


USFRCS Exception Amendment Request

Charterholder Info

| | |
|--|--------------------------------------|
| Charter Holder | Representative |
| Name: Noah Webster Basic School | Name: Kelly Wade |
| CTDS: 07-89-30-000 | Phone Number: 480-986-2335 |
| Mailing Address: 7301 East Baseline Road Mesa, AZ 85209 > View detailed info | Fax Number: 480-354-3490 |

Downloads

 [Download all files](#)

USFRCS Exception

All exceptions to the USFRCS will include:


Charter Holder must utilize Generally Accepted Accounting Principles


The Charter Holder is **NOT** exempt from filing the Annual Financial Report, the school report card data, annual auditing requirements, or any financial report request from the Arizona State Board of Charter Schools, the Auditor General, and the Arizona Department of Education

The Charter Holder is responsible for any “cross-walks” necessary to complete reporting requirements.

This exception will not be granted to State Board of Education sponsored charter schools

Attachments

Board Minutes —  [Download File](#)

Complete policy for accounting —  [Download File](#)

Additional Information*
No documents were uploaded.

Signatures

Charter Representative Signature
Kelly Wade 11/16/2011

NOAH WEBSTER BASIC SCHOOL

RESOLUTIONS OF BOARD OF DIRECTORS REGARDING ACCOUNTING
POLICY & USFRCS EXCEPTION REQUEST

October 6, 2011

WHEREAS, Noah Webster Basic School, an Arizona non-profit corporation (the "Corporation"), operates a charter school at 7301 East Baseline Road, Mesa, Arizona 85209 (the "Charter School"); and

WHEREAS, the Corporation desires to obtain from the Arizona State Board for Charter Schools ("State Board") an exception to the Uniform System of Financial Records for Charter Schools ("USFRCS").

NOW, THEREFORE, BE IT RESOLVED, after due consideration, the directors of the Corporation deem it advisable, and in the best interest of the Corporation, that the Corporation submit to the State Board a request that the Corporation be granted an exception to the USFRCS in connection with its operation of the Charter School and, in connection therewith, that the Corporation adopt an accounting policy as provided in these resolutions.

RESOLVED FURTHER, that the directors of the Corporation hereby approve the submission to the State Board of a request that the Corporation be granted an exception to the USFRCS in connection with its operation of the Charter School and authorize the officers of the Corporation to take any and all acts and execute any and all documentation deemed necessary with respect to the preparation and prosecution of said request to the State Board.

RESOLVED FURTHER, that the directors of the Corporation hereby approve the adoption of the accounting policy set forth on Exhibit "A" attached to these resolutions (the "Accounting Policy"), which Accounting Policy is incorporated herein by this reference, to be effective immediately upon obtaining from the State Board an exception to the USFRCS in connection with its operation of the Charter School.

RESOLVED FURTHER, that any and all actions heretofore taken by the officers of the Corporation with respect to any of the foregoing matters be, and each of them hereby is, approved, ratified, and confirmed.

RESOLVED FURTHER, that the officers of the Corporation be, and each of them hereby is, authorized, for and on behalf of the Corporation, to do any and all things and take any and all steps deemed by them necessary or appropriate to carry out the purposes of the foregoing resolutions and the transactions contemplated thereby.

Adopted this 6th day of October, 2011

Secretary [Signature]

EXHIBIT “A”

Noah Webster Basic School Accounting Policy

See Attached

**Noah Webster Basic School
Accounting Policies
As of June 30, 2010**

Our accounting system's primary objectives are to provide management with reliable financial information in conformity with generally accepted accounting principles on a timely basis and to safeguard assets. This includes using an accounting system that provides for the proper recording and reporting of financial data and following standard internal control procedures. The school will utilize a chart of accounts that has been developed to align with the chart of accounts found in the uniform System of Financial Records for Charter Schools (USFRCS) for purposes of complying with budgeting and annual financial reporting. Revisions will be made periodically for changes in laws, regulations and accounting pronouncements that cover charter school accounting, financial reporting and compliance with state and federal laws.

