

THE PINNACLE CHARTER SCHOOL FINANCE POLICY

These statements of policy are subject to change at the direction of the Board of Directors of the Pinnacle Charter School (Pinnacle).

I. OBJECTIVE

The financial objective of the Pinnacle is to conduct the operations and business of the School according to the requirements of Colorado law, as supplemented by the procedures established by rule of the Colorado Board of Education, on a sound fiscal basis, responding to the dictates of mission accomplishment in an efficient and fiscally sound manner as determined by the Board of Directors of the Pinnacle. In addition, the Pinnacle will maintain and prepare financial records such that accurate and timely financial statements and other financial information can be prepared in accordance with accounting principles generally accepted in the United States of America.

II. FISCAL MANAGEMENT GOALS

To establish a set of internal controls so as to ensure adequate Board financial oversight, maintenance of budget parameters, and the separation of the approval function from the accounting function.

To provide accurate and timely reports to the Board, the Pinnacle Community, and those agencies to which The Pinnacle is accountable in accordance with Colorado law, State Board of Education rule, and the Charter Contract to which the Pinnacle is a party.

To maintain all accounts in accordance with Generally Accepted Accounting Principles in a format meeting the requirements of Colorado Board of Education rule and capable of being readily understood by members of the Board, the members of the Pinnacle Community, and the public at large.

To maintain Pinnacle accounts on a fund basis such that all fund transactions are accounted for in their respective funds.

In managing its finances, the Pinnacle shall not:

- a) at any time allow unrestricted cash and equivalents to drop below an amount necessary to meet operating expenditures over a 30-day period;
- b) expend more operating funds than have been received in the fiscal year to date unless both the liquidity requirement and reserve requirement have been met;
- c) allow the Pinnacle to incur penalties in material amounts for tax payments, other government ordered payments, or other payments, or allow filings that are excessively overdue or inaccurately filed;
- d) fail to aggressively pursue receivables after a reasonable grace period;
- e) endanger future capacity to accomplish ends.

Borrowing levels will be determined consistent with law and the Charter Contract between the Colorado Charter School Institute (CSI) and the Pinnacle.

To gradually build up reserves above the minimums required by law to, in turn, allow for further expansion of the Pinnacle's capabilities to serve students.

III. CONFLICT OF INTEREST

Pinnacle Officers, Board Members, and Employees shall not have a direct or indirect interest, including financial and other interests, or engage in a business transaction or professional activity, or incur any obligation of any nature that may conflict with the proper discharge of their respective duties in the public interest.

All vendors submitting solicited quotes, bids, or RFP's are required to disclose any actual or potential conflict of interest that may arise if they are selected to perform the obligations solicited, both before selection and throughout the term of any contract.

Pinnacle Officers, Board Members, or Employees who act on behalf of the Pinnacle Charter School in contract negotiation, vendor selection, or purchasing shall:

- a) Avoid the intent and appearance of unethical or compromising practice in relationships, actions, and communications.
- b) Demonstrate loyalty to the Pinnacle by diligently following the lawful instructions of the Pinnacle while using professional judgment, reasonable care, and exercising only the authority granted.
- c) Conduct all purchasing activities in accordance with Pinnacle rules and remaining alert to and advising Pinnacle leadership regarding the legal ramifications of purchasing decisions.
- d) Refrain from any private or professional activity that would create a conflict between personal interests and the interests of the Pinnacle.
- e) Identify and strive to eliminate participation of any individual in operational situations where conflicts of interest may arise.
- f) Not solicit or accept money, loans, credits, or discounts for personal use and shall avoid the acceptance of personal gifts, entertainment, favors, or services from present or potential suppliers which might influence, or appear to influence purchasing decisions.
- g) Promote positive supplier relationships through impartiality in all phases of the purchasing cycle.
- h) Display the highest ideals of honor and integrity in all public and personal relationships in order to merit the respect and inspire the confidence of the Pinnacle and the public.
- i) Provide an environment where all business concerns, large or small, majority or minority owned, are afforded an equal opportunity to compete for business with the Pinnacle.
- j) Enhance the proficiency and stature of the purchasing profession by adhering to

the highest standards of ethical behavior.

