



Board Policy Series

100 Series: Financial Operations

Module 100: *Financial Operations*

The Financial Operations, Module 100, provides a comprehensive summary of statutes and regulations that apply to the financial operations of charter schools, as well as specific model board policies designed to comply with these legal requirements.

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100.020. ANNUAL OPERATING BUDGET

The governing body (“Board”) of LTTS Charter School Inc. dba Universal Academy adopts the following policy which shall be effective on the date that the policy is adopted by the Board.

SECTION 1. Budget Process

SECTION 1.1. FASRG.

The Chief Executive Officer/Superintendent (“CEO”) will ensure that UNIVERSAL ACADEMY follows a budgeting process that is consistent with the requirements in the Budgeting Module of the Texas Education Agency’s (“TEA”) Financial Accountability System Resource Guide (FASRG).

SECTION 1.2. Chief Financial Officer (CFO).

The CFO is responsible for the preparation of the annual budget.

SECTION 1.3. Campus Improvement Plan.

Each year before the annual operating budget is drafted the CEO shall ensure that a campus improvement plan, which is based on a need’s assessment of UNIVERSAL ACADEMY, is drafted, and finalized. The needs assessment and campus improvement plan shall be completed by **July 1**. The campus improvement plan shall inform the drafting of the annual budget.

SECTION 1.4. Adoption.

The Board shall formally adopt the budget, in a meeting open to the public before the fiscal year of **September 1st** begins and before the expenditure of any funds.

SECTION 1.5. Minutes.

The Secretary of the Board will record the adoption of the budget and any amendments in the Board meeting minutes in which the adoption occurs.

SECTION 1.6. Post-Adoption.

After the adoption of the budget the CEO and the Board shall review actual fund disbursements compared to the adopted budget and make proposed amendments as needed. This shall occur soon after actual student enrollment is determined.

SECTION 1.7. Application for Accelerated Payments.

The CEO will determine annually whether UNIVERSAL ACADEMY may be eligible for accelerated payments from the Foundation School Program, and if so, will make a recommendation to the board concerning whether the charter school should apply to the Commissioner for accelerated payments of state funding.

SECTION 2. Fiscal Compliance

The CEO shall ensure that UNIVERSAL ACADEMY complies with all state and federal laws and rules concerning the budget and related processes of the school, including but not limited to, laws and rules concerning online budget posting. **The adopted budget should remain posted for three years.**

100.40 USE OF STATE FUNDS

The governing body (“Board”) of LTTS Charter School Inc. dba Universal Academy adopts the following policy which shall be effective on the date that the policy is adopted by the Board.

SECTION 1. Use of State Funds

The Chief Executive Officer (“CEO”) of UNIVERSAL ACADEMY shall ensure that the school uses state funds only for lawful purposes. The CEO must maintain complete and original records that clearly identify the business purpose of any disbursement of public funds and how they are aligned with the legal requirements of this section.

SECTION 2. Depository Contract

SECTION 2.1. Depository Contract.

State funds received by UNIVERSAL ACADEMY will be deposited into a bank with which the charter holder has entered into a depository contract which deposits are insured by the Federal Deposit Insurance Corporation (FDIC). The CEO must file a copy of the depository contract with the Texas Education Agency division responsible for school financial audits no later than November 1st of each year. If there is no change since the previous filing, the CEO may file a statement to that effect instead of the copy of the depository contract.

SECTION 2.2. Depository Bank.

A depository bank is a bank, savings and loan association, or a savings bank organized under the laws of Texas, another state, or federal law that has its main or branch office in Texas.

SECTION 3. Prohibition Against Co-mingling of Charter & Non-Charter Business

The CEO shall ensure that the business activities of UNIVERSAL ACADEMY that are not directly related to the management and operation of UNIVERSAL ACADEMY shall be kept in a separate and distinct accounting, auditing, budgeting, reporting, and record keeping systems from those recording the business activities of UNIVERSAL ACADEMY. Violation of this section is a material charter violation.

SECTION 4. Interested Transactions

SECTION 3.1. Each member of the Board shall comply with all conflict-of-interest laws and rules applicable to affected board members.

SECTION 3.2. The CEO shall ensure that the employees of UNIVERSAL ACADEMY shall comply with all conflict-of-interest laws and rules applicable to affected employees.

SECTION 3.3. The CEO shall ensure that the following shall be recorded in the accounting, auditing budgeting, reporting, and record keeping systems for the management and operation of the school:

- a. Financial transactions between the school and any non-charter activities of the charter holder.
- b. Financial transactions between the school and an officer or employee of the charter holder or the school.
- c. Financial transactions between the school and a member of the governing body of the charter holder or the school.
- d. Financial transactions between the school and a management company charged with managing the finances of a school; and
- e. Financial transactions between the school and any other person or entity in a position of influence over the charter holder or the school.

100.60.STATE FISCAL COMPLIANCE

The governing body ("Board") of LTTTS Charter School Inc. dba Universal Academy adopts the following policy which shall be effective on the date that the policy is adopted by the Board.

SECTION 1. Fiscal Year The UNIVERSAL ACADEMY Board adopts **September 1st** as the fiscal year for UNIVERSAL ACADEMY.

SECTION 2. Financial Accounting

SECTION 2.1. Compliance.

The Chief Executive Officer ("CEO") shall ensure that UNIVERSAL ACADEMY fully complies with:

- a. Generally Accepted Accounting Principles (GAAP),
- b. Texas Education Agency's ("TEA") Financial Accountability System Resource Guide,
- c. TEA's Student Attendance Accounting Handbook,
- d. Public Education Information Management System (PEIMS), and
- e. any other applicable federal or state standards for financial management systems.

