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1000 ADMINISTRATION

7.1010 Approval and Monitoring of Budget/Bond; Fiscal Reporting

The fiscal year of the School shall begin on the first day of July in each year. The Board, subject to the oversight responsibilities of its Sponsor, and subject to any contract with a fiscal agent, shall have exclusive control of the budget. The Board shall prepare and publish an annual budget in accordance with the requirements of the State Auditor and its Charter Contract.

The Board shall designate a fiscal officer, and such fiscal officer shall either (1) execute a bond in an amount and with a surety acceptable to the Board, payable to the State of Ohio; or (2) present evidence of insurance coverage through an employee dishonesty and faithful performance of duty policy issued by a joint self-insured pool. Such bond shall be deposited with the Board and a Board-certified copy filed with the County Auditor. The fiscal officer or agent must meet the requirements of Ohio Revised Code 3314.011.

The Board shall comply with the standards for financial reporting adopted by the State Board of Education under R.C. 3301.07(B)(2).

R.C. 3.061; 3301.07(B)(2); 3301.0714; 3314.011; 3314.042; OAC 117-6-07.

See also Policy 7.3050 Annual Financial Report.

Adopted: July 25, 2019



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7.1020 Finance/Audit Committee

The Board of Directors shall establish a Finance/Audit Committee as a standing committee of the Board. The committee shall review financial reports, budgets, financial data and other financial issues and concerns and make recommendations to the Board on a regular basis. The committee membership shall include at a minimum the following: Board Member, Fiscal Officer, Executive Director, Principal and a member of the public.



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2000 ACCOUNTING

7.2010 General Accounting Objectives

The Board of Directors recognizes its responsibility to ensure that public monies are utilized for the furtherance of student education in a manner that will assure value to the public.

To meet the goals of this policy the Board requires the Fiscal Officer to establish sound accounting procedures, prepare and preserve invoices for payment, render a financial statement to the Board monthly, maintain a cash journal, certify funds, institute effective business practices, recommend suitable accounting equipment where necessary, review financial operations annually and report to the Board on effectiveness and recommended improvements, and prepare administrative procedures for sound school fiscal operations.

The governing authority of each community school shall comply with the standards for financial reporting adopted under division (B)(2) of section 3301.07 of the Revised Code.

R.C. 3314.042.



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7.2020 Method of Accounting

The accrual method of accounting shall be used to maintain records of account, to present financial statements (including audited financial statements), and to prepare IRS Form 990 (Return of Organization Exempt from Income Tax).

When appropriate, reports may be prepared using the cash basis method of accounting when required for reporting to outside entities or for budget reporting purposes.



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7.2030 Chart of Accounts

The Fiscal Officer shall prepare and maintain a Chart of Accounts that is consistent with the Uniform School Accounting System (USAS) Chart of Accounts maintained by the Auditor of State, State of Ohio. The Fiscal Officer may determine the level of detail necessary in the Chart of Accounts to properly record and report the financial activities of the organization, but shall at a minimum use the following in structuring the chart of accounts:

For Expenses: Fund; Special Cost Center; Function; Object

For Revenues: Fund; Special Cost Center; Receipt Code



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7.2040 Use of Funds

The Board regards all funds received by the School as a public trust. The use of monies for partisan political activities and/or for any use that would be contrary to anti-discrimination laws or guidelines is strictly prohibited. All funds received by the School will be used in accordance with applicable law, and pursuant to specific guidelines and/or instructions that may accompany the funds or be required by the program.

No funds received by the Board shall be used to:

- A. Develop or distribute materials, or operate programs or courses of instruction directed at youths, that are designed to promote or encourage sexual activity, whether homosexual or heterosexual;
- B. Distribute or aid in the distribution by any organization of legally obscene materials to minors on school grounds;
- C. Provide sex education or HIV prevention in schools unless that instruction is age appropriate and includes the health benefits of abstinence; or
- D. Operate a program of contraceptive distribution in school.



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3000 FINANCIAL STATEMENTS & REPORTS

7.3010 Financial Statements

To enable the Board of Directors to carry out its financial oversight responsibilities, the Fiscal Officer shall provide the Board, at each monthly Board meeting, the following reports:

- A. Operations Report – year to date
- B. Balance Sheet – as of the last day of the preceding month.
- C. Income Statement – year-to-date as of the last day of the preceding month.
- D. Expenditures which aggregate in excess of \$1,000 per vendor - preceding month.
- E. Accounts payable report – as of the last day of the preceding month.
- F. Any other report(s) requested by the Board.

Adopted: April 19, 2018 & April 25, 2018



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7.3020 Audits

Audits shall be conducted annually by the Auditor of State or an independent public accounting firm (IPA), as required by law. Should the Auditor of State elect to have the audit performed by an IPA, the Board of Directors shall approve the selection of the IPA in accord with purchasing policies and any applicable laws and regulations. Audits shall be managed by the Fiscal Officer, who shall make regular progress reports to the Finance/Audit Committee. Upon completion, audit reports shall be reviewed by the Finance/Audit Committee and submitted to the Board of Directors for acceptance. Appropriate financial forms and reports relating to audits shall be filed with and State agencies as required. All audits shall include a management letter.



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7.3030 Tax Reporting

Tax reports shall be filed periodically as required by law for all Federal, State and local taxes, wages and/or other activity which the School is obligated to report and to pay. The Board directs the Fiscal Officer and other responsible officer (Human Resources, Executive Director, etc.) to oversee the preparation and timely reporting and payment of all such reports and payments



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7.3040 Sponsor Reporting

Financial reports that are required to be filed with the Sponsor shall be filed in the manner and within the time requirements specified in the Community School Contract. The Board directs the Fiscal Officer to oversee the preparation and filing of all such reports.



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7.3050 Annual Report

The School is required to prepare an Annual Report each year which must include a financial report section. The Fiscal Officer shall prepare the financial portion for inclusion in the Annual Report. The report shall include the most current information available at the time of preparation.



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CHAPTER 7: FINANCE POLICIES

7.3060 State Reporting

Financial reports that are required to be filed with the State shall be filed in the manner and within the time requirements specified by law. The Board directs the Fiscal Officer to oversee the preparation and filing of all such reports



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4000 BUDGETING & PLANNING

7.4010 Budget Philosophy

The budget represents a planned program of expenditures and receipts designed to provide a quality education for students in an efficient and economic manner.

Budget considerations will be based on the educational needs of the School and the students it serves. The staff and administration will be responsible for expressing these educational needs in terms of a planned program of expenditures.

Revenue resources available at the local, State and Federal levels will be identified and shall be given due consideration in the budget development process.

After budget adoption and implementation, the Fiscal Officer shall carefully monitor, control, and evaluate the budget and provide regular reports to the Board of Directors. If necessary, budget revisions will be drafted, evaluated and adopted.

All aspects of budget planning, development, implementation, control, auditing and evaluation are to take place under the supervision and direction of the Fiscal Officer and in accordance with Federal, State and local statutes, policies, rules and regulations.



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7.4020 Budget Adoption

The Board of Directors shall adopt a budget for the School's next fiscal year no later than June 30th. The Board of Directors will carry "Budget Adoption" as an item on the meeting agenda and will answer any questions related to the budget.



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7.4030 Fiscal Planning

The Board of Directors shall collect and assemble the information necessary to discharge its responsibility for the fiscal management of the School and to plan for the financial needs of the educational program. The Board will strive toward maintaining both short and long range projections of School financial requirements. Accordingly, the Board directs the Fiscal Officer to:

- A. Maintain a plan of anticipated revenues and expenditures;
- B. Report to the Board any information which may result in a change to the School's ongoing fiscal planning;
- C. Maintain, annually, a detailed five (5) year forecast of estimated expenditures and revenues;
- D. During preparation of the Community School Contract, prepare a financial plan for the school as required by the school sponsor.

Adopted: April 19, 2018 & April 25, 2018



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7.4040 Spending Plan

The Board shall adopt an annual spending plan, which may be revised as necessary. The plan or amended plan shall be presented in such detail and form as the Board prescribes.



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5000 GRANTS, CONTRIBUTIONS & FUNDRAISING

7.5010 Grants and Contributions

Grants and contributions shall be used for school operations or special projects as designated and approved by the Board of Directors. Grants and contributions that are restricted shall be used for the identified restricted purpose.

