school budget.

Meetings of the Budget Committee

The budget committee shall hold one or more meetings to receive the budget message, the budget document and to provide members of the public with an opportunity to ask questions about and comment on the budget document. The budget officer shall announce the time and place for all meetings, as provided by law. All meetings of the budget committee are open to the public pursuant to NAC 386.223.

Function of the Budget Committee

It is the function of the budget committee to approve budget estimates for an educational plan previously determined by the governing body. No new program should be considered for the budget estimate that has not previously been submitted to the governing body and approved as a part of the educational plan. The budget committee will determine levels of spending, but will not determine programs.

Final Action

The budget committee will approve an estimated budget document for submission to the governing body.

END OF POLICY

Legal Reference(s):

NAC 386.223

Budget Hearing

After the budget document has been approved by the (budget committee) administrator, a public hearing will be held regarding the recommended budget document. The date will be on or before May 1st; time and place will be determined by the governing body. At the hearing, any person may speak for or against items in the budget document.

END OF POLICY

Legal Reference(s):

NAC 386.370

Budget Implementation

The budget, as adopted by the governing body, becomes the financial plan of the charter school for the ensuing budget period.

The administrator and staff are authorized to make expenditures and commitments in accordance with the policies of the governing body and the approved budget.

The administrator will make the governing body aware of any substantial changes in expected revenues or unusual expenditures to the governing body by January 1st and the end of the fiscal year.

END OF POLICY

Legal Reference(s):

Budget Transfer Authority

The adopted budget is a financial plan which may be subject to change as a result of circumstances or events occurring during the ensuing budget period. All appropriation transfers shall be made using the guidelines in NAC Chapter 354.

END OF POLICY

Legal Reference(s):

NAC Chapter 354

Budget Transfer Authority

1. The “Budget Transfer Request” form will consist of two part sensitized paper. The original will be filed in the business office with the second copy being forwarded to the originating department after final approval.
2. All “Budget Transfer Request” forms, when completed and approved by building administrators and/or department directors, will be forwarded to the business manager for review. A determination will be made if funds are available for transfer (i.e., outstanding encumbrances or low fund balance).
3. Requests will be forwarded to the administrator for approval. If the request involves a transfer between levels of appropriation, a resolution will be prepared for Board consideration.
4. The “Budget Transfer Request” form will accompany the resolution and upon affirmative action by the governing body, be signed by the administrator.
5. The approved request will then be acted upon by the [business manager] who will make the transfer.

BUDGET TRANSFER REQUEST

DATE: _____

Fund	Function	Object	Building	Area	Decrease	Increase

Explanation of Request

Requested by: _____

Approved: _____
Building Administrator and/or Department Director

Reviewed by: _____
Business Manager

Approval: _____

Administrator/Clerk

Funding Proposals and Applications

The charter school shall pursue federal, state or private grants or other such funds that will assist the charter school in meeting adopted governing body and charter school goals.

Proposals for external funds will be submitted to the governing body for evaluation and approval.

In the event an opportunity arises to submit a grant proposal and there is insufficient time to place it before the governing body, the administrator is authorized to use his/her judgment in approving it for submission. The administrator will review the proposal with the governing body at its next regular meeting. The governing body reserves the right to reject funds associated with any grant which has been approved.

The governing body shall, before an acceptance of such funds, consider the charter school's obligations, expectations or encumbrances when the grant ceases.

END OF POLICY

Legal Reference(s):

Revenues From Private, State and Federal Sources

The governing body may authorize, accept and use private, state or federal funds available to the charter school to carry out charter school educational programs. The charter school will comply with all regulations and procedures required for receiving and using such funds.

END OF POLICY

Legal Reference(s):

NRS 386.570

Charter School Foundation (Version 1)

The governing body authorizes the establishment and incorporation of a foundation for the purposes of accepting, holding and administering funds and gifts to the charter school for special and general purposes. The purposes of funds administered by the foundation may include scholarship, student aid, capital improvement projects, improvement and extension of programs and other activities of benefit to the charter school and its students. Both the governing body and the foundation governing body of directors will receive annual evaluations for all funded projects.

The foundation will be incorporated under Nevada Revised Statutes and registered as a tax exempt corporation under Section 501 of the Internal Revenue Service Code.

The foundation will be governed by a governing body of directors whose selection, membership and functions will be set forth in the foundation's by-laws. There may be no more than two (2) representatives of the foundation on the charter school's governing body.

END OF POLICY

Legal Reference(s):

NAC 386.345

Charter School Foundation (Version 2)

The governing body will establish a nonprofit corporation to be known as the [Charter School Foundation, Inc.] for the purpose of encouraging and receiving and administering gifts, bequests and endowments for student scholarships.

The officers of the corporation may be [the governing body chair, the administrator and the business manager].

The investment objective of the charter school foundation is to invest and reinvest the available moneys and securities so that over a period of time they will earn a reasonable rate of return and have a potential for growth income. Standards for investment will be maintained in accordance with applicable Nevada Revised Statutes. There may be no more than two (2) representatives of the foundation on the charter school's governing body.