SECTION 2.2. Financial Reporting.

The CEO, or designee, shall make an accurate, current, and complete disclosure of financially assisted activities in accordance with financial reporting requirements of each grant or sub-grant.

SECTION 2.3. Accounting Records.

The CEO, or designee, shall maintain records that adequately identify the source and application of funds provided for activities assisted with state or federal funds.

SECTION 2.4. Internal Control.

The CEO, or designee, shall maintain effective control and accountability of all federal grant and sub grant cash, real and personal property, and other assets obtained with federal funds. The CEO, or designee, shall safeguard all such property and assure that it is used solely for authorized purposes.

SECTION 2.5. Source documentation.

Accounting records must be supported by such source documentation as cancelled checks, paid bills, payrolls, time and attendance records, contract, and sub-grant award documents, etc.

SECTION 2.6. Budget control.

UNIVERSAL ACADEMY shall compare actual expenditures or outlays of federal funds with budget amounts for each grant or sub-grant. Financial information must be related to performance or productivity data, including the development of unit cost information whenever appropriate or specifically required in the grant or sub-grant agreement.

SECTION 2.7. Cost Allocation.

UNIVERSAL ACADEMY will follow applicable federal cost principles, agency program regulations, and the terms of grant and sub-grant agreements in determining the reasonableness, allowance and allocation of costs.

SECTION 2.8. Cash Management.

Whenever advance payment procedures are used, UNIVERSAL ACADEMY will follow applicable federal procedures.

SECTION 3. Grant Management Standards

SECTION 3.1. Compliance.

If UNIVERSAL ACADEMY receives a grant directly from a state or federal agency the CEO shall ensure that UNIVERSAL ACADEMY is in compliance with the grant requirements of that state or federal agency.

SECTION 3.2. Employee Time Sheet.

If a UNIVERSAL ACADEMY employee's compensation is funded by any grant, the CEO shall ensure that the employee maintains an applicable time sheet record on which he or she records the time spent during the workday along with a description of the service he or she performed during that time.

SECTION 3.3. Signature.

The CEO or CEO's designee shall ensure that the time sheets will contain the signatures of the employee that completed the time sheet, a school official, and UNIVERSAL ACADEMY's grant manager.

SECTION 4. Annual Audit by the Charter

SECTION 4.1. Annual Audit.

Annually, the President of the Board for UNIVERSAL ACADEMY shall ensure the engagement of a certified public accountant ("CPA") to have the financial and programmatic operations of UNIVERSAL ACADEMY audited. UNIVERSAL ACADEMY shall select and contract only with CPAs that are licensed by the Texas State Board of Public Accountancy and registered as a provider of public accounting services.

SECTION 4.2. Filing with TEA.

The CEO shall ensure that UNIVERSAL ACADEMY timely files a copy of the annual audit report with the TEA division responsible for school financial audits. The report shall include a certificate of the Board which will include the original signatures of both the presiding officer and the secretary of the Board. The certificate shall indicate if the Board approved or disapproved the contents of the report along with the date of the Board's approval or disapproval. This approval or disapproval shall be supported in the Board's meeting minutes. The CEO shall ensure that if the Board disapproved the audit, it shall still be filed with TEA along with a statement identifying the reason(s) for Board disapproval.

SECTION 4.3. Disclosure of Interest. On behalf of UNIVERSAL ACADEMY, the CEO shall ensure that all persons with a substantial interest in a management company are separately disclosed in the annual audit.

SECTION 5. Annual Financial Statement

SECTION 5.1. Annual Financial Statement.

The CEO of UNIVERSAL ACADEMY shall prepare, or cause to be prepared, an annual financial statement for each fund subject to the authority of the Board during the fiscal year showing:

- a. the total receipts of the fund, itemized by source of revenue, including taxes, assessments, service charges, grants of state money, gifts, or other general sources from which funds are derived,
- b. the total disbursements of the fund, itemized by the nature of the expenditure; and
- c. the balance in the fund at the close of the fiscal year.

SECTION 5.2 Posting of Annual Financial Statement.

The CEO, or designee of UNIVERSAL ACADEMY shall ensure that the annual financial statement is posted continuously on the school's Internet website.

SECTION 6. Annual Financial Management Report

SECTION 6.1. Report

The CEO shall ensure that UNIVERSAL ACADEMY complies with the reporting procedures TEA develops for charter holders to prepare and distribute the school's annual financial management report.

SECTION 7. Audit by the Commissioner

SECTION 7.1. UNIVERSAL ACADEMY and its officers, employees and agents shall fully cooperate with an audit by the commissioner of education and will take all actions necessary to secure the cooperation of a management company.

SECTION 8. Attendance Accounting

SECTION 8.1. Compliance.

The CEO shall ensure that UNIVERSAL ACADEMY complies with the TEA Student Attendance Accounting Handbook and all other laws and rules concerning charter school student attending accounting, reporting, and record keeping.

SECTION 8.2. Responsibility.

The CEO, chief campus leaders, and teachers of UNIVERSAL ACADEMY will be responsible to the Board of UNIVERSAL ACADEMY and to the state to maintain accurate, current student attendance records and ensure that all records are readily available for audit by the TEA division responsible for performing school financial audits.

SECTION 8.3. When Attendance is Taken.

Attendance at UNIVERSAL ACADEMY will be determined by **10 am** daily. UNIVERSAL ACADEMY will not change the established period in which absences are recorded during the school year unless instructed by the governor or education commissioner to follow new guidance.