In many, but not all instances, Vendors may not assign any portion of their performance to third parties such as subcontractors, without the prior written consent of the Pinnacle.

IV. ANNUAL BUDGET

The annual budget is the financial plan for the operation of the Pinnacle. It provides the framework for both expenditures and revenues for the year and translates into financial terms the educational programs and priorities of the School. The budget will serve as the basis for information appearing on required reports, as an integral part of the accounting records and as a tool for management control of expenditures during the year. The Pinnacle will comply with Colorado State Law and Board Rule concerning practices relating to school districts' budgets.

1. Budget Timing Considerations

In the spring of each year, the Superintendent and the Chief Financial Officer will prepare the draft budget for the ensuing fiscal school year with input from the Board, Administrators, Department Heads, Teachers, and other advisory groups as needed. The draft budget shall be presented to the Pinnacle Board of Directors and the approved budget submitted to CSI in accordance with CSI published or negotiated due dates.

2. Budget Planning Factors

The Pinnacle's annual budget will be based on meeting its Strategic Goals as approved by the Pinnacle Board of Directors.

PPR will be in accordance with CDE and CSI projections.

The draft budget shall take into account credible projections of revenues, carryover funds and expenses, salaries and benefits, normal operating expenses, and separate capital and operational items. The draft budget shall disclose all planning assumptions for each account. The budget shall not use any reserves other than as intended and permitted by law.

Amounts to be dedicated toward instructional supplies and materials, at risk funding, and capital reserve and insurance shall be determined in accordance with the provisions of Colorado State Law on an annual basis.

The Pinnacle shall maintain operating reserves at or above levels required by law or in accordance with requirements stipulated in outstanding Pinnacle bond agreements or other outstanding financial contracts, whichever is higher.

3. Budget Transfers/Modifications to Adopted Budget

The Board of Directors may transfer any unencumbered moneys from the operating reserve account in the general fund, to any other fund as permitted by law.

The Superintendent or the Chief Financial Officer may move amounts within total approved spending between accounts, line items and between funds as part of the process to manage the budget. The Chief Financial Officer will provide a listing of transfers made in a monthly report to the Board of Directors.

All Supplemental Appropriations will be submitted to the Board of Directors for approval. Pinnacle shall inform CSI of all Supplemental Appropriation information in accordance with CSI published or negotiated due dates.

4. Monthly Review by the Board

The Chief Financial Officer shall ensure that data is provided to the Board at its regular monthly meeting that allows a comparison of expenditure to budget. This data may be provided in spread-sheet format.

V. FINANCIAL EMERGENCIES

If the Board determines during any budget year that the anticipated revenues and amounts appropriated for expenditure in the budget exceed actual revenues available, the Board may declare a fiscal emergency. It is the Chief Financial Officer's responsibility to inform the Board of any conditions that might foreshadow such an emergency condition.

The Board is the final authority for determination of appropriate actions to be taken or planned for.

VI. PURCHASING, CONTRACTING, and ASSET MANAGEMENT

1. Check Signing

The Board of Directors may authorize the Superintendent, the Chief Financial Officer, school Administrators, or Board members to sign checks on behalf of the Pinnacle. In addition to being a signer on the accounts, the Chief Financial Officer can initiate wire/ACH transfers, open and close accounts or other account maintenance and inquiries as needed. Two signatures are required for each check issued over \$10,000. One of these two signatures needs to be from an authorized signing Board member. Under no circumstances will any check be issued for any request that does not have attached all the required support documents with all the proper approvals noted. Signer should review invoices and evidence of receipt when signing checks or approving items for payment.

To the maximum extent possible, manual checks will not be used. Checks will not be signed in advance. Checks will not be made for “cash” except in unusual cases with the approval of the Superintendent and the Chief Financial Officer.

2. Credit and Purchasing Cards

Credit Cards are used by managers and administrators for business type expenses such as meals, travel, office supplies, and staff and student incentives. Credit cards may not be used for personal purposes or expenses.

All use of cards must be accounted for by a detailed receipt – purchased items must be detailed on the receipt. All receipts must be recorded in the payable system by the user within one (1) week of purchase. Any non-receipted expense will be subject to collection from the user.