END OF POLICY

Legal Reference(s):

NAC 386.345

Charter School Foundation (Version 3)

The governing body authorizes the establishment of the [Schools Foundation]. Its purpose is to raise and expend funds for educational projects and programs that are not part of the general operations or regular education functions of the charter school.

The foundation's assets will not be used for the general maintenance program of the charter school or for the purchase of normal supplies, basic instructional materials or equipment used for the general operation of the charter school. Rather, the foundation's assets may be used to help fund specific educational projects and programs throughout the charter school developed with the cooperation of the charter school and other civic, charitable or private organizations and individuals.

Both the governing body and the board of directors of the foundation will receive evaluations for all funded projects.

There may be no more than two (2) representatives of the foundation on the charter school's governing body.

END OF POLICY

Legal Reference(s):

NAC 386.345

Investment of Funds

The governing body may authorize the investment or reinvestment of funds which are not immediately needed for operation of the charter school. Such investments will comply with state law and Nevada Administrative Code.

END OF POLICY

Legal Reference(s):

NRS 386.570

Investment of Funds

These regulations are issued for the guidance of the portfolio manager in the day-to-day operation of the investment program.

These regulations apply to activities of the portfolio manager with regard to investing the financial assets of all excess funds of the charter school including the General Fund, Special Revenue Funds, Capital Project Funds, Internal Services Funds and any and all Trust and Agency Funds under the control and direction of the charter school.

The portfolio manager will routinely and actively monitor the contents of the investment portfolio, the available markets and the relative values of competing investments and will adjust the portfolio accordingly. The portfolio manager, acting in accordance with these procedures and exercising due diligence, shall not be held personally responsible for a specific security's credit risk or market price changes, provided that these deviations are reported as soon as practical and that appropriate action is taken to control adverse developments.

All investments will be carried at cost. Gains or losses from investments will be credited or charged to investment income at the time of sale. Premiums or discounts on securities may be amortized over the life of the security.

Diversification of Maturity

1. The charter school shall attempt, to the maximum extent possible, to match investment maturity schedules with anticipated cash flow requirements. In no event, unless specifically matched to specific requirements such as bond sinking funds or reserves, will the charter school invest in securities having a maturity more than 18 months from the date of purchase.
2. Investment maturities for operating funds shall be scheduled to coincide with projected cash flow needs.
3. In determining the amount of excess funds available for investment purposes, the portfolio manager will maintain cash flow projections and schedules as well as a historical record of expenditures and receipts. These forecasts and schedules will be reviewed and updated as required to reflect actual conditions as they exist.

Qualified Institutions for Investment Purchases

1. The charter school shall evaluate each financial institution (as used herein, the term is meant to include brokers/dealers) from whom it purchases investments as to financial soundness at least once annually. Investigation may include review of the most recent Consolidated Report

of Condition (“call” report), rating reports, financial statements as well as analysis of the particular institution’s management, profitability, capitalization and asset quality.

2. Any financial institution with whom the charter school wishes to do business shall provide financial data at the request of the portfolio manager. The information will be reviewed by the portfolio manager who will decide on the soundness of the institution before adding that institution to those that are on the approved qualified institution list for the charter school. The charter school reserves the right to be selective and to add or delete institutions from the approved list at will.
3. The portfolio manager will maintain a qualified institution list. A financial institution must be on this approved list prior to transacting any business with the charter school. A basic requirement for inclusion on the approved listing is a capital adequacy ratio in excess of [120 percent (1.2 to 1)].
4. All approved financial institutions must be chartered in Nevada and insured by either the FDIC or FSLIC.
5. Brokers or dealers not affiliated with a bank shall have offices located in Nevada, be classified as reporting dealers affiliated with the New York Federal Reserve Bank as primary dealers, or be required to meet capital adequacy requirements.

Diversification of Instrument of Investment

1. The portfolio manager will diversify the investment portfolio to avoid incurring unreasonable risks inherent in over investing in specific instruments, individual institutions or maturities.
2. Time certificates of deposit: In purchasing a time certificate of deposit (TCD), the portfolio manager will not invest an amount which is more than 10 percent of the total deposits of any single institution. As required by Nevada Revised Statutes, the portfolio manager will be responsible to ensure that a Certificate of Participation has been presented by the issuing institution to cover any outstanding TCD above the statutory level of insurance provided by FDIC/FSLIC. The charter school will always require full collateralization on all TCD investments.
3. Banker’s acceptances: All banker’s acceptances (BA’s) will be purchased from a Nevada chartered financial institution.
4. Repurchase Agreements: All repurchase agreements will be collateralized [110 percent] by U.S. Government or Agency obligations. All collateral will be held by third party safekeeping. A signed repurchase agreement will be obtained from the issuing institution.
5. U.S. Treasury Obligations: No limits on purchase.
6. U.S. Government Agency Securities: No limits on purchases other than limit on concentration of [25 percent] in any one type issue.

