



STEPHEN F. AUSTIN STATE UNIVERSITY CHARTER SCHOOL

100: Financial Operations SFA Charter Board Policy

Module 100: Financial Operations

The Financial Operations, Module 100, is the first module of the Model Board Policies. The material included in this module provides a comprehensive summary of statutes and regulations that apply to the financial operations of charter schools, as well as specific model board policies designed to comply with these legal requirements. Other policy modules in the series include:

Module 200: Charter School Governance & Organization

Module 300: General School Operations

Module 400: Students

Module 500: Open Government

Module 600: Human Resources

Legal Abbreviations Used In the TCSA Model Board Policy Series

Atty. Gen. Op.

Attorney General Opinion

C.F.R

Code of Federal Regulations

Tex. Admin. Code

Texas Administrative Code

Tex. Educ. Code

Texas Education Code

Texas Gov't Code

Texas Government Code

Tex. Labor Code

Texas Labor Code

Texas Local Gov't Code

Texas Local Government Code

U.S.C.A

United States Code Annotated

100.020. ANNUAL OPERATING BUDGET

SECTION 1. Budget Process

SECTION 1.1. FASRG. The CEO/Principal will ensure that SFA CHARTER SCHOOL follows a budgeting process that is consistent with the requirements in the Budgeting Module of the Texas Education Agency's ("TEA") Financial Accountability System Resource Guide.

SECTION 1.2. CEO/PRINCIPAL. The CEO/PRINCIPAL is responsible for the preparation of the annual budget.

SECTION 1.3. Campus Improvement Plan. Each year before the annual operating budget is drafted the CEO/PRINCIPAL shall ensure that a campus improvement plan, which is based on a needs assessment of SFA CHARTER SCHOOL, is drafted and finalized. The needs assessment and campus improvement plan shall be completed by August 1. The campus improvement plan shall inform the drafting of the annual budget.

SECTION 1.4. Adoption. The Board shall formally adopt the budget, in a meeting open to the public, before the fiscal year of September 1st begins and before the expenditure of any funds.

SECTION 1.5. Minutes. The Secretary of the Board will record the adoption of the budget and any amendments in the Board meeting minutes in which the adoption occurs.

SECTION 1.6. Post-Adoption. After the adoption of the budget the CEO/PRINCIPAL and the Board shall review actual fund disbursements compared to the adopted budget and make amendments as needed. This shall occur soon after actual student enrollment is determined.

SECTION 2. Fiscal Compliance

The CEO/PRINCIPAL shall ensure that SFA CHARTER SCHOOL complies with all state and federal laws and rules concerning the budget and related processes of the school, including but not limited to, laws and rules concerning online budget posting and financial solvency. In addition, the CEO/PRINCIPAL shall ensure that SFA CHARTER SCHOOL complies with the fiscal policies and procedures of Stephen F. Austin State University.

100.40. USE OF STATE FUNDS

SECTION 1. Use of State Funds

The CEO/Principal of SFA CHARTER SCHOOL shall ensure that the school uses state funds only for lawful purposes and in accordance with University Policy.

SECTION 2. Interested Transactions

SECTION 2.1. Each member of the Board shall comply with all conflict of interest laws and rules applicable to affected board members.

SECTION 2.2. The CEO/PRINCIPAL shall ensure that the employees of SFA CHARTER SCHOOL shall comply with all conflict of interest laws and rules applicable to affected employees.

SECTION 2.3. The CEO/PRINCIPAL shall ensure that the following shall be recorded in the accounting, auditing, budgeting, reporting, and recordkeeping systems for the management and operation of the school as required by University Policy and Procedures:

- a. Financial transactions between the school and the non-charter activities of the charter holder;
- b. Financial transactions between the school and an officer or employee of the charter holder or the school;
- c. Financial transactions between the school and a member of the governing body of the charter holder or the school;
- d. Financial transactions between the school and any other person or entity in a position of influence over the charter holder or the school.

100.60. STATE FISCAL COMPLIANCE

SECTION 1. Fiscal Year

The SFA CHARTER SCHOOL shall operate on a fiscal year beginning September 1st and ending August 31st.