The Executive Director shall review new education legislation and direct the preparation of such program proposals as s/he deems would be appropriate. The Board shall approve each proposal prior to its submission, and shall approve all grants resulting from such proposals.

Grant revenues shall be posted immediately upon receipt. The Fiscal Officer shall maintain a separate accounting for each grant, as required by the grantor, and by the Auditor of State. The Fiscal Officer shall develop reports to monitor grant activities and to ensure that grants are used for their stated purpose.

For more information, see “Uses of Funds”.



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7.5020 Fundraising & Solicitation of Grants & Contributions

Fundraising and solicitation of grants and contributions must be for funds, services and/or goods which shall be used to further the operations and/or objectives of the School. Grant applications shall be reviewed by the Executive Director or his/her designee and shall be approved by the Board of Directors. The Fiscal Officer shall be notified of all grant awards and shall report each month to the Board all awards received, and the Board shall approve all such grants.

Fundraising by students, or in the name of the School, for student activities, organizations, or other school-related purposes, must be approved by the Board. Each fundraising/solicitation activity must be submitted by the Principal to the Executive Director or his/her designee for approval. All fundraising activities off school grounds must have prior approval of the Board.

Solicitation by outside individuals or organizations on school property or at school events is prohibited.



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7.5020.1 Crowdfunding

All crowd-funding campaigns shall be reviewed and pre-approved by the Principal or his/her designee.

The Principal or his/her designee shall ensure that the proposed crowdfunding campaign does not violate any federal or state law, including those governing the confidentiality of student information, and that the campaign seeks donations that comport with the School's education philosophy, needs, and technical infrastructure.

School employees must use a 501(c)(3) nonprofit crowdfunding service and donations must be sent directly to the School.

No donations will be accepted without the approval of the Board. All crowdfunding campaigns shall be through a School account. Any and all crowdfunding donations are the property of the School, which shall be entered promptly into the school property inventory or deposited in School bank accounts, and used exclusively for the stated purpose of the crowdfunding campaign. The Principal or his/her designee shall determine if the crowdfunding service obligates the School to assume any responsibility to file government-required reports of charitable activities, and if so, shall ensure such government-required reports are filed.

Adopted: July 25, 2019



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7.5030 Federal Grants Procurement, Monitoring and Administration

In addition to the applicable policies set forth elsewhere in this manual, the following policies shall apply when the School expends federal grant funds to purchase property or obtain services, including but not limited to, purchases made under the School food service and nutrition programs.

- A. Competition. To the extent required by law, the School shall use procurement methods that provide for full, free, and open competition and comply with the federal procurement regulations. If the School solicits bids or competitive proposals to secure property or services, the School shall award the contract to the party whose bid or proposal, after considering all appropriate facts, is most advantageous to the School.

The School shall exclude from competition for procurements any contractor that develops or drafts specifications, requirements, statements of work, or invitations for bids or requests for proposals.

Unless allowed by law, the School shall not use statutorily or administratively imposed State, local, or tribal geographical preferences in the evaluation of bids or proposals.

- B. Code of Conduct. No employee, officer, or agent of the School shall participate in selecting, awarding, or administering a contract supported by federal funds if a conflict of interest, real or apparent, would be involved. A conflict arises when the employee, officer, or agent, a member of his/her family, his/her partner, or the employer or prospective employer of any of the above-mentioned individuals has a financial or other interest or a tangible personal benefit from the company selected to be awarded the procurement contract.

No employee, officer, or agent of the School may solicit nor accept gratuities, favors, or anything of monetary value from contractors or parties to subcontracts. Any gratuities, favors, or anything of monetary value includes money and every other thing of value, meaning having more than a de minimis or nominal worth.

All employees, officers, or agents of the School must disclose in writing any potential conflicts of interest, whether real or apparent, to the School prior to participation in the selection, award, or administration of a contract supported by a federal award.

The School shall not conduct any procurement action involving a parent, affiliate, or subsidiary organization that is not a state, local government, or Indian tribe, if the School would be unable or appear to be unable to be impartial in that procurement action.

Any employee, officer, or agent of the School found to have violated this Code of Conduct or any other applicable ethics laws or regulations will be immediately excluded from further participation in the selection, award, or administration of



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the contract supported by a federal award and may be subject to disciplinary actions, up to and including termination. The School shall promptly report any violation of federal criminal law involving fraud, bribery, or gratuity violations potentially affecting a federal award to the awarding federal agency and specify any corrective action taken by the School.

Nothing in this policy shall be read to alter the obligations and restrictions on public officials pursuant to Ohio Revised Code Chapters 3314 and 102, and Section 2921.42-.44 as applicable to community schools.

- C. Procurement Procedures. To the extent required by law:
1. The School shall review any proposed procurement to avoid purchasing unnecessary property or services. The School shall avoid purchasing duplicative items.
 2. Before acquiring an item, the School shall compare the advantages of leasing and purchasing property, purchasing surplus property, or sharing services where permitted by law in order to determine the most economical approach. The School shall also consider consolidation or breaking out procurements to obtain more economical purchases.
 3. Prior to accepting bids or proposals, the School shall make independent estimates of cost and price. The School shall conduct a cost or price analysis in connection with every procurement transaction, and procurement contract modification, including those over the Simplified Acquisition Threshold. This shall include making independent estimates before receiving bids or proposals.
 4. The School shall ensure that its solicitations for goods and services contain clear and accurate descriptions and technical requirements of the goods and services sought, all factors to be used in evaluating bids or proposals, and provide any other information required under the applicable federal regulations. Such description shall not, in competitive procurements, contain features which unduly restrict competition. The School shall not require brand name products unless the brand name is specified as a means to define the performance or other salient requirements of procurement.
 5. The School shall attempt to ensure that the parties with which it contracts are responsible and capable of fulfilling the terms and conditions of the contract. The School shall give consideration to the contractor's integrity, compliance with public policy, record of past performance, and financial and technical resources.
 6. The School shall only use time and material type contracts after a determination that no other contract is suitable and, if a contract includes a ceiling price, the contract must specify that the contractor exceeds the ceiling at its own risk.
 7. The School shall create and maintain records that document the procurement process that the School followed in each procurement transaction, including the rationale for utilizing the selected procurement method, the selection of contract type, the basis for awarding or rejecting the contract, the justification



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- for lack of competition if competitive bids or proposals are not sought, and the basis for the award cost or price.
8. The School shall make its procurement records available for review upon request by the awarding federal agency or pass-through entity.
 9. Before deciding to use grant funds to host or attend a meeting or conference, the School shall ensure that the meeting or conference is (a) consistent with the School's approved grant application, (b) necessary to achieve the goals and objectives of the grant, and (c) for purposes of disseminating technical information, and (d) that the School has used only the grant funds necessary to accomplish legitimate meeting and conference business.
 10. Whenever practicable, the School shall utilize lower cost alternatives in lieu of attending meetings or conferences.
 11. When issuing statements, press releases, requests for proposals, bid solicitations, and other documents relating to the use of federal grant funds for procurement purposes, the School shall state the percentage of the total cost funded by federal money, the dollar amount of federal funds available for the project or program, and the percentage and dollar amount of the total cost of the project or program financed by non-governmental sources.
 12. The School shall comply with the Buy American provision in 7 CFR Parts 210 and 220 for all solicitations and contracts that involve the purchase of food. The School must ensure that such solicitation and contract language includes the requirement for domestic agricultural commodities and products to the maximum extent practicable, and must retain records documenting any exceptions. The School will include a requirement for certifying the domestic percentage of the agricultural food component of commodities and products, and will monitor contractor compliance.
 13. The Principal and Treasurer, working in conjunction, or their designee shall be responsible for determining a relevant dollar threshold; crafting all solicitations, which shall include "Buy American" provisions and small-business/minority-owned business/women enterprise language; determining the appropriate method of procurement; obtaining quotes, bids or proposals.
- D. Contract Provisions. Procurement contracts shall, at minimum, include the terms and conditions that are required by the applicable federal procurement regulations, including all necessary terms as required by the Trafficking Victims Protection Act of 2000 (TVPA). To the extent required by law, the School shall require that the person awarded a contract satisfy the bonding requirements set forth in the applicable federal regulations and shall comply with the TVPA and its corresponding regulations.
- E. Contract Administration. The School shall delegate to one or more school employee the responsibility for administering all procurement contracts and ensuring that the party awarded the contract satisfies the terms, conditions, and specifications of the procurement contract or purchase order
- F. Small/Minority/Women Businesses. The School shall take affirmative steps to contract with small businesses, minority-owned firms, and women's business enterprises when possible. The School shall also require a contractor, if it



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subcontracts, to take affirmative steps to contract with small businesses, minority-owned firms, and women's business enterprises when possible.