Credit Cards are not intended for large purchases over \$500 or to pay invoices that would normally flow through the approval process without specific prior approval of the CFO. Purchases may not be broken into smaller amounts to avoid this approval policy.

Exceptions to the \$500 limit:

- a) Credit cards may be assigned by the CFO to individual users for specific activities such as on-line employee reporting, curriculum, field trips, and other needs on a case by case basis.
- b) The Director of Facilities is authorized to make purchases for emergency repairs and maintenance within approved budget levels. The nature of the emergency and need must be included in the reason/justification section of the payment request.

The Pinnacle is sales tax exempt. Should tax be charged on items charged to the credit card, the cardholder is responsible for getting a credit issued for the tax or will be responsible for reimbursing the Pinnacle for the tax. An exception to this is for businesses that do not honor tax exemptions.

Pinnacle credit cards may not be used to set up individual Pinnacle accounts with any third party, including Paypal, Amazon, Ebay, etc. Users also may not use individually assigned Pinnacle credit cards to make a purchase through an employee’s personal third party vendor account. These type of vendor and/or payment accounts may be set up and used only through the Business Office with approval of the CFO.

Should any employee misuse a credit card issued on behalf of the Pinnacle, that employee may suffer consequences of the misuse to include disciplinary action,

cancellation of card privileges, and possible termination of employment, depending upon frequency and type of violation.

3. Purchasing Authorization

All purchases will be made in accordance with the policies below. In addition to the guidelines set forth in this policy, purchases and contracts initiated within the School Food Authority (SFA) will follow applicable procurement and contracting requirements as set forth by the CDE Office of School Nutrition.

In acquiring goods and services the Pinnacle shall consider a variety of factors including, but not limited to: cost, quality, durability, warranty, and other needs. Notwithstanding the foregoing, the Pinnacle reserves the right to reject any or all quotes, bids, or RFP's for any reason permissible by law and deemed to be in the best interest of the Pinnacle as determined at the sole discretion of the Pinnacle. If all factors are more or less equal, preference shall be awarded to the lowest bid, and to a degree, sources located within the geographic area in which students of the Pinnacle reside.

All purchases (exceptions listed below) will be initiated through the submitting of a request for purchase either manually or electronically, prior to expenditure of funds. Two approvals are required on all requests and may be recorded using controlled accounting/purchasing software. One of the approvers must be that of either the Department Head or Administrator of the department that oversees the budget of the account to be charged and the other approver must be the Chief Financial Officer or the Superintendent. Administrator positions are as follows:

- Elementary Principal
- Middle School Principal
- High School Principal
- Chief Financial Officer
- Superintendent

All approved purchase requests will be forwarded to the Business Office for further review and budget verification. Checks will be cut only by the Business Office. The receipt or invoice for the purchased items will be matched with the approved request, and a check will be printed for the amount of the purchase. If goods are received, the appropriate notation should be made on the request or documentation attached.

For out of the ordinary purchases, such as replacement parts for currently in use equipment (e.g., tires for school vehicles), the Department Head or Administrator may directly purchase the requested item with proper purchase approval. If the cost is \$2,500.00 or lower, the Department Head or Administrator concerned will investigate alternate sources before purchase to ensure lowest cost consistent with quality and

time requirements.

Exceptions (purchases made prior to approval):

- a) The Director of Food Services is authorized to purchase food service items on a recurring basis, subject to periodic review and oversight to ensure compliance with budget and adherence with appropriate bid procedures. All invoices must, however, be signed by the Food Service Director or designee denoting all items have been received.
- b) The Director of Facilities is authorized to purchase gasoline/diesel fuel as required to ensure efficient meeting of student transportation schedules and invoices must be signed by the Director or designee.
- c) Recurring expenses such as rents, alarm services, trash, utilities, phone, required monthly bond reserves, etc.
- d) The Director of Athletics is authorized to acquire game officials within approved budget levels prior to approval.
- e) Pinnacle credit card purchases within approved budget levels may be made prior to approval by cardholders only.
- f) The Director of Facilities is authorized to make purchases for emergency repairs and maintenance within approved budget levels prior to approval. The nature of the emergency and need must be included in the reason/justification section of the payment request.
- g) The Superintendent and the Chief Financial Officer may obtain legal counsel and other professional consulting within board approved budget levels.
- h) Reimbursements of teacher supplies within board approved budget levels