The following is a summary of Noah Webster Basic School's Accounting Policies:

General Journal:

This is used to record in the general ledger standard monthly journal entries, adjusting entries, and year-end closing and reversing entries.

- The business manager will create the monthly journal entries, automatically numbered by the system.
- They will include the date, proper account number as per the USFRCS, the dollar amount of the entry and the description of the entry.
- A General Journal report will be provided to the Director on a monthly basis for review and approval and to the Governing Board during the quarterly meetings.

Cash Receipts Journal:

Cash receipts are recorded as they are received and then assigned to a deposit ticket once the batch is done.

- The staff member recording these will provide the business manager with a report on the day's receipts.
- Credit card receipts will be recorded on a daily basis in a separate batch identifying the batch ID of the credit card settlement statement.
- These receipts are then turned in to the business manager for reconciliation to the bank statements.
- Food Service receipts are collected and recorded by the food service supervisor and her assistant.
- These receipts are then compiled into deposits which are turned in to the business office for deposit ticket preparation.
- As deposit tickets are done, the information is recorded into Peachtree.
- The business manager will reconcile these deposits to the bank statement.

- A monthly cash receipts journal is printed for review by the business manager and then provided to the Director for review. The cash receipts journal is included in the quarterly review by the governing board.

Disbursements Journal:

Cash disbursements are produced by the business manager.

- The accompanying source documents are included with the check when presented to the Director for signature.
- Once signed, the business manager distributes the disbursement to its proper destination, keeping copies of the source documents with check number and date paid indicated.
- A disbursements journal is printed for monthly review by the business manager and the director as well as quarterly review by the Board.

General Ledger:

The general ledger is maintained by the business manager and business office personnel using the Peachtree Accounting software.

- The ledger is organized according to the Chart of Accounts prescribed by the USFRCS.
- The business manager is responsible for establishing new GL accounts.
- GL accounts are established for each source of revenues, expenses, gains and losses.
- A complete GL is printed monthly for review by the Director.

Bank Accounts

All bank accounts will be authorized by the governing board and a list of authorized signers designated by the governing board for each bank account will be kept current. To properly control cash, inactive bank accounts will be closed prior to year end.

Bank Reconciliations

The following procedures will be followed monthly:

- The unopened bank statements and cancelled check copies are given to the Director for review.
- After review, the Director will give the bank statements to the business manager. The business manager will then compare the canceled checks to the check register to ensure that the number, date, payee and amount are in agreement. Canceled checks are also examined for alterations, signatures and irregular endorsements.
- Deposits are verified and matched to the receipts journal.
- Record any bank charges associated with the monthly activity.
- The business manager will then use the Peachtree Reconciliation module to reconcile the bank statements with the financial statements.
- A list of outstanding checks and deposits in transit will be generated, as well as a complete check register and deposit register.

- Once the statement has been reconciled, the reconciliation is presented to the Director for review and then presented to the Board for review with the quarterly financial statements. Once reviewed, it is then filed accordingly.

Supplies Inventory

Supplies are purchased on an as needed basis. No supplies inventories are kept.

- Teachers are given an annual supplies allowance. This allowance is for classroom consumables.
- After having a requisition form approved by the lead teacher, the teacher purchases her classroom supplies.
- They then turn the signed requisition form and receipts into the business office where a reimbursement is prepared.
- They are reimbursed only up to their annual allowance. Any other purchases are not reimbursed.
- Administration and Facilities supplies are ordered by our supply clerk. This person is responsible for receiving supply requisitions from administrative personnel, which are approved by the business manager prior to ordering .
- In addition, the supply clerk tracks and orders all facility supplies. These orders are approved by the facilities manager prior to ordering.
- Packing slips and order forms are kept to verify receipt and to approve invoicing.

