



TCSA Model Board Policy Series

Module 100: *Financial Operations*
Charter Board Policy for RMA/ TX, Inc.

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The following abbreviations are used throughout this Board Policy.

Atty. Gen. Op.	Attorney General Opinion
C.F.R.	Code of Federal Regulations
Tex. Admin. Code	Texas Administrative Code
Tex. Educ. Code	Texas Education Code
Texas Gov't Code	Texas Government Code
Tex. Labor Code	Texas Labor Code
Texas Local Gov't Code	Texas Local Government Code
EDGAR	Education Department General Administrative Regulations
U.S.C.A.	United States Code Annotated

100.020. ANNUAL OPERATING BUDGET

The governing body (“Board”) of RMA (also referred to as “RMA” or the “School”) adopts the following policy, which shall be effective on the date of adoption.

SECTION 1. Budget Process

SECTION 1.1. FASRG. The Superintendent will ensure that RMA follows a budgeting process that is consistent with the requirements in the Budgeting Module of the Texas Education Agency’s (“TEA”) Financial Accountability System Resource Guide.

SECTION 1.2. Superintendent. The Superintendent or designee is responsible for the preparation of the annual budget.

SECTION 1.3. District Improvement Plan. Each year before the annual operating budget is drafted the Superintendent shall ensure that a district improvement plan, which is based on a needs assessment of RMA, is drafted and finalized. The needs assessment and district improvement plan shall be completed by May 30th. The district improvement plan shall affect the drafting of the annual budget.

SECTION 1.4. Adoption. The Board shall formally adopt the budget, in a meeting open to the public, before the fiscal year of July 1st begins and before the expenditure of any funds.

SECTION 1.5. Minutes. The Secretary of the Board will record the adoption of the budget and any amendments in the Board meeting minutes in which the adoption occurs.

SECTION 1.6. Post-Adoption. After the adoption of the budget, the Superintendent and the Board shall review actual fund disbursements compared to the adopted budget and make amendments as needed. This shall occur soon after actual student enrollment is determined.

SECTION 2. Fiscal Compliance

The Superintendent shall ensure compliance with all state and federal laws and rules concerning the budget and related processes of the school, including but not limited to, laws and rules concerning online budget posting and financial solvency.

100.040 USE OF STATE FUNDS

The Board adopts the following policy, which shall be effective on the date of adoption.

SECTION 1. Use of State Funds

The Superintendent shall ensure that the School uses state funds only for lawful purposes.

SECTION 2. Prohibition Against Co-mingling of Charter and Non-Charter Business

The Superintendent shall ensure that the business activities of RMA not directly related to the management and operation of RMA shall be kept in a separate and distinct accounting, auditing, budgeting, reporting, and record keeping systems from those recording the business activities of the School.

SECTION 3. Interested Transactions

SECTION 3.1. Each member of the Board shall comply with all conflict of interest laws and rules applicable to affected board members.

SECTION 3.2. The Superintendent shall ensure that employees comply with all conflict of interest laws and rules applicable to affected employees.

SECTION 3.3. The Superintendent shall ensure that the following shall be recorded in the accounting, auditing, budgeting, reporting, and record keeping systems for the management and operation of the school:

- a. Financial transactions between the School and the non-charter activities of the charter holder;
- b. Financial transactions between the School and an officer or employee of the charter holder or the School;
- c. Financial transactions between the School and a member of the governing body of the charter holder or the School;
- d. Financial transactions between the School and a management company charged with managing the finances of a school; and
- e. Financial transactions between the School and any other person or entity in a position of influence over the charter holder or the School.

100.060 STATE FISCAL COMPLIANCE

The Board adopts the following policy, which shall be effective on the date of adoption.

SECTION 1. Fiscal Year

The Board adopts July 1st as the fiscal year for RMA.

SECTION 2. Financial Accounting

SECTION 2.1. Compliance. The Superintendent shall ensure that the School fully complies with generally accepted accounting principles, the TEA Financial Accountability System Resource Guide, TEA's Student Attendance Accounting Handbook, Public Education Information Management System (PEIMS), and any other applicable federal or state standards for financial management systems.

SECTION 2.2. Financial Reporting. The Superintendent or designee shall make an accurate, current, and complete disclosure of financially assisted activities in accordance with financial reporting requirements of each grant or sub-grant.

SECTION 2.3. Accounting Records. The Superintendent or designee shall maintain records that adequately identify the source and application of funds provided for activities assisted with state or federal funds.

SECTION 2.4. Internal Control. The Superintendent or designee shall maintain effective control and accountability of all federal grant and sub-grant cash, real and personal property, and other assets obtained with federal funds. The Superintendent or designee shall safeguard all such property and assure that it is used solely for authorized purposes.

SECTION 3. Grant Management Standards

SECTION 3.1. Compliance. If the School receives a grant directly from a state or federal agency the Superintendent shall ensure compliance with the grant requirements of that state or federal agency.

SECTION 3.2. Employee Time Sheet. If an employee's compensation is funded by any grant, the Superintendent 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.

SECTION 3.3. Signature. The Superintendent shall ensure that the time sheets contain the signatures of the employee that completed the time sheet, a school official, and the grant manager.

SECTION 4. Annual Audit by the Charter

SECTION 4.1. Annual Audit. Annually, the President of the Board shall ensure the engagement of a certified public accountant ("CPA") to have the financial and programmatic operations of RMA audited. RMA shall select and contract only with CPAs that are licensed by the Texas State Board of Public Accountancy and registered as a provider of public accounting services.