7. Local Government Investment Pool: The LGIP limits investment to two accounts of [\$30,630,000] each. Other than this limitation, there is no limit to the amount that can be invested in the pool, although the pool does not collateralize or deliver investment instruments.

8. Diversification Guidelines:

Diversification by Instrument	Percent of Portfolio
(The charter school will consult ORS 294.035 when establishing limitations.)	
U.S. Treasury Obligations (Bills, Notes, Bonds)	100
U.S. Government Agencies	100
Banker's Acceptances	25 (of surplus in any single qualified institution) [50]* (of surplus funds in the aggregate)
Time Certificates of Deposit	[75]*
Repurchase Agreements	[25]* (of operations surplus funds) [100]* (of capital funds surplus funds)
State and Local Government Securities	[25]*
Local Government Investment Pool	100

*Suggested maximums. Limit not set in statute.

Grants for Private Sources

Grant proposals for external funds from private sources will be submitted to the governing body for evaluation and approval.

In the event an opportunity arises to submit a grant proposal and there is insufficient time to place it before the governing body, the administrator is authorized to use his/her judgment in approving it for submission. The administrator will review the grant proposal with the governing body at its next regular meeting. The governing body reserves the right to reject funds associated with any grant which has been approved.

END OF POLICY

Legal Reference(s):

Income From Program-Related Sales and Services

Certain activities allow students to charge the public for goods and services. These activities are designed for educational purposes and not to compete with community businesses.

Charges for work performed and goods sold through these activities will be kept current with costs for the service or item.

Money collected will be deposited in the student body fund account in accordance with the charter school student activity account handbook.

END OF POLICY

Legal Reference(s):

Depository of Funds

The governing body will, at its annual organizational meeting following January 1, or at other times deemed necessary by the governing body, designate one or more banks which meet charter school, state and federal guidelines as official depositories for charter school funds.

END OF POLICY

Legal Reference(s):

NRS 386.570

Authorized Signatures

The governing body will, at least annually or at other times deemed necessary by the governing body, designate and authorize check signors with two signatures required on all charter school checks.

END OF POLICY

Legal Reference(s):

Bonded Employees and Officers

All charter school employees responsible for funds, fees, cash collections or inventory control will be bonded to protect the charter school against loss in an amount determined by the governing body and upon recommendation of the charter school's agent-of-record. In compliance with Nevada statutes and administrative codes, the administrator [fund custodians and other individuals as deemed necessary by the governing body] will have individual fidelity bond coverage in the amount of [\$50,000]. The charter school will pay the cost of such bonds.

END OF POLICY

Legal Reference(s):

Fiscal Accounting and Reporting

The charter school's accounting and reporting system will be in accordance with generally accepted accounting principles and will conform to state laws and regulations.

Accounting procedures shall show a detailed and meaningful analysis of both receipts and expenditures. This analysis should be adequate for study and evaluation by the governing body and school management, and will serve as a basis to make financial and related educational decisions, to formulate future plans, to safeguard public funds and to ensure adequate financial accountability.

Payment on all charter school accounts, including the general fund and special accounts, shall operate according to established accounting procedures.

All cash received is to be properly receipted. Money received shall be placed in deposit.

The [administrator] shall be the lawful custodial officer of all charter school funds and shall demand receipt for, and safely keep according to law, all bonds, mortgages, notes, moneys, effects, books and papers belonging to the charter school. Funds may be commingled in the depository so long as they are budgeted and accounted for separately.

From time-to-time, funds may become available to the charter school prior to the time they are needed to offset current expenditures. The custodial officer shall forward all such receipts to the Local Government Investment Pool or other investment instrument as authorized by the charter school's investment policies. Funds that are not currently needed for the operation of the charter school will be invested with the interest from these funds being credited to the same account as that to which the invested funds revert.

END OF POLICY

Legal Reference(s):

NAC 386.390

Financial Reports and Statements

The governing body will receive and accept financial reports that include estimates of expenditures for the general fund in comparison to budget appropriations, actual receipts in comparison to budget estimates and the charter school's overall cash condition. Supplementary reports on other funds or accounts will be furnished upon request of the governing body or administrator.

Appropriate staff will be available at any governing body meeting, upon the governing body's request, to respond to questions and to present current financial information. The administrator will notify the governing body at any time of substantial deviations in the anticipated revenues and/or expenditures.

END OF POLICY

Legal Reference(s):

NRS 386.600

Property Inventory and Capitalization

The charter school will maintain a complete property inventory which lists all school sites, buildings, equipment and supplies with a value greater than [\$200]. This inventory will be updated [as necessary]. The governing body may authorize the employment of an appraisal company to assist with the inventory procedure.

The charter school will maintain an inventory of all capital assets in accordance with governmental accounting standards. The charter school's inventory will be updated [annually] to include property newly purchased and disposed.

Capital assets includes all charter school-owned property such as land, buildings, improvements to property other than buildings (i.e., parking lots, athletic fields, playgrounds, etc.) and equipment with a value greater than [\$5,000].

END OF POLICY

Legal Reference(s):

NAC 386.342

Audits

An audit of all charter school accounts will be made at least annually by an accountant selected by the governing body.