4. Classroom Supplies

All classroom teachers receive an annual classroom budget which can be spent on supplies, posters or other classroom equipment. Purchases for food or candy will not be approved. The classroom budget is available through January 31st of each year

5. Reimbursements

All requests for small purchase reimbursements (maximum amount of \$300) follow the purchasing and approval process with “reimbursement” clearly noted in the “Item Requested” section. An itemized receipt must be attached to the request. (NOTE: Reimbursement requests are processed electronically through the Pinnacle’s designated accounting system. An itemized receipt must be attached to the request before reimbursement can be completed.

The Pinnacle is a non-profit organization and does not reimburse for any taxes paid.

Some exceptions may be made for non-grant related purchases for some restaurants and out of state businesses that do not honor tax exemptions, but the exemption certificate must be presented at time of purchase. A copy of the Pinnacle's tax exempt certificate may be obtained through the Business Office prior to purchase.

The Pinnacle tax-exempt ID may not be used to purchase any non-school related items or for any items that are not processed for payment through the school. Any unapproved use of the Pinnacle Charter School name or tax ID is a legal violation and may result in disciplinary action up to and including termination.

If a purchase is made without proper approvals, the employee may be personally responsible for payment and disciplinary action may occur.

6. Competitive Pricing

Procurement of goods and services in an amount not to exceed \$2,500.00 is at the discretion of the purchaser, but with the concurrence and prior approval of the concerned Department Head or Administrator and the Superintendent or the Chief Financial Officer.

Procurement of goods in excess of \$2,500.00, unless for exempted purchases (see below) require the comparison of Direct Quotes (DQ) from a minimum of three potential vendors. Procurement of goods and services other than those exempted in Section 7 below that are in an amount that exceeds \$50,000.00 requires approval by the Pinnacle Board of Directors. In addition, purchases made with Federal grant funds in excess of \$150,000.00 require formal solicitation of a Competitive Bid (CB) or Request for Proposal (RFP). Contractors that develop or draft specifications for CB's or RFPs must be excluded from competition. The Board of Directors delegates authority to the Superintendent or his/her designee to evaluate and administer the process but retains the right of review.

Real Estate acquisitions and/or building additions and remodels require approval by the Board of Directors of both the Pinnacle Charter School and the Pinnacle Building or Property Corporation. All contracts relating to Board approved real estate acquisitions and/or building additions and remodels require Bond Counsel approval, the signatures of the Building or Property Corporation President, and signature of the Pinnacle Superintendent.

7. Items Exempted from Competitive Pricing.

Several purchased items are exempt from the competitive pricing process. These are:

- a) Purchases (or sales) with other units of government such as school districts.

- b) Supplies, equipment, or services which are necessary for the Pinnacle's operations and which the Superintendent in concurrence with the Chief Financial Officer determines may be timely obtained only from a single source.
- c) Textbooks, computers, publications and proprietary instructional materials.
- d) Items or products purchased by the Pinnacle for resale to the public.
- e) Water, sewer, gas, electric, phone, cable utilities, etc.
- f) Professional services to include, but not limited to legal, accounting, technology and staff and/or Board development.
- g) Maintenance contracts for proprietary equipment (sole source justification concurred with by the Chief Financial Officer).

8. Sole-Sourcing

Sole Source purchases are defined as:

- a) The purchase of goods or services that are only available through a single supplier due to a technical, specialized, or unique character or patents.
- b) The purchase of goods or services that are only available through a single supplier due to exclusive territorial rights to market the product or service within a geographic area.

Sole Source purchases are discouraged, as a general rule, because they tend to eliminate competition and, consequently, are usually sold at the maximum price that the market will bear. Consequently, sole source purchases over \$2,500.00 must be justified by the requester and approved by the Chief Financial Officer prior to purchase (instructional texts, computers, technology equipment and other curricular materials are excluded from this stipulation). A specific brand or model of equipment does not justify a sole source purchase, as the product may be available from multiple sources. Items that have been previously granted sole source status may also be excluded in the discretion of the Chief Financial Officer.

