



Financial Controls Policies

Purpose: To ensure compliance with the laws and best practices in School's financial management.

I. USE OF FUNDS

MCS and its Board of Directors adopt the following financial and fiscal management policies and procedures applicable to its use of state and federal funds.

MCS is subject to the financial audits, the audit procedures, and the audit requirements adopted by the State Board of Education for charter schools. All reported deficiencies will be communicated in writing to the Board with a timeline to cure all financial weaknesses and all reported findings will be included in the monthly Board meeting minutes.

MCS shall comply with the reporting requirements established by the State Board of Education in the Uniform Education Reporting System or any other system required by law or regulation.

The School shall report at least annually to the chartering entity and the State Board of Education the information required by the chartering entity or the State Board.

II. SCHOOL FINANCE OFFICER OR CONTRACT FINANCIAL SERVICES PROVIDER

There shall be a School Finance Officer or Contract Financial Services Provider ("CFSP") designated by the Lead Administrator and approved by the Board, in accordance with the provisions of state law. The duties of the School Finance Officer shall be as set forth below, prescribed by law, and assigned by the Board or Lead Administrator.

III. DUTIES OF SCHOOL FINANCE OFFICER OR CFSP

The School Finance Officer or CFSP shall be responsible to the Lead Administrator and the Board for:

1. Keeping the accounts of the school in accordance with generally accepted principles of governmental accounting, the rules and regulations of the State Board of Education, the Local Government Commission, and any other applicable governmental oversight agencies;
2. Giving the pre-audit certificate required by law;
3. Processing all checks, drafts, and state warrants by the school, receiving and depositing all moneys accruing to the school in accordance with all applicable laws, rules and policies;
4. Preparing and filing a statement of the financial condition of the school as often as requested by the Lead Administrator or the Board; and
5. Performing such other duties as may be assigned by law, by the Lead Administrator or the Board, or by rules and regulations of the State Board of Education or any other applicable government oversight agencies.

Board Approved: 07/12/2022



IV. ANNUAL BUDGET

The Lead Administrator, in consultation with the School Finance Officer or CFSP shall prepare an annual budget and submit it with his/her budget message to the Board not later than April 1. The budget shall comply in all respects with the requirements imposed by law.

Budget planning shall be an integral part of program planning so that the budget may effectively express and implement all programs, related services, and activities of the school. Budget planning shall be a year-round process involving broad participation by administrators, teachers, other personnel throughout the school, and citizens.

The Lead Administrator's budget message shall contain a concise explanation of the educational goals fixed by the budget for the budget year, set forth the reasons for stated changes from the previous year in program goals, programs, and appropriation levels, and shall explain any major changes in educational or fiscal policy.

Upon receiving the budget from the Lead Administrator, the Board shall consider the budget, and make such changes therein as it deems advisable. The Board may hold a public hearing on the proposed budget prior to final action.

A. ADOPTION OF BUDGET RESOLUTION

The Board shall adopt a budget resolution making appropriations for the budget year in such sums as the Board deems sufficient and proper.

The budget resolution shall be adopted in accordance with the provisions of state law. The budget resolution shall conform to the uniform budget format established by the State Board of Education. The budget resolution shall be entered in the Board minutes.

B. BUDGET TRANSFERS AND AMENDMENTS

The Board shall have the right to make budget transfers or amendments to the budget resolution for the reasons prescribed by state law and in accordance with the adopted budget resolution and state law.

C. INTERIM BUDGET

In case the adoption of the budget resolution is delayed until after July 1, the Board shall make interim appropriations for the purpose of paying salaries and the usual expenses of the school for the interval between the beginning of the fiscal year and the adoption of the budget resolution. Interim appropriations so made and expended shall be charged to the proper appropriations in the adopted budget resolution.

V. ACCOUNTING SYSTEM



MCS shall establish and maintain a financial accounting and reporting system designed to show the School's assets, liabilities, equities, revenues, and expenditures. The system shall be designed to show appropriations and estimated revenues as established in the budget resolution as originally adopted and subsequently amended.