A copy of the audit report will be presented to the governing body. The administrator will submit a copy of the audit report to the sponsor, Legislative Counsel Bureau and Department of Education.

END OF POLICY

Legal Reference(s):

NAC 386.380

Charter School Purchasing

The function of charter school purchasing is to serve the educational program by providing the necessary supplies, equipment and services.

The purchasing agent will be appointed by the governing body. He/She will be responsible for developing and administering the charter school's purchasing program.

No obligation may be incurred by any officer or employee of the governing body unless that expenditure has been authorized in the budget or by governing body action and/or governing body policy. In all cases calling for the expenditure of charter school money, except payrolls, a requisition and purchase order system must be used.

Unless authorized by the administrator, no purchase [with the exception of a petty cash purchase] will be authorized unless covered by an approved purchase order. No bills will be approved for payment unless purchases were made on approved orders.

The administrator or designee is authorized to enter into and approve payment on contracts obligating charter school funds not to exceed (\$10,000) for products, materials, supplies, capital outlay and services that are within current budget appropriations. The governing body shall approve all contracts that are collective bargaining agreements or service contracts that include the provision of labor performed by charter school employees, such as custodial, food service and transportation services.

The administrator will review bills due and payable for the purchase of supplies and services to determine if they are within budget amounts. After appropriate administrative review, the administrator will direct payment of the just claims against the charter school. The administrator is responsible for the accuracy of all bills and vouchers.

No governing body member, officer, employee or agent of this charter school shall use or attempt to use his/her official position to obtain financial gain or for avoidance of financial detriment for himself/herself, a relative or for any business with which the governing body member or a relative is associated. Acceptance of any gratuities, financial or otherwise, from any supplier of materials or services to the charter school by any governing body member, officer or employee of the charter school is prohibited.

END OF POLICY

Legal Reference(s):

NRS Chapter 332
NRS 386.573

Expenditure of Charter School Funds for Meals, Refreshments and Gifts

The charter school recognizes there may be occasions when it is appropriate for governing body members, administrators and others to expend charter school funds in the course of conducting charter school business to provide meals or refreshments (bakery goods, snacks, fruit, punch, coffee, tea, soft drinks, etc.). The purchase of gifts may also be approved, in certain situations. Such occasions may include, but are not limited to, various charter school and building level meetings, gatherings to celebrate charter school successes or recognize individual achievements, contributions or outstanding service to the charter school and other charter school and school-sponsored activities. Such expenditures may be made with prior governing body approval only, subject to the provisions of this administrative regulation.

The use of charter school funds, as used in this regulation, means the use of money in any of the general accounts of the charter school. This includes the General Fund, Food Service Fund and others. It also includes money in student body accounts held at each school that are derived from any student activity or from parent organizations. Exceptions are funds collected from staff members or others for the specific purpose of providing gifts or parties. It is also recognized that buildings may have established a “social fund” or “sunshine fund” to which each staff member may voluntarily contribute. Such funds are generally used for birthday recognition, bereavement and illness acknowledgment activities, etc. These funds are also exempt from the following requirements.

Meals and Refreshments

Charter school funds may be used to pay for individual or group meals only if official charter school business is being conducted during the time in which the meal is provided and only if the meal provides a particularly practical time or setting for the discussion, consistent with governing body policy and the following:

- Meals may be provided by the charter school to recognize the contributions of staff, through retirement dinners or other recognition events;
- Meals may be provided by the charter school as a part of governing body or administrative work sessions, at charter school or building-level committee meetings or other charter school-approved activities.

Meals not directly business related may be provided to staff or others at the individual’s expense only.

Governing body members, administrators and other charter school administrative staff may use charter school funds to provide refreshments for staff, parents or others at meetings, in-service

programs or other similar charter school or school-sponsored activities, not to exceed [\$] per participant and subject to the following additional requirements:

- The purchase of alcoholic beverages with charter school funds is strictly prohibited;
- The use of charter school funds for parties is prohibited.

Gifts

There are numerous occasions that may arise whereby governing body members, administrators or other charter school staff may feel the need to recognize employees, i.e., Bosses' Day, Secretaries' Day, classified employees' week, birthday, etc. A governing body member, administrator or other charter school employee may provide such recognition at his/her expense only, unless as otherwise permitted below:

- The charter school may provide a small token of appreciation for a governing body member's or employee's retirement and years of service and other related activities utilizing charter school funds, as approved in advance. For example, the governing body generally proclaims special recognition for classified employees' week and teacher appreciation week;
- Administrators may use charter school funds to provide an appropriate token of appreciation on behalf of the governing body. The value of this item may not exceed [\$] per person;
- No other expenditure of charter school funds for gifts is permitted without prior authorization from the Body or administrator.

Petty Cash Accounts

The handling and processing costs of a single purchase order for nominal purchases are very expensive. To facilitate small expenditures, a petty cash revolving fund may be established for each charter school.

Administrative regulations will be developed establishing the amount of petty cash to be allowed, the maximum dollar amount for a single purchase and the accounting system to be used for record keeping.