- G. Dispute Resolution. Any issues related to the procurement contract and administrative procedures, including source evaluation, protests, disputes, and claims, will be resolved according to the following dispute resolution procedures, and the School will disclose information regarding the dispute to the appropriate federal officials. Any grievant must file a written complaint requesting an opportunity to be heard by the Governing Board or the Board's designee. The Board or its designee will review any information presented and provide a written decision within a reasonable time. If the grievant is not satisfied with this decision, the matter shall be submitted to a qualified mediator for mediation. The parties will make every attempt to resolve such disputes through mediation and shall equally split all fees or costs of any third party mediator.

If the School suspects or determines that the contractor has likely violated local, state, or federal law, the School will refer the matter to the proper authority having jurisdiction over the matter.

- H. Time and Materials Contracts. The School may use a contract whose cost to the School is the sum of the Actual costs of materials, and direct labor hours charged at fixed hourly rates that reflect wages, general and administrative expenses, and profit, but only:

1. After a determination that no other contract is suitable; and
2. If the contract includes a ceiling price that the contractor exceeds at its own risk

- I. Debarred, Suspended or Ineligible Contractor. The School shall not award contract to parties that have been debarred, suspended or otherwise excluded from or are ineligible for participation in federal assistance programs and activities pursuant to the Federal System for Award Management available at www.sam.gov.

The school shall verify that the contracting party is not excluded or disqualified by checking the federal system for award management, collecting a certification from the contracting party, or adding a clause or condition to the covered transaction with the contracting party.

- J. Federal Grant Administration

The School shall ensure that these procedures are followed with respect to all federal grant applications submitted by the School and all federal grants that are awarded to the School.

1. Monitoring Grant Applications. The School shall delegate to one or more persons the responsibility for monitoring all pending federal grant applications, and that



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person or persons shall provide the Board with a report on the status of all federal grant applications at each regularly scheduled Board meeting.

2. Monitoring Grant Expenditures. The School shall delegate to one or more persons the responsibility for monitoring federal grant expenditures, and that person or persons shall provide the Board with a report on the expenditures made from each federal grant at each regularly scheduled Board meeting.
3. Final Expenditure Reports. The School shall delegate to one or more persons the responsibility for reviewing all final expenditure reports for each federal grant that the School was awarded, reconciling the report(s) with the School's financial records, and ensuring that the final expenditure report for each federal grant is complete and accurate.
4. Maintenance of Procurement Records. The Treasurer or his or her designee shall be responsible for maintaining records sufficient to detail the history of all procurements, including small purchases. For example, solicitation documentation and responses, records of the rationale for the method of procurement, selection of contract type, contractor type, contractor selection or rejection, the basis for the contract price, the contract and any amendments or modifications, and supporting documentation such as receipts or invoices.

2 C.F.R. 200; 2 C.F.R. 175.15

See Appendix 7.5030-A Methods of Procurement Using Federal Grant Funds. Appendix 7.5030-B Procurement Procedure for Soliciting Small/Minority/Women Owned Businesses and Labor Surplus Firms, Appendix 7.4030-C Child Nutrition Programs Procurement. See also Policy 1.2040 Ethics and Conflicts Policy and Policy 7.6200 Fixed Asset Policy/Title I and Federal Grant Assets Policy, Policy 3.4180 Use of Cellular telephones and Other Wireless Technologies and Policy 2.2050 Program Assessment.

Acknowledged: March 18, 2021
Adopted December 17, 2020
Adopted: September 19, 2019



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7.5040 Federal Grant Administration (Rescinded on November 30, 2017 and combined with Policy 7.5030)

Adopted: November 30, 2017



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7.5050 Cost Principles and Financial Management for Use of Federal Funds

Federal grant awards will be administered efficiently and effectively through the application of sound management practices consistent with the federal, state and local laws, including the federal Uniform Grant Guidance and any underlying grant agreements.

Financial Management

Grant funds must be managed in compliance with all applicable federal, state and local laws and rules as well as the terms of any federal grant award.

The School shall do all of the following:

1. Identify in its accounts all federal award funds received and expended and shall specify the federal program under which those awards were received. Whenever applicable information is available, accounts must include the Catalog of Federal Domestic Assistance (“CFDA”) title and number, the federal award identification number and year, the name of the awarding federal agency, and the name of the pass-through entity.
2. Make accurate, current and complete disclosures of the financial results of each federal grant award as required by the terms the award.
3. Maintain records that adequately identify the source and application of funds used for federally funded activities. Records must contain information about the awards, authorizations, obligations, unobligated balances, assets, expenditures, income and interest and shall be supported by source documentation.
4. Exercise control over and accountability for all funds, property and other assets purchased with federal funds. All assets shall be safeguarded and the School shall assure that they are used only for authorized purposes.
5. Regularly compare expenditures with budget amounts for each federal award.

Cost Principles

All costs must conform to any limitations or exclusions set forth in the federal award. Costs must be accorded consistent treatment. The School shall only assign a cost to a federal award as a direct cost when no other cost incurred for the same purpose in like circumstances has been allocated as an indirect cost. Costs shall not be included to meet cost sharing or matching requirements of any other federally-financed program in either the current or a prior period.

Costs shall be determined in accordance with generally accepted accounting principles (“GAAP”) and shall be consistent with policies and procedures that apply uniformly to both federally-financed and non-federally financed activities.

All costs must be adequately documented and shall be necessary, reasonable and allocable to the performance and administration of the relevant federal award. A cost must be allocable to a particular federal award or other cost objective if the goods and services in accordance with



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relative benefits received. Costs reasonable in both the nature and amount. The following shall be considered when to determine if a cost is reasonable:

1. Whether the cost is a type recognized as ordinary and necessary for the School's operation or for the proper and efficient performance of the federal award;
2. Applicable restraints imposed on the cost, including sound business practices, arm's-length bargaining, and relevant federal and state laws and rules, and terms and conditions of the awards;
3. Market prices for comparable goods and services for the geographical area;
4. Whether individuals authorizing the cost acted prudently when considering the costs; and
5. Whether the cost amounts to a significant deviation from established School practices that may unjustifiably increase costs.

Payments

Methods of payments utilized by the School must minimize the time elapsing between the transfers of funds to and from vendors. Any funds drawn in advance must be as close in time to the actual related expenditure as feasible.

Compensation

Employee or contractor compensation, including wages, salaries and fringe benefits, shall be permitted to the extent that:

1. The rate of compensation is reasonably consistent with (a) compensation paid for similar work in other activities by School employees or contractors, if any, or (b) compensation for similar work in the labor market; and
2. Compensation is supported by records that accurately reflect the work performed.

The School shall comply with all requirements to document the time and effort of personnel whose compensation is funded in whole or in part using federal grant funds. Reports must provide reasonable assurances that personnel charges are accurate, allowable and properly allocated. Time and effort reports shall be maintained by the School and shall comply with the School's established accounting practices.

Travel payment and reimbursement provided from federal funds must include documentation that demonstrates that the participation of the individual is necessary to the federal award and the costs are reasonable and consistent with the School's policies.

Uniform Grant Guidance, 2 C.F.R. 200 et seq.; 2 C.F.R. 200.302; 2 C.F.R. 200.305; 2 C.F.R. 200.430; 2 C.F.R. 200.431.



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See also **Policy 7.6200 Fixed Asset Policy/ Title I and Federal Grant Asset Policy** and **Policy 7.5030 Federal Grants Procurement, Monitoring, and Administration.**

Adopted: September 19, 2019



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6000 CASH & ASSET MANAGEMENT

7.6010 Depository Agreements

The Board of Directors shall adopt a resolution designating those banks and other depositories of public funds in which the Fiscal Officer may deposit funds, and authorizing the Fiscal Officer to enter agreements with said banks and other depositories on behalf of the Board. The Board shall review its depository relationships from time-to-time and shall adopt such resolutions as may be necessary to ensure the interests of the School are protected to the maximum degree practicable.



