



MARK ARMIJO ACADEMY

Financial Procedures Manual



EFFECTIVE JULY 1, 2019

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PURCHASING

The following policies and procedures for purchasing are in compliance with the requirements established within the grant and the State Procurement Code (Section 13-1-1 through 13-1-199, NMSA, 1978 Compilation).

PURCHASE REQUISITION

A purchase requisition (PR) or equivalent must be submitted to the Business Office for review. The business manager will use this PR to verify that sufficient budget capacity and cash balance exist to make additional expenditures. If sufficient budget and cash balance exist, the business manager will then assign a Purchase Order.

PURCHASE ORDER

A purchase order number will be assigned and a PO will be prepared from the information provided in the purchase requisition. An original copy of the PO must be signed by the Chief Financial Officer and returned to the business office where it will be forwarded to the appropriate vendor

RECEIVING

Once the goods are delivered, the receiver must inspect the items for visible damage in the presence of the carrier. Damaged goods should not be accepted. The receiver must also compare the quantities received to the quantities recorded on the packing list. The packing list will be kept in the business office where it will be compared and attached to the open purchase order and filed in the *Pending Invoice* file until receipt of invoice.

For partial shipments or returned items, the business office will make a note on the open PO as to which items have been received and/or returned and attach a copy of the PO to the partial shipment packing list and file it in the *Pending Invoice* file until receipt of invoice.

INVOICES

Once an invoice is received, the business manager will review the vendor invoice for mathematical accuracy as well as compare terms, quantities and prices to the purchase order and packing list (if applicable). Differences must be resolved before payment is made. If a partial shipment was received, the vendor will only be paid for the items received. The original invoice will then be attached to the PO and packing list. The business manager will then forward the original voucher and supporting documentation to the accounts payable clerk who will record the invoice into the accounting database for payment.

ACCOUNTS PAYABLE

An open payables list will be created and reviewed by the business manager on a weekly basis in order to select which vendors to be paid. The accounts payable clerk will prepare and print the

selected checks from the accounting database and obtain proper signatures. The check stub will be attached to all supporting documentation and filed in the Vendor files in the business office.

The Business Manager will compare the check to the check register on a test basis to ensure that the following agree:

- 1) Check Number
- 2) Payee
- 3) Account Code
- 4) Amount

RESPONSIBILITY OF SCHOOL EMPLOYEES

Mark Armijo Academy staff members must decide what performance requirements are needed. Brand names or personal preference should not be the determining factor. Pricing must be competitive. It is extremely important to plan purchases to allow adequate time for the business office to compare purchase need to the budget and to meet legal requirements and delivery lead times. Staff should allow approximately two weeks for processing plus delivery time.

Federal and State laws and regulation require that a purchase order must be issued before any product or service is purchased. All School funds, including activity funds, require a purchase order. ***Administrators and teachers may be personally accountable for purchases that do not comply with School requirements.***

TYPES OF PURCHASES

1. Check Requests: Purchases, which are determined to be exempt or of non-competitive nature by the Procurement Office will be processed by this method. Qualifying purchases are as follows:
 - a. Subscriptions, membership fees, registration fees, refunds, reimbursement of petty cash, mileage and travel authorizations.
 - b. To process, prepare a *Check Requisition* designating the appropriate check request amount and submit with supporting documentation. For travel, the employee must complete a *Travel Expense Report* (see Travel, Per Diem and Mileage section for more details).
2. Other Purchases:
 - a. Complete a purchase requisition or equivalent and forward it on to the Chief Procurement Officer for approval in the usual manner.
 - b. Attach three (3) quotes if a single item to be purchased exceeds **\$5,000**. The quotes must include vendor name and telephone number. Be sure each quote is inclusive of all charges and freight.
 - c. For planning purposes, allow 14 working days for processing, which does not include delivery time.