Library Books & Classroom Inventory

Purchased library books are recorded in fixed assets.

- When purchased, the fixed asset coordinator, with the librarian and designated volunteers will bar code each book and enter it into the Follet Library Inventory system.
- With this system, the librarian is able to track individual books through check out and return information kept in the computer.
- Prior to the end of each school year, lists are printed of any outstanding books and students and/or teachers are notified and books are returned.
- The fixed asset coordinator passes out a classroom inventory list at the start of each school year to each teacher.
- This list contains all of the classroom items provided by the school such as:
 - Desks & chairs
 - Bookcases
 - Curriculum
 - Resource books
 - Clocks, white boards etc
- Prior to the end of each school year, the teachers have to return the list to the fixed asset coordinator with any additions and/or deletions to it.
- The fixed asset coordinator then physically checks the classroom, with the teacher to verify the teacher's updated list.
- Any deletions such as broken chairs, cracked white boards or ruined curriculum are reported to the business office and the director.

- If the deletion affects the fixed asset list, adjustments are made and provided to the Director for review and approval.

Fixed Assets

A Fixed Asset coordinator is in charge of the physical verification of all assets.

- A detailed asset listing is kept of all fixed assets according to funding source.
- Physical inventory will be verified yearly and insurance coverage will be adjusted accordingly.
- The fixed asset coordinator works with the business manager in coordinating administrative and accounting functions as they relate to asset control.
- The fixed asset list should include the following information:
 - Location
 - Identification number
 - Description
 - Source of Funding
 - Acquisition date
 - Purchase document number
 - Cost

This listing should be maintained by separate asset category.

- In addition to the above, individual depreciation information will be included in the listing referencing:
 - Useful life
 - Depreciated life
 - Yearly depreciation
 - Accumulated depreciation
- Fixed assets will be valued at actual cost, including ancillary costs unless donated.
- Donated assets will be valued at their fair value as of the date of acquisition.
- The fixed asset listing will be maintained on a yearly basis with a separate listing of acquisitions maintained during the year and used to update the fixed assets listing at the end of the fiscal year.
- A listing of assets for disposal should be prepared by the Fixed Asset coordinator and provided to the governing board for approval of disposal. Except for disposals of books and/or curriculum which is approved by the Director.
- Once approved, the asset will be included on a listing of disposals that will be used to update the fixed assets listing at fiscal year-end.
- All disposal items will be removed from the asset list at fiscal year-end.

Receipts

Receipts will be properly recorded on a timely basis using the USFRCS account codes.

- All receipts will be safely stored in the business office safe until picked up by bank messenger.

- Cash receipts will be handled as indicated above in the Cash Receipts Journal section of the Procedures Manual.
- Pre-numbered receipts will be used for cash such as field trips, afterschool programs and lunches.
- Cash receipts will be compiled into a daily deposit with a deposit ticket, but will be picked up by bank messenger weekly.
- Bank deposit receipts will be maintained for each deposit.

Disbursements

Cash disbursements are produced by the business manager.

- The accompanying source documents are included with the check when presented to the Director for signature.
- Once signed, the business manager distributes the disbursement to its proper destination, keeping copies of the source documents with check number and date paid indicated.
- Disbursements from authorized bank accounts are made with pre-numbered checks.
- Checks should be properly completed before issuance, and should not be written payable to cash or bearer.
- Void checks should be so stamped to prevent reuse and numerically filed with other canceled checks.
- Unused checks will be physically safeguarded and access to them limited to authorized personnel.
- Signature facsimile plates will not be used except by the payroll company as they issue payroll checks directly.

Department supervisors will put in purchase requests at the time of their weekly management meetings.