SECTION 2. Financial Accounting

SECTION 2.1. Compliance. The CEO/Principal shall ensure that SFA CHARTER SCHOOL fully complies with: generally accepted accounting principles, Texas Education Agency's ("TEA") Financial Accountability System Resource Guide, TEA's Student Attendance Accounting Handbook, Public Education Information Management System (PEIMS), and any other applicable federal or state standards for financial management systems.

SECTION 2.2. Financial Reporting. The CEO/PRINCIPAL, or designee, shall make an accurate, current, and complete disclosure of financially assisted activities in accordance with financial reporting requirements of each grant or sub grant.

SECTION 2.3. Accounting Records. The CEO/PRINCIPAL, or designee, shall maintain records that adequately identify the source and application of funds provided for activities assisted with state or federal funds.

SECTION 2.4. Internal Control. The CEO/PRINCIPAL, or designee, shall maintain effective control and accountability of all federal grant and sub-grant cash, real and personal property, and other assets obtained with federal funds. The CEO/PRINCIPAL, or designee, shall safeguard all such property and assure that it is used solely for authorized purposes.

SECTION 3. Grant Management Standards

SECTION 3.1. Compliance. If SFA CHARTER SCHOOL receives a grant directly from a state or federal agency the CEO/PRINCIPAL shall ensure that SFA CHARTER SCHOOL is in compliance with the grant requirements of that state or federal agency.

SECTION 3.2. Employee Time Sheet. If an SFA CHARTER SCHOOL employee's compensation is funded by any grant, the CEO/PRINCIPAL, or designee, shall ensure that the school follows University Procedure in effort reporting.

SECTION 4. Annual Audit by the Charter

SECTION 4.1. Annual Audit. Annually, the President of the Board for SFA CHARTER SCHOOL shall ensure the engagement of a certified public accountant ("CPA") to have the financial and programmatic operations of SFA CHARTER SCHOOL audited. SFA CHARTER SCHOOL shall select and contract only with CPAs that are licensed by the Texas State Board of Public Accountancy and registered as a provider of public accounting services.

SECTION 4.2. Filing with TEA. The CEO/PRINCIPAL shall ensure that SFA CHARTER SCHOOL timely files a copy of the annual audit report with the TEA division responsible for school financial audits. The report shall include a certificate of the Board which will include the original signatures of both the presiding officer and the secretary of the Board. The certificate shall indicate if the Board approved or disapproved the contents of the report along with the date of the Board's approval or disapproval. This approval or disapproval shall be supported in the Board's meeting minutes. The CEO/PRINCIPAL shall ensure that if the Board disapproved the audit, it shall still be filed with TEA along with a statement identifying the reason(s) for Board disapproval.

SECTION 5. Annual Financial Statement

SECTION 5.1. Annual Financial Statement. The CEO/PRINCIPAL of SFA CHARTER SCHOOL shall prepare, or cause to be prepared, an annual financial statement for each fund subject to the authority of the Board during the fiscal year showing:

- a. the total receipts of the fund, itemized by source of revenue, including taxes, assessments, service charges, grants of state money, gifts, or other general sources from which funds are derived;
- b. the total disbursements of the fund, itemized by the nature of the expenditure; and
- c. the balance in the fund at the close of the fiscal year.

SECTION 5.2 Posting of Annual Financial Statement. The CEO/PRINCIPAL, or designee of SFA CHARTER SCHOOL shall ensure that the annual financial statement is posted continuously on the school's Internet website.

SECTION 6. Annual Financial Management Report

SECTION 6.1. The CEO/PRINCIPAL shall ensure that SFA CHARTER SCHOOL complies with the reporting procedures TEA develops for charter holders to prepare and distribute the school's annual financial management report.

SECTION 7. Audit by the Commissioner

SECTION 7.1. SFA CHARTER SCHOOL and its officers, employees and agents shall fully cooperate with an audit by the commissioner of education

SECTION 8. Attendance Accounting

SECTION 8.1. Compliance. The CEO/PRINCIPAL shall ensure that SFA CHARTER SCHOOL complies with the TEA Student Attendance Accounting Handbook and all other laws and rules concerning charter school student attending accounting, reporting, and record keeping.