3. For purchases exceeding \$60,000 for Tangible items and/or Contracted Services require Formal Bids: If the estimated or actual cost of a purchase exceeds these amounts, you must:
 - a. Establish funding
 - b. Prepare “draft” specification, which clearly identify the technical and performance requirements of the item or service required.
 - c. Identify any vendors who you know can supply the item or service required.
 - d. Submit the requisition and “draft” specifications to the Business Office to be formally bid. The business office will mail or otherwise distribute bid documents as well as publish public notice not less than ten calendar days prior to the date set forth for the opening of the bid.
 - e. For purposes of planning, please allow at least 35 working days for processing and award, which does not include delivery time.

Travel, Per Diem and Mileage

POLICY:

All In-State travel requests must comply with the requirement set forth on the Procedure as per DFA Rule 95-1. Overnight travel must receive prior approval from the Executive Director and Governing Council. Pre-approved travel shall entitle the employee payment as defined by the Department of Finance and Administration. Reimbursement shall be made for travel on public conveyance at the most economical rate available for the trip. Pre-approved travel in a personal vehicle shall be reimbursed at the rate of \$0.43 per mile (80% of Federal IRS Rate of \$0.54 per mile).

PROCEDURES:

Prior to travel, the employee must complete a *Travel Request Form* and submit it to the Executive Director for approval, at least one month prior to travel. ***Due to increasing costs in travel and hotel expenses, travel requests not submitted one (1) month prior to travel will not be considered for approval.*** The approved *Travel Request Form* will then be forwarded to the business manager who will determine whether or not sufficient budget capacity and cash balance exist to make additional expenditures. If sufficient budget exists, the business office will submit to the Governing Council for final approval on overnight travel. If approved by the GC, the business manager or his/her designee will issue a Purchase Order for anticipated expenditures. A per diem check will be given no earlier than five (5) days prior to travel for actual hotel expenses. MAA will reimburse actual expenses for meals, not to exceed \$30.00 per day in-state and \$45.00 per day out-of-state. Receipts are required for hotel and meal expenses.

Within five (5) business days following travel, the employee must complete an *Expense Report* and/or a *Mileage Log* to request reimbursement for all travel and mileage expenses. All receipts for out-of-pocket expenditures for transportation, registration and miscellaneous expenses are required for reimbursement. The expense report will be reviewed and approved by the Executive Director/Principal and forwarded to the business office for processing.

REIMBURSEMENT FOR OTHER EXPENSES:

Employees may be reimbursed for certain actual expenses in addition to per diem rates.

Employees may be reimbursed the following expenses:

- (a) taxi or other transportation fares at the destination of the traveler;
- (b) gratuities as allowed by the Director of Education and/or Governing Council **not to exceed 20%**;
- (c) parking fees;
- (d) actual costs for travel by common carrier, provided such travel is accomplished in the most economical manner practical;
- (e) rental cars or charter aircraft, provided less expensive public transportation is not available or appropriate. ***In order to be approved for rental car expenses, the employee must show that the cost of renting a vehicle helps offset the cost of the hotel expense if a hotel is located next to the conference of which the employee is attending. For example, if the cost of the hotel is \$100 per night compared to \$200 for the sponsoring conference hotel for 3 nights (\$200 x 3 = \$600 OR \$100 x 3 = \$300 plus \$100 for rental car = \$400 total, this would justify the cost of a rental car);***

- (f) registration fees for educational programs or conferences, provided, if the fee includes lodging or meals, then no per diem rates shall be paid and only actual expenses paid by the employee and not included in the fee shall be reimbursed within the limits of 2.42.2.9 NMAC; and
- (g) professional fees or dues that are beneficial to Mark Armijo Academy's operations or mission.
- (h) Under circumstances where the loss of receipts would deny reimbursement and create a hardship, an affidavit from the employee attesting to the expenses may be substituted for actual receipts. The affidavit must accompany the travel voucher and include the signature of the Director of Education or Governing Council. (Affidavit attached)

Student Activity Fund Management

In general, Student Activity Funds are those funds that are owned, operated, and managed by students under the guidance and direction of an approved staff member for educational, recreational, and/or cultural purposes. The school Executive Director is authorized to approve the formation of all class organizations, clubs, and associations. All fundraising activities must be approved by the school Executive Director prior to initiating the fundraising activity.

