Use Of Federal Funds and Federal Fiscal Compliance

A. ***Fiscal Requirements under Title***

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

1. A comprehensive needs assessment shall be conducted that will inform the drafting of the School Improvement Plan. The School Improvement Plan shall be aligned to the needs assessment of Voyager.

2. New goals shall be added as new money is identified.

3. The Managing Director shall conduct the needs assessment and School Improvement Plan prior to any grant application.

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

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

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

1. The purchase of unnecessary items is prohibited;
2. The solicitation of bids or offers must provide a clear and accurate description of the

requirements to be fulfilled by the bidder, technical requirements to be performed including the minimum acceptable standards, specific features of brand name or equal descriptions that bidders are required to meet, the acceptance of products and services dimensioned in the metric system of measurement, a preference, where economically feasible, for products that conserve natural resources, protect the environment, and are energy efficient;

3. Positive efforts shall be made to enter into business and other transactions that are of the highest quality for Voyager, at the lowest cost;

4. The type of procurement instruments used (e.g. purchase orders) must be appropriate for the particular procurement;

5. Contracts are made only with responsible and financially sound contractors who possess the ability to perform successfully under the terms and conditions of the proposed procurement;

6. Procurement documents shall be made available, upon request, to appropriate government officials when:

    a. Procurement procedures fail to comply with the standards in this section;

    b. The procurement is expected to exceed the small purchase threshold (currently $5,000) and is to be awarded without a competitive bidding process or there is only one bid received in response to a solicitation;

    c. The procurement which is expected to exceed the small purchase threshold, specifies a brand name product;

    d. The proposed award over the small purchase threshold is to be awarded to a bidder under a sealed bid procurement; or e. A proposed contract modification changes the scope of a contract or increases the contract amount by more than the amount of the small purchase threshold.

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

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

G. *Record Documentation*. Voyager shall ensure there is a cost or price analysis made and documented with every procurement action. Voyager shall also ensure the evaluation of the contractor performance and document whether the contractor has met the terms, conditions, and specifications of the contract. Procurement records for purchases over the small purchase threshold ($5000.00) shall also contain the following information:

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

H. *Board Approval*. For all procurement/contracts under this section that exceed $5000, the Managing Director shall endeavor to obtain three bids. In the event that three bids are not obtained, the Managing Director must present the Record Documentation, set forth above, to the Board and the

Board must approve such procurements/contracts. In such circumstances, the Managing Director does not have authority to bind the Board or Voyager to any contract for goods and services valued above $5,000. Any contract or purchase valued above this amount that is not approved by the Board is null and void.

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

XIII PUBLIC WORKS CONTRACTS

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

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

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

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

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

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

XIV PURCHASING AND SERVICE CONTRACTS NOT OTHERWISE COVERED

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

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

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

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

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

XV CASH MANAGEMENT & CREDIT CARD PROCEDURES

School funds are public funds. Consequently, all expenditures of school funds, including cash expenditures, shall be documented and accounted for by daily receipts. As a general rule, cash will not be used to make purchases except from petty cash, as described below. School checks shall not be made payable to “Cash”. Voyager shall ensure that appropriate “separation of duties” are complied with in the handling of all money transactions, including reconciliation.

A. ***Accounting for Cash Transaction*****.** All cash transactions shall be recorded in writing, such as by hand a written receipt, which shall be signed and dated by the individual who receives the cash. Staff members who receive or collect money from parents or teachers shall document from whom the money was received and in what amount. A copy of the receipt shall be kept with the cash received. Such money shall be submitted to the designated Voyager administrator on the same school day as it is received, or as soon as feasible, for deposit. Voyager shall be responsible for ensuring that cash received is deposited in Voyager's bank account. Deposits shall be made whenever cash receipts total $250.00 or greater, or at a minimum once per week to the extent there is cash to deposit. A copy of the validated deposit slip shall be returned to the school on the same day the deposit is made or the next day after the deposit is made.

