

FINANCE POLICIES AND PROCEDURES

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Introduction

Operating a charter school is engaging for administrators and is fulfilling the dreams of its Founders. It is also very rewarding on many levels, particularly as the successes of students are observed. Charter schools are not typical start-ups. Before a charter is even granted by the state, its Founders need to have a complete business plan including financial policies and procedures which are the foundation of effective internal controls. Breakthrough Academy (the "School") shall make these policies available in the main business office. This delegated authority requires checks and balances or internal controls to ensure that the Board properly accounts for and spends public funds for which it is entrusted within the law and without malfeasance.

Internal Controls

Internal Controls are an integral part of a charter school's "control environment" to ensure the school's assets are safeguarded and to minimize risk. Internal controls consist of well-crafted policies, procedures, guidelines and forms. They also include implementation and modeling by leadership and school staff. Controls are developed for the purpose of:

- Protecting against waste of resources through inefficiencies;
- Protecting resources against embezzlement, bribes, theft or other types of fraud;
- Protecting against poor management, carelessness and unintentional errors;
- Securing compliance with laws of the state, policies of the school and the audit requirements of the State of New Hampshire;
- Protecting against loss or destruction of records;
- Ensuring data reliability and accuracy;
- Evaluating the level of performance of the school's operations.

Under the direction of the Board of Trustees (the "Board"), schools are required to establish and maintain adequate accounting records and implement internal control policies & procedures. Internal control consists of six components: control environment, risk assessment, control activities, information and communication, segregation of duties and monitoring. The objectives of internal controls relate to financial reporting, operations, and compliance.

The Board and all levels of administration and instructional staff are responsible for preventing and detecting instances of fraud and related misconduct and for establishing and maintaining proper internal controls that provide security and accountability. The Board and administration are also responsible for recognizing risks and exposures inherent to these areas of responsibility and for being aware of indications of fraud or related misconduct. Any employee with reasonable basis for believing fraudulent or related misconduct has occurred should report such incidents to the designated authorities within the school or to the New Hampshire Department of Education.

Internal controls provide schools with the foundation to properly safeguard assets, implement policies, provide compliance with state and federal laws and regulations and produce timely and accurate financial information. Board members and School Directors should review the School's Finance Policies and

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Procedures to further understand the need for internal controls and their role in implementation and oversight. The policies outlined herein will be reviewed at least annually. Employees involved in the processes and procedures associated with these policies will be trained at least annually in their duties.

Governing Board Authority

The Board is responsible for the operation of the school in accordance with state and federal laws. The Board is also responsible for operating the school in accordance with the representations made in its charter. Specifically, the Board shall have the sole authority to approve and will incorporate into its own minutes such matters as:

- Adoption and amendment of the annual budget;
- Selection or termination of key employees;
- Changes to salary or benefits for key employees;
- Incurring debt, mortgages or other encumbrances and their covenants and restrictions, within the terms of the charter;
- Establishing Investment policies and depository accounts;
- Purchase or sale of real property;
- Review and acceptance of interim monthly financial statements;
- Selection of the school's auditor (CPA firm);

Administrative Authority

The School Director are authorized by the Board to execute all legal transactions for the school (with exceptions for certain capital purchases and indebtedness, etc. noted herein) and to make all purchases and disbursements necessary according to policy for the operation of the school. The School Director independently report all financial transactions directly to the Board periodically in a board meeting. Both the School Director may report to the Board independently if requested, or if they deem appropriate on certain matters, or in any case where mismanagement or fraud is suspected.

Compliance with Laws

The school will follow all applicable laws and regulations that govern charter schools within the State of New Hampshire. Applicable federal laws and regulations will be adopted as federal program funds and grant funding is received. Additionally, records will be available to the New Hampshire Department of Education (NHDOE), State Charter School Board or other governmental entity as needed.

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General Policies

Political Contributions

No funds or assets of the school may be contributed to any political party or organization or to any individual who either holds public office or is a candidate for public office. Following are examples of prohibited activities:

- Contributions by an employee that are reimbursed through expense accounts or in other ways;
- Purchase of tickets for political fundraising events;
- Contributions in-kind, such as lending employees to political parties or using the school's assets in political campaigns.

Record Keeping

To provide an accurate record of all financial transactions, the school's books, records, and accounts are maintained in conformity with generally accepted accounting principles as required by state law applicable to charter schools. This includes recordkeeping in the accrual basis of accounting. Audited financial statements certified by an independent auditor will be prepared annually using the accrual basis of accounting. Further, the school specifically requires that:

- No funds or accounts may be established or maintained for purposes that are not fully and accurately described within the books and records of the school;
- Receipts and disbursements must be fully and accurately described in the books and records;
- No false or fictitious vendors, invoices or entries may be made on the books or records nor any false or misleading reports issued;
- Federal Awards shall be separately identified and tracked as a project in the chart of accounts and must include, as applicable, the CFDA title and number, Federal award identification number and year, name of the Federal agency and pass-through entity, if any, in accordance with OMB Guidance 200.303.

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Record Retention Policy

The School Director shall develop and maintain (a) a schedule for the minimum retention of various School records ("Record Retention Schedule") as required under RSA 189:29-a, and (2) procedures for records retention and/or destruction. The procedures should ensure that all pertinent records are stored safely and are stored for such durations as are required by state or federal law. The School Director shall develop procedures necessary to protect individual rights and preserve confidential information.

This policy applies to all School records, irrespective of the specific medium of the record, i.e., paper, electronic, digital, cloud, etc.

Record Retention Schedule

The School Director shall update the Record Retention Schedule from time-to-time in accordance with legislative or regulatory changes, directives of the Board, as recommended by the New Hampshire School Boards Association, or upon advice of counsel. The School Director shall inform the Board of any revisions to the Records Retention Schedule no later than the second School Board meeting after the changes have been made.

Special Holding or Destruction Provisions

Notwithstanding the School's Record Retention Schedule, (a) special destruction rules may apply to student special education records, and (b) for other records, the normal retention periods may be suspended when the records are implicated by either a litigation hold or a request for records under the New Hampshire Right to Know law, RSA 91-A.

Special Education Records

Upon a student's graduation from high school, his or her parent(s)/guardian(s) may request in writing that the School destroy the student's special education records, including any final individualized education program.

The parent(s)/guardian(s) may, at any time prior to the student's twenty-sixth birthday, request, in writing, that the records be retained until the student's thirtieth birthday.

Absent any request by a student's parents to destroy the records prior to the twenty-sixth birthday, or to retain such records until the student's thirtieth birthday, the School shall destroy a student's records and final individualized education program within a reasonable time after the student's twenty-sixth birthday, provided that all such records be destroyed by the student's thirtieth birthday.

A permanent record of a student's name, address, and phone number, his or her grades, attendance record, classes attended, grade level completed, and year completed may be maintained without time limitation. 34 CFR 300.624.

