

Faith Academy Charter School Board Book

October 2022

Monday, October 17, 2022

Location: Faith Academy Charter School

School Mission:

Faith Academy Charter School will prepare a diverse student body for college and career through Project Based Learning, life skills courses, and College and Technical Education pathways. Through this challenging and supportive learning environment, students address real-world problems to become successful citizens and community leaders in a rapidly changing world.

Agenda

Open Session

1. Recitation of Mission

2. Consent Agenda

- Approval of October 17 Agenda
- Approval of 9/19/22 Meeting Minutes ([Open Session](#), Closed Session)

3. Public Comment - [LINK TO FULL POLICY](#)

Public comment is a time for the community to provide feedback to the Board of Directors. For in-person meetings attendees must sign up at the start of the meeting in order to give public comment. Each community member is limited to 3 minutes of comment, with a total time allotted to public comment of up to 30 minutes. During remote meetings, attendees may add their public comments to the chat feature which will be sent directly to the Board of Directors. Board members will then share the comments with the meeting attendees for up to 10 minutes.

Public comment is also a time for the Board of Directors to listen to the feedback of the community. Board members can not respond to public comments during the meeting. However, the Board recognizes that each stakeholder is a vital part of our community and will take comments into consideration when making decisions, planning, providing feedback to administration, and completing committee work.

BOARD GUIDELINES DURING THE 30 MIN. PUBLIC COMMENT:

The designated Board Moderator of comments will end a comment at 3 minutes, or recommend to the chair that they move on from public comment after 30 minutes of total comment.

**Board members are to listen and not respond or engage in conversation during the 30 minutes of the comments portion of the Board Meeting. They are only to thank the community for the feedback.*

**During the meeting or committee follow up, board members can reference comments made by the community, if appropriate in board discussion about agenda items.*

**New agenda items should not be added to the current meeting due to public comment. They should be added to board committee agendas or future board meeting agendas.*

4. Financial Report

- a. [September 2022 Financial Report](#)

5. Lead Administrator Report

6. High School Plans

- a. **Dr. Hensley Update**

7. ACCESS Grant Update

- a. **Revised Goals**
- b. [Federal Funds Policy \(1st Reading\)](#)

8. Committee Reports

- a. Facility Committee
 - i. Facility Plans Update
 - ii. Schedule
- b. Sports Committee
- c. Finance Committee
- d. Capital Campaign Committee

9. Transportation

- a. Review points of consideration for adding bus

10. Closed Session - Not Expected

11. If needed, Action in open session on any Closed Session topics.

Adjournment

Faith Academy Charter School

September 2022

Monday, September 19, 2022 Minutes

Location: Faith Academy Charter School

School Mission

Faith Academy Charter School will prepare a diverse student body for college and career through Project Based Learning, life skills courses, and College and Technical Education pathways. Through this challenging and supportive learning environment, students address real-world problems to become successful citizens and community leaders in a rapidly changing world.

Meeting Called to Order at 7:00 pm

Open Session

Board Members Present: George Wilhelm, Chairman, Gene Miller, Vice-Chairman, Liz Morrow, Treasurer, Tim Williams, Secretary, Janna Griggs, Nick Lefko..

Board Members Absent: Chris Sease, Attorney

Charter Success Partners: Tara Beaver and Zach Donahue

Faith Academy Charter School Head Administrator: Dr. Sarah Hensley

FACS Testing Accountability Specialist: Colby Cochran

1. Recitation of Mission - Recited by Chairman George Wilhelm

2. Consent Agenda

- Approval of September 19 Agenda
- Approval of 8/22/2022 Meeting Minutes
- Approval of FY23 Board Meeting Calendar

Motion to Approve Consent Agenda: Gene Miller

Seconded: Janna Griggs

Discussion: None

Motion Status: Approved Unanimously

Motion to Amend Agenda to include Pod Issues: Gene Miller

Seconded: Liz Morrow

Discussion: None

Motion Status: Approved Unanimously

Motion to Approve the FY23 Board Meeting Calendar excluding the December 19th meeting: Tim Williams

Seconded: Gene Miller

Discussion: It was decided that we would not meet during the month of December unless a called meeting was necessary.

Motion Status: Approved Unanimously

3. Public Comment - [LINK TO FULL POLICY](#)

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Speaker:

Miss Amelia Gardner, FACS Student, spoke to the Board about the possibility of naming one of the streets "Patriot Path". She mentioned changing the name of what is called Stadium Drive or using her suggestion for one of the new roads that will be constructed at the new school property. Miss Gardner collected the names of 225 students that agreed with her

idea. She presented her petition to the Board. She received a round of applause for her work on her petition. The Board accepted her petition and suggestions for consideration.

Allison Mitchell spoke and suggested to the Board that the girls of FACS be offered a softball clinic if a team was not possible this year. The boys were offered a baseball clinic last year. Mrs. Mitchell has a female student interested in playing for FACS.

Ms. Samantha Rule spoke to the Board about concerns about the future High School. She has an 8th grader and wants information pertaining to the curriculum, social activities etc that FACS High School would offer. She stated that she would like for her child to stay at FACS for high school so she would like to have some questions answered. She mentioned that February is a deadline to make decisions about where students could be enrolled.

Note: Charter Success Partners will help with this issue. Dr. Hensley stated that administration has already started on the high school process.

4. Financial Report

a. July 2022 Financial Report

Zach Donahue reported that the August Financials were not available yet and that going forward, the finance committee would be meeting on the Thursday before the scheduled board meeting on Monday. This will facilitate that the Financial Report would be ready for presentation at each Board meeting. The Finance Committee is to meet on September 20th.

Gene Miller asked if we needed a Budget Amendment due to the \$75,000 increase in State Allocations pertaining to teacher's salaries. Zach Donahue recommended that we not amend the budget. The Finance Committee will discuss this at the meeting on September 20th.

5. Lead Administrator Report

Dr. Hensley will present Personnel recommendations in closed session. She presented the board with a packet of information for review. Included in the packet and made a part of these minutes are: **1)** 2022-2023 Day 20 Enrollment Report for FACS-Target 600 - Enrollment 602, wait list 205, 30 classed and a ratio of teacher to student 1 to 20.1 **2)** Background Summary of FACS, **3)** SRO Letter **4)** Substitute Teacher Letter **5)** *The Patriot Press* newsletter **6)** Sporting Events Schedule **7)** Parent/Guardian Letter concerning BOGs **8)** Student Agenda have been purchased and distributed to Students

6. End of Grade Testing Report

Dr. Hensley introduced Colby Cochran, Director of Testing Accountability for FACS. He presented a PowerPoint presentation concerning FACS's EOG testing scores. The Board also received handouts to go along with the Powerpoint presentation. Mr. Cochran presented 2021-2022 Test Score Results. Mr. Cochran's presentation in the form of handouts is made a part of these minutes. The Board and audience offered applauds for Mr. Cochran's remarks and thanked him for leading the teachers and students through the process of EOGs and especially for helping our school to achieve such a wonderful score for our first year of existence.

