

Adopted: January 28, 2015

Revised: _____

BLUESKY CHARTER SCHOOL POLICY No. 7.1 SEGREGATION OF DUTIES

I. PURPOSE

The purpose of this policy is to establish internal controls that will enable BlueSky Charter School to properly safeguard its assets and to comply with state and federal laws.

II. POLICY STATEMENT

It is the policy of BlueSky Charter School to have internal controls that will adhere to Generally Accepted Accounting Principles, and applicable mandates of state and federal law.

III. BANKING AND CASH MANAGEMENT

- A. Bank accounts. The Executive Director and the Board Chair shall be designated as parties authorized to open bank accounts on behalf of BlueSky Charter School.
- B. Check preparation. The accounts payable representative from the finance management company shall be responsible for preparation of all checks. Checks for an amount in excess of \$500 shall be signed by the Board Chair and Board Treasurer.
- C. Deposits, withdrawals and transfer of funds. The Executive Director and Board Treasurer shall be responsible for all deposits, withdrawals and fund transfers. Specific policies regarding electronic fund transfers are contained in Board Policy 7.3.5.
- D. Blank checks. The finance management company shall be the custodian of all blank checks.
- E. Reconciliation. The accounts payable representative from the finance management company shall reconcile cash and bank transactions monthly.

IV. PAYROLL AND RELATED LIABILITIES

This policy does not constitute legal advice; any questions regarding this policy should be directed to your attorney.

- A. Timekeeping. The Executive Director, in consultation with the HR specialist, shall establish policies for employee timekeeping. Those policies shall be presented to the Board annually for its review and approval through the review of the staff handbook.
- B. Payroll. The Executive Director shall contract with a payroll vendor approved by the Board. The vendor shall establish and implement policies regarding appropriate disbursement of payroll to bona fide employees, record payroll disbursements accurately, and will develop an adequate system for necessary payroll taxes and other withholdings. The Executive Director shall be responsible for ensuring that the payroll vendor adheres to the policies established and those policies shall be reviewed by the Board annually through the review of the annual audit.

V. FIXED ASSETS

A. Purchases.

- 1. Conformity to budget. All purchases shall be demonstrably related to activities and functions identified in the annual budget.
 - 2. Purchases over \$10,000. All purchases over \$10,000 shall receive prior approval from the Board. Refer to Board Policy 7.3.1.
- B. Inventory. The Executive Director or designee shall ensure that an appropriate inventory of all fixed assets is maintained showing description, date purchased or received and cost or fair market value. The assets shall be compared to the inventory annually and an annual report shall be made to the Board regarding inventory through the review of the annual audit.

VI. GRANTS, DONATIONS

- A. The Executive Director or finance manager and company shall establish a procedure for recording all monetary contributions and shall maintain documentation of such contributions.
- B. All grants, gifts and donations shall be administered in accordance with Board Policy 2.6.

Legal References: Minn. Stat. §124D.10 subd. 8(j) (Charter School Law/Auditing Requirements)

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