SECTION 8.4. Student Not in School When Attendance is Taken.

A scholar who is not in school when attendance is taken must not be counted in attendance for Foundation School Program ("FSP") unless the scholar is absent due to:

- a. observing religious holy days,
- b. attending a required court appearance,
- c. appearing at a governmental office to complete paperwork in connection with the student's application for United States citizenship; or
- d. if the scholar is in the conservatorship of the Department of Family and Protective Services, participating in an activity ordered by a court if it is not practicable to schedule outside of school hours.
- e. A temporary absence resulting from an appointment with a health professional if the scholar returns to school on the same day as the appointment with a note from the health professional; or
- f. Any other activities clearly defined in the Student Handbook.

SECTION 9. PEIMS Data Standard

SECTION 9.1. PEIMS.

The CEO shall ensure that UNIVERSAL ACADEMY's fiscal accounting system is compatible with PEIMS data standards and conforms to Generally Accepted Accounting Principles.

SECTION 9.2. Account Code Structure.

The CEO shall ensure that, with the exception, of the codes that may be used at local option, UNIVERSAL ACADEMY shall use the account code structure described in TEA's Special Supplement to the Financial Accountability System Resource Guide, Nonprofit Charter School of Accounts.

100.80 FEDERAL FISCAL COMPLIANCE

The governing body ("Board") of LTTS Charter School Inc. dba Universal Academy adopts the following policy which shall be effective on the date that the policy is adopted by the Board.

Section 1. Commitment to Compliance

Prior to expending federal grant funds, the **Chief Financial Officer (CFO) or equivalent** shall ensure that UNIVERSAL ACADEMY consults the appropriate compliance standards. The CEO shall adopt and follow appropriate procedures to ensure that all grant funds are expended in accordance with applicable requirements, including where applicable, the Education Department General Administrative Regulations (EDGAR).

Section 2. Federal Grant Time and Effort

The Executive Director or designee shall develop and maintain an electronic record keeping system that can receive, store, and reproduce electronic records and signatures of electronic transactions in their original form. The records shall be retained in an accessible format for as long as legally required.

Section 2.1. Employee Time Sheet.

If UNIVERSAL ACADEMY employee's compensation is funded by any federal grant, the CEO shall ensure that the employee maintains an applicable time sheet on which he or she records the time spent during the workday along with a description of the service he or she performed during that time.

Section 2.2. Signature.

The CEO shall ensure that the time sheets contain the signatures of the employee who completed the time sheet, a school official, and the UNIVERSAL ACADEMY's grant manager.

Section 2.3. Substitute System for Time and Effort Reporting.

Each school year, where applicable, the CEO shall submit a management certification form by the deadlines required by the Texas Education Agency to qualify as a participant under the substitute system of semi-annual time and effort reporting for employees of UNIVERSAL ACADEMY. The CEO shall also ensure that any eligible employee participating in the substitute system of federal time and effort reporting completes a schedule and certification form at least semi-annually. The CEO shall ensure that the semi-annual certification form contains the signature of the employee and the employee's supervisor. The semi-annual certifications for each employee shall be maintained as part of the records of the charter school.

Section 3. Use of Federal Grant Funds for Procurement

Section 3.1. Compliance.

When expending federal grant funds, The CEO, or the CEO's designee shall require compliance by UNIVERSAL ACADEMY's employees, officers, and agents with all applicable federal and state procurement standards and policies. Violations of applicable laws or policies may lead to disciplinary consequences including and up to termination of employment or removal from any officer position, if applicable.

Section 3.2. Shared Services.

The CEO is encouraged to participate in group purchasing programs, shared services agreements, inter-local contracts, and inter-entity agreements whenever possible to generate a cost savings for the charter school.

Section 3.3 Open and Free Competition.

The CEO shall ensure that all procurement transactions are conducted in a manner that provides open and free competition. The CEO shall ensure that the procurement procedures implemented by UNIVERSAL ACADEMY have written selection procedures that do not contain features which unduly restrict competition.

Section 3.4. Conflicts of Interest: Standards of Conduct.

The CEO shall ensure that no employee, officer, or agent of UNIVERSAL ACADEMY, who has a real or apparent conflict of interest, participates in the selection, award, or administration of a contract supported by federal funds. Employees, officers, and agents may not solicit or accept favors, gratuities, or anything of monetary value from contractors or their agents. The CEO shall maintain written standards of conduct governing the performance of UNIVERSAL ACADEMY employees engaged in the award and administration of contracts. The written standards of conduct shall also address organizational conflicts of interest. The CEO shall disclose in writing any potential conflict of interest to the Board of Directors, to the Texas Education Agency, and to the federal awarding agency.

Section 3.5. Disclosures of Misconduct.

The CEO shall ensure that any evidence of fraud, bribery or a gratuity violation is promptly reported to the Board of Directors, to the Texas Education Agency, and to the federal awarding agency. The CEO shall also report any such evidence to local law enforcement authorities.

Section 3.6. Small and Minority Firms, Women's Businesses.

The CEO shall ensure that UNIVERSAL ACADEMY takes all necessary affirmative steps to assure that minority firms, women's business enterprises, and labor surplus area firms are used when possible.

Section 3.7. Record Documentation.

The CEO shall maintain records sufficient to detail the history of each procurement secured with federal funds. The records must include, but not be limited to, the rationale for the procurement method, the selection of the contract type, contractor selection or rejection, and the basis of the contract price.

Section 3.8. Mandated Contract Provisions.

The CEO shall ensure that all legally mandated provisions are included in each procurement contract.