7. Committee Reports

- a. Facility Committee: Mr. Wilhelm will give report in #8 Facility Update
- b. Sports Committee: Liz Morrow reported that everything was going great! She and Dr. Hensley commended the Girls Volleyball team for their two wins. They stated that it was a plus to be able to play other charter schools. Liz also reported that Cross Country was also going well with Anna Bradshaw and Gloria Wilhelm as coaches. Liz reported that we do need a Boy's Basketball Coach.
- c. Finance Committee: Zach Donahue, CSP, presented the report above. The Finance Committee meets on Tuesday September 20th.
- d. Capital Campaign Committee: Tim Williams Presented the following report:
To Date: The Campaign has collected \$84,492.00

The Roberston Foundation is not distributing funds until further notice due to Julian's death. Our October meeting with the foundation has been canceled.

This month the following individuals and groups have been revisited:

- Hubert Ritchie Foundation - Tim Ervin - Foundation will be meeting before the end of the year.
- Cheerwine (Ritchie Family)
- Naomi Brown - phone call - Lowe's Corporation
- McCombs Family donation is underway. February is their goal.
- Joe Stirewalt Family has been contacted once again
- Sharon and Bobby Miller. - \$50,000.00 should happen this week (playground equipment)
- Linda Ketner sent another letter
- Tom Abramowski, Rockwell Farms - Michael is their liaison (Child at FACS)
- Blaine and Vanna Calloway - meeting with financial advisor to determine gift amount.

Plans going forward:

- Meeting with Miller/Davis (Board permission to pursue?) Facebook messages and 1500 mailer.
- Rowan County Chamber of Commerce businesses to be contacted for funds
- Meet with Fisher Family and Stanback Foundation.
- Planning Open House Discussion with Dr. Hensley and Volunteer Coordinator, Gloria Wilhelm
- BBQ in the Legion Park - PPTA - include Faith Alumni and parents/children of FACS
- Use Auditorium for Capital Campaign presentation
- Thermometer located along Main ST. (More Substantial one needed)

Suggestion?

8. Facility Update

Mr. Wilhelm reported that we have had issues in both pods. Willscot showed up today to take care of a long list of things that need to be corrected. He reported that Steve Hubrich has spoken with him and informed him that the land clearing was going well and that blasting of rock would begin soon for utility placement where needed. This should occur

within the next two week. Tim Williams stated that residents need to be informed before this begins. Footings for the new building will be poured in October. There was discussion about using keys for the teachers in the 5th grade pod. The estimate for keycard units for this pod would be approximately \$5000 as opposed to \$250 for individuals. George informed the board that the pods would (could) be gone next year.

9. Transportation

a. Review points of consideration for adding bus in the future

There was discussion as to whether additional buses would be needed going forward. There was a need to separate children of different ages on buses. There was discussion about whether we actually needed buses? It was determined that since we have received grant money for this purpose, that we would need to continue to provide transportation for access to and from school for children without a way. A committee composed of Gene Miller, Janna Griggs and Nick Lefko was appointed by the Chariman for further investigation.

10. Closed Session

Closed Session: Purpose of Closed Session Discussion Item #3: 143-318.11. Closed sessions.(a) Permitted Purposes. - It is the policy of this State that closed sessions shall be held only when required to permit a public body to act in the public interest as permitted in this section. A public body may hold a closed session and exclude the public only when a closed session is required:

Motion to go the Closed Session: Gene Miller

Seconded: Liz Morrow

Discussion: None

Motion Status: Approved Unanimously

Time of Closed Session: 8:55 pm

9. If needed, Action in open session on any Closed Session topics.

Motion to go back to Open Session at 9:05 pm: Liz Morrow

Seconded: Janna Griggs

Discussion: None

Motion Status: Approved Unanimously

Motions from Closed Session

Motion to accept the panel of candidates for employment with FACS by Dr. Sarah Hensley:

Janna Griggs

Seconded: Liz Morrow

Discussion: None

Motion Status: Approved Unanimously

Adjournment

Motion to Adjourn: Gene Miller

Seconded: Janna Griggs

Discussion: None

Motion Status: Approved Unanimously

Meeting adjourned at 9:06 pm

Respectfully submitted,

Tim Williams, Secretary

Next Meeting: October 17, 2022



Faith Academy Charter School

Budget Analysis Report

Fiscal Year: 2023 | 9/01/2022 - 9/30/2022

Account	Budget	Period Activity	YTD Activity	Remaining Budget	% Used	EOY Projection	% of Total
Revenues							
Rev- State Revenue	3,953,520.00	460,000.50	1,158,330.74	2,795,189.26	29.30	4,236,230.58	69.87
Rev- Local Revenue	1,326,686.00	34,559.60	94,124.12	1,232,561.88	7.09	1,409,858.10	23.25
Rev- Federal Revenue	154,764.00	132,768.43	123,114.46	31,649.54	79.55	276,526.02	4.56
Nutrition Revenue	120,000.00	14,220.96	26,599.34	93,400.66	22.17	120,000.00	1.98
Rev- Athletic Revenue	3,000.00	0.00	0.00	3,000.00	0.00	3,000.00	0.05
Rev- Student Activities	15,000.00	0.00	2,184.84	12,815.16	14.57	17,184.84	0.28
Benefits	0.00	(327.73)	(327.73)	327.73		0.00	0.00
Revenues	5,572,970.00	641,221.76	1,404,025.77	4,168,944.23	25.19	6,062,799.54	
Expenses							
Salaries and Bonuses	2,642,323.48	249,149.75	644,711.69	1,997,611.79	24.40	2,819,207.81	48.90
Benefits	801,665.83	43,545.43	118,322.86	683,342.97	14.76	801,665.83	13.91
Books and Supplies	139,500.00	18,817.72	59,190.96	80,309.04	42.43	140,267.03	2.43
Technology	109,500.00	1,672.86	165,942.15	(56,442.15)	151.55	240,160.65	4.17
Contracted Student Services	265,000.00	41,565.80	45,562.23	219,437.77	17.19	265,000.00	4.60
Staff Development	25,000.00	2,164.50	4,551.78	20,448.22	18.21	25,000.00	0.43
Administrative Services	561,000.00	46,638.28	143,785.63	417,214.37	25.63	563,904.32	9.78
Insurances	35,000.00	2,663.00	6,816.00	28,184.00	19.47	35,000.00	0.61
Rents and Debt Service	485,644.00	25,586.29	64,406.85	421,237.15	13.26	485,644.00	8.42
Facilities	116,000.00	6,998.73	30,127.62	85,872.38	25.97	116,000.00	2.01
Utilities	91,425.00	1,258.92	14,919.92	76,505.08	16.32	91,425.00	1.59
School Activities	50,000.00	2,131.36	10,463.86	39,536.14	20.93	52,820.06	0.92
Capital Purchases	50,000.00	129,072.00	129,072.00	(79,072.00)	258.14	129,072.00	2.24
Expenses	5,372,058.31	571,264.64	1,437,873.55	3,934,184.76	26.77	5,765,166.70	
SURPLUS/(DEFICIT)	200,911.69	69,957.12	(33,847.78)			297,632.84	