- At this time they will supply management with all necessary pricing information and answer any questions regarding use of the purchase.
- The business office will verify that sufficient budget balance is available to make the disbursement.
- Any order forms and/or delivery information is then reviewed by management and signed by the Director.
- When the purchase is received, the requesting supervisor must physically account for the delivery. If the delivery is a fixed asset, the fixed asset coordinator will step in and initiate the procedure for receipt of fixed assets. If not, the requesting supervisor provides the business office with the verified packing slip that can be matched to the order.
- Once an invoice is received in the business office, it is matched to the packing slip and order form.
- The verified invoice is recorded in A/P in the Peachtree system by the business office.
- An Aged Payables report is printed monthly for the Director to review.
- She then meets with the business manager to approve payments that will be made that month against the payables listing. Oldest invoices are paid first.

Source documents are included with the checks for additional review prior to the Director signing the checks.

- These checks, along with backup documentation are presented to the Director for signature.
- Signed disbursements are returned to the business manager for mailing.

Payroll

ADP Payroll processing service is currently being used for the processing of checks, depositing and reporting payroll taxes and managing wage garnishment. Payroll procedures include the following:

- Salaries are based on industry standards and are adjusted accordingly. Salaries are spread over 24 pay periods evenly. Teachers who are contracted to work from August 1 through May 31 can opt for a 24 pay period pay out and be paid through the summer. The additional pay amounts falling after fiscal year end are accrued as part of the current year's expense.
- Salaries are reviewed and approved by the governing board at the time of the budget adoption.
- Hourly wage amounts are based on industry standards and are adjusted yearly according to job performance.
- Personal and sick days are recorded during the course of the year. There is no accrual of sick days and the 2 personal days are paid out at fiscal year end if still unused. These accruals are kept by the HR assistant.
- Employee contracts (letters of employment – at-will) are given to each employee for signature every year. Along with this, a job description is also provided and signed. Employees are required to fill out I-9, W-4, A-4, Direct Deposit Authorization and other pertinent contact information. In addition they must provide the school with a valid Class I Fingerprint Clearance Card. Voluntary Deduction authorization forms are issued in August during the school's 'Benefit Fair'. All employee benefits information including medical, dental, S/T, L/T, Life, Cafeteria Plan and 403B is provided at the 'Benefit Fair' and enrollments are due prior to September 1.
- Written and signed documentation regarding changes in payroll such as employment, terminations and rate changes are required.
- Supervisors are required to make sure staff members turn in all time off documentation to HR. Hourly staff members record that information on their time cards as well. Supervisors are required to review and approve all time cards and time off documentation. Information regarding hours, overtime, time off, vacation, and holidays is presented in both the Employee Handbook and the Employee Procedures Manual.
- All time cards and related information is turned in to HR on the payroll processing date. This date is announced through e-mail and printed memo each pay period. Any changes to personal information, rate or tax information is completed in the ADP system by the HR assistant.
- A preliminary payroll register is created including the new hours, salary amounts and any changes occurring this pay period. The information from

the preliminary register is then entered into the ADP data base and sent. ADP then prepares the payroll information in the form of a preview register and labor distribution report for review prior to submitting payroll for processing. The preview register and reports are given to the business manager with the preliminary register for review and approval. Once approved, the payroll is submitted. Final payroll reports are compared to preliminary registers by the business manager and given to the Director for review. Paychecks are delivered the following day by Federal Express in individually sealed envelopes for each employee. Checks are then put in employee mail boxes on the pay date.

- General Journal entries are prepared from the payroll register and accompanying reports by the business manager. The entries are reconciled to the payroll reports. Payroll reports are included in the packages to the governing board.
- The pay date for the June 16 through June 30 pay period at fiscal year end is July 2 and therefore adjusting journal entries are recorded to account for the accrued payroll and related payroll expense by the business manager.
- A payroll clearing account has been set up to cover all payroll expenses. The necessary payroll amounts are transferred into this account to cover ADP requirements.