Section 4. Special Fiscal Requirements under Title I, Part A of ESSA ("Title I")

Section 4.1. Supplement not Supplant.

The CEO shall ensure that Title I funds will be used to supplement, not supplant regular non-federal funds.

Section 4.2. Documentation.

Documentation shall be maintained, or caused to be maintained, by the CEO.
The documentation must clearly demonstrate the supplementary nature of federal funds.

Section 4.3. Campus Improvement Plan.

The CEO shall ensure that Title I funds used by UNIVERSAL ACADEMY shall be aligned to the campus improvement plan. There shall be no costs expended that are not directly related to the campus improvement plan. A comprehensive needs assessment shall be conducted that will inform the drafting of the campus improvement plan. The campus improvement plan shall

- a. be aligned to the needs assessment and only needs that can be met with current funding levels shall be addressed in the campus improvement plan.
- b. New goals shall be added as new money is identified.
- c. The CEO shall ensure that UNIVERSAL ACADEMY shall conduct the needs assessment and

campus improvement plan prior to any grant application.

Section 4.4. Comparability Testing.

Unless the charter school is exempt from Title I's comparability requirements, the CEO or designee shall ensure that UNIVERSAL ACADEMY remains in compliance with all applicable comparability requirements. To ensure proper use of the receipt of any Title I, Part A funding, UNIVERSAL ACADEMY will strive to avoid diverting state and local resources away from its Title I, Part A campus(es) by:

- a. Implementing a district-wide salary schedule. The CEO shall recommend for Board approval a salary schedule that indicates salary comparability across all Title I and non-Title I campuses and positions. The district wide salary schedule shall allow for fair and comparable compensation for each position based on each employee's job duties, special assignments, education, certifications, and experience. The CEO shall administer the compensation plan in a manner consistent with the annual budget adopted by the Board,
- b. Ensuring equivalence among campuses in teachers, administrators, and other staff. The ratio of students to teachers, administrators, and other staff at each Title I campus shall be equivalent to the ratio of students to teachers, administrators, and other staff at non-Title I campuses. Equivalence shall be determined by various reasonable and appropriate factors,
- c. Ensuring equivalence among campuses in the provision of curriculum materials and instructional supplies. Each Title I and non-Title I campus shall receive equivalent funding for curriculum and instructional materials. Equivalence shall be determined by various reasonable and appropriate factors; and
- d. Adjusting to Ensure Comparability. The CEO or designee shall conduct testing to measure comparability and maintain records documenting compliance. If any instances of noncompliance are identified, the CEO or designee shall promptly implement adjustments as needed to ensure comparability, seeking board approval where necessary or appropriate.

Section 5. Special Fiscal Requirements under IDEA, Part B (Special Education)

The CEO shall ensure that UNIVERSAL ACADEMY complies with the specific requirements applicable to the receipt of special education funding including maintenance of effort, excess costs, supplemental use, and Coordinated Early Intervening Services.

Section 6. Charter Schools Program (CSP), ESSA Title V, Part B

Section 6.1. Compliance.

If UNIVERSAL ACADEMY receives CSP grants, the CEO shall ensure that UNIVERSAL ACADEMY shall comply and use the federal funds in accordance with all statutes, regulations, and approved applications.

Section 6.2. Fiscal Control.

The CFO shall directly administer or supervise the administration of any projects funding through State funds and shall use fiscal control and fund accounting procedures that ensure proper disbursement of, and accounting for, federal funds.

Section 6.3. Conflicts of Interest.

UNIVERSAL ACADEMY Board members and employees shall avoid apparent and actual conflicts of interest. An individual is prohibited from participating in an administrative decision regarding a project funded through Federal funds if the decision is likely to benefit that person or an immediate family member and the person is a public official or has a family or business relationship with UNIVERSAL ACADEMY. A person is prohibited from participating in a project to use his or her position for a purpose that is, or gives the appearance of being, motivated by a desire for a private or financial gain for that person or for others.

Section 6.4. Procurement.

When using Federal or State grant funds to enter into a contract for equipment or services the CEO, or the CEO's designee, shall comply with the applicable federal procurement standards. No Board member, employee, officer, or agent of UNIVERSAL ACADEMY may participate in the selection, award, or administration of any contract supported by federal funds if a real or apparent conflict of interest exists.

Section 7. National Child Nutrition Programs

SECTION 7.1. National School Breakfast Program Participation.

If at least 10 percent of enrolled students in UNIVERSAL ACADEMY are eligible for free or reduced-price breakfasts under the national school breakfast program, provided for by the Child Nutrition Act of 1966, the UNIVERSAL ACADEMY shall either make the benefits of the program available to all eligible students or develop and implement a locally funded program to provide free or reduced-priced meals according to each student's eligibility.

Unless the Board has obtained a waiver from the Commissioner for the applicable school year, if at least 80 percent or more of the students in UNIVERSAL ACADEMY qualify for a free or reduced-price breakfast under the National School Breakfast Program, UNIVERSAL ACADEMY shall provide a free breakfast to every student at the school.

The CEO shall ensure the school's compliance with all federal and state rules governing administration of the National School Breakfast Program.

SECTION 7.2. National School Lunch Program.

The CEO or designee shall ensure compliance with all federal and state rules governing the administration of the National School Lunch Program.

100.100. CASH MANAGEMENT & CREDIT CARD PROCEDURES

The governing body (“Board”) of LTTS Charter School Inc. dba Universal Academy adopts following policy which shall be effective on the date that the policy is adopted by the Board.

School funds are public funds. Consequently, all expenditures of school funds, including cash expenditures, shall be documented, and accounted for by daily receipts.