Financial Controls Policies

Purpose: To ensure compliance with the laws and best practices in School's financial management.

I. USE OF FUNDS

FACS and its Board of Directors adopt the following financial and fiscal management policies and procedures applicable to its use of state and federal funds.

FACS is subject to the financial audits, the audit procedures, and the audit requirements adopted by the State Board of Education for charter schools. All reported deficiencies will be communicated in writing to the Board with a timeline to cure all financial weaknesses and all reported findings will be included in the monthly Board meeting minutes.

FACS shall comply with the reporting requirements established by the State Board of Education in the Uniform Education Reporting System or any other system required by law or regulation.

The School shall report at least annually to the chartering entity and the State Board of Education the information required by the chartering entity or the State Board.

II. SCHOOL FINANCE OFFICER OR CONTRACT FINANCIAL SERVICES PROVIDER

There shall be a School Finance Officer or Contract Financial Services Provider ("CFSP") designated by the Lead Administrator and approved by the Board, in accordance with the provisions of state law. The duties of the School Finance Officer shall be as set forth below, prescribed by law, and assigned by the Board or Lead Administrator.

III. DUTIES OF SCHOOL FINANCE OFFICER OR CFSP

The School Finance Officer or CFSP shall be responsible to the Lead Administrator and the Board for:

1. Keeping the accounts of the school in accordance with generally accepted principles of governmental accounting, the rules and regulations of the State Board of Education, the Local Government Commission, and any other applicable governmental oversight agencies;
2. Giving the pre-audit certificate required by law;
3. Processing all checks, drafts, and state warrants by the school, receiving and depositing all moneys accruing to the school in accordance with all applicable laws, rules and policies;
4. Preparing and filing a statement of the financial condition of the school as often as requested by the Lead Administrator or the Board; and
5. Performing such other duties as may be assigned by law, by the Lead Administrator or the Board, or by rules and regulations of the State Board of Education or any other applicable government oversight agencies.

IV. ANNUAL BUDGET

The Lead Administrator, in consultation with the School Finance Officer or CFSP shall prepare an annual budget and submit it with his/her budget message to the Board no later than April 1. The budget shall comply in all respects with the requirements imposed by law.

Budget planning shall be an integral part of program planning so that the budget may effectively express and implement all programs, related services, and activities of the school. Budget planning shall be a year-round process involving broad participation by administrators, teachers, other personnel throughout the school, and citizens.

The Lead Administrator's budget message shall contain a concise explanation of the educational goals fixed by the budget for the budget year, set forth the reasons for stated changes from the previous year in program goals, programs, and appropriation levels, and shall explain any major changes in educational or fiscal policy.

Upon receiving the budget from the Lead Administrator, the Board shall consider the budget, and make such changes therein as it deems advisable. The Board may hold a public hearing on the proposed budget prior to final action.

A. ADOPTION OF BUDGET RESOLUTION

The Board shall adopt a budget resolution making appropriations for the budget year in such sums as the Board deems sufficient and proper.

The budget resolution shall be adopted in accordance with the provisions of state law. The budget resolution shall conform to the uniform budget format established by the State Board of Education. The budget resolution shall be entered in the Board minutes.

B. BUDGET TRANSFERS AND AMENDMENTS

The Board shall have the right to make budget transfers or amendments to the budget resolution for the reasons prescribed by state law and in accordance with the adopted budget resolution and state law.

C. INTERIM BUDGET

In case the adoption of the budget resolution is delayed until after July 1, the Board shall make interim appropriations for the purpose of paying salaries and the usual expenses of the school for the interval between the beginning of the fiscal year and the adoption of the budget resolution. Interim appropriations so made and expended shall be charged to the proper appropriations in the adopted budget resolution.

V. ACCOUNTING SYSTEM

FACS shall establish and maintain a financial accounting and reporting system designed to show the School's assets, liabilities, equities, revenues, and expenditures. The system shall be designed to show appropriations and estimated revenues as established in the budget resolution as originally adopted and subsequently amended.

VI. FINANCIAL REPORTS AND STATEMENTS

FACS shall prepare a comprehensive annual financial report that encompasses all the funds and account groups of the school. The comprehensive annual financial report shall contain the general-purpose financial statements as well as combining statements by fund type and individual fund statements.

VII GATE RECEIPTS AND ADMISSIONS

Admission receipts of school events shall be adequately controlled. The principal or designee is responsible for the administration and supervision of all phases of school events for which an admission is charged. Adequate records shall be maintained to provide chronological and accounting data for subsequent review and analysis.

VIII - RECEIVING AND INSPECTING

Personnel responsible for purchasing shall establish and maintain a receiving procedure for all supplies, materials, and equipment as appropriate. Personnel responsible for receiving items delivered shall inspect them and have ready access to specifications. Receiving personnel shall be responsible for determining that the items received are in good quality condition and shall be responsible for entering in the receiving document an actual count of quantity delivered. Personnel responsible for receiving shall be responsible for acting on deficiency and complaint reports.

IX - MAINTENANCE OF INVENTORY AND FIXED ASSETS

Administrative personnel shall be responsible for taking a physical count of all equipment items and stock supplies at least once each year.

Administrative personnel shall be responsible for all fixed assets assigned to their site or department, and shall account for each item at least once per fiscal year according to procedures established by the finance officer.