Petty cash will not be used to thwart or circumvent established purchasing procedures. It is a convenient accommodation to facilitate immediate acquisition of low-cost goods and services in an efficient manner.

The business manager/deputy clerk may, at their discretion, periodically audit each petty cash account to ensure that the proper accounting is followed. Records will be kept of all expenditures from the petty cash fund and receipts will be furnished to account for all money expended. Expenses will be assigned to the proper budget account.

END OF POLICY

Legal Reference(s):

Bidding Requirements

Bids or proposals shall be called for on all purchase, lease or sale of personal property, public improvements or services other than agreements for personal service, in accordance with applicable competitive procurement provisions of Nevada Revised Statutes and adopted public contracting rules.

END OF POLICY

Legal Reference(s):

NRS Chapter 332

Personal Services and Other Contracts

The charter school may enter into personal services contracts with qualified professionals. Personal services contracts, as used in this policy, means contracts for specialized skills, knowledge and resources in the application of highly technical or scientific expertise or the exercise of professional, artistic or management discretion or judgment. The charter school may enter into a personal services contract with a current charter school employee only when the individual meets independent contractor status in accordance with state, Public Employees Retirement System (PERS) and Internal Revenue Service (IRS) requirements.

Selection of a personal services contractor will be based primarily on qualifications and performance history, expertise, knowledge and creativity and the ability to exercise sound professional judgment.

All personal services contracts shall be based on demonstrated qualifications and competence to perform the required services, encourage competition, discourage favoritism and obtain services at a fair and reasonable price.

Contracts (in excess of [\$]) shall require prior governing body approval.

The administrator will develop administrative regulations as necessary to implement this policy.

END OF POLICY

Legal Reference(s):

NRS Chapter 332

NAC 386.400

NAC 386.405

NAC 386.407

NAC 386.033

NAC 386.345

Credit Cards

The governing body authorizes the administrator to hold a bank credit card in the name of the charter school and to issue such cards to designated employees. Approved card holders will be held responsible for maintaining sole possession and security of issued cards at all times. Credit cards shall have a governing body approved maximum limit.

Credit cards issued to employees may only be used to purchase items authorized by the adopted charter school budget when purchase orders are not feasible.

Purchase slips and receipts must be turned in to the business office within [15] days of the transaction. [The business office shall pay in full the credit card balance no later than the due date so that finance charges will not be incurred.]

Charter school-issued credit cards shall be subject to the following:

1. Personal items shall not be charged on charter school-issued credit cards. If a personal item is inadvertently purchased on a charter school-issued credit card in violation of this policy, repayment by the employee must be made immediately. Failure to make the required payment may result in an automatic deduction from the individual's next payroll disbursement. Accordingly, the charter school will require individuals issued credit cards to sign a written authorization for payroll deduction in the event of such personal use;
2. The purchase of alcoholic beverages is strictly prohibited. The purchase of gasoline for a privately-owned vehicle is also prohibited without prior authorization;
3. Leaving a gratuity that exceeds [15%] is prohibited;
4. Airline tickets may be purchased with a charter school-issued credit card only with prior administrator or designee approval. If the issued credit card provides for purchase incentives (i.e., points, discounts or airline mileage credits), such incentives shall only be redeemed for authorized charter school business.

Violation of the provisions of this policy may result in the revocation of the credit card and/or discipline up to and including termination of employment.

END OF POLICY

Legal Reference(s):

Business Expense (Bank Card) Claim

Name: _____ Office: _____

Time Period Covered: From: _____ To: _____ (Inclusive)

Please list each expenditure separately. Attach receipts for all lodging and other disbursements.

Date	Item	Account Code	Auto Expense	Meals	Lodging	Trans- portation	Miscellaneous
TOTALS:							

Total amount due this bank card statement: \$ _____

Date Submitted: _____ Submitted By: _____

Date Approved: _____ Approved By: _____

Vendor Relations

The charter school welcomes business and bids from all eligible vendors. Preferential treatment will not be extended to any vendor. Orders will be placed on the basis of quality, price and delivery, with past services being a factor if other considerations are equal.

Salesmen or agents may not solicit staff members during hours when students are present or during teach prep. [School administrators] may allow sales representatives or agents of educational products to contact staff members at times that will not interfere with the educational program.

Advertising is not allowed in the charter school unless it is approved by the [administrator]. No charter school employee will receive compensation of any kind from any vendor for the sale of supplies or services.

END OF POLICY

Legal Reference(s):

NAC 386.345

Payment Procedures

All claims for payment from charter school funds will be processed by the [business manager] in conformance with charter school procedures. Payment will be authorized against invoices properly supported by approved purchase orders, with properly submitted vouchers approved by the governing body.

The [administrator] will be responsible for assuring that budget allocations are observed and that total expenditures do not exceed the amount allocated in the budget.

END OF POLICY

Legal Reference(s):

NRS 386.573

Payroll

Preparation of payroll, including time schedules and payroll periods, will be done in accordance with each employee's agreement with the governing body. Employee health, accident, dental and other types of insurance will be provided as outlined in the agreements. Mandatory payroll deductions will be withheld as required by state and federal law.