The Chief Executive Officer (“CEO”) of UNIVERSAL ACADEMY shall ensure that appropriate “separation of duties” are complied with in the handling of all money transactions, including reconciliation.

All funds received will be deposited in a federally insured and interest-bearing account.

SECTION 1. Accounting for Cash Transactions

SECTION 1.1. Documentation.

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

SECTION 1.2. Depositing Cash.

The CEO shall be responsible for ensuring that cash received is deposited in UNIVERSAL ACADEMY’s bank account. Deposits shall be made **at a minimum, weekly**. A copy of the validated deposit slip shall be returned to the school on same day the deposit is made or the next day after the deposit is made.

SECTION 1.3. Petty Cash Prohibited.

The use of **petty cash not to exceed 2,500.00 will be allowed at UNIVERSAL ACADEMY.**

SECTION 2. Checks

SECTION 2.1. UNIVERSAL ACADEMY Checks.

Any authorized check drafted on LTTS Charter School Inc. dba Universal Academy bank account shall have **one authorized check signer** outside of the business office. The following UNIVERSAL ACADEMY officers (2) are authorized to authenticate checks from UNIVERSAL ACADEMY’s bank account on behalf of UNIVERSAL ACADEMY: **Board President, and Chief Executive Officer**. Each check must be completed in its entirety before it is signed by either party.

SECTION 2.2. Checks Received. Checks received shall be endorsed “for deposit only” and shall be deposited **at least weekly.**

SECTION 2.3. Check Requests.

Services or products rendered, reimbursement requests with original receipts, or mileage reimbursements may receive payment with a check. A **check request form** must be completed by the requestor and approved with a signature by the Chief Executive Officer (CEO) or the designee. The **check request form** shall contain the name of the payee, the date the check is requested to be written, the amount of the check, a brief description for the issuance of the check, and the funding source that will be drawn from. Checks made payable to “Cash” are prohibited. The check request shall then be submitted to the **Accounting Clerk** for processing. All check request forms shall be maintained by the Accounting Clerk (AC) in a secured lateral file.

SECTION 2.4. Check Acceptance Policy.

Parents of students enrolled at UNIVERSAL ACADEMY and employees of UNIVERSAL ACADEMY must receive prior notice from UNIVERSAL ACADEMY that in the event a check they have submitted to UNIVERSAL ACADEMY is returned for insufficient funds, or any other reason, UNIVERSAL ACADEMY shall collect from the check maker the amount originally due in addition to any fee assessed to UNIVERSAL ACADEMY by the bank because of the returned check.

SECTION 3. Paying Bills with State or Federal Grant Funds

SECTION 3.1. Grant Funds.

Grant funds shall not be requested from the Texas Education Agency until UNIVERSAL ACADEMY has paid or is prepared to pay any outstanding balances within three days from when the funds are deposited in UNIVERSAL ACADEMY’S bank account. The CEO shall ensure that all bills, including payroll and related withholding taxes, shall be paid by UNIVERSAL ACADEMY prior to or within three working days from when such funds are deposited in UNIVERSAL ACADEMY’s bank account.

SECTION 4. Bank Reconciliations

The CEO or CEO’s designee is responsible for bank reconciliations a **minimum of once a month.** Each UNIVERSAL ACADEMY bank statement, assets, and liabilities shall be reconciled to both the checkbook and the general ledger.

SECTION 5. Credit Card Procedures

Only the following are authorized to use UNIVERSAL ACADEMY’s credit card: **Chief Executive Officer, Purchasing Director, Principal, and Transportation Director (for transportation purposes only)**

All authorized users of the UNIVERSAL ACADEMY credit card assume the responsibilities pertaining to the use and reconciliation of the credit card. The UNIVERSAL ACADEMY credit card shall only be used for school business expenditures. It may not be used for personal purchases and/or cash transactions and shall be maintained by the highest level of security. Employees issued a UNIVERSAL ACADEMY

credit card must receive prior, documented approval from the CEO or designee before the use of the credit card. Each credit card transaction by any user must be accompanied by appropriate documentation such as original receipts documenting each transaction.

100.110 ELECTRONIC SIGNATURES

The governing body ("Board") of LTTS Charter School Inc. dba Universal Academy adopts the following policy which shall be effective on the date approved by the Board.

- a. UNIVERSAL ACADEMY wishes to promote effective and efficient use of electronic communications to conduct school business. An electronic signature shall have the full force and effect of a manual signature only if the electronic signature satisfies all of the following requirements:
 - i. The electronic signature identifies the individual signing the document by his or her name and title,
 - ii. The electronic signature and the document to which it is affixed cannot be altered once the electronic signature is affixed; and
 - iii. The identity of the individual signing with an electronic signature is capable of being validated.
- b. The individual affixing his or her electronic signature to a document, contract, data transmission, or report is otherwise authorized by the governing body to represent the UNIVERSAL ACADEMY in legal transactions, to commit the resources of the charter school, or to make or affirm representations concerning operations of the charter school.

The CEO or designee shall develop and maintain an electronic record keeping system that can receive, store, and reproduce electronic records and signatures of electronic transactions in their original form. The records shall be retained in an accessible format for as long as legally required. This policy does not require electronic signatures to be created or used for any particular business transactions for the charter school.

100.120. ACCOUNTING FOR CAPITAL ASSETS

The governing body (“Board”) of LTTS Charter School Inc. dba Universal Academy adopts the following policy which shall be effective on the date that the policy is adopted by the Board.

SECTION 1. Capital Assets

SECTION 1.1. Définition.