The School shall provide parents/guardians, or where applicable, the adult student, with a written notice of the School's document destruction policies upon the student's graduation with a regular high school diploma or at the transfer of rights, whichever occurs first.

The School shall provide public notice of its document destruction policy at least annually.

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Litigation Hold

On receipt of notice from legal counsel representing the School in that a litigation hold is required, the routine destruction of governmental records, including paper and electronic or digital records, which are or may be subject to the litigation hold shall cease. The destruction of records subject to a litigation hold shall not resume until the School has received a written directive from legal counsel authorizing resumption of the routine destruction of those records in accordance with the retention requirements of this policy and the associated procedures.

Right-to-Know Request Hold

On receipt of a Right-to-Know law request to inspect or copy governmental records, the School Director shall cease any destruction of governmental records which are or may be the subject of the request. The records shall be retained regardless of whether they are subject to disclosure under RSA Chapter 91-A, the Right-to-Know law. If a request for inspection is denied on the grounds that the information is exempt under this chapter, the requested material shall be preserved for no less than ninety (90) days and until any lawsuit pursuant to RSA 91-A:7-8 has been finally resolved, all appeal periods have expired, and a written directive from legal counsel representing the School authorizing destruction of the records has been received.

Disposal of Sensitive Information & Media Sanitization.

School records which include “Sensitive Information” shall be destroyed as provided in this paragraph. All electronic devices with storage capacity shall be deemed to contain sensitive information. For purposes of this section, “**Sensitive Information**” shall mean and include:

- Records containing student or employee personally identifiable information (PII) as defined in RSA 189:65, VII and VII-a;
- Criminal History Records Information (see Board policy GBCD);
- Drug test records;
- Child labor permits;
- Cobra notices;
- Accident reports;
- Special education student records;
- Records pertaining to civil rights investigations;
- Bonds and continuation certificates;
- Accident reports;
- Banking records;
- Business correspondence including confidential information such as account numbers, banking, or digital transaction information;
- Tax forms, unemployment records, etc. with confidential data; and

Any other information that would be exempt from disclosure under RSA 91-A:5 or deemed sensitive information by the Board, the School Director, Building Principal, or their designees.

Physical Media

(i.e., “hard copies”, printouts, etc.) including sensitive information shall be destroyed by one of the following:

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- shredding using School issued cross-cut shredders; placed in locked shredding bins approved by the School Director to come on-site and shred, witnessed by School personnel throughout the entire process; or
- incineration using School incinerators or if conducted by non-authorized personnel offsite, witnessed by the School Director or School Director's designee.

Electronic Media

All *electronic media should be assumed to contain sensitive information*. When no longer usable, hard drives, diskettes, tape cartridges, CDs, ribbons, hard copies, and other similar items used to process, store and/or transmit School records with sensitive data shall be disposed of as follows:

- Overwriting (at least three times)
- Degaussing (removal of magnetism)
- Physical destruction (i.e., dismantling by methods of crushing, disassembling, etc., ensuring that the platter or other storage device has have been physically destroyed so that no data can be extracted).

Computers and other digital or electronic devices or systems that have been used to process, store, or transmit sensitive information shall not be released from the School's direct control until the equipment has been sanitized and all stored sensitive information has been destroyed using one of the above methods.

Destruction of School Records with No Sensitive Information

All records which do not include sensitive information should be destroyed as soon as practicable upon the expiration of the applicable retention period and in a manner deemed most efficient and practical.

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Asset Protection Policies

Signature Authority

To properly segregate duties, the Board Chair, the Treasurer, or the School Director or others as expressly authorized are the only individuals with signatory authority and are responsible for authorizing all cash transactions

Security of Financial Data

The school's accounting software will be maintained to ensure that adequate internal controls and security measures are established to minimize unauthorized access to school data (i.e., proper password protection). The system's accounting data shall be backed up periodically to ensure the recoverability of financial information in case of failure. All other financial data, petty cash box(es), check stock, etc. will be secured from unauthorized access.

Security of School Documents

Originals of the following corporate documents are maintained and their presence shall be verified on a periodic basis:

- Charter and all related amendments;
- Articles of Incorporation and By-laws;
- Minutes of the Board of Trustees and subcommittees;
- Corporate and payroll tax registrations;
- Banking & financial agreements;
- Leases;
- Insurance policies;
- Grant and contract agreements
- Fixed asset inventory list

Use of School Assets

School employees should not use any of the school's assets for personal use without prior approval of the school administration and with proper justification.

Facilities Use by Outside Persons or Entities

In accordance with state law, the Board authorizes, on condition, the use of school facilities for other than school purposes. It is understood that the school shall by law assume no expense as a result of the leasing of school properties, facilities, including grounds, furnishings and equipment. It is further understood that restraint must be exercised in leasing facilities for purposes other than school functions, to the extent that such leasing shall not interfere with the school curriculum, program and standards. The Board may refuse the use of school facilities by outside entities if it determines the use is inadvisable.

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The Board authorizes the Administration to establish rules, guidelines, procedures and fees for the rental and use of school facilities for other than school purposes. The Board will review and approve the procedures as needed.

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Banking and Financial Management Policies

General

Accounting policies and financial reporting adopted by the school should be consistent with a special purpose governmental entity that engages in business-type activities. The Board has oversight of the management of the school inclusive of establishing the governance structure and the financial management policies as set forth in the school's charter.

Budgeting

The School Director prepares an annual operating budget of revenues and expenses for approval. The Board approves a final budget no later than June 30th of each school year. Budgets are reviewed and modified as necessary. These forward-looking budgets and projections are reviewed and approved by the Board at an open and public meeting.

- The fiscal year (budget year) of the school is July 1st through June 30th. The appropriate accounting period is used for all adjusting entries and accruals;
- Financial statements displaying budget vs. actual results are prepared by the school's accountant and reviewed by the School Director and Treasurer and are presented to the Board at each board meeting (with limited exceptions);
- Administration shall follow the Board approved budget with exceptions approved by the Board.

Bank Accounts

The Board may authorize bank accounts for general or specific purposes. All bank accounts shall be reconciled by the external accountant as often as statements are available, typically monthly. The Treasurer will receive a copy of each reconciliation for their review.

Petty Cash

Petty cash funds may be established for incidental, non-recurring cash advances, local expense reimbursement, and small-dollar vendor purchases, provided proper documentation is furnished with each request. No fund shall exceed \$500 or individual payment shall be greater than \$100. Petty cash funds are recorded on the balance sheet as a cash account. The petty cash account is balanced periodically by the Business Manager.

Journal Entries

Adjusting Journal Entries will be provided to the Treasurer by the external accountant for review and approval with supporting documentation to verify that the entry was properly posted.

Cash Handling & Cash Receipts

Wherever possible, duties such as collecting funds, maintaining documentation, preparing deposits and reconciling records should be segregated among different individuals. When segregation of duties is not possible due to the small size and limited staffing of the school, compensating controls such as management supervision and review of cash receipting records by independent parties should be implemented.