Accounts Payable/Purchases

- Department supervisors will put in purchase requests at the time of their weekly management meetings.
- At this time they will supply management with all necessary pricing information and answer any questions regarding use of the purchase.
- The business office will verify that sufficient budget balance is available to make the disbursement. Any order forms and/or delivery information is then reviewed by management and signed by the Director.
- When the purchase is received, the requesting supervisor must physically account for the delivery. If it is a fixed asset, the fixed asset coordinator is notified and does all the necessary data input. If not, the requesting supervisor provides the business office with the verified packing slip that can be matched to the order.
- Once an invoice is received in the business office, it is matched to the packing slip and order form.
- The verified invoice is recorded in A/P in the Peachtree system by the business office.
- An Aged Payables report is printed monthly for the Director to review.
- She then meets with the business manager to approve payments that will be made that month against the payables listing. Oldest invoices are paid first. Source documents are included with the checks for additional review prior to the Director signing the checks.

Debt

- For debt outside of vendor payables, approval must come from the Director prior to any purchase or loan. This type of debt is also presented to the board for discussion and approval.
- Once approved, an amortization schedule is obtained from the lender for purposes of recording, financial statement presentation and minimum monthly payment budgeting. This debt liability is recorded to the GL by General Journal entry per the amortization schedule. The general journal entry is approved by the Director and/or the board.
- Payments are made according the provided debt schedule and are approved by the Director when she signs the disbursement check.
- The debt payments are reconciled to the retirement schedules on a quarterly basis and submitted to the board for review with the other financial information.
- If there is debt, such as a working line of credit, that the Director and/or Board feel should be paid off at a faster rate than the provided debt schedule allows, the budget is reviewed by the Director and/or Board and a decision for additional principal payment is made.
- The Board will review these additional principal payments the next quarter to assess continuation.

**Noah Webster Basic School
Accounting Policies
As of June 30, 2010**

Our accounting system's primary objectives are to provide management with reliable financial information in conformity with generally accepted accounting principles on a timely basis and to safeguard assets. This includes using an accounting system that provides for the proper recording and reporting of financial data and following standard internal control procedures. The school will utilize a chart of accounts that has been developed to align with the chart of accounts found in the uniform System of Financial Records for Charter Schools (USFRCS) for purposes of complying with budgeting and annual financial reporting. Revisions will be made periodically for changes in laws, regulations and accounting pronouncements that cover charter school accounting, financial reporting and compliance with state and federal laws.

The following is a summary of Noah Webster Basic School's Accounting Policies:

General Journal:

This is used to record in the general ledger standard monthly journal entries, adjusting entries, and year-end closing and reversing entries.

- The business manager will create the monthly journal entries, automatically numbered by the system.
- They will include the date, proper account number as per the USFRCS, the dollar amount of the entry and the description of the entry.
- A General Journal report will be provided to the Director on a monthly basis for review and approval and to the Governing Board during the quarterly meetings.

Cash Receipts Journal:

Cash receipts are recorded as they are received and then assigned to a deposit ticket once the batch is done.

- The staff member recording these will provide the business manager with a report on the day's receipts.
- Credit card receipts will be recorded on a daily basis in a separate batch identifying the batch ID of the credit card settlement statement.
- These receipts are then turned in to the business manager for reconciliation to the bank statements.
- Food Service receipts are collected and recorded by the food service supervisor and her assistant.
- These receipts are then compiled into deposits which are turned in to the business office for deposit ticket preparation.
- As deposit tickets are done, the information is recorded into Peachtree.
- The business manager will reconcile these deposits to the bank statement.

- A monthly cash receipts journal is printed for review by the business manager and then provided to the Director for review. The cash receipts journal is included in the quarterly review by the governing board.

Disbursements Journal:

Cash disbursements are produced by the business manager.

- The accompanying source documents are included with the check when presented to the Director for signature.
- Once signed, the business manager distributes the disbursement to its proper destination, keeping copies of the source documents with check number and date paid indicated.
- A disbursements journal is printed for monthly review by the business manager and the director as well as quarterly review by the Board.