A capital asset for UNIVERSAL ACADEMY is an asset that is:

- a. tangible in nature,
- b. has a life that exceeds one year,
- c. is valued at **\$5,000** or more per unit; **or**
- d. is reasonably identified and controlled through a physical inventory system.

SECTION 1.2. Documentation.

The CEO shall ensure that UNIVERSAL ACADEMY maintains accurate records of capital assets in accordance with applicable rules.

SECTION 1.3. Inventory.

The CEO will ensure that a physical inventory of capital assets takes place once every two years in accordance with rules.

SECTION 1.4. Financial and Compliance Report.

For purposes of the Financial and Compliance Report, the CEO shall ensure that the report includes:

- a. an exhibit in the financial and compliance report identifying all capital assets and the ownership interest of local, state, and federal parties; or
- b. a statement that all property acquired during the term of UNIVERSAL ACADEMY and all property presently held by UNIVERSAL ACADEMY may be considered public property.

SECTION 1.5. Depreciation Schedule.

UNIVERSAL ACADEMY will utilize the following depreciation schedule:

- a. Any property purchase, building and improvements: 40 years.
- b. Furniture and equipment, 7-10 years
- c. Building Security: 10 years
- d. Computers and Technology: 3-5 years

100.140. INVESTMENT OF STATE FUNDS

The governing body ("Board") of LTTS Charter School Inc. dba Universal Academy adopts the following policy which shall be effective on the date that the policy is adopted by the Board.

SECTION 1.

The CEO shall ensure that UNIVERSAL ACADEMY invests state funds in accordance with applicable state law and rules. The investment of state funds shall be made with judgment and care and not for speculation, but for investment, considering the probable safety of capital and the probable derived income.

SECTION 2. Investment Management Firm and/or Officer.

The CEO may determine to recommend to the Board to contract with an investment management firm that is registered under the appropriate governmental entities to provide for the investment and management of the funds. Such a contract shall not exceed two years. If the Board determines to renew any such contract the board shall issue the appropriate order or resolution.

SECTION 3. Discrete Maintenance of Records.

The CEO shall ensure that all investments will be maintained in a discrete, charter investment account, separate from any other of UNIVERSAL ACADEMY's accounts.

SECTION 4. Investments.

The following investments have received approval by the Board for the one-year period from **September 1 through August 1.**

- a. State or local pool offered to public entities (Texas Class, Tex Pool, Tex Star, Logic, etc.)
- b. Bank CDs

100.160. PAYROLL

The governing body (“Board”) of LTTS Charter School Inc. dba Universal Academy adopts the following policy which shall be effective on the date that the policy is adopted by the Board.

SECTION 1.1. Accurate & Timely Payroll.

The CEO shall ensure that school employees are paid accurately and timely in accordance with applicable laws and rules.

SECTION 2.2. Paydays.

Exempt Employees. The paydays for these employees shall be **on the 30th^h (or Friday before) or the last workday of the month.** The payroll calendar is outlined in the staff handbook. **And Non-exempt such as Transportation drivers are paid on bi-weekly basis.**

SECTION 2.3. Withholding of Wages.

The CEO shall ensure that the wages of school employees are not withheld except as expressly required or expressly permitted by applicable laws and rules.

100.180. PROPERTY

The governing body ("Board") of LTTS Charter School Inc. dba Universal Academy adopts the following policy which shall be effective on the date that the policy is adopted by the Board.

SECTION 1. Public Property Held in Trust

SECTION 1.1. Public Property.

An interest in real estate or personal property acquired, improved, or maintained using state funds that were received by UNIVERSAL ACADEMY on, or after, September 1, 2001, is public property for all purposes under state law.

SECTION 1.2.

Public Property Held in Trust. Public property is held by UNIVERSAL ACADEMY in trust for the benefit of enrolled students.

SECTION 2. Use of Public Property

SECTION 2.1. Allowable Use.

The Chief Executive Officer ("CEO") shall ensure that public property shall only be used for a purpose for which a school district may use school district property and only to implement a program that is described in the open-enrollment charter and is consistent with the Texas Education Code §12.102.

The CEO also shall ensure that UNIVERSAL ACADEMY employees, agents, contractors, and management companies do not use or apply public property for any purpose, but a program described in UNIVERSAL ACADEMY's charter.

SECTION 2.2. Exception to Allowable Use.

Employees of UNIVERSAL ACADEMY may use local telephone service, cellular phones, electronic mail, and Internet connections for incidental personal use under the following conditions:

- a. Such incidental personal use must not result in any direct cost paid with state funds. If this does happen, the CEO shall ensure that the employee which caused the direct cost to be incurred by UNIVERSAL ACADEMY shall reimburse UNIVERSAL ACADEMY,
- b. Such incidental personal use shall not impede the functions of UNIVERSAL ACADEMY,
- c. The use of public property for private commercial purposes is strictly prohibited,
- d. The incidental use must conform to UNIVERSAL ACADEMY's Code of Conduct

- e. The incidental use must not be used to promote or engage in any illegal activity; and
- f. Only incidental amounts of an employee's time for personal matters, comparable to reasonable coffee breaks during the day, are authorized under this section.

SECTION 2.3.1. Employee Violations.

The CEO shall ensure that a violation of Section 2 of this policy by an employee of UNIVERSAL ACADEMY shall have disciplinary consequences which may include termination of employment.

SECTION 2.3.2. Contractor Violations.

The CEO shall ensure that each contract between UNIVERSAL ACADEMY and another party includes language stating the allowable use of public property and that a violation of the allowable use may lead to termination of a contract. If a contract is terminated based on a violation of Section 2 of this policy UNIVERSAL ACADEMY will compensate the entity for services performed as required by law.