To facilitate this process, the employee seeking a sole source provider shall forward the request to the Chief Financial Officer, who in turn, shall research the market to determine if the product is available from other sources. If sole source is approved, the employee shall follow Pinnacle purchasing procedures.

9. Bid Award Protest

Any actual or prospective bidder, contractor, or vendor who is aggrieved in connection with the solicitation or award of a bid or contract may protest to the Chief Financial Officer, the Superintendent of the Pinnacle, or the Board of Directors. The protest shall be submitted in writing to one of the above persons at the Pinnacle

within seven days after such aggrieved person knows or should have known of the facts giving rise thereto.

Any protest involving an amount less than \$5,000.00 shall be determined by the Chief Financial Officer after seeking advice from the Pinnacle's legal counsel. Either the Chief Financial Officer or the legal counsel, as dictated by the circumstances of the situation, shall notify the protester of the Chief Financial Officer's decision.

For any protest involving an amount greater than \$5,000.00, the person receiving the protest shall evaluate it, and forward it to the Board of Directors along with his/her written evaluation and reasoning therefore. The Board of Directors shall be the determining body. In cases of Board determination, the Superintendent, on behalf of the Board, shall communicate the Board's decision to the protester.

10. Suspension and Debarment

After reasonable notice to the person involved and reasonable opportunity for that person to be heard, the Chief Financial Officer, after consultation with the Superintendent and counsel, shall have the authority to suspend and/or debar a person or firm for any reason set forth below from consideration of award of contracts. The period of debarment shall be determined by the Chief Financial Officer on a case-by-case basis. The reasons for suspension and debarment are:

Conviction of a criminal offense as an incident to obtaining or attempting to obtain a public or private contract or subcontract or in the performance of such contract or subcontract.

Conviction under state or federal statutes of embezzlement, theft, forgery, bribery, falsification or destruction of records, receiving stolen property or any crimes against children.

Conviction under state or federal antitrust statutes arising out of the submission of bids or proposals.

Failure without good cause to perform in accordance with the terms of any contract or unsatisfactory performance of any contract.

Debarment by any other governmental agency for any of the above reasons.

Any act or omission by a person or firm, or any information pertaining to the person or firm that comes to the attention of the Pinnacle, which act, omission or information causes the Chief Financial Officer reasonably to believe that the person or firm may not be reliable or may be unable to perform for any reason contracts or purchases granted by the Pinnacle.

11. Fixed Asset Tracking

Tracking of fixed assets will be accomplished according to the following:

- a) All tangible assets over \$5,000.00 in value are subject to tracking and depreciation. These items will be entered into an asset tracking database.
- b) All computers will be tagged and tracked by IT, but are not required to be capitalized for depreciation purposes.
- c) Fixed assets will be assigned a depreciable life based on Generally Accepted Accounting Principles.
- d) Internal audits of capital inventory will be done once a year. A physical inventory will be completed in June of each year.
- e) Purchase reports will be run for all purchases over \$5,000.00 that will be reconciled to the entries on the asset tracking report.

12. Contracting

Unless otherwise expressly authorized or directed by the Board of Directors, the Superintendent and the Chief Financial Officer or other designee as designated by the Board of Directors shall execute on behalf of the Pinnacle all contracts obligating the Pinnacle. The control, tracking, and administration of all contractual agreements in any amount will be charged to the Business Office. Administrative requirements shall be communicated to Department Heads.

The Board designates the Superintendent and the Chief Financial Officer as the express authority to execute change orders on approved construction contracts in an amount not to exceed \$50,000.00.

The Chief Financial Officer will review all contract documents, with the advice of legal counsel, if deemed appropriate.