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Fundraising

Fundraising is generally permitted within the school to allow the school to raise additional funds to supplement school-sponsored academic and co-curricular programs. Fundraising at the school level is only authorized and administered by the School Director. The Board shall annually review the fundraising activities of the school and all activities that support or subsidize the school. The Board shall ensure that revenues raised during fundraising activities or through activities that support the school (local funds) are raised within established cash handling policies. All expenditures shall be made in accordance with established school policies and procedures. The Board shall ensure that all activities of fundraising and parent organizations are adequately reviewed and considered with the school's insurer to evaluate and manage risks associated with such activities. Fundraising guidelines are:

- All monies raised through fundraisers for school-sponsored activities are considered public funds. This includes all donations to the school, regardless of whether or not such donations are part of any fundraising activity or event. Gift restrictions must be agreed to at the time the gift is established and must be fully documented in writing. The School reserves the right in the gift designation agreement to broaden the purpose of a gift should it be determined by the Board of Trustees at some future date that the purpose for the gift no longer best serves the mission the School;
- Cash Handling and Cash Receipt procedures of the school apply to all school sponsored fundraising activities;
- Relationships with non-school employees in relation to fundraising activities are managed by the School Director;
- Conflict of Interest forms must be completed when persons employed by or affiliated with the school are also involved in fundraising organizations or hold funds that that will benefit the school;
- "School-sponsored" means activities, fundraising events, clubs, camps, clinics, programs, sports, etc., or events, or activities that are authorized by the school, school board, administration, or board committees, including the authorized parent organization or authorized curricular school clubs, activities, sports, classes or programs that also satisfy one or more of the following criteria. The activity:
 - Is managed or supervised by school administration, staff, or authorized volunteers;
 - Uses the school's facilities, equipment, or other school resources;
 - Is supported or subsidized, more than inconsequently, by public funds, including the public school's activity funds or minimum school program dollars.

Properly approved school-sponsored activities:

- May use the school's name, facilities, and equipment;
- May utilize school employees and other resources to supervise, promote, and otherwise staff the activity or fundraiser;
- May be eligible to be insured under the school's liability insurance policy (subject to insurer);
- May provide additional compensation or stipends for school employees with the approval of the School Director and under school payroll policies and consistent with the school's budget.

Fundraising activities, or activities of outside organizations of any kind that are not school sponsored activities must be conducted at arm's length so that revenues and expenditures are no commingled with the public funds of the school.

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Donations & Gifts

Donations may be accepted, upon approval by the Board, providing the item(s) to be donated (cash, goods, services) are legal to possess by a public school, safe, unencumbered, usable by the school and are generally not restricted in their use, or are not restricted for use by an individual employee. Donations for the purpose of compensating specific employees or positions may not be accepted (donors can donate for other purposes instead). Donations received by the school become public funds and may not be returned or expended except within the law as applicable to the appropriate use of public funds.

Gifts to the school must be general in nature and may not be restricted such that they cannot be used for various purposes, except when those purposes are to a specific program, such as the PE program, science department or art program. Donations or gifts intended to benefit a specific student, teacher or classroom may not be accepted and could be considered a bribe.

The value of a gift or donation to the school may not be assessed or assigned by the school. The value and tax deductibility of a donation or gift made by an individual or company is to be determined by the donor and their accountant, not the school. No dollar value may be assigned to a donation verbally or in writing. If a product or service is given in return for a donation or gift that is clearly defined, such as a \$250 advertising slot at a school event, that value can be disclosed by providing the school's advertising rates to the donor for them to assign a value.

Financial Statement Reporting

The business office is required to maintain supporting records in sufficient detail to prepare the school's financial statements, including:

Quarterly

- Internally generated Income Statement, including budget vs. actual comparison and adequate notes & explanations
- Balance Sheet
- Transaction Register

Annually

- Financial statements for audit, with supporting statements as needed
- Annual budget

Capitalization and Inventory of Property

All tangible personal property, land, capital improvements or buildings with a useful life of more than one year and a unit acquisition cost that exceeds the board-authorized capitalization threshold are recorded and capitalized on the property schedule. The Board shall establish the capitalization threshold. The asset capitalized cost includes actual tax, shipping/handling, and other expenses incurred to bring the asset ready for its intended use. Additionally, these policies apply to capital assets:

- All capitalized assets will be depreciated using the straight-line method of depreciation in accordance with such asset's useful life and governmental & financial accounting standards;
- The depreciation expense will be recorded in the statement of revenues, expenses, and changes in net assets;

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- The school maintains records of all government-furnished property and equipment, with an identification and segregation of property and equipment acquired through government contracts in accordance with CFR 200.313;
- Upon receipt, all property that qualifies as necessary to include on the property schedule, or has reasonable possibility of theft, or is required by law, must be properly labeled with asset ID tags;
- Assets purchased or received that cost less than the depreciation threshold will be expensed in the period purchased;
- No item on the property schedule shall be removed from the premises without prior approval from the Board.
- Procedures for asset disposal must comply with state or federal law or regulation where appropriate.
- All Assets shall be disposed consistent with applicable regulations of any restricted funds with which they were purchased, according to state or US Dept. of Education General Administrative Regulations;
- Gains and losses from the sale or other disposition of property are recorded as revenue in the year in which they occur, and are reflected as such on applicable financial statements;
- A physical inventory of property included on the school's property schedule is performed every two years and is reconciled to the property schedule and general ledger of the school.

Government Furnished Property and Equipment

Government furnished property and equipment will be capitalized, tracked, and monitored in accordance with the regulations set forth in CFR 200.313. Federal Property and Equipment must be used in the program or project for which it was acquired as long as needed, whether or not the project or program continues to be support by the Federal award. When no longer needed for the original program or project, the equipment may be used in other activities supported by the School with preference given to other federal programs. The following considerations will be given to Government Property and Equipment:

- When acquiring replacement equipment, the School may use the equipment to be replaced as a trade in or sell the property and use the proceeds to offset the cost of the replacement property;
- Property records will be maintained that include a description of the property, the source of funding, who holds title, the acquisition date, the cost of the property, the location, and any disposition data;
- A physical inventory of the property will be taken and the results reconciled with the property records every two years;
- When original or replacement equipment acquired under a Federal award is no longer needed for the original project, the School will request disposition instructions from the Federal awarding agency.

Liabilities

Encumbrances, debt or other obligations are recognized and measured in conformity with generally accepted accounting principles in both the modified and full accrual basis of accounting. Liabilities also include certain other deferred amounts that are not obligated, but are recognized and measured in conformity with generally accepted accounting principles. The Board and administration, in consultation with accounting firms, will determine liabilities as needed for financial statements.

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Accounts Payable

Only valid accounts payable transactions based on documented vendor invoices, receiving reports, or other approved documentation are recorded as accounts payable. Vendors and suppliers are paid as their payment terms require, taking advantage of any discounts offered. If cash flow problems exist, payments are made on a greatest dependency/greatest need basis, considering critical disbursements, including payroll and tax obligations.