VI. FINANCIAL REPORTS AND STATEMENTS

MCS shall prepare a comprehensive annual financial report that encompasses all the funds and account groups of the school. The comprehensive annual financial report shall contain the general-purpose financial statements as well as combining statements by fund type and individual fund statements.

VII GATE RECEIPTS AND ADMISSIONS

Admission receipts of school events shall be adequately controlled. The Lead Administrator or designee is responsible for the administration and supervision of all phases of school events for which an admission is charged. Admission to those school events for which an admission is charged shall be by serially numbered tickets only. However, persons presenting season, faculty or special passes will be admitted to all events. Adequate records shall be maintained to provide chronological and accounting data for subsequent review and analysis.

VIII – RECEIVING AND INSPECTING

Personnel responsible for purchasing shall establish and maintain a receiving procedure for all supplies, materials, and equipment as appropriate. Personnel responsible for receiving items delivered shall inspect them and have ready access to specifications. Receiving personnel shall be responsible for determining that the items received are in good quality condition and shall be responsible for entering in the receiving document an actual count of quantity delivered. Personnel responsible for receiving shall be responsible for acting on deficiency and complaint reports.

IX – MAINTENANCE OF INVENTORY AND FIXED ASSETS

Administrative personnel shall be responsible for taking a physical count of all equipment items and stock supplies at least once each year.

Administrative personnel shall be responsible for all fixed assets assigned to their site or department, and shall account for each item at least once per fiscal year according to procedures established by the finance officer.

X. PURCHASING AND PROCUREMENT GENERALLY

A. *Comingling of Charter & Non-Charter Business Prohibited.* MCS shall ensure that its business activities are not directly related to the management and operation of MCS are kept in a separate and distinct accounting, auditing, budgeting, reporting, and recordkeeping systems from those recording the business activities of MCS.



B. Board Approval Required. The Board is required to review and approve all contracts or procurements of goods or services valued above \$10,000.00. The Lead Administrator does not have authority to bind the Board or MCS to any contract for goods and/or 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.

C. Interested Transactions/Conflicts of Interest

1. Each member of the Board shall comply with all conflict of interest policies, laws and rules applicable to affected Board members as set forth herein. The Lead Administrator shall ensure that employees of MCS shall comply with all conflict of interest policies, laws and rules applicable to affected employees as set forth herein.

2. Definitions for the purposes of this policy

a. Interested Person. Any director, officer, member of a committee of the Board of Directors or employee who has a direct or indirect financial interest, as defined below, is an interested person. Interested person shall also include individuals and organizations that have a direct or indirect organizational interest as defined below.

b. Financial Interest. A person has a financial interest if the person has, directly or indirectly, through business, investment, or family:

i. An ownership or investment interest in any entity with which MCS has a transaction or arrangement,

ii. A compensation arrangement with the School or with any entity or individual with which MCS has a transaction or arrangement, or

iii. A potential ownership or investment interest in, or compensation arrangement with, any entity or individual with which MCS is negotiating a transaction or arrangement.

Compensation includes direct and indirect remuneration as well as gifts or favors that are not insubstantial. A financial interest is not necessarily a conflict of interest. A person who has a financial interest may have a conflict of interest only if the Board of Directors decides that a conflict of interest exists.

c. Organizational Interest. An organizational interest means that because of the relationship with a parent entity, affiliate entity, subsidiary, or benefactor entity (i.e., foundation), MCS, its directors, officer, members of a committee of the Board of Directors or employees are unable or appear to be unable to be impartial in conducting a procurement action involving a related organization.

D. Procedures:



1 Duty to Disclose. In connection with any actual or possible conflict of interest, an interested person must disclose the existence of the financial interest or organizational interest and be given the opportunity to disclose all material facts to the Board of Directors or members of a committee with governing board delegated powers considering the proposed transaction or arrangement.