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CHAPTER 7: FINANCE POLICIES

7.6020 Online Banking Services

The Board of Directors recognizes the efficiency and convenience afforded the day-to-day operation of the school by the use of online banking services. The Board authorizes the Fiscal Officer, Executive Director and their designees to use on-line banking services as part of the school's bank account management system for the purpose of reviewing bank account activity. Transactions, other than authorized ACH transactions, may not be conducted using on-line banking services.



Constellation Schools

CHAPTER 7: FINANCE POLICIES

7.6030 ACH Transactions

To facilitate the disbursement of payroll, benefits, recurring contract payments and the transfer of funds from one bank account to another, the Board authorizes the Fiscal Officer and Executive Director to enter into ACH agreements with the necessary financial institutions. The use of ACH shall be limited to employee payroll deposits, payment of obligations related to payroll, payment of obligations related to benefits, payment of obligations related to recurring contract payments and the transfer of funds from one bank account to another. The Board requires the approval of both the Fiscal Officer and Executive Director for all ACH transactions.

Adopted: April 19, 2018 & April 25, 2018



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CHAPTER 7: FINANCE POLICIES

7.6040 Issuing & Signing Checks

The Fiscal Officer shall approve all disbursements and Finance & Payroll staff shall issue all checks. Checks shall be signed by both the Fiscal Officer and the Executive Director. The Board of Directors may approve the use of facsimile signatures for check signing machines.



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CHAPTER 7: FINANCE POLICIES

7.6050 Bank Account Reconciliations

The Executive Director, or their designee, shall receive and review all bank statements and then forward them to the Fiscal Officer for reconciliation. The Fiscal Officer shall reconcile each bank account by the fifteenth of the month following the closing statement date for the account statement.

Adopted: April 19, 2018 & April 25, 2018



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CHAPTER 7: FINANCE POLICIES

7.6060 Petty Cash & Change Funds

The Board of Directors recognizes the convenience afforded the day-to-day operation of the School by the establishment of petty cash funds and change funds. The Board may adopt a resolution establishing petty cash funds and/or change funds for the School. This resolution shall:

- A. Specify the purpose of each petty cash or change fund;
- B. Specify the amount to be placed in each petty cash or change fund;
- C. Specify the maximum amount of any single expenditure from that petty cash fund (expenditures are not permitted from change funds);
- D. Designate the School official who will be custodian of each petty cash and/or change fund.

Each custodian of a petty cash fund shall ensure that the funds in his/her care shall be disbursed only for minor expenditures not readily deferred and only for the identified purposes of the fund.

No petty cash fund may be used to circumvent the purchasing policies and procedures adopted by the Board.

All petty cash and change funds will be closed out at the end of the school year and unused funds will be returned to the Fiscal Officer.



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CHAPTER 7: FINANCE POLICIES

7.6070 Borrowing Funds

All borrowing of funds, and the establishment or increase of all credit lines must be approved by the Board of Directors.



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CHAPTER 7: FINANCE POLICIES

7.6080 Capitalized Assets

Equipment, furniture, supplies, leasehold improvements, buildings and building improvements or renovations with a value of \$2,500 or more, and a useful life which exceeds one year, shall be capitalized and depreciated over their useful life, as determined by the Board of Directors. Purchases for these same items which cost less than \$2,500, or which have a useful life of one year or less, shall be expensed. Disposition of capitalized property shall require the approval of the Board of Directors.

The Fiscal Officer shall maintain a schedule of all capital assets owned by the School. This schedule will, at a minimum, identify the item purchased, the date the item was placed in service, the purchase price (or other reasonable value if donated), the useful life of the item, calculated depreciation, and the net book value of the item. This schedule shall be updated at least annually as of June 30 and shall be presented to the Board of Directors for approval.

Adopted: April 19, 2018 and April 25, 2018



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CHAPTER 7: FINANCE POLICIES

7.6090 Asset Inventory

To properly manage inventories of equipment, furniture, supplies, leasehold improvements, and building improvements or renovations which are expensed, the Board authorizes the maintenance of an asset inventory for these items. The Board directs the Executive Director or his/her designee, with the assistance of the Fiscal Officer, to develop a reporting format and record keeping process that they deem sufficient and proper.

Adopted April 19, 2018 and April 25, 2018



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CHAPTER 7: FINANCE POLICIES

7.6100 Insurance

The Board of Directors authorizes the Executive Director, and the Chief Financial Officer, to obtain the following insurance coverage:

- A. Commercial Package;
- B. School Leader's Errors and Omissions;
- C. Fiscal Officer's Bond;
- D. Workers Compensation;
- E. Unemployment Compensation;
- F. Any other insurance deemed necessary by the Board of Directors and/or to be in compliance with applicable law.

Adopted April 19, 2018 and April 25, 2018



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CHAPTER 7: FINANCE POLICIES

7.6200 Fixed Asset Policy/Title Assets Policy

A. Purpose

The School's fixed asset/Title I policy establishes a fixed asset accounting system that, if followed, will ensure that the School properly handles and disposes of assets, including those assets obtained with Title I grant monies and contains sufficient data to permit:

1. the preparation of fiscal year-end financial statements in accordance with Generally Accepted Accounting Principles (GAAP);
2. adequate insurance coverage; and
3. control, accountability and security.

Criteria for Fixed Asset Capitalization

An item is a Fixed Asset if:

1. it has a useful life of one (1) year or more, and
2. the cost of the asset is greater than \$2,500.00, or, it is a leased asset with a purchase price of greater than \$2,500.00.

Valuation

Fixed assets are to be valued at historical cost or, if that amount is not practicably determined, at estimated historical cost. The Controller shall determine the estimated historical cost.

Donated fixed assets shall be valued at the donor's estimated fair market value at the time of gifting.

Depreciation

Assets will be depreciated using straight-line depreciation. Estimated life for fixed assets shall follow ASBO (Association of School Business Officials) guidelines.

Classifications:

Fixed assets shall be classified as follows:

1. furniture
 2. equipment
 3. leased fixed assets
 4. real property
-



Constellation Schools

CHAPTER 7: FINANCE POLICIES

7.6200 Fixed Asset Policy/Title Assets Policy (continued)

Information

The following information shall be maintained for all fixed assets:

1. description of the asset
2. who holds title to the property
3. serial number of the asset
4. asset classification
5. location, use, and condition of the asset
6. purchase price and percentage of federal participation
7. vendor
8. date purchased or leased
9. accumulated depreciation
10. date and method of disposal and sale price
11. records generated by physical inventories

Management of Fixed Assets

The School shall conduct a physical inventory of its fixed assets no less frequently than every two years. The results of the physical inventories must be reconciled with the property records.

The School shall develop a control system to safeguard against loss, damage, or theft of fixed assets. The School shall investigate any loss, damage, or theft of any fixed asset.

In order to prevent loss or theft of School property, all fixed assets (other than real property) will have a School fixed asset sticker.

The School shall maintain its fixed assets in order to keep them in good condition and working order.

The School shall establish and follow procedures to ensure that it receives the overall best possible return, if it sells any fixed asset. An independent valuation or market comparison may be used, among any other reasonable method of valuation.



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CHAPTER 7: FINANCE POLICIES

7.6200 Fixed Asset Policy/Title Assets Policy

Real Property Acquired with Title I Grants

Real property acquired with federal Title I grant monies received by the School shall be titled in the name of the School.

Real property acquired with federal Title I grant monies shall be used for the purposes authorized by the grant(s).

The School shall not transfer or encumber its title or other interest in any real property acquired with federal Title I grant monies.

Equipment Acquired with Title I Grants

Equipment acquired with federal Title I grant monies received by the School shall be titled in the name of the School.

For as long as needed, the School shall use equipment acquired with federal Title I grant monies in the program or project for which it was acquired, whether or not the project or program continues to be supported by federal funds. The equipment may be used in other activities currently or previously supported by a federal agency when it is no longer needed for the program or project for which it was acquired.