Use Of School Credit & Debit Cards

Debit cards are only authorized with Board approval. Charter School credit cards and purchase cards shall only be issued with the formal approval of the Board and with proper justification. The cost/benefit to the school should be fully reviewed to ensure that no other method is appropriate. If credit cards are issued they should be assigned to specific school employees and should be used only for school-related expenditures.

All charges must be supported by transaction-level invoices (point-of-sale receipts) or travel reports to be eligible for payment by Charter School. Monthly credit card statements are reconciled by cardholders to point-of-sale receipts and travel reports. They are reviewed and approved monthly by appropriate supervisors.

Accrued Liabilities

Salaries, wages earned, and payroll taxes, together with professional fees, rent, and insurance costs incurred, but unpaid, are reflected as a liability when entitlement to payment occurs. The portion of any teacher, or other employee whose salaries are paid over a period different than during which work was performed, are accrued at the end of the fiscal year for which services were rendered.

Debt

Short-term debt consists of financing expected to be paid within one year of the date of the annual audited financial statements. Long-term debt consists of financing that is not expected to be repaid within one year. All short-term and long-term debt must be approved by the Board. Loan agreements approved by the Board shall be in writing and specify all applicable terms, including the purpose of the loan, the interest rate, and the repayment schedule. School administration may not enter into loan agreements without Board approval.

Payroll Expenditures

The School Director is responsible for processing payroll according to the payroll schedule. The School Director create Employment Agreements for all employees detailing the requirements of their jobs (minimum/maximum hours, rates, position, etc.) which will be signed by the employee, School Director, and approved by the Board.

Net Assets

Net assets are recorded in accordance with generally accepted accounting principles applicable to special purpose governmental units. Net assets include the following:

- Unrestricted
- Restricted

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- Investment in Capital Assets, net of related debt

Consistency in Cost Accounting

Practices used by the school in estimating costs in grant/contract proposals are consistent with its accounting practices used in accumulating and reporting costs. Accounting practices used by the school in accumulating and reporting actual costs are consistent with its practices used in estimating costs in its grant and contract proposals.

Federal and Pass-Through Grant Drawdowns and Payments

In accordance with CFR 200.305, The Charter School will submit requests for advance payments and/or reimbursements for grant awards on a monthly basis at a minimum or as required by the grant agency. When the advance payment method is used, the Charter School will make payment within 30 calendar days after receipt of the billing to vendors unless otherwise directed by the Federal awarding agency.

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Cash Management Procedures

Cash receipts (including check or cash payments received via mail or in person and deposits received via Electronic Funds Transfer) shall be recorded completely and accurately to prevent the misappropriation of assets.

Fundraising Events

For each fundraising or other event in which cash or checks will be collected, the School Director will designate a staff member to be responsible for managing the process to collect and hold all cash and checks related to the event. The designee will record each transaction in a cash receipts log or document each item sold at the time the transaction is made in a log or similar. The designee shall give the cash, checks, deposit summary, and any related supporting documentation to the Business Manager immediately. The Business Manager and the designee will recount and reconcile the amount received with the supplied supporting documentation and each will sign for approval. The Business Manager will immediately put the funds in a secure, locked location.

Classrooms

Cash/checks dropped off in the classroom will be held by the teacher. Each morning, the teacher will collect all forms, payments, etc. that have been brought in by each student that day and place them in a large envelope. Before the end of the work day, the teacher will bring the envelope from his/her classroom to the main business office where the cash/checks will be counted by the Business Manager.

Deposits

At least once per week, the Business Manager will work in conjunction with the school's accountant to record all cash or checks received into the accounting system. When utilizing merchant or online web contribution services, appropriate segregation of duties shall be in place to ensure that no single person is able to perform incompatible functions (custody, recording, approving).

The Business Manager will be responsible for collecting and preparing cash and checks for deposit. The Business Manager will restrictively endorse each check received (e.g. For Deposit Only) and record all cash receipts in the accounting software. A deposit packet will be prepared itemizing the amount, source, and purpose of each check or cash payment received. The deposit packet will include a copy of each check and a bank deposit slip.

Check Manifests

A Check Manifest (Quickbooks check register report detailing the check date, check number, vendor/payee, and amount) will be generated on a monthly basis and be reviewed by the School Director, Treasurer, and Board Chair.

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Procurement Procedures

Procurement of Goods and Services

The school shall follow outlined procurement (purchasing) procedures of the school and provisions of the state procurement code and procure only those items and services that are required to perform the mission and/or fill a bona fide need. Procurements are made using best value contracting which includes assessing the best value considering quality, performance, timing, and price. Additionally:

- Administration shall not intentionally divide a procurement purchase into one or more smaller purchases to divide an invoice or purchase order into two or more invoices or purchase orders, or to make smaller purchases over a period of time in order to circumvent any aspect of this policy or of state law;
- Exclusive contracts (requiring the purchase of needed goods or services from a single, specified seller) are not authorized except as outlined in the state procurement code
- Construction and improvements shall comply with the law and administrative rules of the State of New Hampshire and its departments or agencies;
- Written records will be kept for all purchases, including complete bids when applicable by law. Competitive bids will be filed in the winning bidder's vendor file;
- All lease agreements will be evidenced by a lease or sublease agreement approved by the Board and signed by the Board Chair (or designee). The agreement will identify all the terms and conditions of the lease;
- Administration or any agent of the school may not accept hospitality gifts, gratuities, kickbacks, or any other unlawful consideration
- Satisfactory receipt of goods and services will be confirmed, as invoices are approved by buyers, before payment is made to a vendor.

Procurement Procedures

All purchases over \$5,000 require a purchase requisition. The School Director or Treasurer will approve the purchase requisition after determining:

- If the expenditure is budgeted
- If funds are available for the expenditure
- If the expenditure is allowable under the appropriate revenue source
- If the expenditure is appropriate and consistent with the vision, approved charter, school policies and procedures and any related laws or applicable regulations.
- If the price is competitive and prudent and proper bidding procedures have been followed.

The School Director must approve all invoices prior to payment. All purchases over \$15,000 require two approvers.

The Business Manager will open and review invoices and bills and will notify the School Director of any unauthorized expenses. When receiving a tangible good from a vendor, the Business Manager will trace the merchandise to the packing list and note any items that were not in the shipment. The Business Manager will route invoices to the School Director for approval. If the vendor is a sole proprietor or a

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partnership (including LP and LLP) providing a service, the Business Manager will obtain a Form W-9 from the vendor prior to submitting any requests for payments to the Treasurer.

Copies of Invoices and Purchase Requisitions will be maintained in accordance with the Record Retention Policy for Audit Purposes.