13. Corporate Sponsorships and Exclusivity Contracts.

The Board of Directors of the Pinnacle recognizes that its ability to accomplish its educational mission can be enhanced by revenues raised through certain commercial ventures, including Corporate Sponsorships and Exclusive Rights Purchasing Agreements. The Pinnacle will seek mutually beneficial relationships between itself and the business community with the aim of achieving additional revenue to support the Pinnacle's progress in a manner consistent with its mission and applicable law. All Sponsorship and Exclusive Purchasing Rights agreements shall be developed and controlled through the Superintendent or his/her designee in concurrence with the Chief Financial Officer, with review by the Pinnacle's legal counsel. All Sponsorship and Exclusive Rights Purchasing Agreements shall require the approval of the Board

of Directors.

VII. DISASTER RECOVERY OF DATA

To prevent loss of critical data in case of disaster at the Pinnacle, routine backups of systems will be performed nightly at a minimum, transferring backup data to a separate, secure device on a weekly basis at a minimum. This procedure will be audited periodically, but no less than once a year by either the Chief Financial Officer, Superintendent, or designee (outside the IT department) assigned by the Superintendent or Chief Financial Officer.

VIII. GRANTS

The Board of Directors authorizes the Superintendent to accept outright grants on behalf of the Pinnacle. Any grant or bequest tendered with conditions will be reviewed by the Chief Financial Officer for financial impact and approved by the Board of Directors prior to acceptance.

IX. INVESTMENT POLICY/PROCEDURES

In order to make effective use of The Pinnacle's cash resources, all operating cash shall be pooled into one account and accounted for separately.

All School cash allocated to a specific use but temporarily not needed for disbursements shall be invested by the Chief Financial Officer, his or her designee or other administrator appointed by the Board of Directors and will be invested in accordance with all Colorado governmental and CDE guidelines, rules and procedures. Cash shall be invested in a manner designed to accomplish the following objectives:

- To ensure the safety of the moneys invested;
- To ensure that adequate cash is available to meet the daily financial obligations of the School;
- To earn a market rate of return on the investments; and
- To ensure that all cash is deposited and invested in accordance with state law.

1. Investment Officer

The Chief Financial Officer, or other appointed person, shall serve as the Investment Officer and will be guided by the "prudent investor rule" which states that investments "shall be made using the judgment and care, under circumstances then prevailing, which [persons] of prudence, discretion and intelligence exercise in the management of the property of another, not in regard to speculation but in regard to the permanent disposition of funds, considering the probable income as well as the

probable safety of their capital". The Chief Financial Officer, acting as Investment Officer, will act with the guidelines of the Pinnacle's Board of Director's policies and state law, and exercising due diligence, shall not be held personally responsible for loss of public funds resulting from specific investment transactions. However, he or she will be held responsible for insuring sufficient liquidity of investments so that the School operations can be maintained with minimal borrowing requirements in the event of bank or other institutional failures.

2. Investment Advisor

Because of the limited amount of cash existing at any one time in the Pinnacle's accounts, the services of an Investment Advisor may not be required. However, if conditions so warrant, the Chief Financial Officer may propose the use of the services of an Investment Advisor, selected through a process that examines comparative costs and past performances, to the Board of Directors for decision. Such Investment Adviser must be a registered investment adviser as defined in state law and regulated by the Securities and Exchange Commission and registered in the State of Colorado. Further, such Investment Adviser shall be either completely independent of any financial institution or securities brokerage firm or shall fully and continuously disclose any such relationships with such financial institution and/or securities brokerage firm relevant to the Investment Adviser's relationship with the School.

3. Eligible Depositories.

The following are considered to be eligible depositories of School investment funds:

- a) The Colorado Local Government Liquid Asset Trust;
- b) National banks which are insured by the Federal Deposit Insurance Corporation (FDIC) and which are approved as eligible public fund depositories by the State Banking Commissioner.
- c) All state and federally chartered savings and loan associations which are insured by the FDIC and which are approved as eligible public depositories by the State of Colorado Division of Financial Services.

For categories 2 and 3, local branches are preferred locations for transactions.

4. Eligible Securities Brokers/Dealers

The following will be designated eligible brokers/dealers for governmental securities purchases allowed under this policy and state law.

- a) Security dealers and banks which are designated as reporting Dealers by the Federal Reserve Bank of New York (primary dealers).
- b) National and state banks.