The School can use equipment acquired with federal Title I grant monies on other projects or programs that are currently or were previously supported by the Federal Government provided that such use will not interfere with the program or project for which the equipment was acquired. First preference should be given to other programs or projects supported by the agency that awarded the grant monies.

The School shall not use the equipment acquired with federal Title I grant monies to provide services for a fee.

The School shall obtain the approval of the awarding agency before it (1) uses equipment acquired with federal Title I grant monies as a trade-in to acquire equipment to replace the old equipment, or (2) sells the old equipment and uses the sale proceeds to offset the cost of the replacement equipment.

Equipment Furnished by Federal Agency

The School shall ensure that the equipment remains titled in the name of the Federal Government.

The School shall follow the rules and procedures of the federal agency for managing the property.



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CHAPTER 7: FINANCE POLICIES

7.6200 Fixed Asset Policy/Title Assets Policy

Disposal of Fixed Assets not Acquired with Title I Funds

Fixed assets that were not acquired in whole or part with federal grant monies will be disposed in a manner approved by the School Board.

Disposal of Fixed Assets Acquired with Title I Grants

Real Property. When real property acquired with federal Title I grant monies is no longer used for the originally authorized purpose(s), the School shall dispose of such property pursuant to instructions provided by the awarding agency.

Equipment. The School may retain, sell or otherwise dispose of equipment acquired with Title I funds. However, the School shall contact the awarding agency for disposition instructions before it sells any equipment with a per unit value of greater than \$5,000 because the awarding agency may have a right to a portion of the proceeds of the sale. State law may dictate the procedures that must be followed or otherwise place restrictions on the ability of the School to sell the property.

Disposal of Equipment Provided by a Federal Agency

The School shall only dispose of federal equipment pursuant to instructions provided by the federal agency that provided the equipment.

R.C. 117.09; OAC 117-2-05; OAC 117-2-02; 34 CFR Sections 80.31 and 80.32



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CHAPTER 7: FINANCE POLICIES

Acknowledged: March 18, 2021
Adopted: April 19, 2018 and April 25, 2018

7000 RECEIPTS

7.7010 Collection of Revenues

Revenues shall be invoiced (where appropriate), collected and/or recorded promptly after a careful review to ensure accuracy and to assure the delivery of the items and/or services billed. Invoices should be fully itemized, verified and duly audited by the Fiscal Officer and/or his/her designee.

Upon receipt of invoiced revenues, the Fiscal Officer shall cancel the invoice and post the actual collection. Upon receipt of revenues which have not been invoiced, the Fiscal Officer shall post the actual collection.

The Fiscal Officer shall actively pursue collection of all revenues due the School. Should collections be for less than the expected/invoiced amount, the Fiscal Officer shall determine the reason and report same to the appropriate administrator.



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CHAPTER 7: FINANCE POLICIES

7.7020 Accounts Receivable

Accounts receivable shall be maintained by the Fiscal Officer, who shall ensure prompt collection of invoices. Receivables may be placed on a payment plan, at the discretion of the Fiscal Officer. In the event the above course of action does not result in the revenue being collected, the Board authorizes the Fiscal Officer to take all necessary action to collect the outstanding debt.

The Fiscal Officer shall maintain an Accounts Receivable Aging report, which shall include: customer name, amount of invoice, and age of the invoice. Invoices shall be filed in a manner deemed appropriate by the Fiscal Officer.



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CHAPTER 7: FINANCE POLICIES

7.7030 Mail Management and Deposit of Cash, Checks and Money Orders

All incoming mail will be distributed daily by a staff person designated by the Executive Director. Any cash, checks or money orders that are received shall be immediately endorsed by the Fiscal Officer, or their designee. If the cumulative amount collected is one thousand dollars (\$1,000.00) or more, the monies are to be deposited within one business day of receipt. If the cumulative amount collected is less than one thousand dollars (\$1,000.00), the monies are to be deposited within three business days of receipt. All monies collected are to be stored in a secure location until deposited.

R.C. 9.38

Adopted: June 18, 2015



Constellation Schools

CHAPTER 7: FINANCE POLICIES

7.7040 Student Fees, Fines, and Charges

School fees shall be paid in advance for each school term at the time of initial registration or initial enrollment.

Fees

For the purposes of this policy, "school fees" or "fees" mean any monetary charge collected by the School from a student or the parent(s) or guardian of a student as a prerequisite for the student's participation in any curricular or extra-curricular program of the School.

A. "School fees" may include, but are not limited to the following:

1. Application and re-enrollment processing fee;
2. All charges and deposits collected by a school for use of school property (e.g., locks, laboratory equipment);
3. Charges for field trips made during school hours, or made after school hours if the field trip is a required or customary part of a class or extra-curricular activity;
4. Charges or deposits for uniforms or equipment related to sports or to fine arts programs;
5. Charges to participate in extra-curricular activities;
6. Charges for supplies required for a particular class or for gym uniforms;
7. Graduation fees;
8. School records fees.

B. "School fees" do not include:

1. Library fines and other charges made for the loss, misuse, or destruction of school property;
2. Charges for the purchase of class rings, yearbooks, pictures, diploma covers, or similar items;
3. Charges for optional travel undertaken by a school club or group of students outside of school hours;
4. Charges for admission to school dances, athletic events, or other social events;



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CHAPTER 7: FINANCE POLICIES

5. Optional community service programs for which fees are charged (e.g., preschool before and after-school child care, recreation programs).
6. Optional summer programs (e.g. enrichment program, recreation program, etc.)

Fines

When school property, equipment, or supplies are damaged, lost, or taken by a student, a fine may be assessed. The fine will be reasonable, seeking only to compensate the School for the expense or loss incurred, plus any collection expense.

The late return of borrowed books or materials from the School library may be subject to appropriate fines.

Any fees, fines, and/or other charges collected by members of the staff shall be managed in accordance with Policy 7.7030 Mail Management & Deposit of Cash, Checks and Money Orders.

Failure to pay fees and fines may result in the withholding of grades and credit. In the event the above course of action does not result in the fee being collected, the Board authorizes the Fiscal Officer to take all necessary action to collect the outstanding debt, including initiating a lawsuit in small claims court against the student and/or his/her parents, or referring the matter to a collection agency.

Nothing in this policy restricts the right of access of a parent or student to school records or to receive copies of such records, as required by Federal and State laws.

Adopted: December 16, 2021
Adopted: November 30, 2017



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7.7050 Waiver of School Fees (Rescinded November 30, 2017)

Adopted: November 30, 2017



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CHAPTER 7: FINANCE POLICIES

8000 EXPENDITURES

7.8010 Payment of Invoices

Invoices should be paid promptly after a careful review to ensure accuracy and inquiry to assure the quantity and quality of the items and/or services purchased. Each invoice or obligation must be fully itemized, verified and duly audited by the Fiscal Officer and/or his designee.

Upon receipt of an invoice, the Fiscal Officer shall verify that it is in order; the goods were received in acceptable condition or services were satisfactorily rendered; funds are available to cover the payment; the item is one for which the Board budgeted; and, the invoice is for the amount contracted. Should the invoice be for more than the acknowledged purchase order, the Fiscal Officer shall determine the vendor's reason and report same to the appropriate administrator. Upon the approval of an invoice, the Fiscal Officer shall prepare a disbursement, cancel the commitment placed against the appropriate account and post the actual cost.

The Fiscal Officer shall report to the Board all expenditures which aggregate monthly to \$1,000.00 or more for any vendor.

Adopted: April 19, 2018 & April 25, 2018



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CHAPTER 7: FINANCE POLICIES

7.8020 Accounts Payable

Accounts payable shall be maintained by the Fiscal Officer, who shall ensure prompt payment of invoices, unless alternative payment arrangements are made or a dispute exists. At the Fiscal Officer's discretion, invoices in an amount which preclude prompt payment may be subject to negotiated alternative payment arrangements, including being placed on a payment plan, allowing a monthly payment agreeable to both the School and the vendor. The Fiscal Officer shall maintain an Accounts Payable Aging report, which shall include: vendor name, amount of invoice, and age of the invoice. Invoices shall be filed in a manner deemed appropriate by the Fiscal Officer.



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CHAPTER 7: FINANCE POLICIES

7.8030 Payroll System

The School shall maintain payroll on a system approved by the Board of Directors. Payroll records shall be maintained by the Human Resource Director, in consultation with the Fiscal Officer, in accord with personnel policies approved by the Board of Directors.