SECTION 8.2. Responsibility. The CEO/PRINCIPAL, chief campus leaders, and teachers of SFA CHARTER SCHOOL will be responsible to the Board of SFA CHARTER SCHOOL and to the state to maintain accurate, current student attendance records;

SECTION 8.3. When Attendance is Taken. Attendance at SFA CHARTER SCHOOL will be determined by the absences recorded at 10:00 AM, unless the student is participating in an activity that meets the following conditions:

8.3.1 The student is participating in a Board-approved extracurricular activity or public performance, which is under the direction of the District's professional staff or an adjunct staff member.

8.3.2 The student is observing holy days, including days of travel to or from a site where the student will observe holy days. Excused days of travel shall be limited to not more than one day of travel to and one-day travel from the site where a student will observe the holy days.

8.3.3 The student has a documented appointment with a health care professional during regular school hours, if that student begins classes or returns to classes on the same day of the appointment. The appointment must be supported by a signed note from the health care professional. A student whose absence is excused for an appointment with a health care professional shall be counted as neither absent nor tardy.

SFA CHARTER SCHOOL will not change the established period in which absences are recorded during the school year.

SECTION 9. PEIMS Data Standard

SECTION 9.1. PEIMS. The CEO/PRINCIPAL shall ensure that SFA CHARTER SCHOOL's fiscal accounting system is compatible with PEIMS data standards and conforms to Generally Accepted Accounting Principles.

SECTION 9.2. Account Code Structure. The CEO/PRINCIPAL shall ensure that, with the exception of the codes that may be used at local option, SFA CHARTER SCHOOL shall use the account code structure described in TEA's Special Supplement to the Financial Accountability System Resource Guide, Nonprofit Charter School of Accounts.

100.80. FEDERAL FISCAL COMPLIANCE

SECTION 1. Federal Grant Allowable Expenditures

SECTION 1.1. OMB Circulars. Prior to expending funds, the CEO/PRINCIPAL shall ensure that SFA CHARTER SCHOOL consults the appropriate OMB Circular, applicable to open-enrollment charter schools, to determine what costs are allowable. The CEO/PRINCIPAL shall ensure that all grant funds are expended in accordance with the circular and coordinate with Office of Research and Sponsored Programs on all grant related activity.

SECTION 2. Time and Effort

SECTION 2.1. Compliance. The SFA CHARTER SCHOOL will abide by University Policy and Procedure in regard to effort reporting.

SECTION 3. Use of Federal Grant Funds for Procurement

SECTION 3.1. Compliance. When expending federal grant funds, The CEO/PRINCIPAL, or the CEO/PRINCIPAL's designee shall ensure compliance by SFA CHARTER SCHOOL's employees, officers, and agents with all applicable federal, state, and university policies and procedures. Violations of applicable laws or policies may lead to disciplinary consequences including and up to termination of employment or removal from any officer position if applicable.

SECTION 3.2. Open and Free Competition. The CEO/PRINCIPAL shall ensure that all procurement transactions are conducted in compliance with University Policy and Procedures and best value procurement.

SECTION 3.3. Conflicts of Interest. The CEO/PRINCIPAL shall ensure that all SFA CHARTER SCHOOL personnel complies with federal, state, and university policies and procedures related to conflicts of interest. All SFA CHARTER SCHOOL personnel may also not solicit or accept favors, gratuities, or anything of monetary value from contractors or their agents.

SECTION 3.4. Record Documentation. The CEO/PRINCIPAL shall ensure the SFA CHARTER SCHOOL abides by all University Policies and Procedures regarding procurement records.

SECTION 3.5. Mandated Contract Provisions. The CEO/PRINCIPAL shall ensure that all legally mandated provisions are included in each procurement contract.

100.100. FUND MANAGEMENT & CREDIT CARD PROCEDURES

The SFA CHARTER SCHOOL will follow applicable University Policy and procedures as it pertains to check and credit card transactions.