5. Eligible Investments/Criteria

Investments shall be diversified to avoid incurring unreasonable risks inherent in over-investing in specific instruments, individual institutions, or maturities. At all times, selection will conform to provisions of State and Federal law. Preference will be given to instruments backed by the faith and credit of the federal, state government or school districts. Positions in securities having potential default risk (e.g., commercial paper) shall be limited in size. The School will seek competitive quotes on all investments. Investments will be made on the basis of legality, safety, liquidity, and yield. All purchases and sales of investments shall be authorized or confirmed in writing by the issuer. For investment transactions conducted electronically, confirmation in the form of annotated documentation and confirmation received will be retained. The Board of Directors will receive a periodic report listing all the investments of the School. The School's annual audit will include a supplemental listing of all investments held by the School at the date of the financial statement.

X. RECEIPT OF FUNDS

The School receives funds from a number of sources throughout the year. It is the responsibility of the Chief Financial Officer to ensure that these funds are maintained in a safe and responsible fashion. Most School funds are deposited directly into Pinnacle accounts by the payers, e.g., CDE. It is the responsibility of the Chief Financial Officer to monitor these deposits and to ensure that any excess funds are invested, as available, and in accordance with the investment decisions made in accordance with policy.

1. Grant Reimbursement Requests

Federal and certain other grants may require the submittal of a Request For Funds (RFF) to the Charter School Institute (CSI), the Colorado Department of Education (CDE) or other agency. The Chief Financial Officer will cause to be submitted either monthly or quarterly RFF's in accordance with agency guidelines. The CFO will ensure that all allowable expenditures are submitted through the RFF by the end of each fiscal year or within the allotted time thereafter as set forth by the governing agency.

2. Deposits

Funds received (either cash or check) are to be deposited into the Pinnacle's bank accounts in a timely manner (within two to three business days). Further, the drop safes are to be used by staff for all deposits. All deposits are to be accompanied by the Receipt of Deposit Form, which clearly informs the Business Office of the source, amount, and account number of the deposit. Any additional information deemed

necessary is also to be included. Funds will not be kept or deposited in personal accounts.

- a) For all deposits, fill out a Deposit form and place the money, Deposit form and back up in a deposit bag and deposit in the school safe (located in the Business Office and also in the front office of the High School).
- b) Do not take cash to any Business Office or Front Office employee or leave it with any individual. All deposits are to be placed directly in the safe. Deposit bags are available in the Business Office or High School front office.
- c) If accepting checks, the student's first and last name or Student ID number must be written on the check.

3. General Fundraising Procedures

- a) All requests for fundraisers (except dress down days) must be submitted to the office of the Superintendent. Requests are submitted on a Fundraiser Request Form to the managing principal or supervisor who will present them to the Superintendent for approval.
- b) To request the use of Dress Down Day funds or to sponsor a specific Dress Down Day, submit a fundraising request form directly to the managing principal/administrator.
- c) Non-school sponsored fund raising is not permitted on school property.
- d) After approval or denial of the fund raising activity, the request form will be returned to the originator.
- e) Fundraising sponsors are responsible for communicating in writing to parents and students the details of the fundraiser, timing, and proposed use of funds raised. Submit a copy of the approved activity request and written communication to parents to the Business Office. Funds will not be released for expenditures until these documents are received by the Business Office. No funds collected for a fundraiser may be used for anything other than what was communicated.
- f) Deposit all monies collected in the safe on a daily basis as outlined in general deposit procedures. Money should not be kept in offices or classrooms overnight and must be kept under lock and key.
- g) Money for any school-related function will not be deposited or kept by any employee or individual and related expenses then paid by those individuals.
- h) Do not place merchandise in an unsecured area. Lost or stolen items will be the responsibility of the person in charge of the fundraiser.
- i) If students pay money directly to a vendor for any item, the Pinnacle Charter School name or Tax Exempt status may not be used in conjunction with the purchase (although merchandise sold may display Pinnacle name and logo if approved by administration).

- j) Violation of these procedures may be an illegal act on the part of the employee and may result in disciplinary action up to and including termination.