Adopted: April 19, 2018 and April 25, 2018



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CHAPTER 7: FINANCE POLICIES

7.8040 Payroll Deductions

The Board of Directors authorizes, in accordance with the provisions of law cited herein, the following deductions from an employee's pay, upon proper authorization on appropriate forms:

- A. Federal, State and local taxes
- B. Medicare
- C. Section 125 deductions (cafeteria plans)
- D. State Teachers Retirement System and School Employees Retirement System
- E. Insurance deductions
- F. Voluntary investment plans
- G. Court ordered deductions
- H. Any other required deductions



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7.8050 Conferences, Conventions and Workshops

The Board recognizes the value of attendance at conferences, conventions, seminars and workshops by employees and Board members. Subsequent to attending any training, employees must provide a report to his/her Principal/Supervisor. Board members must report to the Board regarding the substance of any conference, convention, seminar or workshop attended at the School's expense at the first practical opportunity. Travel and personal expenses of spouse, children or other guest(s) traveling with an employee or Board member shall be the responsibility of the employee, Board member or of the individual. Expenses for convention functions attended as a group will be borne by the School within budgetary limits. Travel under this section requires approval by the Executive Director. If the estimated expense is \$1,000.00 or more, then Board approval is required.

Any overnight trip shall require the approval of the Board. An estimate of costs must be included as part of the request.

The following are reimbursable expenses upon submission of receipts and other documentation as may be required by the Fiscal Officer of the Board:

- A. Conference registration fees.
- B. Transportation – plane, train, automobile, including buses, taxis and limousines.
- C. Mileage at the Board approved rate.
- D. Toll charges and parking.
- E. Lodging.
- F. Meals - will be reimbursed for documented expenditures, not to exceed the daily rate established by the IRS for overnight travel. Reimbursement for alcoholic beverages is prohibited.
- G. Phone calls for School business and calls home.

Advanced payments may be paid only for the following: Conference registration fees, airline ticket; train ticket; car rental; and, lodging. Cancellation fees will be covered if beyond the employee's or Board member's control, as determined in the sole discretion of the Board.

Emergency and/or unanticipated trip expense must be approved by the Executive Director.

Adopted: April 19, 2018 and April 25, 2018



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CHAPTER 7: FINANCE POLICIES

7.8060 Staff Reimbursements

Expenses which are incurred by professional staff members as a result of authorized travel for the School will be reimbursed to the extent provided for in these guidelines. Reimbursement is intended to provide for transportation, lodging, and food of reasonable and adequate quality. When traveling on School business, a professional Staff member is expected to use the same care in incurring expenses that a prudent person would exercise if traveling on personal business, and reasonable efforts will be made to reimburse actual expenses. Excessive costs, such as those caused by circuitous routes or luxury services or accommodations, will not be considered prudent, nor will they be accepted for reimbursement. No charges for alcoholic drinks will be reimbursed. Rental cars must be economy rentals unless approved in advance by the Treasurer as otherwise necessary or prudent.

Authorization and Procedure: When travel is expected, a requisition form should be completed and approved by the Principal (or direct supervisor) at least fourteen (14) days prior to the date the decision is needed. This request should detail all estimated expenditures.

Reimbursement requests shall be submitted on such form as required by the Fiscal Officer and must be submitted within 30 days of the expense being incurred. Reimbursement requests submitted after 30 days of the expense being incurred will not be paid.

Reimbursement: Reimbursement will be at the current approved IRS rate if driving on School business. If transporting students to competition or trips, Staff volunteers will be reimbursed actual expenses, documented by receipt, or at the IRS Approved Charitable Rate.

A Travel Reimbursement Form must be completed and signed by a supervisor. All claims must be supported by original receipted bills. Reimbursement for reasonable charges for tolls and parking will be made upon presentation of supporting receipts.

Other Reimbursement: Staff must follow all rules concerning purchasing and School credit card use. If Staff otherwise personally advances money on behalf of the School, it does so completely at its own risk of non-reimbursement, provided however, the Board is authorized to reimburse such advances only if it finds that the expenditure was made without adequate opportunity for prior approval, or was an emergency and advanced as a necessity, for the benefit of the School. All reimbursements must be supported by detailed receipts.

Staff cannot be reimbursed for any expense if the Staff member received a benefit through a rewards program for that expense. Rewards programs allow users to earn rewards based on how much money they spend. Examples of rewards



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programs include, but are not limited to, frequent flier miles, grocery store loyalty card programs, and hotel free night programs. This prohibition includes rewards programs tied to credit cards and loyalty customer cards.

Staff Relocation: Relocation costs that are incident to the permanent change of duty assignment of an existing employee or new recruit for an indefinite period or a stated period of not fewer than 12 months, may be allowable to the extent that such costs:

- Are caused by a move that is for the benefit of the employer;
- The amount reimbursed does not exceed the employee's actual or reasonably estimated expense;
- The costs are for allowable expenses, including:
 - The cost of transportation of the employee and his or her immediate family and household and personal effects;
 - The cost of finding a new home, including up to 30 days of temporary lodging and/or advanced trips;
 - Closing costs incidental to the disposition of the employee's former home (unless the employee resigns for reasons within the employee's control within 12 months after hire);
 - Up to 6 months of continuation costs related to the vacancy of the former home after the settlement or lease of the employee's new permanent home (e.g., home and grounds maintenance, utilities, taxes, and property insurance) (unless the employee resigns for reasons within the employee's control within 12 months after hire); and
 - Other necessary and reasonable expenses normally incident to relation home (unless the employee resigns for reasons with the employee's control within 12 months after hire).

Relation costs do not include:

- Fees and other costs associated with acquiring a new home;
- A loss on the sale of a former home;
- Continuing mortgage principle and interest payments on a home being sold; and Income taxes paid by an employee related to reimbursed relocation costs.

Ohio Ethics Com. Advisory Opinion No. 91-010; 2 C.F.R. 200.464

See also Policies 7.8070 Purchasing Philosophy; 7.8080 Purchases; 7.8090 Purchases not Budgeted; 7.8100 Cooperative Purchasing.

Adopted: May 19, 2022



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CHAPTER 7: FINANCE POLICIES

7.8070 Purchasing Philosophy

It is the policy of the Board of Directors that when funds are available, all purchases shall be made in a manner that ensures maximum value for the School. The Board requires standardization in the use of materials, supplies, equipment and services, to the maximum extent feasible, to ensure competitive pricing is obtained.

Cooperative Purchasing

To promote efficiency and economy in the operation of the School, the Board requires utilization of centralized purchasing to the maximum extent possible.

Quotations and Bids

It is the policy of the Board of Directors that the Executive Director or his/her designee seek the appropriate number of price quotations on purchases of more than \$10,000.00 for a single item or in aggregate, to ensure the School is obtaining a fair and reasonable price. Competitive price quotations should be obtained when contractual services are in excess of \$10,000.00 but less than \$250,000.00.

Soliciting of Bids

The Board, by resolution, may award a bid to the bidder it deems to be best suited to complete the work, regardless of whether the bidder is the lowest responsive and responsible bidder. The Board may request any information it deems necessary to make a decision. The Board reserves the right to reject any or all bids.

Limitations

All purchases, including those that are included in the approved budget, must be approved by the Executive Director or his/her designee. If necessary, the Fiscal Officer is authorized to adjust the budget in order to make necessary purchases and shall report such modifications to the Board.

The Executive Director is authorized to make emergency purchases of goods and/or services required to maintain School operations, without prior adjustment to the approved budget. Such purchases shall be reported to the Board.

Adopted: June 17, 2021
Adopted: April 19, 2018 & April 25, 2018



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CHAPTER 7: FINANCE POLICIES

7.8080 Purchases

All purchases within approved budgetary amounts may be made upon authorization of the Executive Director, except purchases exceeding \$1,000.00, which must be approved by the Board of Directors.

All purchase requests must be authorized by the Principal/Supervisor, and approved by the Executive Director, who shall determine whether the proposed purchase is subject to bid. The Fiscal Officer shall certify whether sufficient funds exist in the budget.

