SUSTAINABILITY

ORGANIZATION'S FISCAL VIABILITY

ACCOUNTING PROCEDURES

Kingman Academy of Learning follows the Uniform System of Financial Records for Charter Schools (U.S.F.R.C.S), the Arizona Administrative Code (A.A.C.) as it applies to public schools and OMB Circular A- 133 regarding federal grants. An independent certified public accounting firm completes the required audit components as specified in Arizona Revised Statutes (A.R.S.) 15-914 according to *Government Auditing Standards.* Kingman Academy of Learning has always had excellent financial audits

Proper segregation of all aspects of financial duties is maintained. Payroll and accounts payable are processed as specified in the U.S.F.R.C.S. Kingman Academy of Learning uses the account code structure of the Uniform System of Financial Records (U.S.F.R.) for all internal accounting but reports all information to the Arizona Department of Education using the U.S.F.R.C.S. account code structure. The Governing Board approves all payroll vouchers, accounts payable vouchers, long term contracts, and purchases requiring the use of competitive sealed bids and request for proposals. All financial and operational processes are performed by Kingman Academy of Learning employees or Governing Board members.

Kingman Academy of Learning used the VISIONS financial software system to process all expenses, payroll and inventory control. No purchases are allowed without a purchase order, except for excluded categories. The VISIONS financial system allows the Business Manager to set limits on each account code thus preventing the issuance of purchase orders that exceed the budget limit.

Credit cards are strictly controlled and monitored. Blank checks are secured in a locked cabinet until they are signed out by an employee independent of the check writing procedure. Any activities that handle cash, such as student activity fund raisers, milk sales, and sports clubs have a high level of oversight from a Kingman Academy of Learning employee and require a meticulous paper trail. Deposits are made weekly, verified by two employees independent of the cash collection. Payroll and accounts payable checks are verified for accuracy prior to being issued by two employees independent of check processing.

Bidding procedures, as specified in the U.S.F.R.C.S., the Arizona Administrative Code Title 7 (AAC) and school policy are strictly followed.

Fiscal decision-making:

Based on input from teachers, school principals, and charter administration, and funding from state and federal levels, the Charter Director, Charter Administrator and the Business Manager work together to create a proposed budget that is fiscally conservative, uses personnel and resources to their optimum potential and, most importantly, provides a

qualify education to our students. The proposed budget is presented to the Governing Board with thorough documentation and explanations as to how final figures were calculated. Once approved by the Governing Board, other than decisions regarding all long term contracts, competitive sealed bids, and Request for Proposals which must be approved by the Governing Board, all fiscal decisions are made by the Charter Director and the Charter Administrator. The Business Manager assigns the various budget amounts to appropriate account codes, based on the direction of the Charter Administrator and the Charter Director.

All procurement laws are strictly followed with oral quotes, written quotes and competitive sealed bidding as required. The Governing Board grants hiring and termination responsibilities to the Charter Director and the Charter Administrator.

Each school is provided a school level budget. The School Principal has the fiscal authority to issue Purchase Orders in a limited number of supply and service account codes. The Business Manager sets funding limits for each account code to insure that funding levels can not be exceeded at the school level.

Site Level Personnel:
The Annual Financial Budget approved by the Governing Board is prepared by the Business Manager based on input from the Charter Director, Charter Administrator, School Principals, Technology Director, special education needs, transportation needs, short term and long term district goals and financial commitments.

After Governing Board approval, budget figures are distributed to the schools. The School Principal is responsible to spend funds as appropriate for their school. School Principals may only spend funds approved for their school by Charter Administration. School Principals are allowed to move funds to appropriate account codes but they do not have the authority to exceed their school's budget maximum.

At the charter administration level, the Charter Director and the Charter Administrator have the authority to spend funds within approved budget limits.

Purchase Orders are required for all school purchases. At the school level, staff members complete requisition requests which are submitted to the School Principal for approval. The School Principal assigns an expense account code to the requisition request and checks budget. If there is sufficient budget capacity the School Principal approves the requisition. The school secretary enters the requisition into the VISIONS financial system. If sufficient budget capacity does not exist for a particular account code the VISIONS financial system will not allow a requisition to be completed. The Business Manager controls budget capacity in the VISIONS financial system. If sufficient budget capacity exists the requisition is completed and sent to the business office. The Requisition is viewed by the Charter Administrator and approved as a Purchase Order. The school is responsible to place the orders after the purchase order has been approved. Administrative level expenditures are the responsibility of various departments such as special education, business office, technology, and general administration.

Each February the charter administration begins work on the next school year budget. School Principals obtain supply wish lists from teachers and other staff, new programs, or program cuts are considered, and department directors are involved in budget discussions.

Fund Raising activities:
Fund raising is not a large part of our annual budget. All large scale fund raising is the responsibility of the Kingman Academy of Learning Parent Teacher Organization. They have two large scale fund raisers annually raising about $36,000. Other fund raising activities are for auxiliary sports and academic clubs. Most funds are tax credit dollars which annually total about $70,000. All fund raising dollars go directly to classroom supplies or equipment to be used by the students.

Philanthropic support:
We generally have minimal philanthropic support. Graduating high school seniors may receive $500 scholarships, a local doctor may pay for a sport team to attend a summer camp to improve their skills, but our funding is not dependent on any philanthropic donations. Any such donations go directly to support the specified student activity and not into the general maintenance and operation budget.