Contracts

The Business Manager will consider in-house capabilities to accomplish services before contracting with an outside vendor. The Business Manager will maintain a contract file evidencing the competitive bids obtained (if any were required) and the justification of need for any contract over \$5,000. All contracts greater than \$5,000 will require three competitive bids. The Business Manager will confirm that the contractor is not listed in the US Government's Suspended or Disbarred list via a search of the System for Award Management (www.sam.gov). The Business Manager will keep a record of all searches. Refer to "Outside Service Providers" below for additional policies and procedures.

Emergency Purchases

An "emergency purchase" is the purchase of goods or services that are so badly needed that the school will suffer financial or operational damage if they are not secured immediately. A decision to purchase may be declared in an emergency at the school's discretion and "best value" procurement guidelines must be followed. In addition, the purchase must be authorized by either the School Director, Business Manager, the Board Chair or Treasurer when available and subsequently documented, communicated, and explained to the full Board within 48 hours of purchase. Sound business practices shall be used and documented in all cases.

Outside Service Providers

The utilization of outside service providers (i.e. independent contractors) and contracted personnel are sufficiently evidenced by:

- Service Agreements outlining the terms of the agreement (e.g., responsibilities work requirements, rate of compensation, and nature and amount of other expenses, if any) with the individuals or organizations providing services and details of actual services performed;
- Required IRS W-9 form, proof of authorization or licensure and liability insurance certification are required before service is rendered or payment is made;
- Invoices or billings submitted by consultants, including sufficient detail as to the time expended and nature of the actual services performed;
- The use of a management contract for educational administrative services will clearly identify the contractor's performance requirements, including students' academic achievement (if applicable), contractor's compensation and define the school's rights to educational curricula.

The use of independent contractors is closely monitored so as not to vary from the rules of the Fair Labor Standards Act and New Hampshire Law. The contractor will:

- Be free from the school's control and direction in scheduling and performing the service, both under a contract and in fact;
- Provide a service that is outside the school's usual course of business or provide a service on a temporary basis;

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- Not receive any fringe benefits as such, although their fee may include provision for fringe benefits;
- Use his or her own letterhead, supplies and materials when billing for services.

School employees may not serve as independent contractors. Contract service providers must show proof of being licensed and bonded, if applicable, and of having adequate liability insurance and worker's compensation insurance currently in effect. All services performed by independent contractors will be processed as accounts payable and the school's outside accountant will issue a Form 1099-MISC to all independent contractors in accordance with IRS regulations at the close of the calendar year. The policies contained in this document are subject to change at any time. The Board reserves the right to amend or change them at their sole discretion.

The school shall follow additional procedures when awarding contracts to outside service providers using Federal Grant Awards in accordance with CFR 200.218. Compliance with Federal Standards include the following considerations:

- Documentation of the rationale for the method of procurement, selection of contract type, contractor selection or rejection, and the basis for the contract price.
- Time and material type contracts may be used only after a determination that no other contract is suitable and if the contract includes a ceiling price that the contractor exceeds at its own risk.
- All federal procurement transactions must be conducted in a manner providing full and open competition and eliminate unfair competitive advantage which may include but are not limited to placing unreasonable requirements on firms to qualify for business, requiring unnecessary experience and excessive bonding, noncompetitive pricing, or organizational conflicts of interest.

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Allowable Costs Procedures

All costs funded by federal dollars must be allowable. Allowable costs must meet the following standards:

- Be necessary. Costs must be needed to meet program goals.
- Be reasonable.
- Can be allocated. Costs must be charged in relation to benefits received.
- Be determined in accordance with generally accepted accounting principles.
- Be adequately documented.

Below is a list of common costs considered allowable and unallowable. This list is not all inclusive. A cost not listed does not mean it is either allowable or unallowable.

Allowable Costs

- Advertising for Recruitment of personnel
- Procurement of goods and services.
- Disposal of scrap or surplus materials.
- Program outreach.
- Communications. Examples include telephone, cellular phone, and internet service.
- Conferences where the primary purpose is to provide technical information. Examples include informing subrecipients or contractors of:
 - New laws and regulations affecting federal grants.
 - Changes to the grant agreement.
 - New strategies to improve grant performance.
- Insurance.
- Maintenance and repair.
- Materials and supplies.
- Meals and refreshments. There must be adequate documentation on:
 - The necessity of having a meeting during a mealtime instead of during normal business hours.
 - The grant related subjects discussed.
 - Include a list of members attending and receiving meals and/or refreshments.
 - Itemized meal cost receipts containing the date and name of the organization providing the meal.
- Memberships, subscriptions, and professional activity costs (excluding costs associated with lobbying).
- Overtime.
- Personnel and fringe benefits costs.
- Bonuses are allowable if policies for providing bonuses are set prior to performance of work and are not dependent on funding remaining in the grant.
- Postage, freight, and other shipping costs.
- Professional service costs necessary for fulfilling the grant.
- Publication and printing costs.
- Public relations costs for communicating with the public. The information provided must relate to a specific activity or milestone of the federal grant. Costs for conducting general liaison with news and government are also allowed.
- Rental costs of real property and equipment
- Travel and employee relocation costs

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Unallowable Costs

Certain costs are not allowed to be charged to federal grants. These costs are not allowed according to 2 CFR 200 Subpart E - Cost Principles. Costs not allowed include but are not limited to:

- Advertising and public relations for the sole purpose of promoting services.
- Alcoholic beverages.
- Bad debts. These include losses arising from uncollected accounts.
- Capital Expenses such as construction of a new building are unallowable.
- Capital Improvement costs for general purposes or improvements to equipment, buildings, and land as direct charges.
- Criminal, civil, or administrative proceeding against the School
- Donation costs to other entities. These costs include cash, property, and/or services.
- Entertainment costs.
- Fundraising costs. These costs include financial campaigns, donation drives, gifts, and similar costs incurred to raise capital or obtain contributions.
- Goods or services for personal use by School employees.
- Interest charged.
- Investment counsel and staff and similar costs incurred to enhance income from investments.
- Lobbying costs.
- Meals and refreshments while engaging in the day-to-day business or staff training and meetings with employees.
- Membership costs for any social or dining clubs or organizations (i.e., country club).
- Office decorations.
- Penalties, fines, or late fees.
- Promotional items and memorabilia, such as give-a-ways, gifts, and souvenirs.
- Travel costs exceeding reasonable lodging and meal allowances.

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Inventory Management Procedures

The maintenance of inventory of equipment is an essential component of internal control. The components of inventory management include procedures for equipment use, equipment management requirements, equipment disposition and supplies disposition.

New Equipment Inventory Procedures

All technology equipment with a value of \$150 or more, and all other equipment with a value of \$5,000 or more that has a life of over 5 years is to be given an inventory number and recorded on the School's Federal Grant Inventory Spreadsheet.

All Information pertaining to the equipment including but not limited to serial number, vendor, date of purchase, cost, and location should be recorded on the Federal Grant Inventory spreadsheet.