The staff member requesting a purchase shall attach to the request sufficient information to allow the Principal/Supervisor and Executive Director to adequately identify the item requested as well as a funding source(s) for such item.

Employees shall be held personally responsible for any purchase without a properly signed and approved purchase order.

Adopted: April 19, 2018 & April 25, 2018



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7.8090 Purchases not Budgeted

The Board must approve all expenditures of funds in excess of amounts budgeted; all transfers of funds from one fund to another; any purchase in excess of \$1,000.00; and, any purchase that would exceed the object line amount budgeted by more than \$1,000.00; or, any purchase which was not contemplated in the budget as adopted.

Adopted: April 19, 2018 & April 25, 2018



Constellation Schools

CHAPTER 7: FINANCE POLICIES

7.8100 Cooperative Purchasing

The Board of Directors recognizes the advantages of centralized purchasing in that volume buying tends to maximize value for each dollar spent. The Board, therefore, encourages the Executive Director and/or Fiscal Officer to seek advantages in savings that may accrue to the School through joint agreements for the purchase of supplies, equipment or services with the governing body(s) of other schools and/or governmental units.

The Board authorizes the Executive Director to negotiate such joint purchase agreements for services, supplies and equipment which may be determined to be required from time to time by the Board and which the Board may otherwise lawfully purchase for itself, with governmental contracting units as may be appropriate in accordance with State law, the policies of this Board, and the dictates of sound purchasing procedures. The Executive Director shall report all such negotiations to the Board and seek Board approval for all agreements.



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7.8110 Local Purchasing

The Board of Directors recognizes its position as a purchaser in the community, and while it is the intention of the Board to purchase quality materials, services and supplies at the lowest possible cost through widespread competition, if all other considerations are equal, the Board prefers to purchase from established local merchants.

The Board authorizes the Executive Director to award purchases to local merchants when their quotation is competitive, and other factors indicate that such an award is reasonable and in the best interests of the School.



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CHAPTER 7: FINANCE POLICIES

7.8120 Amenities for Participants at Meetings and/or Other Occasions

The Board of Directors recognizes the value in providing meals, refreshments, and/or other amenities for staff, students, citizens, and advisory groups who participate in meetings and staff development sessions, or on other occasions as deemed appropriate by the administration. The Board hereby affirms that these expenses do serve a valid and proper public purpose. The Board believes that the "public purpose" served is the promotion of education, enhancement of morale, and rapport, and the encouragement of participation in said activities. However, under no circumstances shall public funds be expended for the purchase of alcoholic beverages.



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7.8130 Credit Cards (Rescinded March 16, 2023 & March 30, 2023)



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7.8140 Recognition

The Board of Directors may honor its staff, former Board members, students, parents and other non-employee persons with plaques, pins, token retirement gifts and awards, and other amenities, as it determines, in its sole discretion, to be appropriate.

Such recognition may honor staff, students, citizens, and advisory groups for their contributions, and may include the purchase of meals, refreshments, and/or other amenities to further the interests of the School and to be reimbursed for such purchases if they are initially made with the administrators' personal funds.

The Board hereby affirms that the expenses incurred as listed above do serve a valid and proper public purpose. However, under no circumstances will public funds be expended for the purchase of alcoholic beverages. The Board believes that the "public purpose" served is the promotion of education, rapport with the business community, community relations, and the encouragement of non-employees to serve as volunteers, as well as furthering other legitimate interests. The funds shall be made available from designated operating or student activity accounts.



Constellation Schools

CHAPTER 7: FINANCE POLICIES

7.8150 Recovery of Improper or Erroneous Payments

The Board of Directors authorizes the Fiscal Officer to recover, by any available legal means, any funds improperly paid, funds paid in error, or funds paid as a result of fraud, misrepresentation, or any illegal act.



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7.8160 Company Vehicles

For the convenience and efficiency of the organization, the Board of Directors may, from time to time, provide vehicles to company personnel. These vehicles may be leased or purchased, and the Board shall provide for all insurance and operating costs. These vehicles shall be used solely for official company business, however, due to the location of the offices, a lack of indoor storage, and insurance costs, the primary user of each vehicle shall be required to garage the vehicle at his/her personal residence. The primary user of the vehicle shall not use the vehicle for personal use, other than commuting to and from work and other de minimus purposes. The current rate established by the Federal tax code is \$1.50 per one-way commute, or \$3.00 per round trip commute, per employee, which amount may fluctuate according to periodic changes in the Federal tax code. Records detailing date of use, trip mileage, trip purpose and annual mileage shall be maintained.



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CHAPTER 7: FINANCE POLICIES

7.8170 Independent Contractors

For purposes of this policy, independent contractors are individuals who provide services to the School who are not treated as employees of the School for purposes of withholding federal employment and income taxes.

The School may contract with an independent contractor for a service if none of the School's employees are qualified to provide the service, or, if having School employees perform the service would interfere with the daily operations of the School, or, if the Board of Directors of the School or its authorized designee deems it in the best interest of the School.

The School shall maintain a list of the independent contractors with whom it has contracted.

To the extent required by law, the School shall issue a 1099 Form to each independent contractor reporting the amount paid to the contractor and file the form with the appropriate governmental agency(ies).

In contracting for services with any independent contractor, the School shall enter into a written contract on or before the date the independent contractor begins to provide services under the contract if the amount payable under the contract is \$600.00 or more. The contract shall specifically describe the services that the independent contractor will provide under the contract. The Principal must certify that "essential school services" (such as janitorial, clerical or food services) are necessary services that would need to be provided by School employees if the services were not provided by an independent contractor.

The School shall obtain a W-9 Form from the independent contractor at the time the contract is executed.

Subject to the terms of the contract, the School shall require that the independent contractor substantiate that the services have been performed before the School shall remit payment for the services.

No independent contractor shall be paid as an employee on a W-2 Form. If any state retirement system decides that the School must pay into its system on behalf of a contractor, such funds will be deducted from the gross pay of the contractor.

All employee of independent contractors providing "essential school services" to the School must fulfill one of the following conditions:



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7.8170 Independent Contractors (continued)

1. The independent contractor has provided proof that it has requested a criminal records check, including FBI check, within the five-year period prior to the date the person will begin working in the School and the records check indicates that the person had not been convicted of or pleaded guilty to an offense that would disqualify the person for employment with the School;

OR

2. During periods of time when the employee of the independent contractor will have routine interaction with a child or regular responsibility for the care, custody or control of a child, an employee of the School has been assigned to be present in the same room as the child, or, if outdoors, to be within a 30-yard radius of the child or to have visual contact with the child.

The Principal, or designee, is responsible for ensuring that employees of the independent contractors have successfully completed a criminal records check or will be supervised when they have access to children.

IRC 6041; R.C. 3314.41



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CHAPTER 7: FINANCE POLICIES

9000 SPECIALIZED ACTIVITIES & FUNDS

7.9010 Capital and Maintenance Fund

The Board of Directors authorizes the establishment of a Capital and Maintenance Fund to be used solely for acquisition, replacement, enhancement, maintenance, and/or repair of facilities or capital assets. The Fiscal Officer shall be responsible for the administration of the Fund and shall provide a reasonable reporting method to track expenditures in this Fund each year based upon the revenues received in the Fund.

Acknowledged: March 15, 2021



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7.9020 Student Activity Fund

It is the purpose of this policy to establish financial controls for activities of student body organizations.

Student activity funds may include, but are not limited to co-curricular and extra-curricular activities such as clubs, publications, athletics, etc. Each activity covered by this policy must be recognized by the Board of Directors and must be renewed annually

Any and all proposed expenditures from a student activity fund must follow approved Board policies and procedures.

Fund raising for all student activities will be in accordance with Board Policy.

Upon the discontinuance of the activity, all monies accumulated in the account of a specific activity will be disposed of in a manner approved by the Board.

The Executive Director and Fiscal Officer shall implement administrative guidelines which will ensure that all student activity funds are managed, recorded, and deposited in accordance with law and sound fiscal practice.



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7.9030 Parent Support Organization

The Board recognizes the importance of Parent Support Organizations (PSO) to advance the overall mission of the School, and requires the formation of such an organization. The PSO must be independent of the Board and should be properly organized under State and Federal law and regulations and obtain its own tax identification numbers. All revenues and obligations of the PSO are the sole responsibility of the PSO and are not considered the property of or obligation of the school.