2. Determining Whether a Conflict of Interest Exists. After disclosure of the financial interest or organizational interest and all material facts, and after any discussion with the interested person, s/he shall leave the Board of Directors or committee meeting while the determination of a conflict of interest is discussed and voted upon. The remaining board or committee members shall decide if a conflict of interest exists

3. Procedures for Addressing the Conflict of Interest

- a. An interested person may make a presentation at the Board of Directors or committee meeting, but after the presentation, s/he shall leave the meeting during the discussion of, and the vote on, the transaction or arrangement involving the possible conflict of interest.
- b. The chairperson of the Board of Directors or committee shall, if appropriate, appoint a disinterested person or committee to investigate alternatives to the proposed transaction or arrangement.
- c. After exercising due diligence, the Board of Directors or committee shall determine whether MCS can obtain with reasonable efforts a more advantageous transaction or arrangement from a person or entity that would not give rise to a conflict of interest.
- d. If a more advantageous transaction or arrangement is not reasonably possible under circumstances not producing a conflict of interest, the Board of Directors or committee shall determine by a majority vote of the disinterested directors whether the transaction or arrangement is in MCS's best interest, for its own benefit, and whether it is fair and reasonable. In conformity with the above determination, it shall make its decision as to whether to enter into the transaction or arrangement

E. Violations of the Conflicts of Interest Policy

1. If the Board of Directors or committee has reasonable cause to believe an individual has failed to disclose actual or possible conflicts of interest, it shall inform the individual of the basis for such belief and afford the individual an opportunity to explain the alleged failure to disclose.

2. If, after hearing the individual's response and after making further investigation as warranted by the circumstances, the Board of Directors or committee determines the member has failed to disclose an actual or possible conflict of interest, it shall take appropriate disciplinary and corrective action.



F. *Records of Proceedings:* The minutes of the Board of Directors and all committees with board delegated powers shall contain:

1. The names of the persons who disclosed or otherwise were found to have a financial interest or organizational interest in connection with an actual or possible conflict of interest, the nature of the financial interest or organizational, any action taken to determine whether a conflict of interest was present, and the governing board's or committee's decision as to whether a conflict of interest in fact existed.
2. The names of the persons who were present for discussions and votes relating to the transaction or arrangement, the content of the discussion, including any alternatives to the proposed transaction or arrangement, and a record of any votes taken in connection with the proceedings.

G. *Compensation.* A voting member of the Board of Directors who receives compensation, directly or indirectly, from MCS for services is precluded from voting on matters pertaining to that member's compensation.

1. A voting member of any committee whose jurisdiction includes compensation matters and who receives compensation, directly or indirectly, from MCS for services is precluded from voting on matters pertaining to that member's compensation.
2. No voting member of the Board of Directors or any committee whose jurisdiction includes compensation matters and who receives compensation, directly or indirectly, from MCS, either individually or collectively, is prohibited from providing information to any committee regarding compensation.

H. *Annual Statements.* Each director, Lead Administrator, officer, and member of a committee with Board of Directors delegated powers shall annually sign a statement, which affirms such person:

1. Has received a copy of the conflict of interest policy,
2. Has read and understood the policy,
3. Has agreed to comply with the policy, and
4. Understands the School is charitable and in order to maintain its federal tax exemption, it must engage primarily in activities, which accomplish one or more of its tax-exempt purposes.

I. *Periodic Reviews.* To ensure MCS operates in a manner consistent with charitable purposes and does not engage in activities that could jeopardize its tax-exempt status, periodic reviews shall be conducted. The periodic reviews shall, at a minimum, include the following subjects:



1. Whether compensation arrangements and benefits are reasonable, based on competent survey information, and the result of arm's length bargaining,
2. Whether partnerships, joint ventures, and arrangements with management organizations conform to MCS's written policies, are properly recorded, reflect reasonable investment or payments for goods and services, further charitable purposes and do not result in inurement, impermissible private benefit or in an excess benefit transaction.

J. Use of Outside Experts. When conducting the periodic reviews as provided for in this policy, MCS may, but need not, use outside advisors. If outside experts are used, their use shall not relieve the Board of Directors of its responsibility for ensuring periodic reviews are conducted.