No other automatic deductions except those required by law will be made from an employee's pay without authorization of the governing body.

END OF POLICY

Legal Reference(s):

NRS 386.595

Payday Schedule

Regular salary checks will be issued on the governing body approved pay date(s).

Deviations from this schedule must be approved by the governing body.

END OF POLICY

Legal Reference(s):

Salary Deductions

Authorized payroll deductions will be made upon an appropriately submitted written request from the employee.

There must be [five] or more employees participating in any one program in order for that plan to qualify for payroll deduction. [The charter school reserves the right to limit the number of TSA programs.] Changes of TSA companies or plans will only be allowed from the starting of fall in-service to the payroll cutoff date for September of that fiscal year.

Subject to standard accounting procedures, employees may authorize modification of their salary or withholdings to include deductions such as:

1. Tax-Sheltered Annuities (TSA), as authorized by the Internal Revenue Service and approved by the governing body;
2. Insurance premiums in excess of charter school contributions to governing body-approved programs;

The employee will comply with federal requirements that establish maximum annual TSA allowable contributions.

Automatic deductions, except those required by law, will not be made from an employee's pay without the governing body's authorization.

END OF POLICY

Legal Reference(s):

Expense Reimbursements

The governing body recognizes that certain expenses are incurred by charter school employees in carrying out authorized duties. The governing body approves the reimbursement of necessary and reasonable expenditures as outlined in the accompanying administrative regulation and consistent with Internal Revenue Service requirements and Nevada Administrative Codes.

All approval and reimbursement procedures must be followed prior to reimbursement.

Reimbursement for out-of-state travel by private vehicle will be made on the basis of air fare or mileage rate, whichever is lower.

END OF POLICY

Legal Reference(s):

NRS 386.573

Staff Expense Reimbursement

Expense reimbursement for staff traveling on approved charter school business will be governed by the following procedures. Travel expenses include travel fares, meals and lodging and expenses incident to travel. Only travel expenses as are ordinary and necessary in the conduct of approved travel for charter school business purposes and directly attributable to it will be reimbursed. As used in this regulation an “ordinary” expense means one that is common and accepted in the profession; a “necessary” expense means one that is essential and appropriate in order to conduct charter school business. [Reimbursement procedures established by the charter school will also apply to governing body members traveling on [governing body-approved] charter school business, as applicable.]

In-Charter School Travel – Use of Private Vehicles

1. Staff will use charter school-owned vehicles, whenever possible, in conducting charter school business that requires travel within charter school boundaries.
2. Private vehicles may be used in conducting charter school business only with prior [building administrator] approval. In-charter school travel approval may be granted by the [building administrator] for individual trips or by blanket approval, as deemed appropriate.
3. Travel in a private vehicle for the purpose of conducting charter school business may be approved when:
 - a. A charter school vehicle is not available;
 - b. The destination is not conveniently accessible by commercial carrier;
 - c. Various points must be visited and commercial carrier schedules are such that the use of commercial carrier transportation is not practical;
 - d. Carrying articles by commercial carrier would not be feasible; or
 - e. Commercial travel is deemed to be less economical.

Out-of-Charter School Travel (In-State) – Use of Private Vehicles

1. Staff will use charter school-owned vehicles, whenever possible, in conducting approved charter school business that requires in-state travel outside charter school boundaries.
2. Private vehicles may be used only with prior [administrator/building administrator/business manager] approval. Out-of-charter school travel approval may be granted by the [administrator/building administrator/business manager] for individual trips or by blanket approval, as deemed appropriate.

Out-of-State Travel

Out-of-state travel requires prior [governing body] [administrator] approval.

Insurance Coverage

1. Insurance costs are included as part of the mileage reimbursement for employees authorized to use a private vehicle to conduct charter school business. It is the responsibility of the owner or driver of the vehicle to be certain that the vehicle is adequately covered by insurance.
2. The responsibility of the charter school for damages resulting from vehicle accidents is not the same as set forth in the charter school's general liability insurance policy. The employee's insurance coverage provides primary coverage when the employee is driving his/her own vehicle on approved charter school business.
3. All charter school employees operating private vehicles on approved charter school business are required to complete and maintain on file with the charter school, verification of vehicle liability insurance that meets or exceeds Nevada statutory minimum limits. This verification is required [annually] [prior to any charter school approval to conduct charter school business in a private vehicle]. Employees are required to update their verification of vehicle liability information maintained on file with the charter school upon **any** change in the employee's vehicle insurance coverage.

Meals and Meetings

1. Reimbursement will be made for ordinary and necessary meal expenses incurred in the course of approved travel for charter school business. Meals include amounts spent for food, beverage, taxes and related gratuities. Alcoholic beverages will not be reimbursed by the charter school. See **Expense Reimbursement Request and Accounting Procedures** below.
2. Expenses in excess of the charter school's established limit are ordinarily the responsibility of the employee and may be reimbursed only with administrator approval. Receipts for all meal expenses must be secured and attached to the claim.