X. PURCHASING AND PROCUREMENT GENERALLY

A. *Comingling of Charter & Non-Charter Business Prohibited.* FACS shall ensure that its business activities are not directly related to the management and operation of FACS are kept in a separate and distinct accounting, auditing, budgeting, reporting, and recordkeeping systems from those recording the business activities of FACS.

B. *Board Approval Required.* The Board is required to review and approve all contracts or procurements of goods or services valued above \$10,000.00. The Lead Administrator does not have authority to bind the Board or FACS to any contract for goods and/or services valued above \$10,000.00. Any contract or purchase valued above this amount that is not approved by the Board is null and void.

C. *Interested Transactions/Conflicts of Interest*

1. Each member of the Board shall comply with all conflict of interest policies, laws and rules applicable to affected Board members as set forth herein. The Lead

Administrator shall ensure that employees of FACS shall comply with all conflict of interest policies, laws and rules applicable to affected employees as set forth herein.

2. Definitions for the purposes of this policy

a. *Interested Person.* Any director, officer, member of a committee of the Board of Directors or employee who has a direct or indirect financial interest, as defined below, is an interested person. Interested person shall also include individuals and organizations that have a direct or indirect organizational interest as defined below.

b. *Financial Interest.* A person has a financial interest if the person has, directly or indirectly, through business, investment, or family:

- i. An ownership or investment interest in any entity with which FACS has a transaction or arrangement,
- ii. A compensation arrangement with the School or with any entity or individual with which FACS has a transaction or arrangement, or
- iii. A potential ownership or investment interest in, or compensation arrangement with, any entity or individual with which FACS is negotiating a transaction or arrangement.

Compensation includes direct and indirect remuneration as well as gifts or favors that are not insubstantial. A financial interest is not necessarily a conflict of interest. A person who has a financial interest may have a conflict of interest only if the Board of Directors decides that a conflict of interest exists.

c. *Organizational Interest.* An organizational interest means that because of the relationship with a parent entity, affiliate entity, subsidiary, or benefactor entity (i.e., foundation), FACS, its directors, officer, members of a committee of the Board of Directors or employees are unable or appear to be unable to be impartial in conducting a procurement action involving a related organization.

D. Procedures:

1. *Duty to Disclose.* In connection with any actual or possible conflict of interest, an interested person must disclose the existence of the financial interest or organizational interest and be given the opportunity to disclose all material facts to the Board of Directors or members of a committee with governing board delegated powers considering the proposed transaction or arrangement.

2. *Determining Whether a Conflict of Interest Exists.* After disclosure of the financial interest or organizational interest and all material facts, and after any discussion with the interested person, s/he shall leave the Board of Directors or committee meeting while the determination of a conflict of interest is discussed and voted upon. The remaining board or committee members shall decide if a conflict of interest exists

3. *Procedures for Addressing the Conflict of Interest*

- a. An interested person may make a presentation at the Board of Directors or committee meeting, but after the presentation, s/he shall leave the meeting during the discussion of, and the vote on, the transaction or arrangement involving the possible conflict of interest.
- b. The chairperson of the Board of Directors or committee shall, if appropriate, appoint a disinterested person or committee to investigate alternatives to the proposed transaction or arrangement.
- c. After exercising due diligence, the Board of Directors or committee shall determine whether FACS can obtain with reasonable efforts a more advantageous transaction or arrangement from a person or entity that would not give rise to a conflict of interest.
- d. If a more advantageous transaction or arrangement is not reasonably possible under circumstances not producing a conflict of interest, the Board of Directors or committee shall determine by a majority vote of the disinterested directors whether the transaction or arrangement is in FACS's best interest, for its own benefit, and whether it is fair and reasonable. In conformity with the above determination, it shall make its decision as to whether to enter into the transaction or arrangement

E. *Violations of the Conflicts of Interest Policy*

1. If the Board of Directors or committee has reasonable cause to believe an individual has failed to disclose actual or possible conflicts of interest, it shall inform the individual of the basis for such belief and afford the individual an opportunity to explain the alleged failure to disclose.
2. If, after hearing the individual's response and after making further investigation as warranted by the circumstances, the Board of Directors or committee determines the member has failed to disclose an actual or possible conflict of interest, it shall take appropriate disciplinary and corrective action.

F. *Records of Proceedings:* The minutes of the Board of Directors and all committees with board delegated powers shall contain:

1. The names of the persons who disclosed or otherwise were found to have a financial interest or organizational interest in connection with an actual or possible conflict of interest, the nature of the financial interest or organizational, any action taken to determine whether a conflict of interest was present, and the governing board's or committee's decision as to whether a conflict of interest in fact existed.
2. The names of the persons who were present for discussions and votes relating to the transaction or arrangement, the content of the discussion, including any alternatives to the proposed transaction or arrangement, and a record of any votes taken in connection with the proceedings.

H. Annual Statements. Each director, principal officer and member of a committee with Board of Directors delegated powers shall annually sign a statement, which affirms such person:

1. Has received a copy of the conflicts of interest policy,
2. Has read and understands the policy,
3. Has agreed to comply with the policy, and
4. Understands the School is charitable and in order to maintain its federal tax exemption, it must engage primarily in activities, which accomplish one or more of its tax-exempt purposes.

I. Periodic Reviews. To ensure FACS operates in a manner consistent with charitable purposes and does not engage in activities that could jeopardize its tax-exempt status, periodic reviews shall be conducted. The periodic reviews shall, at a minimum, include the following subjects:

1. Whether compensation arrangements and benefits are reasonable, based on competent survey information, and the result of arm's length bargaining,
2. Whether partnerships, joint ventures, and arrangements with management organizations conform to FACS's written policies, are properly recorded, reflect reasonable investment or payments for goods and services, further charitable purposes and do not result in inurement, impermissible private benefit or in an excess benefit transaction.

J. Use of Outside Experts. When conducting the periodic reviews as provided for in this policy, FACS may, but need not, use outside advisors. If outside experts are used, their use shall not relieve the Board of Directors of its responsibility for ensuring periodic reviews are conducted.

K. Professional Services. The Board and Lead Administrator shall ensure that professional service providers are selected in accordance with the applicable law.

L. Cooperative Purchasing Programs. The Lead Administrator shall ensure full compliance with all applicable law and rules if FACS to enter into a cooperative purchasing program provided such programs are permitted under its charter or FACS amends its charter to allow for such programs.

M. Attorney Review Required. For all contracts for goods or services with a term of more than one year or where the value of such contract is greater than \$10,000.00, legal counsel must review the contract unless the Board votes to waive the requirement of such review and documents the reason waiving such requirement.