K. Professional Services. The Board and Lead Administrator shall ensure that professional service providers are selected in accordance with the applicable law.

L. Cooperative Purchasing Programs. The Lead Administrator shall ensure full compliance with all applicable law and rules if MCS to enter into a cooperative purchasing program provided such programs are permitted under its charter or MCS amends its charter to allow for such programs.

M. Attorney Review Required. For all contracts for goods or services with a term of more than one year or where the value of such contract is greater than \$10,000.00, legal counsel must review the contract unless the Board votes to waive the requirement of such review and documents the reason waiving such requirement.

XI Use of State Funds

- A.** The Board and Lead Administrator shall ensure compliance by MCS 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.
- B.** The Lead Administrator 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 MCS, 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.

C. *Open, Full, and Free Competition.* MCS 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 MCS, considering price, quality, ability of the supplier to deliver the product and/or service, and other relevant factors deemed appropriate by the Board and Lead Administrator.

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

E. *Record Documentation.* MCS shall ensure there is a cost or price analysis made and documented with every procurement action. MCS 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 \$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 MCS.
5. Written assurance from the contractor that it does not directly or indirectly do business with Iran in accordance with North Carolina law.

F. Board Approval. For all procurement/contracts under this section that exceed \$10,000.00, the Lead Administrator shall endeavor to obtain three bids. In the event that three bids are not obtained, the Lead Administrator must present the Record Documentation, set forth above, to the Board and the Board must approve such procurements/contracts. Under these circumstances, the Lead Administrator does not have authority to bind the Board or MCS 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.

G. State Indebtedness Provision. MCS shall ensure, through the following policies and procedures, that it uses state funds in accordance with all applicable laws, rules and regulations. No indebtedness of any kind incurred or created by MCS shall constitute an indebtedness of the State or its political subdivisions, and no indebtedness of MCS shall involve or be secured by the faith, credit or taxing power of the State or its political subdivisions.

H. Mandated Contract Provisions. The Lead Administrator shall ensure that all legally mandated provisions are included in each procurement contract. The Lead Administrator shall ensure the school's compliance with all federal and state rules governing purchasing and procurement.

XII. State Fiscal Compliance

A. MCS shall ensure that it fully complies with generally accepted accounting principles, and all applicable federal and state standards for financial management systems.

B. Financial Reporting. MCS shall make an accurate, current, and complete disclosure of financially assisted activities in accordance with financial reporting requirements for all funds received.

C. Accounting Records.

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

D. Internal Control. MCS shall maintain effective control and accountability of all cash, real and personal property, and other assets obtained with public funds. MCS shall safeguard all such property and assure that it is used solely for authorized purposes.

E. Grant Management Standards. If MCS receives a grant directly from a state or federal agency, it shall ensure that MCS is in compliance with the grant requirements of that state or federal agency. If an MCS employee's compensation is funded by any grant, MCS 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. MCS shall ensure



that the time sheets will contain the signatures of the employee that completed the time sheet, a school official, and the MCS grant manager.

F. Annual Audit of Financial Statements. Annually, the MCS Board shall engage a qualified certified public accountant (“CPA”) to audit the financial and programmatic operations of MCS. MCS shall select and contract only with CPAs that are licensed and in compliance with all federal and North Carolina rules and regulations. The Lead Administrator and Board shall ensure that it files a copy of the annual audit report with the North Carolina regulatory body(s) responsible for school financial audits, on a timely basis. The Board or Lead Administrator shall ensure that all persons with a substantial interest in a management company are separately disclosed in the annual audit. All reported deficiencies will be communicated in writing to the Board with a timeline to cure all financial weaknesses and all reported findings will be included in the Board meeting minutes.

G. Annual Financial Statement. The Lead Administrator or designee 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:

1. 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;
2. the total disbursements of the fund, itemized by the nature of the expenditure; and
3. the balance in the fund at the close of the fiscal year.