Travel Advances

1. A travel advance may be requested when the estimated cost for meals, lodging, etc., exceeds [\$50]. The travel advance may be requested by completing the form provided by the charter school.
2. The cost of commercial travel tickets will not be included in a cash advance request.
3. In the event of loss, the employee is personally responsible for cash advances issued and for any third party use of a charter school-provided credit card.
4. At least [15] working days are required for processing an advance check after the approved

request is received by the business office.

5. Only one cash advance may be outstanding to any employee at any time.

Reservations, Commercial Carrier and Lodging

1. Travel must be conducted in the most expeditious and cost-effective manner, as determined by the charter school.
2. Each employee is responsible for making his/her own reservations by obtaining a purchase order number from the business office and furnishing that number to the local travel agency or commercial carrier.
3. [Individuals traveling on approved charter school business by a carrier offering travel credits (i.e., frequent flyer mileage, etc.) are required to account for credits received and may use the credits for future approved charter school travel purposes only.] [The charter school prohibits the accrual of travel credits for individuals traveling on approved charter school business.]

Vehicle Rentals

1. Rental vehicles may be used only when use will effect a savings or otherwise be more advantageous to the charter school or when the use of other transportation is not feasible.
2. Rental of a compact vehicle is recommended when suitable for approved charter school business because of the lower initial rate and the guaranteed rate. Certain rental agencies guarantee the compact rate in all owned stations and in most licensee stations, which means that if a reservation for a compact vehicle is accepted and one is not available, a standard-sized vehicle will be substituted at the compact rate.
4. Rental vehicles will be used only for official travel or in lieu of taxi for necessary travel. Any additional costs incurred for other usage will be the personal responsibility of the traveler.
5. Employees will be informed if the charter school carries the rental car endorsement as part of its insurance coverage. In the event the charter school does not carry the rental car endorsement, the employee will be authorized to purchase insurance coverage from the rental agency.

Cancelled Trips

1. If an employee cannot leave at the scheduled time, it is his/her responsibility to call the travel agency or carrier and arrange to have the tickets cancelled or exchanged.
2. Commercial carrier reservation cancellations must be made at least 24 hours before departure time, whenever possible.
3. Lodging reservations must be cancelled by the employee as soon as possible to avoid a cancellation charge.

4. If a trip is cancelled after an advance and/or tickets have been issued, the advance and tickets must be returned to the business office immediately.

Personal Travel Combined With Charter School Business Travel

1. If an individual traveling on approved charter school business engages in both business and personal activities, travel expenses incurred will be reimbursed only for expenses that are ordinary and necessary in the conduct of charter school business. Expenses incurred as a part of personal business are the sole responsibility of the traveler.
2. When personal travel is combined with approved charter school business travel and the individual is traveling by less than the most expeditious and cost-effective manner, any additional costs must be paid by the traveler.
3. Time away from work caused by traveling by less than the most expeditious means available for personal purposes must be charged to vacation or other appropriate leave.
4. Vacation or other personal leave may be taken in conjunction with approved charter school travel subject to the following:
 - a. Time delays related to approved charter school business are charged as working time even if no work is performed;
 - b. If the employee travels by less than the most cost-effective manner, as determined by the charter school, for approved charter school business or for personal travel combined with travel for charter school business purposes, he/she must pay the additional cost (e.g., increased fare, meals, lodging expenses, etc.) incurred as a result of the personal travel;
 - c. All subsistence and local transportation (taxi, vehicle fare, etc.) while on vacation status or other appropriate leave must be paid by the employee;
 - d. The traveler will not be required to pay any of the basic transportation costs incurred as a part of the approved charter school business, even though he/she spends a substantial part of the total time away from home on vacation or other personal leave, provided the employee was traveling on approved charter school business;
 - e. A traveler who decides on his/her own to conduct charter school business without prior approval, while on vacation or other personal leave, cannot then use this as a justification to have the charter school pay his/her basic transportation cost from the charter school to the location visited, or submit a request for other expense reimbursement.