XI Use of State Funds

A. The Board and Lead Administrator shall ensure compliance by FACS employees, officers, and agents with all applicable federal and state procurement standards and policies. Violations of applicable laws or policies may lead to disciplinary consequences including and up to termination of employment or removal from any officer and/or Board position if applicable.

B. The Lead Administrator shall develop procedures that ensure compliance with the following provisions:

1. The purchase of unnecessary items is prohibited;

2. The solicitation of bids or offers must provide a clear and accurate description of the requirements to be fulfilled by the bidder, technical requirements to be performed including the minimum acceptable standards, specific features of brand name or equal descriptions that bidders are required to meet, the acceptance of products and services dimensioned in the metric system of measurement, a preference, where economically feasible, for products that conserve natural resources, protect the environment, and are energy efficient;
3. Positive efforts shall be made to enter into business and other transactions that are of the highest quality for FACS, at the lowest cost;
4. The type of procurement instruments used (e.g. purchase orders) must be appropriate for the particular procurement;
5. Contracts are made only with responsible and financially sound contractors who possess the ability to perform successfully under the terms and conditions of the proposed procurement;
6. Procurement documents shall be made available, upon request, to appropriate government officials when:
 - a. Procurement procedures fail to comply with the standards in this section;
 - b. The procurement is expected to exceed the small purchase threshold (currently \$10,000) and is to be awarded without a competitive bidding process or there is only one bid received in response to a solicitation;
 - c. The procurement which is expected to exceed the small purchase threshold, specifies a brand name product;
 - d. The proposed award over the small purchase threshold is to be awarded to a bidder under a sealed bid procurement; or
 - e. A proposed contract modification changes the scope of a contract or increases the contract amount by more than the amount of the small purchase threshold.

C. *Open, Full, and Free Competition.* FACS shall ensure that all procurement transactions are conducted in a manner that provides open, full, and free competition. Awards must be made to the bidder/offeror whose bid/offer is responsive to the solicitation and is most advantageous to FACS, considering price, quality, ability of the supplier to deliver the product and/or service, and other relevant factors deemed appropriate by the Board and Lead Administrator.

D. *Conflicts of Interest.* In accordance with FACS policy 7400.3 Interested Transactions/Conflicts of Interest set forth herein, FACS shall ensure that no employee, officer, or agent of FACS, who has a real or apparent conflict of interest, participates in the selection, award, or administration of a contract supported by FACS funds. Employees, officers, and agents may also not solicit or accept favors, gratuities, or anything of monetary value from contractors or their agents.

E. *Record Documentation.* FACS shall ensure there is a cost or price analysis made and documented with every procurement action. FACS shall also ensure the evaluation of the contractor performance and document whether the contractor has met the terms, conditions, and specifications of the contract. Procurement records for purchases over the small purchase \$10,000.00 shall also contain the following information:

1. The basis for contractor selection;
2. The justification for lack of competition when competitive bids or offers are not obtained;
3. The basis for award cost or price; and
4. Written assurance from the contractor that there are no conflicts of interest that they are reasonably aware of that could materially negatively affect FACS.
5. Written assurance from the contractor that it does not directly or indirectly do business with Iran in accordance with North Carolina law.

F. *Board Approval.* For all procurement/contracts under this section that exceed \$10,000.00, the Lead Administrator shall endeavor to obtain three bids. In the event that three bids are not obtained, the Lead Administrator must present the Record Documentation, set forth above, to the Board and the Board must approve such procurements/contracts. Under these circumstances, the Lead Administrator does not have authority to bind the Board or FACS to any contract for goods and services valued above \$10,000.00. Any contract or purchase valued above this amount that is not approved by the Board is null and void.

G. *State Indebtedness Provision.* FACS shall ensure, through the following policies and procedures, that it uses state funds in accordance with all applicable laws, rules and regulations. No indebtedness of any kind incurred or created by FACS shall constitute an indebtedness of the State or its political subdivisions, and no indebtedness of FACS shall involve or be secured by the faith, credit or taxing power of the State or its political subdivisions.

H. *Mandated Contract Provisions.* The Lead Administrator shall ensure that all legally mandated provisions are included in each procurement contract. The Lead Administrator shall ensure the school's compliance with all federal and state rules governing purchasing and procurement.

XII. State Fiscal Compliance

A. FACS shall ensure that it fully complies with generally accepted accounting principles, and all applicable federal and state standards for financial management systems.

B. *Financial Reporting.* FACS shall make an accurate, current, and complete disclosure of financially assisted activities in accordance with financial reporting requirements for all funds received.

C. *Accounting Records.* FACS shall maintain records that adequately identify the source and application of funds provided for activities assisted with state or federal funds.

D. *Internal Control.* FACS shall maintain effective control and accountability of all cash, real and personal property, and other assets obtained with public funds. FACS shall safeguard all such property and assure that it is used solely for authorized purposes.

E. *Grant Management Standards.* If FACS receives a grant directly from a state or federal agency, it shall ensure that FACS is in compliance with the grant requirements of that state or federal agency. If an FACS employee's compensation is funded by any grant, FACS shall ensure that the employee maintains a time sheet on which he or she records the time spent during the work day along with a description of the service he or she performed during that time. FACS shall ensure that the time sheets

will contain the signatures of the employee that completed the time sheet, a school official, and the FACS grant manager.

F. *Annual Audit of Financial Statements.* Annually, the FACS Board shall engage a qualified certified public accountant (“CPA”) to audit the financial and programmatic operations of FACS. FACS shall select and contract only with CPAs that are licensed and in compliance with all federal and North Carolina rules and regulations. The Lead Administrator and Board shall ensure that it files a copy of the annual audit report with the North Carolina regulatory body(s) responsible for school financial audits, on a timely basis. The Board or Lead Administrator shall ensure that all persons with a substantial interest in a management company are separately disclosed in the annual audit. All reported deficiencies will be communicated in writing to the Board with a timeline to cure all financial weaknesses and all reported findings will be included in the Board meeting minutes.

G. *Annual Financial Statement.* The Lead Administrator or designee 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:

1. 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;
2. the total disbursements of the fund, itemized by the nature of the expenditure; and
3. the balance in the fund at the close of the fiscal year.

H. *Annual Financial Management Report.* The Lead Administrator shall ensure that it complies with the reporting procedures required by the State of North Carolina for charter holders to prepare and distribute the school’s annual financial management report.

I. *Attendance Accounting.* The Lead Administrator shall ensure that it complies with all laws and rules concerning charter school student attending accounting, reporting, and record keeping. The Lead Administrator, chief campus leaders, and teachers of FACS will be responsible to the Board and to the state to maintain accurate, current student attendance records. Attendance at FACS will be determined by taking attendance by 10:00a.m. Eastern Time each regular school day. FACS will not change the established period in which absences are recorded during the school year.