General Ledger:

The general ledger is maintained by the business manager and business office personnel using the Peachtree Accounting software.

- The ledger is organized according to the Chart of Accounts prescribed by the USFRCS.
- The business manager is responsible for establishing new GL accounts.
- GL accounts are established for each source of revenues, expenses, gains and losses.
- A complete GL is printed monthly for review by the Director.

Bank Accounts

All bank accounts will be authorized by the governing board and a list of authorized signers designated by the governing board for each bank account will be kept current. To properly control cash, inactive bank accounts will be closed prior to year end.

Bank Reconciliations

The following procedures will be followed monthly:

- The unopened bank statements and cancelled check copies are given to the Director for review.
- After review, the Director will give the bank statements to the business manager. The business manager will then compare the canceled checks to the check register to ensure that the number, date, payee and amount are in agreement. Canceled checks are also examined for alterations, signatures and irregular endorsements.
- Deposits are verified and matched to the receipts journal.
- Record any bank charges associated with the monthly activity.
- The business manager will then use the Peachtree Reconciliation module to reconcile the bank statements with the financial statements.
- A list of outstanding checks and deposits in transit will be generated, as well as a complete check register and deposit register.

- Once the statement has been reconciled, the reconciliation is presented to the Director for review and then presented to the Board for review with the quarterly financial statements. Once reviewed, it is then filed accordingly.

Supplies Inventory

Supplies are purchased on an as needed basis. No supplies inventories are kept.

- Teachers are given an annual supplies allowance. This allowance is for classroom consumables.
- After having a requisition form approved by the lead teacher, the teacher purchases her classroom supplies.
- They then turn the signed requisition form and receipts into the business office where a reimbursement is prepared.
- They are reimbursed only up to their annual allowance. Any other purchases are not reimbursed.
- Administration and Facilities supplies are ordered by our supply clerk. This person is responsible for receiving supply requisitions from administrative personnel, which are approved by the business manager prior to ordering.
- In addition, the supply clerk tracks and orders all facility supplies. These orders are approved by the facilities manager prior to ordering.
- Packing slips and order forms are kept to verify receipt and to approve invoicing.

Library Books & Classroom Inventory

Purchased library books are recorded in fixed assets.

- When purchased, the fixed asset coordinator, with the librarian and designated volunteers will bar code each book and enter it into the Follet Library Inventory system.
- With this system, the librarian is able to track individual books through check out and return information kept in the computer.
- Prior to the end of each school year, lists are printed of any outstanding books and students and/or teachers are notified and books are returned.
- The fixed asset coordinator passes out a classroom inventory list at the start of each school year to each teacher.
- This list contains all of the classroom items provided by the school such as:
 - Desks & chairs
 - Bookcases
 - Curriculum
 - Resource books
 - Clocks, white boards etc
- Prior to the end of each school year, the teachers have to return the list to the fixed asset coordinator with any additions and/or deletions to it.
- The fixed asset coordinator then physically checks the classroom, with the teacher to verify the teacher's updated list.
- Any deletions such as broken chairs, cracked white boards or ruined curriculum are reported to the business office and the director.

- If the deletion affects the fixed asset list, adjustments are made and provided to the Director for review and approval.

Fixed Assets

A Fixed Asset coordinator is in charge of the physical verification of all assets.

- A detailed asset listing is kept of all fixed assets according to funding source.
- Physical inventory will be verified yearly and insurance coverage will be adjusted accordingly.
- The fixed asset coordinator works with the business manager in coordinating administrative and accounting functions as they relate to asset control.
- The fixed asset list should include the following information:
 - Location
 - Identification number
 - Description
 - Source of Funding
 - Acquisition date
 - Purchase document number
 - Cost

This listing should be maintained by separate asset category.