Federal and State Fund Requisition of Equipment

Inventory management procedures begin with a process of determining the need for, and use of the equipment. All equipment purchased with federal or state funds must be in accordance with the regulations of the funding source. In other words, procedures must be in place to ensure all activities, including the purchase of equipment, paid for with federal or state funds are necessary, reasonable, allocable, and allowable. Once purchased, the equipment must continue to be used for that or a related purpose for the life of the grant.

Entry of Information into Inventory Management System

Once equipment has been received the School must have a procedure in place for the entry of information onto the Schools's Federal Grant Inventory spreadsheet. The inventory will be available for review and evaluation through the Business Office. Written procedures include the following requirements for equipment items purchased with federal and state funds.

1. All equipment should be properly tagged and labeled for inventory tracking. The label should differentiate federal and state equipment from general fund equipment.
2. The school shall retain such property in a program as long as there is need for such property to accomplish the purpose of the program for which it was purchased.
3. The inventory must be current and available for review and audit at least once every two years. The following information must be included in the recipient's inventory records:

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- A **description** of the equipment.
- A **serial number**, model number, or other identification number.
- The **funding source** under which the equipment was acquired.
- Note: Equipment purchased with federal, state or other grant funds shall be identified to indicate federal ownership by specific federal program. (vendor).
- The **source of property**
- The **acquisition date** and **unit cost**.
- The **percentage** of the equipment cost paid with federal funds.
- The current **location** of the equipment.
- The **condition** of the equipment (e.g., good, fair, poor).
- The **date** the information was reported on the inventory.
- All pertinent information on the final transfer, replacement, or disposition of the equipment (including the date of disposal, sale price of the equipment, or donation amount).
- Inventory must be updated as equipment items are purged or new purchases are made.
- Equipment items purchased with federal funds are to be identified and physically marked as noted above.
- Adequate safeguards must be in place related to the loss, damage, or theft of the equipment. Any loss, damage, or theft should be investigated and fully documented.
- Adequate maintenance procedures should be implemented to keep the equipment in good condition. Facilities and technology staff will ensure that all equipment is maintained and in working order. When applicable, a contractor will be hired to service equipment the operations staff cannot. Routine maintenance of all federally funded equipment will be assured and carried out according to vendor standards.
- A physical inventory of equipment items must be taken and the results reconciled with the inventory records at least **once every two years**.

Physical Inventory

A physical inventory of equipment purchased with federal or state funds shall be taken and the results reconciled with the equipment records at least once every two years. Any differences between quantities determined by the physical inspection and those shown in the accounting records shall be investigated to determine the causes of the difference. The recipient shall, in connection with the inventory, verify the existence, current utilization, location and condition of the equipment. Documentation shall be maintained of the date and the person conducting the physical inventory. Adequate maintenance procedures shall be implemented to keep the equipment in good condition.

Disposition of Federally Funded Equipment

The School must use, manage and dispose of equipment acquired under a Federal award by the state in accordance with state laws and procedures. Equipment must be used by the School in the program or project for which it was acquired as long as needed, whether or not the project or program continues

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to be supported by the Federal award. When no longer needed for the original program or project, the equipment may be used in other activities supported by the Federal awarding agency, in the following order of priority:

- Activities under a Federal award from the Federal awarding agency which funded the original program or project, then
- Activities under Federal awards from other Federal awarding agencies. This includes consolidated equipment for information technology systems.

During the time that equipment is used on the project or program for which it was acquired, the School must also make equipment available for use on other projects or programs currently or previously supported by the Federal Government, provided that such use will not interfere with the work on the projects or program for which it was originally acquired. First preference for other use must be given to other programs or projects supported by Federal awarding agencies that financed the equipment and second preference must be given to programs or projects under Federal awards from other Federal awarding agencies. Use for non-federally funded programs or projects is also permissible. [CFR 200.313]

Procedures for Disposition of Equipment

When original or replacement equipment acquired with federal or state funds is no longer needed for the original project or program, the equipment may be retained, sold or disposed of, if it is not needed in any other federal or state funded project or program. The School Director will need to ensure that records are kept documenting the disposition of the equipment. The following are the procedures to eliminate any equipment item from the inventory:

- Equipment items with an acquisition cost/current per unit fair market value of less than \$5,000 and are more than three years old may be retained, sold or disposed of with no further obligation to the funding source. The decision to retain or sell an item shall be up to the School Director. The disposition of such items should be noted on the equipment inventory maintained by the Business Office.
- Equipment items with an acquisition cost of \$5,000 or more may be retained, donated, or sold.
- The disposition of such items should be noted on the equipment inventory spreadsheet maintained by the SAU Business Office. The SAU Business Office should include the date of disposal and sales price or the method used to determine current fair market value.

Procedures for Disposition of Supplies

Procedures should be in place for the disposition of supplies if there is a residual inventory of unused supplies exceeding \$5,000 in total aggregate fair market value upon termination or completion of the award, and if the supplies are not needed for any other federally sponsored programs or projects, the School shall compensate the awarding agency for its share. The School Director shall make the decision whether to sell, retain, or if the supplies can be used under other federally sponsored programs. Supplies shall be defined as any equipment with a value less than \$5,000 that needs to be tracked through an inventory system.

Loss, Damage or Theft of Equipment

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A control system will be developed to ensure that there are adequate safeguards to prevent loss, damage, or theft of the property, including real property, equipment, and pilferable items. These procedures should include adequate safeguards to prevent loss, damage, or theft of the equipment. Possible control features could include:

- Locks or security cameras (particularly for valuable or vulnerable items).
- Access controls to storage areas to limit entry by unauthorized personnel.
- Use of logs or sign-in sheets for certain items of property: for example, iPads, laptops, cameras, projectors.
- Documentation of notification of loss, damage or theft of equipment and, if appropriate, any police reports.

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Time and Effort Reporting Procedures

The purpose of this procedure is to ensure compliance with 2 CFR 200.430 related to federally funded employees. Compliance with 2 CFR 200.430 can be assured by following the procedures described herein. Any employee funded by federal grants must maintain documentation showing that their time is allocable to a federal program. The difference between single and multiple cost objectives is determined by how an employee's time is spent working, not how the employee is funded.

Salaries and Wages – Single Cost Objective

Employees whose salaries and/or wages are funded under a federal grant are required to report their time and effort through periodic (semiannual January 1- June 30 and July 1 - December 31) certifications. Semiannual certifications are due 30 days from the end of the period.

The reporting requirements for the semiannual certification are as follows:

- The employer's name
- The employee's name and position
- The name of the federal program and cost objective under which the employee was 100% funded
- The reporting period (semiannual, at minimum)
- A statement reporting the employee worked on that program for the period covered by the certification
- The dated signature of the employee and supervisor with firsthand knowledge of the employee's activities

In addition, the certification must meet the following requirements:

- Must be completed once in each six-month period
- Must be prepared after the work is performed
- Must account for total activity for which the employee is compensated for grant work.