B. Checks. Any authorized check drafted on Voyager's bank account(s) shall have two authorized check signers. The following Voyager officers are authorized to sign checks from Voyager's bank account on behalf of Voyager: Board Chairman, Board Treasurer, Board Vice-President, Board Secretary, or Managing Director. Each check must be completed in its entirety before it is signed by any party. Checks received shall be endorsed "for deposit only" and shall either be deposited when the total amount is at least $100.00 at least weekly, whichever is more frequent. Services or products rendered, reimbursement requests with original receipts, or mileage reimbursements may receive payment with a check. A check request form must be completed by the requestor and approved with a signature by the Managing Director. The check request form shall contain the name of the payee, the date the check is requested to be written, the amount of the check, a brief description for the issuance of the check, and the funding source that will be drawn from. Checks made payable to "Cash" are prohibited. The check request shall then be submitted to the Business Manager for processing. All check request forms shall be maintained by the School Finance Officer or CFSP. Parents of students enrolled at Voyager and employees of Voyager must receive prior notice from Voyager that in the event a check they have submitted to Voyager is returned for insufficient funds, or any other reason, Voyager shall collect from the check maker the amount originally due in addition to any fee assessed to Voyager by the bank because of the returned check.

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

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

E. *Credit and Debit Card Procedures.* If Voyager decides to utilize credit or debit cards, only the following are authorized to use a Voyager credit or debit card: the Managing Director and the School Principals, subject to the expenditure limitations set forth in Policy 7407. All authorized users of the Voyager credit or debit card assume the responsibilities pertaining to the use and reconciliation of the credit or debit card. The Voyager credit or debit card shall only be used for school business expenditures. It may not be used for personal purchases and/or cash transactions and shall be maintained by the highest level of security. Employees issued a Voyager credit or debit card must receive prior, documented approval from the Voyager Board before the use of the credit or debit card. Each credit or debit card transaction by any user must be accompanied by appropriate documentation such as original receipts documenting each transaction (digital receipts are acceptable).

F. *Activity Funds.* Voyager shall develop procedures for parent and school volunteer groups to follow in the collection of funds. Such procedures should distinguish between what the school is collecting and what the parent group is collecting. The Managing Director is authorized to approve activity expenditures.

XVI – PRINCIPALS USE OF FUNDS Subject to the financial policies set forth above in Sections I-XV, School principals may enter into contracts for:

A. School pictures;

B. Yearbooks and school newspapers (all other contracts for printing of reports, forms, etc., should be handled through the finance Managing Director);

C. Fund-raising activities undertaken in compliance with Board policies;

D. Disc jockeys/bands and facilities for dances to be paid for with school funds;

E. Athletic officials and other persons working at athletic events to be paid from athletic funds derived from gate receipts;

F. Class rings;

G. Caps and gowns; and

H. Senior supplies (i.e., invitations, note cards, class keys, etc.). School principals may enter into other contracts for goods or services in amounts up to $500.00 without prior approval, provided there are sufficient funds in the local school account to cover the contract and the contract is executed during the current fiscal year. Principals shall submit semi-annual reports to the school's Managing Director of all school contracts.

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

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

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

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

XVIII - BOARD AUTHORITY TO OVERRIDE FINANCE OFFICER

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

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

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

XX - TRAVEL REIMBURSEMENT

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

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

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

XXII - FUNDING REQUESTS FROM ORGANIZED CHARITIES

A. Fundraising activities shall take place outside of the normal working day for staff and outside of the normal instructional day for students. Such activity will be strictly voluntary for school employees and students.
B. In the event of a major catastrophe or during special food or clothing drives, with the principal's approval, receptacles for donations may be placed at appropriate places in school buildings. Any donation made under these conditions will also be voluntary on the part of the donor. The principal will ensure that efforts to promote these efforts shall not significantly interrupt the instructional program.

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

XXIII - GENERAL LIABILITY INSURANCE The Board shall provide general liability insurance coverage for the Board, its members, collectively
and individually, and for school employees.

XXIV. ACCOUNTING FOR CAPITAL ASSETS

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

a. Tangible in nature;

b. Has a life that exceeds one year;

c. Has value of at least $5,000 per unit; and

d. Is reasonably identified and controlled through a physical inventory system.

B. ***Documentation.*** The Managing Director shall ensure that Voyager maintains accurate records of capital assets in accordance with applicable rules.

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

D. ***Financial and compliance reporting***. For purposes of the Financial and Compliance Report, the Managing Director 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 Voyager, and all property presently held by Voyager, may be considered public property.