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7.9040 Food Services

The Board of Directors directs the establishment of a Food Services Fund to be used solely for the operation of a breakfast and/or lunch program by the School. Food services revenues and expenditures shall be recorded in this fund in a manner which conforms to all applicable Federal, State and local requirements. Deposit of monies collected and payment of invoices for services provided shall be made according to policies adopted by the Board of Directors.



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CHAPTER 7: FINANCE POLICIES

Appendix 7.5030-A

Methods of Procurement Using Federal Grant Funds

In accordance with applicable federal law, the School shall use the following methods of procurement to expend federal funds:

- A. Micro-Purchase: This method of procurement shall be appropriate for purchases where the aggregate dollar amount does not exceed \$10,000.00, or such amount as may be set by the Federal Acquisition Regulation. When practicable, the School shall distribute micro-purchases equitably among qualified suppliers, including small businesses and minority and women owned enterprises.
- B. Small Purchase: This method of procurement shall be appropriate for purchases in excess of \$10,000.00, but less than the federal Simplified Acquisition Threshold, which currently is \$250,000.00. When making small purchases, the School shall obtain price or rate quotes from an adequate number of sources.
- C. Sealed Bids: This method of procurement shall be appropriate for purchases over the Simplified Acquisition Threshold, or \$250,000.00, when: (1) a complete, adequate, and realistic specification or description of goods or services is available; (2) at least two responsible bidders are available and willing to compete for the business; (3) selection will be made principally on price; and (4) a firm fixed price contract will be awarded. The School shall award the fixed price (lump sum or unit price) to the responsible bidder who conformed to all material terms and is the lowest in price.
- D. Competitive Proposals: This method of procurement shall be appropriate for purchases over the Simplified Acquisition Threshold, or \$250,000.00, that require a formal solicitation and fixed-price or cost-reimbursement contracts. The School shall award contracts to a responsible vendor whose proposal is most advantageous to the School and is used when sealed bids are not appropriate, for reasons not limited to circumstances where the lowest price is not a sufficient deciding factor.

Price alone is not the sole basis for award, but remains the primary consideration when awarding a contract.

Noncompetitive Proposals or Sole Source Solicitations: This method of procurement is only appropriate under limited circumstances and shall be used by the School sparingly. Sole source solicitation may be appropriate when an item is available only from one source, when a public emergency does not allow for the time of the competitive proposal process, or when a number of attempts at a competitive bidding process fail.



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Appendix 7.5030-B

Procurement Procedure for Soliciting Small/ Minority/ Women Owned Businesses and Labor Surplus Firms

The School will take affirmative steps to insure that small businesses, minority-owned firms, women's business enterprises, and labor surplus firms are used whenever possible when using federal grant funds to procure property or obtain services. Affirmative steps include all of the following:

1. Placing qualified small businesses, minority-owned firms, and women's business enterprises on solicitation lists and soliciting them whenever they are potential sources for goods or services;
2. Dividing total procurement requirements into smaller tasks or quantities when economically feasible to permit the maximum participation of small businesses, minority-owned firms, and women's business enterprises;
3. If reasonably calculated to meet delivery requirements, establishing delivery schedules that encourage participation by small businesses, minority-owned firms, and women's business enterprises; and
4. If available and appropriate, seeking assistance from the Small Business Administration and Minority Business Development Agency of the Department of Commerce to insure participation of small businesses, minority-owned firms, and women's business enterprises.

The School will require contractors to take affirmative steps when seeking subcontractors as well.

2 C.F.R. 200.321.



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CHAPTER 7: FINANCE POLICIES

Appendix 7.5030-C

Child Nutrition Programs Procurement

The School's _____ [Food Service Operations Manager] _____ or his/her designee will be responsible for the following as it pertains to procurement for the School's child nutrition programs:

- Reviewing the procurement system to ensure compliance with applicable laws and School policies and procedures.
- Ensuring all nutrition program procurements are conducted in compliance with applicable Federal, State, and local procurement regulations, as well as in compliance with applicable laws and School policies and procedures.
- Making purchasing decisions, signing documentation, and confirming a review and the approval of the purchase of the goods, products, and/or services.
- Following any and all applicable Ohio Department of Education procurement checklists.
- Evaluation of the procurement needs and forecasting the amounts to be purchased so that the correct method of procurement will be followed.
- Performing a cost or price analysis in connection with every procurement action in excess of the Simplified Acquisition Threshold, including modifications.
- Maintaining all procurement documentation, including but not limited to documentation of all reasoning, records of the purchase, name of vendor/contractor, price, and the written specifications, as well as documentation that the actual product was received.
- Including the Buy American Provision language in the solicitation/contract and assuring that food purchased meets the Buy American Provision.
- Managing all solicitations, securing all bids or proposals, and forming and oversight of contracts.
- For sealed bids and competitive proposals, as applicable:
 - Ensuring that all bids will be opened at the time and place prescribed in the invitation for bids, and that all bids are publicly advertised and solicited from an adequate number of known suppliers who all receive the same information.
 - Advertising for all purchases over the most restrictive simplified acquisition threshold to publicize the intent to purchase needed items. The announcement of the Invitation for Bids or Request for Proposal will contain a general description of items to be purchased, the deadline for submission of sealed Invitation for Bids and Request for Proposals, and the address where complete specifications and other procurement documents may be obtained. The equal opportunity provider announcement will be placed in a location that will ensure free and open competition. The advertisement should run for an adequate length of time.
 - Ensuring that the Invitation for Bids or Request for Proposal clearly defines the purchase conditions and includes required procurement and program clauses.



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- Reviewing the procedures conducted to be certain all requirements for using noncompetitive proposals are met, and keeping documentation of records to fully explain the decision to use noncompetitive proposals.
- Maintaining oversight to ensure that contractors perform in accordance with the terms, conditions, and specifications of their contracts or purchase orders.
- Reviewing vendor invoices to ensure payment and receipt of goods reflect the products or services solicited and described in the vendor contract/agreement.



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CHAPTER 7: FINANCE POLICIES

Appendix 7.5030-D

Small Purchase Checklist

Procurement by Small Purchase Procedures: Purchases that are valued from the micro purchase threshold to the simplified acquisition threshold or the local education agency's (LEA) small purchase threshold, whichever is lesser. Small purchases are made by soliciting quotes from an adequate number of qualified sources.

1) What is the good or service for purchase?

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2) Why is the good or service being purchased?

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3) What are the technical specifications and requirements for the good or service?

Specifications should be detailed, specific and not restrict competition by including unreasonable requirements, requiring excessive experience or bonding or by specifying a brand name and not allowing equivalent products. Requirements for the purchase to be made include price ranges, ability to deliver, ability to install, etc.

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Appendix 7.8170-A Procedure on Overpayment to Vendors

This procedure outlines the means by which the School may collect any overpayments to vendors. For the purposes of this policy, an “overpayment” shall only refer to school funds paid to a vendor to which the vendor is barred from receiving pursuant to the terms of its contract. Subject to the plain meaning of the contractual terms involved, the intentions of the parties, and clear provisions in state law, an overpayment under contracts providing for fees based on a percentage of state funds “received” by the School will not occur in the event of a subsequent reduction in state funds based on a full-time equivalency review, a finding for recovery, or any fine, penalty, or attempt to recover a portion of state funds levied by a state or federal agency, unless the contract between the School and the vendor specifically provides otherwise. The School may specify further the meaning of the word “received” through negotiations with vendors and/or upon renewal of any contracts based on a percentage of revenues of the School, including but not limited to its community school contract, operator contract(s), or lease(s). In the event of an overpayment, the School’s Superintendent or Fiscal Officer will contact the vendor directly to negotiate repayment. If not addressed in the relevant contract, the default payment will be as follows:

- If less than \$50,000, one year via monthly payments.
- If more than \$50,000, two years via monthly payments.

The Superintendent may agree to a shorter or longer, or more or less frequent, repayment schedule in consultation with the Fiscal Officer of the School. In the event the vendor does not agree to repay any overpaid funds, the Superintendent should contact legal counsel to determine whether (1) such overpaid funds may be withheld from future payments to the vendor, (2) legal action may be necessary, and/or (3) there are any other options for collection.