USE OF FEDERAL FUNDS AND FEDERAL FISCAL COMPLIANCE

A. *Fiscal Requirements under Title 1.* FACS shall ensure that Title I funds will be used to supplement, not supplant regular non-federal funds. Documentation shall be maintained, or caused to be maintained, by the Lead Administrator. The documentation must clearly demonstrate the supplementary nature of federal funds. FACS shall ensure that Title I funds shall be aligned to the School Improvement Plan, as appropriate and in compliance with applicable rules and regulations.

1. A comprehensive needs assessment shall be conducted that will inform the drafting of the School Improvement Plan. The School Improvement Plan shall be aligned to the needs assessment of FACS.
2. New goals shall be added as new money is identified.
3. The Lead Administrator shall conduct the needs assessment and School Improvement Plan prior to any grant application.

B. Federal Grant Allowable Expenditures. FACS shall ensure that it consults the appropriate OMB Circular, applicable to open-enrollment charter schools, to determine what costs are allowable. FACS shall ensure that all grant funds are expended in accordance with the circular.

C. Time and Effort. If a FACS employee's compensation is funded by any grant, FACS shall ensure that the employee maintains a time sheet on which he or she records the time spent during the work day along with a description of the service he or she performed during that time. The Lead Administrator shall ensure that the time sheets contain the signatures of the employee that completed the time sheet, a school official, and FACS's grant manager.

D. Use of Federal Grant Funds for Procurement. When expending federal grant funds, FACS shall ensure compliance by FACS employees, officers, and agents with all applicable federal and state procurement standards and policies. Violations of applicable laws or policies may lead to disciplinary consequences including and up to termination of employment or removal from any officer and/or Board position if applicable. FACS shall develop procedures that ensure compliance with the following provisions:

1. The purchase of unnecessary items is prohibited;
2. The solicitation of bids or offers must provide a clear and accurate description of the requirements to be fulfilled by the bidder, technical requirements to be performed including the minimum acceptable standards, specific features of brand name or equal descriptions that bidders are required to meet, the acceptance of products and services dimensioned in the metric system of measurement, a preference, where economically feasible, for products that conserve natural resources, protect the environment, and are energy efficient;
3. Positive efforts shall be made to enter into business and other transactions that are of the highest quality for FACS, at the lowest cost;
4. The type of procurement instruments used (e.g. purchase orders) must be appropriate for the particular procurement;
5. Contracts are made only with responsible and financially sound contractors who possess the ability to perform successfully under the terms and conditions of the proposed procurement;
6. Procurement documents shall be made available, upon request, to appropriate government officials when:
 - a. Procurement procedures fail to comply with the standards in this section;
 - b. The procurement is expected to exceed the small purchase threshold (currently \$10,000) and is to be awarded without a competitive bidding process or there is only one bid received in response to a solicitation;
 - c. The procurement which is expected to exceed the small purchase threshold, specifies a brand name product;
 - d. The proposed award over the small purchase threshold is to be awarded to a bidder under a sealed bid procurement; or
 - e. A proposed contract modification changes the scope of a contract or increases the contract amount by more than the amount of the small purchase threshold.

E. Open, Full, and Free Competition. FACS shall ensure that all procurement transactions are conducted in a manner that provides open, full, and free competition. Awards must be made to the bidder/offeror whose bid/offer is responsive to the solicitation and is most advantageous to FACS considering price, quality, and other relevant factors deemed appropriate by the Board and Lead Administrator.

F. Conflicts of Interest. In accordance with FACS policy 7400.3 Interested Transactions/Conflicts of Interest set forth herein, FACS shall ensure that no employee, officer, or agent of FACS, who has a real or apparent conflict of interest, participates in the selection, award, or administration of a contract supported by federal funds. Employees, officers, and agents may also not solicit or accept favors, gratuities, or anything of monetary value from contractors or their agents.

G. Record Documentation. FACS shall ensure there is a cost or price analysis made and documented with every procurement action. The Lead Administrator and/or their designee must approve all purchases. All Purchase requisitions must be submitted electronically to the Financial Service provider. Purchase requisitions, authorizing the purchase of items greater than \$500 must be signed/approved by the Lead Administrator and submitted electronically to the Financial Service provider with the related invoice or purchase order. When approving purchases, the Lead Administrator and/or their designee must: 1. Determine if the expenditure is budgeted 2. Determine if funds are currently available for expenditures (i.e. cash flow) 3. Determine if the expenditure is allowable under the appropriate revenue source 4. Determine if the expenditure is appropriate and consistent with the vision, approved charter, school policies and procedures, and any related laws or applicable regulations 5. Determine if the price is competitive and prudent. Any individual making an authorized purchase on behalf of the school must provide the appropriate documentation of the purchase. Individuals other than those specified above are not authorized to make purchases without pre approval. Individuals who use personal funds to make unauthorized purchases will not be reimbursed. Authorized purchases will be reimbursed by an electronic check as soon as possible after receipt of appropriate documentation of the purchase.

FACS shall also ensure the evaluation of the contractor performance and document whether the contractor has met the terms, conditions, and specifications of the contract. Procurement records for purchases over the small purchase threshold (\$5000.00) shall also contain the following information:

1. The basis for contractor selection;
2. The justification for lack of competition when competitive bids or offers are not obtained; and
3. The basis for award cost or price.

H. Board Approval. For all procurement/contracts under this section that exceed \$5000, the Lead Administrator shall endeavor to obtain three bids. In the event that three bids are not obtained, the Lead Administrator must present the Record Documentation, set forth above, to the Board and the Board must approve such procurements/contracts. In such circumstances, the Lead Administrator does not have authority to bind the Board or FACS to any contract for goods and services valued above \$5,000. Any contract or purchase valued above this amount that is not approved by the Board is null and void.

I. **Mandated Contract Provisions.** FACS shall ensure that all legally mandated provisions are included in each procurement contract. FACS shall ensure the school's compliance with all federal and state rules governing administration of the program.

XIII PUBLIC WORKS CONTRACTS

A. **Applicable Law.** In awarding contracts that will involve the construction, repair, or renovation of a structure, road, highway, or other improvement or addition to real property, FACS will comply with all applicable rules and regulations. The Board and Lead Administrator shall ensure that all applicable advertisement notice bid requirements are satisfied.