School funds are public funds. Consequently, all expenditures of school funds, shall be documented and accounted for by daily receipts.

The CEO/Principal of SFA CHARTER SCHOOL shall ensure that appropriate “separation of duties” are complied with in the handling of all money transactions, including reconciliation.

SECTION 1. Activity Funds

SECTION 6.1. Parent/Volunteer Groups. The CEO/PRINCIPAL, shall develop procedures for parent and school volunteer groups to follow, in the collection of funds according to University Policy and Procedures. Such procedures should distinguish between what the school is collecting and what the parent group is collecting. The CEO/PRINCIPAL or designee shall ensure that SFA CHARTER SCHOOL complies with Texas Education Code §12.108 with regard to any fees collected by SFA CHARTER SCHOOL from students or parents.

SECTION 6.2. Activity Expenditures. The following individual(s) is/are authorized to approve activity expenditures: CEO/PRINCIPAL.

100.120 ACCOUNTING FOR CAPITAL ASSETS

SECTION 1

SECTION 1.1. Capital Asset. All capital asset of the SFA CHARTER SCHOOL are owned by the University.

SECTION 1.2. Documentation. The CEO/PRINCIPAL shall ensure that SFA CHARTER SCHOOL maintains accurate records of capital assets in accordance with applicable rules.

SECTION 1.3. Inventory. The will ensure that a physical inventory of capital assets takes place as required by University Policy, every year in accordance.

SECTION 1.4. Financial and Compliance Report. For purposes of the Financial and Compliance Report, the CEO/PRINCIPAL shall ensure that the report includes:

- a. An exhibit in the financial and compliance report identifying all capital assets and the ownership interest of local, state, and federal parties; or

A statement that all property acquired during the term of the SFA CHARTER SCHOOL, and all property presently held by SFA CHARTER SCHOOL, may be considered University property.

100.160. PAYROLL

SECTION 1.1. Accurate & Timely Payroll. The CEO/Principal shall ensure that school employees are paid accurately and timely in accordance with applicable laws and rules

SECTION 2.2. Paydays.

- a. Exempt Employees. The paydays for exempt employees shall be monthly in accordance with University Policy.

- b. Non-exempt Employees. The paydays for non-exempt employees shall be semimonthly in accordance with University Policy.

SECTION 2.3. Withholding of Wages. The CEO/PRINCIPAL shall ensure that the wages of school employees are not withheld except as expressly required or expressly permitted by applicable laws and rules.

100.180. PROPERTY

SECTION 1. Use of University Property

SECTION 1.1. Allowable Use. The CEO/Principal shall ensure that university property being utilized by the SFA Charter School is used only in accordance with University Policy, State Law, and is consistent with the Texas Education Code §12.102.

SECTION 1.2. Exception to Allowable Use. Employees of SFA CHARTER SCHOOL may use University property and Internet connections for incidental personal use in accordance with University Policy and Procedures.

SECTION 2. Violations

SECTION 2. 1. Employee Violations. The CEO/PRINCIPAL shall ensure that a violation of this policy by an employee of SFA CHARTER SCHOOL shall have disciplinary consequences which may include termination of employment.

SECTION 3. LEASE OF SFA CHARTER SCHOOL FACILITIES

SFA CHARTER SCHOOL must follow University Policy and Procedures related to the use of university facilities.

100.200. PURCHASING & CONTRACTING

The SFA CHARTER SCHOOL will follow University Policy and Procedures as it relates to procurement and contracts.

Section 1. Board Approval Required

For any contract or purchase made pursuant to this policy, the SFA Charter Board shall approve all contracts valued at or above \$100,000. The CEO/PRINCIPAL does not have authority to bind the SFA Charter Board or the SFA CHARTER SCHOOL to any contract for goods and services valued at or above \$100,000. Any contract or purchase valued above this amount that is not approved by the SFA Charter Board is void and ineffective. Upon approval, procurement must go to SFA Board of Regents if required under university policy.

Section 2. State Travel Management Program

Board members, officers, and employees, engaged in travel on official business of SFA CHARTER SCHOOL, shall utilize the University Policies and Procedures related to travel.