POLICY:

1. Projects that raise student activity funds should contribute to the educational experience of students and not be in conflict with, but rather add to the existing curriculum.
2. Student Activity Funds should, whenever possible, be spent for the benefit of those students currently enrolled in the school who have contributed to the accumulation of these funds.
3. Student activities should be conducted so that they offer minimum competition to any commercial concerns, while still benefiting the student body as a whole.
4. All Activity Fund receipts and disbursements must be documented in accordance with established cash receipt and cash disbursement procedures.
5. The school Executive Director, or their designee, is responsible for the management of the school's Activity Funds.
6. The school Business Manager shall develop and maintain the procedures necessary to implement this policy in accordance with any applicable laws.

PROCEDURES:

1. The teacher or advisor in charge of the student activity will be responsible for receipting and depositing funds collected.
2. The teacher or advisor in charge of the student activity will adhere to the 24-hour banking rule outlined in NMAC 6.2.2.14.3.
3. Cash receipts for student activity funds shall be given to the front office where a pre-numbered receipt will be issued which identifies the activity for entry into the school's accounting system.
4. In the case of an off-site activity such as an intramural sports function, the teacher or advisor in charge of the activity will ensure that all cash is accounted for. It is recommended that two people independently verify cash receipts and, after arriving at the same conclusion, place their initials a count sheet verifying that all receipts have been tallied. The count sheet shall be given to the school Business Manager for verification.
5. In a situation where activity fund receipts are taken after school hours, the teacher or advisor in charge of the activity shall make sure that all receipts are properly safeguarded pursuant to NMAC 6.2.2.14.1.
6. The teacher or advisor in charge of the activity shall adhere to the school's adopted policy regarding the Cash Receipts Procedures at all times.

APPLICATION FOR NEW STUDENT ACTIVITIES:

If a new student activity fund is required, approval must be given by the Executive Director. Once approval is given, the Business Manager will assign a new account number.

SPONSOR RESPONSIBILITIES:

It is the sponsor's responsibility to understand and ensure compliance with all School policies and procedures as outlined in this manual. Failure to follow or lack of knowledge of procedures does not preclude sponsors from full responsibility and possibly disciplinary action as a result of this failure or lack of knowledge.

Failure to adhere to the fundraising policies and procedures illustrated in this manual may adversely affect the school's or club's ability to continue having fundraising activities. All noncompliance issues will be presented to administration for corrective action. Fundraising activities and supporting documentation are subject to unannounced audit(s).

The sponsor is fiscally responsible for all facets of the fundraising activity. He/she may be held liable for all unapproved fundraising activities and for any shortages identified if School policy has not been followed.

Sponsor's responsibilities include but may not be limited to:

- a. Planning the activity with club members.
- b. Selecting the vendor
- c. Scheduling the activity with the Executive Director or designee.
- d. Maintaining the appropriate controls to ensure that all monies are collected and turned in to the Business Office assistant on a timely basis (within 24 hours) and students are held accountable for outstanding product and amounts.
- e. Ensures that data is available to prepare a perpetual inventory of all products including incentive products, funds received, a list of delinquent accounts and outstanding product. Explanation of Outstanding Amounts can help sponsors with outstanding balances owed. This form should be used by sponsors as a tool only. This form does not need to be turned in to the Business Office, but may be requested by the Executive Director.
- f. Obtains the Executive Directors' approval for disposal of all surplus/damaged products. Surplus products are given away by the Executive Director and **not the sponsor.**
- g. Once a student fails to return product or pay for the product, then the sponsor should not issue any additional product (regardless of student's classification) until said student clears his/her record.

The sponsor must ensure that all club receipts and disbursements are processed in accordance with School's policies and procedures. Please refer to the CASH RECEIPTS and PURCHASING Procedures for guidelines, which govern these activities.