XI. BONDING OF EMPLOYEES

All school employees who are responsible for moneys controlled by the Pinnacle or who may have more than \$50 from such funds in their custody shall be bonded under group fidelity bond in individual amounts of at least \$10,000.00. This bonding may be accomplished in conjunction with the Pinnacle's general liability insurances or by procuring employee dishonesty insurance in an amount equal to \$10,000.00 per loss.

The President and Secretary of the Board, the Superintendent, the Chief Financial Officer, and any custodian of monies authorized and appointed by the Board shall, as required by Colorado statute, be individually bonded. This bond shall be in an amount not less than \$5,000.00. This bonding may be accomplished in conjunction with the Pinnacle's general liability insurances or by procuring employee dishonesty insurance in an amount equal to \$10,000.00 per loss.

XII. PAYROLL PROCEDURES

The Pinnacle uses a computerized time system that records the time an employee is working. Employees enter their access code into a computer when they arrive and when they leave. Managers review and approve employee time weekly and or monthly for accuracy and appropriateness. Employee time is posted from the time system to payroll on a monthly basis.

1. Time Entry Changes

All changes to the time entry system are made online by the employee's supervisor.

2. Personal Time Off/Vacation Form

All hourly and non-teaching salaried paid time off will be entered into the electronic time keeping system by the employee. Managers must approve all time off through the electronic time keeping system on a monthly basis by the 16th of each month. Time is transferred into the payroll system by the Accounting Manager or designee on a monthly basis.

3. Reconciliation of Federal Form 941 to General Ledger

Gross payroll is reconciled on a monthly basis by the Accounting Manager using spreadsheets and automated reports from the payroll system to the General

Ledger. These reconciliations are reviewed and initialed by the Chief Financial Officer. Quarterly amounts used for purposes of filing the Form 941 will be the total of the monthly-reconciled amounts.

4. Reconciliation of Payroll Liabilities to General Ledger

The payroll/HR system used by the Pinnacle automatically computes and records outside payroll liabilities on an individual and general basis. Gross amounts are reported on a monthly basis and reconciled to the General Ledger by the Accounting Manager and reviewed and initialed by the Chief Financial Officer.

5. Variances to Monthly Employee Pay

Salaried employees applying for supplemental credit (pay) must have a manual time sheet approved by their Department Head/Administrator, as appropriate. MOU's (memorandum of understanding) or Stipend Requests for additional work performed by employees must be pre-approved by the CFO and the Superintendent. All such supplemental factors will be manually input into the payroll system. In all cases, the Accounting Manager or designee inputs data into the payroll program, the Chief Financial Officer reviews a pre-submission report and approves prior to final submission.

IX. TRAVEL AND ENTERTAINMENT

1. Expense Reporting

Business related expenses may be reimbursed via the electronic purchase request process and are in line with Pinnacle's published per-diem rates. Attach all itemized receipts to the electronic request. The Pinnacle will not pay for any sales taxes incurred with the exception of some food purchases or out of state business that will not allow the tax exempt deduction. You may obtain the tax exempt ID number from the Business Office prior to purchasing to avoid incurring taxes.

Meals and other travel related expenses must also be pre-approved. The Pinnacle will reimburse for meals *not* provided by the conference host at the following rates:

- Breakfast \$15
- Lunch \$20
- Dinner \$30

The Pinnacle will not reimburse for the purchase of any alcoholic beverages. Charging alcoholic beverages or other personal items to a Pinnacle credit card may result in disciplinary action.

2. Reimbursement for Mileage

The IRS stipulates that mileage reimbursement will be made only for mileage driven between the school and your destination. Driving directly to and from home and the destination is not reimbursed. An exception is made when an employee drives more than 30 miles one way to a work-related event in excess of what their normal drive distance is to the school.

In cases when multiple employees attend the same event, carpooling is encouraged and mileage will be reimbursed to the employee providing the transportation to the car pool. The reimbursement will be for the distance each way between the school and the destination.

Reimbursement will be paid at the IRS determined standard mileage rate in effect at the time the miles were driven (the IRS establishes this rate annually).

If you are requesting reimbursement for mileage, attach a completed mileage form along with a MapQuest or similar statement showing actual mileage to the event address.

Mileage forms and current rates are available on the Business & Payroll Office web page.