Multiple Cost Objective Employees

Employees who work on multiple activities or cost objectives (split funded) are required to maintain monthly *Personnel Time Activity Calendar* (PTAC) to support the distribution of their salaries /wages for the portion of their position covered by the federal grant. The key to determining whether an employee is a multiple cost objective employee is whether the employee's salary and/or wages are paid by more than one federal award program, or are split funded with the general fund.

The PTAC reporting requirements are as follows:

- a. The employer's name
- b. The employee's name and position
- c. A certification statement certifying the distribution of time and effort is correct
- d. The dated signature of the employee and supervisor with firsthand knowledge of the employee's activities
- e. The name of the federal program and cost objective under which work is funded.

In addition, the PTAC must meet the following requirements:

- a. Must be prepared after the work is performed
- b. Must account for total activity for which the employee is compensated for grant work
- c. Must agree with supporting documentation

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Stipend Work

Employees who complete grant activity assignments, outside the scope of their employee contracted duties which payment is a flat rate fee for service must complete a Stipend Statement of Work.

Statement of work must meet the following requirements:

- Statement of additional work or agreement which will be completed
- The timeframe in which the work will be completed.
- The stipend payment fee
- Signature of the Employee agreeing to complete activity with date of signature

Statement of work must meet the following reporting requirements:

- Signature of Employee that the work was completed.
- Signature date is completed after the work completion and activity date.
- Signature and date of the Supervisor of the activity certifying the completion of the work

Exiting Employees

When an employee is preparing to exit their current position, the employee must submit a final signed and dated semiannual certification or Stipend Statement of Work Certification to their supervisor the day they exit. If an employee exits the department and did not complete a final certification, the supervisor with firsthand knowledge of the employee's work may sign for that former employee.

Semi-Annual Certification

Employees that are funded by a single cost objective are required to complete, sign and date the semi-annual certification. The semi-annual certification must be completed as outlined above. The certification document will be provided through the Grants Project Manager

Personnel Time Activity Report (PTAC)

The Grant project manager will provide a PTAC spreadsheet to each of the employees who work on multiple cost objectives and paid by multiple sources. A PTAC calendar will be completed separately for each grant source project.

- The employee will enter the total number of hours worked to the "Hours" column for each day for each grant project. These spreadsheets are to be completed "after the fact" (after the work has been completed).
- Time off, such as vacation, sick or holiday should not be included.
- Once an employee has entered in the required information for the reporting period, the employee will print calendar with a signature and date and submit to their building principal or supervisor.
- A supervisor's signature indicates agreement that the time documented by the employee is accurate to the best of their knowledge.
- Electronic Signatures are acceptable.
- Once PTAC is fully executed with signatures, should be sent to the grant project manager within 30 days of the project completion.

Record Retention

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Financial records, supporting documents, must be retained for a period of three years from the date of submission of the final expenditure report for federal awards.

The Business office shall retain the signed and dated PTACs in a secure location for a minimum of three years from the date the grant/award ended.

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Travel and Expense Procedures

Purpose and Goal

The School recognizes that employees may be required to travel or incur other expenses from time to time. The purpose of this Policy is to ensure that (a) adequate cost controls are in place, (b) travel and other expenditures are appropriate, and (c) to provide a uniform and consistent approach for the timely reimbursement of authorized expenses incurred by Personnel. Our policy is to reimburse only reasonable and necessary expenses actually incurred by Personnel.

When incurring business expenses, the school expects Personnel to:

- Exercise discretion and good business judgment with respect to those expenses.
- Be cost conscious and spend money as carefully and judiciously as the individual would spend his or her own funds.
- Report expenses, supported by required documentation, as they were actually spent.

Expense Report

Expenses will not be reimbursed unless the individual requesting reimbursement submits a written Expense Report. The Expense Report, which shall be submitted at least monthly or within two weeks of the completion of travel if travel expense reimbursement is requested must include:

- The individual's name
- The date, origin, destination, and purpose of the trip (Travel Reimbursement Requests only)
- An itemized list of all expenses for which reimbursement is requested.

Receipts

Receipts are required for all expenditures billed directly to the school, such as airfare and hotel charges. No expense will be reimbursed to Personnel unless the individual requesting reimbursement submits with the Expense Report original receipts from each vendor showing the vendor's name, a description of the services provided (if not other obvious), the date, and the total expenses, including tips (if applicable). A credit card receipt or statement may be used to document the vendor and date of an expense provided other required details of the expenditure are fully documented.

Organization Credit Cards

If a corporate credit card is issued to personnel for travel (and other) organization-related expenses, the requirements for regular expense reports, explaining charges, as described above under "Expense Reports" must still be met, and charges may not be made for "Non-Reimbursable Expenditures" as described below. If receipts are not available, missing, or contain an inappropriate expense, the individual making the charge will be held responsible for the charge. Failure to meet the Expense Report requirements, or making of inappropriate charges will result in loss of the credit card. All rewards points or discounts are the property of the school. Use of such points or discounts is at the discretion of the School Director and should be used for the benefit of the organization.

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General Travel Requirements

In determining the reasonableness and necessity of travel expenses, personnel and the person authorizing the travel shall consider the ways in which the school will benefit from the travel and weigh those benefits against the anticipated costs of the travel. The same considerations shall be taken into account in deciding whether the benefits to the school outweigh the costs, less expensive alternatives, such as participation by telephone or video conferencing, or the availability of local programs or training opportunities, shall be considered.

Air Travel

Air travel reservations should be made as far in advance as possible in order to take advantage of reduced fares.

Lodging

Personnel traveling on behalf of the school may be reimbursed at the single room rate in a "business economy" or "budget" hotel for the reasonable cost of hotel accommodations (i.e. Comfort Inn, Fairfield Inn, Days Inn, Hampton Inn, etc). Convenience, the cost of staying in the city in which the hotel is located, and proximity to other venues on the individual's itinerary shall be considered in determining reasonableness. Personnel shall make use of available corporate and discount rates for hotels.

Out-of-Town Meals

Personnel traveling on behalf of the school are reimbursed on a per meal basis at the following rates when they actually incur the cost of a meal. They will not be reimbursed for meals paid for or provided by others.

Breakfast: \$10.00

Lunch: \$15.00

Dinner: \$30.00

Ground Transportation

Employees are expected to use the most economical ground transportation appropriate under the circumstances and should generally use the following, in this order of desirability:

Courtesy Cars: Many hotels have courtesy cars, which will take you to and from the airport at no charge. Employees should take advantage of this free service whenever possible. Another alternative may be a shuttle or bus.

Taxis: When courtesy cars and airport shuttles are not available, a taxi is often the next most economical and convenient form of transportation when the trip is for a limited time and minimal mileage is involved.

Rental Cars: Car rentals are expensive so other forms of transportation should be considered when practical. Employees will be allowed to rent a car while out of town provided that the cost is less than alternative methods of transportation.

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Personal Cars

Personnel are compensated for use of their personal cars when used for business travel. When individuals use their personal car for such travel, including travel to and from the airport, mileage will be allowed at the currently approved IRS rate per mile.