B. **Bidding Threshold.** The Lead Administrator shall engage the applicable law when an expenditure of more than \$10,000 in public funds is required.

C. **Contract Award.** The Lead Administrator shall make a recommendation to the Board concerning the award of a public works projects bid pursuant to this policy.

D. In determining the contract award, the Board may take into account factors regarding the bidder and their bid or proposal including:

1. The safety record of the bidder;
2. Whether the bidder, its employees, and agents have relevant and mandatory licenses/registrations;
3. Complaints and/or accident reports to relevant local and/or state agencies;
4. The purchase price or cost of the product and/or service;
5. The reputation of the bidder and of the bidder's goods or services, and the bidder's financial and operating ability to deliver the requested goods and/or services;
6. The quality of the bidder's good or services;
7. The extent to which the goods or services meet FACS needs;
8. The bidder's past relationship with FACS;
9. The impact on the ability of FACS to comply with the laws and rules relating to historically underutilized businesses;
10. The total long-term cost to FACS to acquire the bidder's goods or services;
11. Any other relevant factor specifically listed in the request for bids or proposals.

E. **Definition of Safety Record.** The safety record includes a bidder's Occupational Safety and Health Administration inspection log for the last three years, a loss analysis from the bidder's insurance carrier, any known safety violations on previous projects, and a loss history covering all lines of insurance coverage by the bidder.

XIV PURCHASING AND SERVICE CONTRACTS NOT OTHERWISE COVERED

A. **Appropriate Value.** In procuring or awarding contracts for goods and services over \$10,000.00 that are not governed by any other FACS policy or are not sourced by State or Federal funds, the Lead Administrator shall ensure that the FACS receives appropriate value for the expenditure.

B. **Competitive Process Threshold.** If an expenditure of FACS funds for such a contract awarded will exceed \$10,000, then the Lead Administrator shall engage a competitive process before selecting a person or entity to, which to make the award.

C. **Record Documentation.** The Lead Administrator shall ensure there is a cost or price analysis made and documented with every procurement action or contract. He/she shall also ensure the evaluation of the contractor performance and document whether the contractor has met the terms, conditions, and specifications of the contract. Procurement records for purchases or contracts over \$10,000.00 shall also contain the following information:

1. The basis for contractor selection;
2. The justification for lack of competition when competitive bids or offers are not obtained;
3. The basis for award cost or price; and
4. Written assurance from the contractor that there are no conflicts of interest that they are reasonably aware of that could materially negatively affect FACS.
5. Written assurance from the contractor that it does not directly or indirectly do business with Iran as required by North Carolina law.

D. **Board Approval.** For all procurement/contracts under this provision, the Lead Administrator shall endeavor to obtain two bids. In the event that two bids are not obtained, the Lead Administrator must present the Record Documentation, set forth above, to the Board and the Board must approve such procurements/contracts. In such circumstances, the Lead Administrator does not have authority to bind the Board or FACS to any contract for goods and services valued above \$10,000.00. Any contract or purchase valued above this amount that is not approved by the Board is null and void.

XV CASH MANAGEMENT & CREDIT CARD PROCEDURES

School funds are public funds. Consequently, all expenditures of school funds, including cash expenditures, shall be documented and accounted for by daily receipts. As a general rule, cash will not be used to make purchases except from petty cash, as described below. The Lead Administrator and the Administrative Assistant will manage the petty cash fund. The petty cash fund will be capped at \$500. All petty cash will be kept in a locked petty cash box in a locked drawer or file cabinet. Only the Lead Administrator and the Administrative Assistant will have keys to the petty cash box and drawer or file cabinet. All disbursements will require a completed and signed petty cash slip. A register receipt for all purchases must be attached to the petty cash slip. A register receipt must support the petty cash slip. The individual using the petty cash to make a purchase is responsible for submitting the receipt for the petty cash slip to the designated staff member within 48 hours of withdrawing the petty cash.

Any irregularities in the petty cash fund will be immediately reported in writing to the Lead Administrator, who will immediately inform members of the Finance Committee. Loans will not be made from the petty cash fund. School checks shall not be made payable to "Cash". FACS shall ensure that appropriate "separation of duties" are complied with in the handling of all money transactions, including reconciliation.

A. **Accounting for Cash Transaction.** All cash transactions shall be recorded in writing, such as by hand a written receipt, which shall be signed and dated by the individual who receives the cash. Staff members who receive or collect money from parents or teachers shall document from whom the money was received and in what amount. A copy of the receipt shall be kept with the cash received. Such money shall be submitted to the designated FACS administrator on the same school day as it is

received, or as soon as feasible, for deposit. FACS shall be responsible for ensuring that cash received is deposited in FACS's bank account. Deposits shall be made whenever cash receipts total \$250.00 or greater, or at a minimum once per week to the extent there is cash to deposit. A copy of the validated deposit slip shall be returned to the school on same day the deposit is made or the next day after the deposit is made.

B. Checks. Any authorized check drafted on FACS's bank account(s) shall have two authorized check signers. The following FACS officers are authorized to sign checks from FACS's bank account on behalf of FACS: Board Chairman, Board Treasurer, Board Vice-President, Board Secretary, or Lead Administrator. Each check must be completed in its entirety before it is signed by any party. Checks received shall be endorsed "for deposit only" and shall either be deposited when the total amount is at least \$500.00 or at least weekly, whichever is more frequent. Services or products rendered, reimbursement requests with original receipts, or mileage reimbursements may receive payment with a check. A check request form must be completed by the requestor and approved with a signature by the Lead Administrator. The check request form shall contain the name of the payee, the date the check is requested to be written, the amount of the check, a brief description for the issuance of the check, and the funding source that will be drawn from. Checks made payable to "Cash" are prohibited. The check request shall then be submitted to the Business Manager for processing. All check request forms shall be maintained by the School Finance Officer or CFSP. Parents of students enrolled at FACS and employees of FACS must receive prior notice from FACS that in the event a check they have submitted to FACS is returned for insufficient funds, or any other reason, FACS shall collect from the check maker the amount originally due in addition to any fee assessed to FACS by the bank because of the returned check.

C. Paying Bills with State or Federal Grant Funds. Grant funds shall not be requested from any appropriate entity until FACS is prepared to pay any outstanding balances within three days from when the funds are deposited in FACS's bank account. FACS shall ensure that all bills, including payroll and related withholding taxes, shall be paid by FACS within three working days from when such funds are deposited in FACS's bank account.

D. Bank Reconciliations. The Lead Administrator or his/her designee is responsible for bank reconciliations a minimum of once a month. Each FACS bank statement, assets, and liabilities shall be reconciled to both the checkbook and the general ledger.