SECTION 2.4 Joint Use of Real Property.

The Board President shall ensure that the Board takes a separate vote to approve any joint use of real property for charter and non-charter activities. In the meeting minutes of the vote approving the joint use, the Board Secretary shall ensure that the minutes set forth the methodology used to allocate shared costs and the percentage allocation basis between charter and non-charter activities.

SECTION 3. LEASE OF UNIVERSAL ACADEMY FACILITIES

UNIVERSAL ACADEMY may lease its facilities to various organizations such as those that are educational, religious, or civic in nature. However, the availability of facilities for lease by outside entities will depend on UNIVERSAL ACADEMY's own needs and convenience.

100.200. PURCHASING & CONTRACTING

The governing body (“Board”) of LTTS Charter School Inc. dba Universal Academy adopts the following policy which shall be effective on the date that the policy is adopted by the Board.

SECTION 1. Public Works Contracts – Chapter 44 of the Education Code

SECTION 1.1 Applicable Law.

In awarding contracts that will involve the construction, repair, or renovation of a structure, road, highway, or other improvement or addition to real property (“construction services”), UNIVERSAL ACADEMY will comply with Chapter 44, Subchapter B, of the Education Code. Pursuant to Chapter 44, Subchapter B, of the Education Code, UNIVERSAL ACADEMY shall select a method pursuant to Chapter 2269 of the Texas Government Code for construction services.

SECTION 1.2

Bidding Threshold. This policy applies when an expenditure of more than **\$50,000** in public funds is required for construction services.

SECTION 1.3 Delegation of Authority.

The Board of Directors may/may not delegate any or all of its authority under this Policy to the CEO. The act of delegating authority itself shall be accomplished through an act of the Board of Directors at a lawfully held meeting in compliance with the Texas Open Meetings Act. Upon delegation of such authority, the CEO shall have and may exercise the power and authority of the Board of Directors pursuant to this Policy.

If the Board of Directors has delegated any of its authority under this Policy, the CEO shall ensure that any request for bids (RFB), proposals (RFP), or qualifications (RFQ) issued by UNIVERSAL ACADEMY, shall provide notice of the delegation, the limits of such delegation, and include the name and title of each person to whom authority has been delegated. If the Executive Director fails to include such notice, any action taken under this Policy by the Executive Director must be ratified by the Board through formal action at a meeting held in compliance with the Texas Open Meetings Act.

SECTION 1.4 Selection of Construction Methodology.

For each expenditure of more than **\$50,000** for construction services, the Board of Directors shall determine the procurement method that provides the best value to UNIVERSAL ACADEMY in accordance with applicable law. The procurement methods available to UNIVERSAL ACADEMY are as follows:

- a. Competitive Bidding

- b. Competitive Sealed Proposals
- c. Construction Manager-Agent
- d. Construction Manager-at-Risk
- e. Design-Build Contract
- f. Job Order Contracts

SECTION 1.5 Use of Architect or Engineer; Use of Other Professional Services.

The selection or designation of any architect or engineer, or the procurement of construction materials, engineering services, testing and inspection services, or verification testing services shall be made on the basis of demonstrated competence and qualification in accordance with Section 3 of this Policy.

SECTION 1.6 Sealed Bids.

The CEO/CFO shall ensure that all bids, proposals, or qualifications are sealed.

SECTION 1.7 Contract Award.

In determining the award, regardless of the procurement method selected, the Board must consider any existing laws, including any criteria, related to historically underutilized businesses and/or existing laws or criteria related to the use of women, minority, small or disadvantaged businesses. The Board may consider several factors, including:

- a. Price
- b. Experience and Reputation
- c. Quality of Goods and Services
- d. Impact on the ability of UNIVERSAL ACADEMY to comply with rules relating to historically underutilized businesses,
- e. Safety Record
- f. Proposed Personnel
- g. Financial capability appropriate to the size and scope of the project
- h. any other relevant factor provided it is specifically listed in the RFB, RFP, or RFQ

The Board shall make its selection based on the applicable criteria for the particular procurement method and document the basis for its selection. The CEO shall ensure that the evaluations are made public not later than the seventh (7th) day after the date any contract is awarded. The best value for UNIVERSAL ACADEMY does not necessarily mean the lowest price.

SECTION 1.8 Advertisement/Notice of Procurement Request and Notice.

The CEO shall ensure compliance with any advertisement or notice required by Chapter 2269, Texas Government Code upon the issuance of a request for proposal, bid or qualifications, and that any such notice contains the following:

- a. The time by when and the place where the bids, proposals, or responses will be received and opened; and
- b. The criteria for the particular procurement method that will be used to evaluate the bids, proposals or responses.

SECTION 2. Professional Services

SECTION 2.1. Applicable Law.

The CEO shall ensure that professional service providers are selected in accordance with the applicable law. UNIVERSAL ACADEMY may not use the competitive bid process to select a provider or award a contract for a professional service. Instead, UNIVERSAL ACADEMY must make its selection based upon demonstrated competence and qualifications at a reasonable price.

SECTION 2.2. Professional Services.

Professional services provided within the scope of practice:

- a. Accounting,
- b. Architecture,
- c. Landscape Architecture,
- d. Land Surveying,
- e. Optometry,
- f. Professional Engineering,
- g. Real Estate Appraising; or
- h. Professional Nursing.

SECTION 2.2. Indemnification.