In the case of individuals using their personal cars to take a trip that be made by air, mileage will not be allowed at the currently approved rate; however, the total mileage reimbursement will not exceed the sum of the lowest available round trip coach airfare.

Parking/Tolls

Parking and toll expenses, including charges for hotel parking, incurred by Personnel traveling on organization business will be reimbursed. The costs of parking tickets, fines, car washes, valet service, etc., are the responsibility of the employee and will not be reimbursed. On-airport parking is permitted for short business trips. For extended trips, Personnel should use off-airport facilities.

Non-Reimbursable Expenditures

The school maintains a strict policy that expenses in any category that could be perceived as lavish or excessive will not be reimbursed, as such expenses are inappropriate for reimbursement by a school.

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Appendix A - Record Retention Schedule

TYPE	LOCAL RECORDS	STATE RECORDS	FEDERAL RECORDS
Business Records			
Accident Reports			
Employee	6 years	6 years	
Student	(6 years after age of maturity for suit)		
Annual Audit	6 years	6 years	6 years
Annual Report (District)	Permanent		
Application for Federal grants			6 years
Bank Deposit Slips	6 years		6 years
BLS Labor - monthly			1 year
Bond Issue Materials	Permanent	Permanent	
Budgets	6 years	6 years	
Worksheets	1 year	1 year	
Child Labor Permits		1 year	
Class Observation Forms	1 year		
Contracts 1 Year (should keep a sample permanently) Aides			
Custodial			
Extra-Curricular			
Rental Agreements			
Secretarial Teacher			
SAU Office			
Correspondence for Business	4 years	1 year	
Credit Union Applications	1 year	4 years	4 years
Deeds	Permanent		
District Meeting Minutes & Warrant	Permanent		
Dues Authorization	1 year		
Enrollment Reports	Permanent		
Resident Pupil Membership Forms Fall			
Reports A-12-A			
Pupil Registers			
School Opening Reports			
Statistical Report A-3			

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TYPE	LOCAL RECORDS	STATE RECORDS	FEDERAL RECORDS
FICA Reports - monthly Quarterly		6 years	
Form C-2 Unemployment Wage Report (DES1 0)	6 years		
Invoices	1 year		
Form 2 Federal Funds			6 years
Job Orders	1 year		
Ledger/Journals	6 years		6 years
MS-22 Budget Form	6 years	6 years	
MS-23 Budget Form	6 years	6 years	
MS-25 Financial Report	Permanent	Permanent	
Medical Benefits Application	1 year		
Monthly Reconciliations	1 year		
Monthly Financial Status Reports by Building	1 year		
Minutes of Board Meetings	Permanent		
Property Inventories and Record Cards	6 years		
Purchase Orders	1 year		
Form 2 Federal Programs			6 years
Request for Payment Vouchers	1 year		
Form 2 Federal Programs			6 years
Requisitions	1 year		
Form 2 Federal Programs			6 years
Retirement Applications	1 year	1 year	
Retirement Reports Monthly	1 year	1 year	
School District Warrants	1 year	1 year	
Special Trip Requests	1 year	1 year	
Special Trip Confirmation	1 year	1 year	
Supply Orders	1 year	1 year	
Substitute Teachers Pay Slips	1 year	1 year	

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TYPE	LOCAL RECORDS	STATE RECORDS	FEDERAL RECORDS
Student Activities Records	6 years	6 years	
Telephone Log Sheets	1 year	1 year	
Time Cards	6 years		6 years
Bus Drivers			
Custodial			
Secretarial			
Other			
Transportation Reports	1 year	1 year	
Travel Reimbursements	1 year	1 year	
Form 2 Federal Funds			6 years
Treasurer's Receipts	6 years		
Canceled Checks			
Treasurer's Report	6 years	6 years	
Voucher Manifests	1 year	1 year	
Form 2 Federal Funds			6 years
Work Orders	1 year		
W-2's Yearly			6 years
W-4 Withholding Exemption Cert.			6 years
941-E Quarterly Taxes			6 years
Federal Projects Papers*			
Form 1			5 years after submission of final expenditure report and documentation for expenditures, unless there is an ongoing audit taking place in which case all records will be maintained until final resolution. see 20 USC 1232 34CFR 80.42 (b)(4)
Form 1-A			
Form 2			
Form 3			
Form 3-A			
Form 4 Quarterly			

Personnel Records

Applications	3 years, or if employed, term of employment
Employment	
Not Employed	

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TYPE	LOCAL RECORDS	STATE RECORDS	FEDERAL RECORDS
Interview Documents of Recommendation Transcripts			
Attendance Records	1 year		
Leaves Requests for Leaves			
Civil Rights Forms			6 years
Evaluations	Term of Employment		
Medical Examinations	1 year		
Miscellaneous Correspondence for Personnel	4 years		
Record of Leave	1 year		
Superintendents Re-employment Letter of Assurance to Employees	1 year		
Staff Development Plan	Term of Plan		
Substitute Lists	6 years		
Teachers' Records Cards	Term of Employment		
Teachers' Master Contract	Length of Contract (suggest you keep one copy permanently)		
Termination Forms	6 years		

Student Records

Early Release Forms	1 year		
Emergency Procedure Form	1 year		
Examples of Student's Work	1 year		
Health and Physical Records Shot Record	Term of Enrollment		
National Honor Society Applications and/or Awards	1 year		
Permanent Record Cards	Permanent		
Progress Attendance Test Scores			

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TYPE	LOCAL RECORDS	STATE RECORDS	FEDERAL RECORDS
(Standardized) Academic Miscellaneous Evaluation Material	Term of Enrollment		
Co- and Extra Curricular Activities	Term of Enrollment		
Anecdotal Records Disciplinary Reports Medical Reports (Doctor) Excuses (Parental) Insurance Forms	Term of Enrollment		
Post High School Placement Information and Follow-up	6 years		
Registration Form	1 year		
Applications for Free Lunch			6 years
Application for Reduced Lunch			6 years

Special Needs Student Records

Index of documents
 Log of People who have
 Reviewed Material in
 Each Folder
 Notification to Parent
 of Meeting to discuss
 the Student's Program
 with Placement Team
 Student Referral Form
 Diagnostic Form
 Accumulation of Data
 Psychological Exams
 Learning Disabilities Tests
 Team Meeting Notes
 Spedis Forms
 IEP's
 Teacher/Student Comments

As a minimum these records for special
 needs students should be kept as long as
 the student is in a program and there is
 district liability for the education of the
 student. Given court decisions that are
 retroactive you might be prudent to preserve
 for at least six (6) years after termination
 or program completion.

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TYPE	LOCAL RECORDS	STATE RECORDS	FEDERAL RECORDS
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Correspondence
Out-of-district Progress Reports

Vocational Education

AVI Forms	1 year		
Center Regional Contracts	20 years		
Equipment Inventories	5 years		
Federal Forms			

BACS Board Approval: 10/16/2025