H. Annual Financial Management Report. The Lead Administrator shall ensure that it complies with the reporting procedures required by the State of North Carolina for charter holders to prepare and distribute the school’s annual financial management report.

I. Attendance Accounting. The Lead Administrator shall ensure that it complies with all laws and rules concerning charter school student attending accounting, reporting, and record keeping. The Lead Administrator, chief campus leaders, and teachers of MCS will be responsible to the Board and to the state to maintain accurate, current student attendance records. Attendance at MCS will be determined by taking attendance by 10:00 a.m. Eastern Time each regular school day. MCS will not change the established period in which absences are recorded during the school year.

USE OF FEDERAL FUNDS AND FEDERAL FISCAL COMPLIANCE

A. Fiscal Requirements under Title 1. MCS 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 Lead Administrator. The documentation must clearly demonstrate the supplementary nature of federal funds. MCS 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 MCS.
2. New goals shall be added as new money is identified.
3. The Lead Administrator shall conduct the needs assessment and School Improvement Plan prior to any grant application.

B. Federal Grant Allowable Expenditures.

MCS shall ensure that it consults the appropriate OMB Circular, applicable to open-enrollment charter schools, to determine what costs are allowable. MCS shall ensure that all grant funds are expended in accordance with the circular.

C. Time and Effort. If a MCS employee's compensation is funded by any grant, MCS shall ensure that the employee maintains a 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.

The Lead Administrator shall ensure that the time sheets contain the signatures of the employee that completed the time sheet, a school official, and MCS's grant manager.

D. Use of Federal Grant Funds for Procurement. When expending federal grant funds, MCS shall ensure compliance by MCS 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. MCS 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 effort shall be made to enter into business and other transactions that are of the highest quality for MCS, 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 contractor or increases the contract amount by more than the amount of the small purchase threshold.

E. *Open, Full, and Free Competition.*

MCS 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 MCS considering price, quality, and other relevant factors deemed appropriate by the Board and Lead Administrator.

F. *Conflicts of Interest.* In accordance with MCS policy -

Conflicts of Interest set forth herein, MCS shall ensure that no employee, officer, or agent of MCS, 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.* MCS shall ensure there is a cost or price analysis made and documented with every procurement action. The Lead Administrator and/or their designee must

approve all purchases. All purchase requisitions must be submitted electronically to the Financial Service provider. Purchase requisitions, authorizing the purchase of items greater than \$500 must be signed/approved by the Lead

Administrator and submitted electronically to the Financial Service provider with the related invoice or purchase order. When approving purchases, the Lead Administrator and/or their designee must:

1. Determine if the expenditure is budgeted
2. Determine if funds are currently available for expenditures (i.e. cash flow)
3. Determine if the expenditure is allowable under the appropriate revenue source
4. Determine if the expenditure is appropriate and consistent with the vision, approved charter, school policies and procedures, and any related laws or applicable regulations
5. Determine if the price is competitive and prudent. Any individual making an authorized purchase on behalf of the school must provide the appropriate documentation of the purchase. Individuals other than those specified above are not authorized to make purchases without preapproval. Individuals whose personal funds to make unauthorized purchases will not be reimbursed. Authorized purchases will be reimbursed by an electronic check as soon as possible after receipt of appropriate documentation of the purchase.



MCS 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 Lead Administrator shall endeavor to obtain three bids. In the event that three bids are not obtained, the Lead Administrator must present the Record Documentation, set forth above, to the Board and the Board must approve such procurements/contracts. In such circumstances, the Lead Administrator does not have authority to bind the Board or MCS 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. MCS shall ensure that all legally mandated provisions are included in each procurement contract. MCS 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, MCS will comply with all applicable rules and regulations. The Board and Lead Administrator shall ensure that all applicable advertisement notice bid requirements are satisfied.