- In addition to the above, individual depreciation information will be included in the listing referencing:
 - Useful life
 - Depreciated life
 - Yearly depreciation
 - Accumulated depreciation
- Fixed assets will be valued at actual cost, including ancillary costs unless donated.
- Donated assets will be valued at their fair value as of the date of acquisition.
- The fixed asset listing will be maintained on a yearly basis with a separate listing of acquisitions maintained during the year and used to update the fixed assets listing at the end of the fiscal year.
- A listing of assets for disposal should be prepared by the Fixed Asset coordinator and provided to the governing board for approval of disposal. Except for disposals of books and/or curriculum which is approved by the Director.
- Once approved, the asset will be included on a listing of disposals that will be used to update the fixed assets listing at fiscal year-end.
- All disposal items will be removed from the asset list at fiscal year-end.

Receipts

Receipts will be properly recorded on a timely basis using the USFRCS account codes.

- All receipts will be safely stored in the business office safe until picked up by bank messenger.

- Cash receipts will be handled as indicated above in the Cash Receipts Journal section of the Procedures Manual.
- Pre-numbered receipts will be used for cash such as field trips, afterschool programs and lunches.
- Cash receipts will be compiled into a daily deposit with a deposit ticket, but will be picked up by bank messenger weekly.
- Bank deposit receipts will be maintained for each deposit.

Disbursements

Cash disbursements are produced by the business manager.

- The accompanying source documents are included with the check when presented to the Director for signature.
- Once signed, the business manager distributes the disbursement to its proper destination, keeping copies of the source documents with check number and date paid indicated.
- Disbursements from authorized bank accounts are made with pre-numbered checks.
- Checks should be properly completed before issuance, and should not be written payable to cash or bearer.
- Void checks should be so stamped to prevent reuse and numerically filed with other canceled checks.
- Unused checks will be physically safeguarded and access to them limited to authorized personnel.
- Signature facsimile plates will not be used except by the payroll company as they issue payroll checks directly.

Department supervisors will put in purchase requests at the time of their weekly management meetings.

- At this time they will supply management with all necessary pricing information and answer any questions regarding use of the purchase.
- The business office will verify that sufficient budget balance is available to make the disbursement.
- Any order forms and/or delivery information is then reviewed by management and signed by the Director.
- When the purchase is received, the requesting supervisor must physically account for the delivery. If the delivery is a fixed asset, the fixed asset coordinator will step in and initiate the procedure for receipt of fixed assets. If not, the requesting supervisor provides the business office with the verified packing slip that can be matched to the order.
- Once an invoice is received in the business office, it is matched to the packing slip and order form.
- The verified invoice is recorded in A/P in the Peachtree system by the business office.
- An Aged Payables report is printed monthly for the Director to review.
- She then meets with the business manager to approve payments that will be made that month against the payables listing. Oldest invoices are paid first.

Source documents are included with the checks for additional review prior to the Director signing the checks.

- These checks, along with backup documentation are presented to the Director for signature.
- Signed disbursements are returned to the business manager for mailing.

Payroll

ADP Payroll processing service is currently being used for the processing of checks, depositing and reporting payroll taxes and managing wage garnishment. Payroll procedures include the following:

- Salaries are based on industry standards and are adjusted accordingly. Salaries are spread over 24 pay periods evenly. Teachers who are contracted to work from August 1 through May 31 can opt for a 24 pay period pay out and be paid through the summer. The additional pay amounts falling after fiscal year end are accrued as part of the current year's expense.
- Salaries are reviewed and approved by the governing board at the time of the budget adoption.
- Hourly wage amounts are based on industry standards and are adjusted yearly according to job performance.
- Personal and sick days are recorded during the course of the year. There is no accrual of sick days and the 2 personal days are paid out at fiscal year end if still unused. These accruals are kept by the HR assistant.
- Employee contracts (letters of employment – at-will) are given to each employee for signature every year. Along with this, a job description is also provided and signed. Employees are required to fill out I-9, W-4, A-4, Direct Deposit Authorization and other pertinent contact information. In addition they must provide the school with a valid Class I Fingerprint Clearance Card. Voluntary Deduction authorization forms are issued in August during the school's 'Benefit Fair'. All employee benefits information including medical, dental, S/T, L/T, Life, Cafeteria Plan and 403B is provided at the 'Benefit Fair' and enrollments are due prior to September 1.
- Written and signed documentation regarding changes in payroll such as employment, terminations and rate changes are required.
- Supervisors are required to make sure staff members turn in all time off documentation to HR. Hourly staff members record that information on their time cards as well. Supervisors are required to review and approve all time cards and time off documentation. Information regarding hours, overtime, time off, vacation, and holidays is presented in both the Employee Handbook and the Employee Procedures Manual.
- All time cards and related information is turned in to HR on the payroll processing date. This date is announced through e-mail and printed memo each pay period. Any changes to personal information, rate or tax information is completed in the ADP system by the HR assistant.
- A preliminary payroll register is created including the new hours, salary amounts and any changes occurring this pay period. The information from

the preliminary register is then entered into the ADP data base and sent. ADP then prepares the payroll information in the form of a preview register and labor distribution report for review prior to submitting payroll for processing. The preview register and reports are given to the business manager with the preliminary register for review and approval. Once approved, the payroll is submitted. Final payroll reports are compared to preliminary registers by the business manager and given to the Director for review. Paychecks are delivered the following day by Federal Express in individually sealed envelopes for each employee. Checks are then put in employee mail boxes on the pay date.

- General Journal entries are prepared from the payroll register and accompanying reports by the business manager. The entries are reconciled to the payroll reports. Payroll reports are included in the packages to the governing board.
- The pay date for the June 16 through June 30 pay period at fiscal year end is July 2 and therefore adjusting journal entries are recorded to account for the accrued payroll and related payroll expense by the business manager.
- A payroll clearing account has been set up to cover all payroll expenses. The necessary payroll amounts are transferred into this account to cover ADP requirements.

Accounts Payable/Purchases

- Department supervisors will put in purchase requests at the time of their weekly management meetings.
- At this time they will supply management with all necessary pricing information and answer any questions regarding use of the purchase.
- The business office will verify that sufficient budget balance is available to make the disbursement. Any order forms and/or delivery information is then reviewed by management and signed by the Director.
- When the purchase is received, the requesting supervisor must physically account for the delivery. If it is a fixed asset, the fixed asset coordinator is notified and does all the necessary data input. If not, the requesting supervisor provides the business office with the verified packing slip that can be matched to the order.
- Once an invoice is received in the business office, it is matched to the packing slip and order form.
- The verified invoice is recorded in A/P in the Peachtree system by the business office.
- An Aged Payables report is printed monthly for the Director to review.
- She then meets with the business manager to approve payments that will be made that month against the payables listing. Oldest invoices are paid first. Source documents are included with the checks for additional review prior to the Director signing the checks.

Debt

- For debt outside of vendor payables, approval must come from the Director prior to any purchase or loan. This type of debt is also presented to the board for discussion and approval.
- Once approved, an amortization schedule is obtained from the lender for purposes of recording, financial statement presentation and minimum monthly payment budgeting. This debt liability is recorded to the GL by General Journal entry per the amortization schedule. The general journal entry is approved by the Director and/or the board.
- Payments are made according the provided debt schedule and are approved by the Director when she signs the disbursement check.
- The debt payments are reconciled to the retirement schedules on a quarterly basis and submitted to the board for review with the other financial information.
- If there is debt, such as a working line of credit, that the Director and/or Board feel should be paid off at a faster rate than the provided debt schedule allows, the budget is reviewed by the Director and/or Board and a decision for additional principal payment is made.
- The Board will review these additional principal payments the next quarter to assess continuation.