Expense Reimbursement Request and Accounting Procedures

1. Reimbursement requests detailing actual expenditures must be submitted on the charter school's travel expense form and be approved by the [administrator] in writing. Receipts and supporting documentation must accompany all expense reimbursement requests. This includes, but is not limited to, receipts for transportation, lodging, meals, registration, conference and workshop fees. All requests must be submitted to the charter school office within [10] working days of the conclusion of the trip.
 - a. If the completed travel expense report totals less than the travel advance, the difference must be returned within [10] working days to the business office with the report.
 - b. Reimbursement for expenditures in excess of a travel advance, or where no travel advance has been requested, will be made within [30] working days after the approved travel expense report is received by the business office.
2. Expenses which consist primarily of the cost of furnishing meals for others will be reimbursed upon submission of a travel expense report which includes:
 - a. Names of guests;
 - b. Organizations involved;
 - c. Full explanation of the charter school business purpose of the meeting.
3. In the event a vehicle was rented, a copy of the rental agreement must be attached to the travel expense report. The rental charge should be paid from the amount advanced, as applicable. Purchase of gas and oil which have been deducted from the rental charge by the rental agency must be included.
4. Any claim for mileage reimbursement only may be submitted at the end of each month in which reimbursement is to be claimed. A claim must be submitted no later than [90] calendar days of incurring the expense. Reimbursement claims later than [90] calendar days of the expense will be denied.
5. Mileage for approved charter school business travel in a private vehicle will be reimbursed at the current rate per mile established by the charter school, collective bargaining agreement or Internal Revenue Service (IRS), as applicable. Reimbursement that exceeds the IRS rate will be included as income to the employee in accordance with IRS regulations.
6. Meal expenses for approved charter school business travel purposes may be reportable as income to the employee in accordance with IRS regulations. Generally, meal expenses incurred for approved charter school business purposes in which charter school business is conducted with at least one or more other persons or that is incurred on approved charter school business for a trip that is overnight, or long enough that the individual needs to stop for sleep or rest to properly perform his/her duties, as defined by the IRS, will not be reportable as income to the employee.
7. In the event the total of the amount charged to, and/or received from, the charter school by the employee as advances, reimbursement or otherwise, exceeds the ordinary and necessary business expenses, the excess must be reported as income in accordance with IRS requirements.

Reimbursable Expense Limitations

1. Meal expenses may be reimbursed subject to the following limitations:

Allowance: Breakfast [\$ 5]
Lunch [\$ 7]
Dinner [\$13]

2. Gratuities must not exceed [15] percent and must be included as a part of the receipt. Gratuities in excess of [15] percent are the responsibility of the employee and will not be reimbursed by the charter school.
3. Other expenses such as toll charges, parking fees, valet services, cleaning, pressing and laundry may be reimbursed if the length of the trip or circumstances demand.
4. Mileage reimbursement for actual miles traveled on charter school business, may be approved subject to the following limitations:
 - a. In-charter school mileage reimbursement will not be granted to an employee, other than a charter school-approved tutor, for traveling from his/her residence to the place where work begins for the day or for returning home from the last place worked during the day;
 - b. Reimbursement will be made only for those miles actually traveled in the course of completing approved charter school business. When chauffeured, mileage for two round trips and short-term parking will be reimbursed if not greater than the cost of one round trip plus economy parking;
 - c. Group travel may be requested on one travel request form for a group traveling together as long as advance and reimbursement is payable to one person who has complete responsibility for reporting expenses;
 - d. In the event a private vehicle is approved for use from home, to or from airport or railroad station, mileage for one round trip and economy parking will be reimbursed. Parking receipts are required;
 - e. Individuals requesting reimbursement for use of a private vehicle on approved charter school business must meet insurance requirements. See **Insurance Coverage** above.
5. Lodging will be reimbursed at reasonable commercial rates.
6. Local taxi, shuttle, bus fares and vehicle rentals may be reimbursed, subject to the charter school's requirement that travel selected is by the most expeditious, cost-effective manner, as determined by the charter school.

Travel and Expense Reimbursement Report

Name of Claimant: _____

Address/City/Zip Code: _____

School/Location: _____

Period Covered: From: _____ To: _____ Date Submitted: _____

Fund: _____ Function: _____ Object: _____

Date	Travel Destination		Mileage	Auto Expense @ [.36] per mile	Lodging	Meals	Other/ Miscellaneous Expenses	Total Expenses	Purpose of Expenditure and/or Topic of Meeting <i>(If paid for additional persons, list persons other than self)</i>
	From	To							
Total Expenditures									

I certify that the above claim accurately reflects actual expenses incurred by me in authorized charter school travel:

Submitted by: _____

Advance Funds Used: \$_____ Total Owed Claimant or Due to Charter School: _____
(Please circle: "Owed Claimant" or "Due to Charter School")

Supervisor Approval: _____

All receipts must be attached, substantiating request for reimbursement. Form must be completed totally. If not preprinted on receipt, write names of restaurant on meals receipts and itemize meals. If more than [\$5.00] for breakfast, [\$7.00] for lunch and [\$13.00] for dinner is expended, please attach an explanation and rationalization. If you paid for persons other than yourself, please list individuals' names and positions (attach additional page, if necessary).

Cash in Charter School Buildings

Money collected within school buildings will be taken to the charter school's designated depository when the sum accumulated in any one day by a class, a teacher or others at any school exceeds [\$25]. Accumulated cash maintained in school buildings overnight may not exceed [\$].

Pre-numbered three way receipt is required for any cash transaction.

END OF POLICY

Legal Reference(s):

Disposal of Charter School Property

Except as stipulated in NAC 386.342, the governing body may, at any time, declare charter school property as surplus and authorize its disposal when such property is no longer useful to the charter school, unsuitable for use, too costly to repair or obsolete.

If reasonable attempts to dispose of surplus properties fail to produce a monetary return to the charter school, the governing body may dispose of them in another manner.

END OF POLICY

Legal Reference(s):

NAC 386.342

NRS Chapter 332