E. Credit and Debit Card Procedures. If FACS decides to utilize credit or debit cards, only the following are authorized to use a FACS credit or debit card: the Lead Administrator and the School Principals, subject to the expenditure limitations set forth in Policy 7407. All authorized users of the FACS credit or debit card assume the responsibilities pertaining to the use and reconciliation of the credit or debit card. The FACS credit or debit card shall only be used for school business expenditures. It may not be used for personal purchases and/or cash transactions and shall be maintained by the highest level of security. Employees issued a FACS credit or debit card must receive prior, documented approval from the FACS Board before the use of the credit or debit card. Each credit or debit card

transaction by any user must be accompanied by appropriate documentation such as original receipts documenting each transaction (digital receipts are acceptable).

F. Activity Funds. FACS shall develop procedures for parent and school volunteer groups to follow in the collection of funds. Such procedures should distinguish between what the school is collecting and what the parent group is collecting.

The Lead Administrator is authorized to approve activity expenditures.

XVI – PRINCIPALS USE OF FUNDS

Subject to the financial policies set forth above in Sections I-XV, School principals may enter into contracts for:

- A. School pictures;
- B. Yearbooks and school newspapers (all other contracts for printing of reports, forms, etc., should be handled through the finance Lead Administrator);
- C. Fund-raising activities undertaken in compliance with Board policies;
- D. Disc jockeys/bands and facilities for dances to be paid for with school funds;
- E. Athletic officials and other persons working at athletic events to be paid from athletic funds derived from gate receipts;

School principals may enter into other contracts for goods or services in amounts up to \$10,000 without prior approval, provided there are sufficient funds in the local school account to cover the contract and the contract is executed during the current fiscal year. Principals shall submit semi-annual reports to the school's Lead Administrator of all school contracts.

XVI - DEPOSITORIES

The Board shall designate as official depositories of the school one or more banks, savings and loan associations, or trust companies in North Carolina. No money belonging to the school or any individual school shall be deposited in any other place, bank, savings and loan association, or trust company other than an official depository.

XVII DAILY DEPOSITS

Except as otherwise provided by law, all monies collected or received by an officer, employee, or agent of the school or an individual school shall be deposited in accordance with this policy. Each officer, employee, and agent of the school or individual school whose duty it is to collect or receive any monies shall deposit his collections and receipts daily; provided, however, if the amount on hand is less than \$500 daily deposits are encouraged but not required by the Board. Regardless of the amount on hand, all funds shall be deposited at least weekly and on the last business day of each month.

A. All deposits shall be made with the School's Finance Officer, CFSP, or in an official depository. Deposits in an official depository shall be reported immediately to the school's finance officer, CFSP, or individual school treasurer by means of a duplicate deposit ticket.

B. The School Finance Officer or CFSP may at any time audit the accounts of any officer, employee, or agent collecting or receiving any taxes or other monies, and may prescribe the form and detail of these accounts. The accounts of such an officer, employee, or agent shall be audited at least annually.

XVIII - BOARD AUTHORITY TO OVERRIDE FINANCE OFFICER

A, The Board may approve a bill, invoice, or other claim against the school that has been disapproved by the school. It may not approve a claim for which no appropriation appears in the budget resolution, or for which the appropriation contains no encumbrance and the unencumbered balance is less than the amount to be paid.

B. The Board shall approve payment by formal resolution stating the Board's reasons for allowing the bill, invoice, or other claim. The resolution shall be entered in the minutes together with the names of those voting in the affirmative. The Chairman of the Board, or some other Board member designated for this purpose, shall sign the certificate on the check or draft given in payment of the bill, invoice, or other claim. If payment results in a violation of law, each member of the Board voting to allow payment is jointly and severally liable for the full amount of the check or draft given in payment.

XIX- PAYMENTS OF BILLS, INVOICES, OR OTHER CLAIMS

The school shall not pay a bill, invoice, salary, or other claim except by a check or draft on an official depository, or by a bank wire transfer from an official depository. Except as provided in this policy, each check or draft on an official depository shall bear on its face a certificate signed by the school finance officer or signed by the Chairman or some other member of the Board.

XX - TRAVEL REIMBURSEMENT

A. FACS Board members, officers, and employees engaged in travel on official business of FACS shall, to the best of their knowledge and to a reasonable degree of effort, utilize the least expensive reasonable travel alternative where it provides a better value for FACS.

B. Faith Academy Charter School employees shall be reimbursed for reasonable transportation, or registration expenses incurred while traveling on official business upon presentation of receipts for said expenses. The school will not reimburse employees for purchase of alcoholic beverages or unreasonable costs. The Lead Administrator or designee must authorize reimbursement in advance.

XXI - PAYROLL DEDUCTIONS

FACS will comply with all required salary deductions as set forth by state and federal law. School personnel must notify the payroll department in writing of any additions, deletions, or other changes to payroll deductions at least 30 days before the effective date of the change.

XXII - FUNDING REQUESTS FROM ORGANIZED CHARITIES

A. Fundraising activities shall take place outside of the normal working day for staff and outside of the normal instructional day for students. Such activity will be strictly voluntary for school employees and students.

B. In the event of a major catastrophe or during special food or clothing drives, with the principal's approval, receptacles for donations may be placed at appropriate places in school buildings. Any donation made under these conditions will also be voluntary on the part of the donor. The principal will ensure that efforts to promote these efforts shall not significantly interrupt the instructional program.

C. Students shall not be used to raise money for any school or non-school organization during school hours. Nor shall a non-school organization use the school name in raising funds for non-school programs at any time.

XXIII - GENERAL LIABILITY INSURANCE

The Board shall provide general liability insurance coverage for the Board, its members, collectively and individually, and for school employees.

XXIV. ACCOUNTING FOR CAPITAL ASSETS

A. Capital Asset. A capital asset for FACS is an asset that is:

- a. Tangible in nature;
- b. Has a life that exceeds one year;
- c. Has value of at least \$5,000 per unit; and
- d. Is reasonably identified and controlled through a physical inventory system.

B. *Documentation.* The Lead Administrator shall ensure that FACS maintains accurate records of capital assets in accordance with applicable rules.

C. *Inventory.* The Lead Administrator will ensure that a physical inventory of capital assets takes place once every two years in accordance with applicable rules.

D. *Financial and compliance reporting.* For purposes of the Financial and Compliance Report, the Lead Administrator 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
- b. A statement that all property acquired during the term of FACS, and all property presently held by FACS, may be considered public property.