UNIVERSAL ACADEMY will require a contractor selected under this section to hold UNIVERSAL ACADEMY harmless or indemnify UNIVERSAL ACADEMY from claims and liabilities resulting from the negligent acts or omissions of the contractor.

SECTION 3. Workers Compensation

Section 3.1 Applicable Law.

The CEO shall ensure that any workers compensation benefits for employees are selected and provided in accordance with applicable law.

SECTION 4. Cooperative Purchasing Programs

The CEO shall ensure full compliance with all applicable law and rules if UNIVERSAL ACADEMY has amended its charter to enter into a cooperative purchasing program.

SECTION 5. Other Purchasing and Contracting

Section 5.1 Appropriate Value.

In awarding contracts for goods and services that are not governed by Sections 1, 2, 3 or 4 of this policy, the CEO shall ensure that UNIVERSAL ACADEMY receives appropriate value for the expenditure.

Section 5.2. Competitive Process Threshold. If an expenditure of school funds for a contract awarded under Section 4.1 will exceed **\$50,000**, then the CEO shall engage a competitive process before selecting a person or entity to which to make the award.

Section 5.3. Purchase Order Required. The CEO shall establish procedures identifying a purchase order process as the method for purchasing or expending funds. Approval for a purchase or expenditure of funds must be obtained by the CEO or designee before the purchase or expenditure of funds is made.

Section 6. Board Approval Required

For any contract or purchase made pursuant to this policy, the board of directors shall approve all contracts valued above **\$50,000**. The CEO does not have authority to bind the Board of Directors or UNIVERSAL ACADEMY to any contract for goods and services valued above **\$50,000**. Any contract or purchase valued above this amount that is not approved by the UNIVERSAL ACADEMY board of directors is void and ineffective.

100.300 EMPLOYEE TRAVEL MANAGEMENT POLICY

The governing body ("Board") of LTTS Charter School Inc. dba Universal Academy adopts the following policy which shall be effective on the date that the policy is adopted by the Board.

SECTION 1. General Travel Guidelines for Employee's:

In general, "travel" is defined as travel away from the School located at 2616 North MacArthur Blvd. Irving Texas 76052 or 1001 E Sandy Lake Rd. Coppell Texas 76919. When an employee incurs travel related expenses, the school will reimburse the employee for qualifying expenses. An employee will only be eligible for reimbursement for qualifying expenses if the employee obtains approval from their manager/principal prior to incurring an expense.

Travel advances will be provided for employees. Advances are limited to the projected per diem rates plus hotel and airfare. To request a travel advance, use the check requisition form that is available in your manager/principal's office. Employees are required to submit proper documentation to support the expenditure of funds. All travel advances that are not cleared by the end of the following month will be treated as income to the employee and deducted from the employee's next paycheck.

The employee reimbursement report is to be totaled, and all receipts must be attached to the report. The employee's manager or principal must sign the report. Reimbursements will be made in accordance with the established check writing cycle.

SECTION 2. Travel Request:

All travel requests requiring airfare must be submitted to the employee's manager/principal within 25 days before departure. If a travel request requiring airfare is turned in late, the principal/manager must obtain the approval of the CEO, prior to turning the request into the board secretary agent.

1. **Airfare:** After the employee has obtained the proper approval to use air transportation, the manager will then request the board secretary to make airfare reservation for the employee. The employee may request the board secretary to utilize certain airlines in making the reservation unless the use of the requested airlines results in an additional expenditure to the school.
2. **Registration:** Once the employee has obtained the approval for the workshop, the employee's manager is to turn the registration form into accounting for payment processing. The registration form should be turned in with the request for air travel to ensure that adequate time is allowed for processing.
3. **Travel Advance:** If the employee's travel requires an advance. The principal/manager isto complete a check requisition form and submit the request to the board secretary.

Travel Rules: The following is a list of procedures that must be followed to ensure proper recording of travel costs.

- Employees who receive an advance must clear their advance by the end of the following month. All advances that are not cleared by the end of the following month will be treated as income and deducted from the employee's next paycheck.
- Persons due reimbursement for traveling shall complete the employee expense report and mileage report (if applicable) and turn the reports into your manager/principal.
- Receipts for monies expended for travel (registration, hotel, airfare, etc.) must be turned in with the expenditure report, as evidence of attendance. All expenditures by the School for registration,

hotel and airfare will be treated as a travel advance even if the check was directly written to the conference, hotel, or airline.

- Automobile mileage reimbursement will be computed using 48 cents per mile. For an employee to receive mileage reimbursement the mileage report must be included with the expenditure report.
- Such items as miscellaneous incidentals, amusements, valet services, alcoholic beverages, room service, laundry, or other unauthorized expenses will not be paid.
- On overnight trips, the school will pay for one personal phone call per day; this personal phone call only applies to calls to the employees' personal residence.
- In cases in which a spouse accompanies an employee, no expense for the spouse shall be included without the permission of the board of directors. In the event, that the board of directors approves expenses for the spouse. The employee understands that these expenses are taxable income to the spouse. However, there is no objection to joint use of automobiles and hotel facilities, provided only single standard rates are listed as expenses.
- The employee will be expected to travel the same day as the conference if the employee can arrive at the conference on time by leaving his/her place of residence by 6:00 am.
- The employee may elect to drive or fly to a conference. However, the district will only reimburse the lower of air or ground transportation. Unless the employee demonstrates a sincere fear of flying.

Section 3. State Travel Management Program

Board members, officers, and employees engaged in travel on official business of UNIVERSAL ACADEMY, shall utilize the Texas Comptroller's State Travel Management Program where it provides a better value for UNIVERSAL ACADEMY.