In general, product should be distributed after school or during a time when class is not unduly disrupted. Students are encouraged to sell the product to his/her immediate family or to known individuals. The School does not encourage activities that require and/or encourage students to sell "door to door."

The sponsor must notify the Executive Director and then immediately report all thefts to the Business Office. The sponsor may be liable for not reporting losses on a timely basis.

The sponsor should make a concerted effort to collect 100% of the total outstanding balance. Consistent losses, uncollectible balances, thefts, and/or unaccounted for balances may restrict a sponsor's ability to participate in fundraising activities.

Mark Armijo Academy:

- a. Reserves the right to stop payment on all fundraising activities in which the sponsor/vendor neglected to follow School policy. In these cases, a contract exists between the vendor and employee.
- b. Will not be liable for any unapproved fundraising activities;
- c. Will remove vendors from the "Approved List" for noncompliance with School policy.

APPROVAL OF FUNDRAISING ACTIVITY:

All fundraising activities must be approved prior to ordering or receiving product/ services. It is the Executive Director's responsibility to ensure that all activities have been reviewed and approved prior to commencement. Approval for periodically scheduled bake sales, car washes, burrito sales require a one-time approval for that particular month.

CASH RECEIPTS:

Refer to Cash Receipts Procedures.

DISBURSEMENTS:

Refer to Purchasing Procedures

CASH DISBURSEMENTS ARE PROHIBITED:

The vendor may be paid once the activity has generated enough funds to cover the cost. Payment cannot be processed without an original company invoice, which provides unit description, unit cost, free product, other charges, credits, returns, etc.

The purchasing Agent should be contacted immediately if a campus is having problem with a vendor. The vendor will not be paid until all problems are resolved.

Cash Receipts

CASH RECEIPTS:

Mark Armijo Academy will issue a factory pre-numbered receipt for all money received. Checks must be endorsed at time of receipt. The pre-numbered, triplicate receipts need to be controlled and secured by the business office. The original copy of the receipt will be given to the payer; a duplicate receipt will be forwarded on to the business office with a deposit slip and cash received for deposit; and the triplicate will remain in the receipt book. If a receipt is voided, all copies will be marked "VOID" and retained in the receipt book.

DEPOSITS:

Money received shall be deposited into the bank within 24 hours or one banking day, as outlined in NMAC 6.2.2.14.3, by the business office and recorded in AptaFund by the business manager. The triplicate receipt along with the deposit slip will be used as the source from which to make entries into the Revenue Ledger of Mark Armijo Academy's accounting software.

A cash receipts journal will be used for each fiscal year. It will begin July 1st and be closed as of June 30th.

BANK RECONCILIATION:

The business manager, who is not responsible for receiving cash, will prepare the monthly bank reconciliation. Reconciliation will be reviewed and approved by the Finance Committee. Bank reconciliation will be signed and dated when reviews are completed. The business manager will prepare adjusting journal entries to adjust accounting records to actual based on the reconciliation's ledger as well as post the adjusting journal entry to the general ledger.

TIMESHEET/TIMECLOCK POLICY

Non-Exempt Employees

Each non-exempt employee is required to have a record of hours worked. For non-exempt employees required to use time sheets, the following regulations will apply:

1. Non-Exempt employees are required to begin at their assigned start time and must record their time when they go on and off duty.
2. Employees are required to record any time they leave the work site, for any reason, other than their assigned work duties.
3. Unless authorized in writing by the Executive Director **and** Business Office Manager, no employee may sheet in more than 5 minutes prior to, or 5 minutes after, the start of their shift. Employees may not sheet out more than 5 minutes prior to, or 5 minutes following the end of their shift.
4. Recording time within the timeframe specified in item three, will be considered as an on-time report for duty.
5. Employees will be paid according to their contract, however, time recorded will be used to ensure that employees are working actual contract hours. Because non-exempt employees are reported as hourly employees, any time less than contract hours will be fully docked within the current pay period. Any time worked over contract hours will be paid within the current pay period. Any adjustments to the recorded time must be approved by the Executive Director **and** Business Manager.
6. Unless the employment contract includes a working lunch, which employees are paid for, employees must clock out for their designated lunch time. All employees are free to leave the school premises during lunch, unless the employment contract includes a working lunch.
7. Employees should not sign out for designated break times and must stay in the assigned work area during the break.
8. Non-exempt employees who have worked time in excess of 40 hours per week will be paid time-and-a-half for all time exceeding 40 hours.
9. Except in emergency circumstances, prior permission to work overtime as well as time exceeding contract hours should be **pre-approved** in writing by the Executive Director **and** Business Manager.

Violations of this policy may result in disciplinary actions; including verbal or written warnings, suspension without pay and/or termination. **Under no circumstance** may one employee or any other person record a time sheet or clock in and out for another. Any employee participating in this type of violation will face disciplinary action up to immediate termination.

Issuing of Textbooks and Materials SB 1019

Mark Armijo Academy requires that every student have a textbook or appropriate instructional materials for each class that conforms to the curriculum requirements and allows students to take those textbooks or instructional materials home. All non-consumable textbooks and instructional materials must be returned at the end of each school year. In order to help guarantee the durability and utilization of such textbooks and instructional materials, we have implemented the following procedures:

School:

1. All textbooks and instructional materials will be identified as Property of Mark Armijo Academy, numbered and inventoried, which will be assigned to students.
2. Keep an inventory of all textbooks and instructional materials.

Teacher:

1. Explain lost, damaged or stolen textbook and materials procedures to students.
2. Inform students of replacement costs associated with the textbook or materials being issued.
- ~~3.~~ Provide an orderly disbursement of textbooks and materials.
4. Have students sign out for textbooks and materials on appropriate form.
5. Inspect textbooks and materials for any irregularities and make a note of such irregularities.
6. Have students cover their books.

Student:

1. Sign out for textbooks and instructional materials making sure that he/she is issued the correct copy number.
2. Inspect textbook for damage and report any irregularities to the teacher.
3. Cover textbooks.
4. Maintain and return textbooks and instructional materials in reasonable condition, allowing for normal usage.

Lost, Stolen or Damaged Textbooks

The school shall follow all state laws and regulations in regard to lost, stolen, or damaged textbooks. Each school shall keep an accurate inventory of all textbooks and school property. The inventory shall be submitted to the school office annually at the end of the school year.

All textbooks and other materials provided for students are a loan and remain the property of the school. Students are expected to treat them carefully.

The Executive Director shall be responsible for developing a system for identifying and distributing school property. Teachers shall be responsible for ensuring that materials assigned to students are tracked and recorded. Before textbook or property distribution, the condition of the material shall be assessed and recorded.

At the end of the school year, when a student leaves the school, or when the material is no longer needed, all textbooks and materials shall be returned. Lost or stolen textbooks shall be replaced by the student in accordance with the following rates:

- Excellent condition: full replacement cost
- Good condition: 75% of replacement cost
- Fair condition: 50% of replacement cost
- Poor condition: 25% of replacement cost

Damaged books shall be assessed at the discretion of the teacher or Executive Director.

All payments received as a result of fines and assessments shall be forwarded to the school office for deposit. Each principal or designee shall maintain records regarding items lost or damaged, fines recovered, and fines outstanding. Receipts shall be given for each payment with a copy of the receipt sent to the school office.

Students receiving free or reduced lunch who cannot pay for replacement or assessment costs may, with the supervision of the building Executive Director and the approval of the parents of the student, provide school or community service in lieu of money to compensate for the lost or damaged materials. The amount of time shall be determined by the building Executive Director.

All obligations shall be met before final report cards are issued or records sent to other schools.

The Executive Director or designee shall prepare an annual report concerning lost, stolen, or damaged property as required by the state.