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

C. Contract Award. The Lead Administrator 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 licenses/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 goods or services;
7. The extent to which the goods or services meet MCS needs;
8. The bidder's past relationship with MCS;
9. The impact on the ability of MCS to comply with the laws and rules relating to historically underutilized businesses;
10. The total long-term cost to MCS to acquire the bidder's goods or services;
11. Any other relevant factors 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 MCS policy or are not sourced by State or Federal funds, the Lead Administrator shall ensure that the MCS receives appropriate value for the expenditure.

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

C. *Record Documentation.* The Lead Administrator 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 MCS.
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 Lead Administrator shall endeavor to obtain three bids. In the event that three bids are not obtained, the Lead Administrator must present the Record Documentation, set forth above, to the Board and the Board must approve such procurements/contracts. In such circumstances, the Lead Administrator does not have authority to bind the Board or MCS 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. The Lead Administrator and the Administrative Assistant will manage the petty cash fund. The petty cash fund will be capped at \$500. All petty cash will be kept in a locked petty cash box in a locked drawer or file cabinet. Only the Lead Administrator and the Administrative Assistant will have keys to the petty cash box and drawer or file cabinet. All disbursements will require a completed and signed petty cash slip. A register receipt for all purchases must be attached to the petty cash slip. A register receipt must support the petty cash slip. The individual using the petty cash to make a purchase is responsible for submitting the receipt for the petty cash slip to the designated staff member within 48 hours of withdrawing the petty cash.

Any irregularities in the petty cash fund will be immediately reported in writing to the Lead Administrator, who will immediately inform members of the Finance Committee. Loans will not be made from the petty cash fund. School checks shall not be made payable to "Cash". MCS 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 MCS administrator on the same school day as it is received, or as soon as feasible, for deposit. MCS shall be responsible for ensuring that cash received is deposited in MCS'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 same day the deposit is made or the next day after the deposit is made.

B. Checks. Any authorized check drafted on MCS's bank account(s) shall have two authorized check signers for any amount over \$2,000.00. The following MCS officers are authorized to sign checks from MCS's bank account on behalf of MCS: Board President Board Treasurer, Board Vice-President, Board Secretary, or Lead Administrator. 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 Lead Administrator. 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. All check request forms shall be maintained by the School Finance Officer or CFSP. Parents of students enrolled at MCS and employees of MCS must receive prior notice from MCS that in the event a check they have submitted to MCS is returned for insufficient funds, or any other reason, MCS shall collect from the check maker the amount originally due in addition to any fee assessed to MCS 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 MCS is prepared to pay any outstanding balances within three days

from when the funds are deposited in MCS's bank account. MCS shall ensure that all bills, including payroll and related withholding taxes, shall be paid by MCS within three working days from when such funds are deposited in MCS's bank account.

D. Bank Reconciliations. The Lead

Administrator or his/her designee is responsible for bank reconciliations a minimum of once a month. Each MCS bank statement, assets, and liabilities shall be reconciled to both the checkbook and the general ledger.

E. Credit and Debit Card Procedures. If MCS decides to utilize credit or debit cards, only the following are authorized to use a MCS credit or debit card: the Lead Administrator and the School Lead Administrators, subject to the expenditure limitations set forth. All authorized users of

the MCS credit or debit card assume the responsibilities pertaining to the use and reconciliation of the credit or debit card. The MCS 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 MCS credit or debit card must

receive prior, documented approval from the MCS 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. MCS 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 Lead Administrator is authorized to approve activity expenditures.

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 Board Approved: 07/12/2022



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/CFSP

- 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.

Board Approved: 07/12/2022



XX –TRAVEL REIMBURSEMENT

A. MCS Board members, officers, and employees engaged in travel on official business of MCS 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 MCS.

B. MCS 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 Lead Administrator or designee must authorize reimbursement in advance.

XXI –PAYROLL DEDUCTIONS

MCS 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 Lead Administrator'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 Lead Administrator 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 MCS 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 Lead

Administrator shall ensure that MCS maintains accurate records of capital assets in accordance with applicable rules.

C. Inventory. The Lead Administrator 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 Lead Administrator 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 MCS, and all property presently held by MCS, may be considered public property.