SECTION 4.2. Filing with TEA. The Superintendent shall ensure that the School timely files a copy of the annual audit report with the TEA division responsible for school financial audits. The report shall include a certificate of the Board which will include the original signatures of both the presiding officer and the secretary of the Board. The certificate shall indicate if the Board approved or disapproved the contents of the report along with the date of the Board's approval or disapproval. This approval or disapproval shall be supported in the Board's meeting minutes. The Superintendent shall ensure that if the Board disapproved the audit, it shall still be filed with TEA along with a statement identifying the reason(s) for Board disapproval.

SECTION 4.3. Disclosure of Interest. The Superintendent shall ensure that all persons with a substantial interest in a management company are separately disclosed in the annual audit.

SECTION 5. Annual Financial Statement

SECTION 5.1. Annual Financial Statement. The Superintendent 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:

- a. 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;
- b. the total disbursements of the fund, itemized by the nature of the expenditure; and
- c. the balance in the fund at the close of the fiscal year.

SECTION 5.2. Posting of Annual Financial Statement. The Superintendent or designee shall ensure that the annual financial statement is posted continuously on the school's Internet website.

SECTION 6. Annual Financial Management Report

The Superintendent shall ensure compliance with the reporting procedures TEA develops for charter holders to prepare and distribute the school's annual financial management report.

SECTION 7. Audit by the Commissioner

The School and its officers, employees and agents shall fully cooperate with an audit by the commissioner of education and will take all actions necessary to secure the cooperation of a management company.

SECTION 8. Attendance Accounting

SECTION 8.1. Compliance. The Superintendent shall ensure compliance with the TEA Student Attendance Accounting Handbook and all other laws and rules concerning charter school student attending accounting, reporting, and record keeping.

SECTION 8.2. Responsibility. The Superintendent, chief campus leaders, and teachers of RMA will be responsible to the Board and to the state to maintain accurate, current student attendance records.

SECTION 8.3. When Attendance is Taken. Attendance will be determined by the absences recorded in the second and fifth periods of the day unless permission has been obtained from the Texas Education agency for an alternate period to record absences. RMA will not change the established period in which absences are recorded during the school year.

SECTION 9. PEIMS Data Standard

SECTION 9.1. PEIMS. The Superintendent shall ensure that the School's fiscal accounting system is compatible with PEIMS data standards and conforms to Generally Accepted Accounting Principles.

SECTION 9.2. Account Code Structure. The Superintendent shall ensure that, with the exception of the codes that may be used at local option, RMA shall use the account code structure described in TEA's Special Supplement to the Financial Accountability System Resource Guide, Nonprofit Charter School of Accounts.

100.080 FEDERAL FISCAL COMPLIANCE

The Board adopts the following policy, which shall be effective on the date of adoption.

SECTION 1. Commitment to Compliance

Prior to expending federal grant funds, the Superintendent shall ensure that RMA consults the appropriate compliance standards. The Superintendent shall adopt and follow appropriate procedures to ensure that all grant funds are expended in accordance with applicable requirements, including where applicable, the Education Department General Administrative Regulations (EDGAR).

SECTION 2. Federal Grant Time and Effort

The Superintendent or designee shall develop and maintain an electronic record keeping system that can receive, store, and reproduce electronic records and signatures of electronic transactions in their original form. The records shall be retained in an accessible format for as long as legally required.

Section 2.1. Employee Time Sheet. If an employee's compensation is funded by any federal grant, the Superintendent 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.

Section 2.2. Signature. The Superintendent shall ensure that the time sheets contain the signatures of the employee who completed the time sheet, a school official, and the RMA grant manager.

Section 2.3. Substitute System for Time and Effort Reporting. Each school year, the Superintendent shall submit a management certification form by the deadlines required by TEA to qualify as a participant under the substitute system of semi-annual time and effort reporting for RMA employees. The Superintendent shall also ensure that any eligible employee participating in the substitute system of federal time and effort reporting completes a schedule and certification form at least semi-annually. The Superintendent shall ensure that the semi-annual certification form contains the signature of the employee and the employee's supervisor. The semi-annual certifications for each employee shall be maintained as part of the records of the School.

SECTION 3. Use of Federal Grant Funds for Procurement

Section 3.1. Compliance. When expending federal grant funds, the Superintendent or designee shall require compliance by 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 position, if applicable.

- a. Cost Principals. According to the new EDGAR (Education Department General Administrative Regulations), any expenditure of federal grant funds must be:
 - i. Allowable,
 - ii. Reasonable and Necessary; and
 - iii. Allocable,
- b. Costs of professional and consultant services, rendered by persons who are not employed by RMA, and members of a particular profession or possess a special skill, are allowable when reasonable and when certain factors are considered.
- c. Responsible Contractors. RMA must award contracts only to responsible contractors possessing the ability to perform successfully under the terms and conditions of a proposed procurement. Factors include contractor integrity, compliance with public policy, past performance, and financial and technical resources.
- d. Specific Procurement Standards with Federal Funds:
 - i. for expenses of \$3,000 or less (i.e., micro-purchases), purchases must be distributed equitably among qualified suppliers;
 - ii. for small purchases of less than \$150,000, price quotes from an adequate number of qualified sources;
 - iii. for construction, use procurement by sealed bids;
 - iv. when sealed bids are not appropriate (such as for when one or more source

- submits a fixed price or cost-reimbursement model), then use procurement by competitive proposals;
- v. for sole source purchasing, use noncompetitive proposals; and
- vi. for every procurement action in excess of \$150,000 a cost or price analysis must be performed before receiving bids or proposals.

Section 3.2. Shared Services. The Superintendent is encouraged to participate in group purchasing programs, shared services agreements, inter-local contracts and inter-entity agreements whenever possible to generate a cost savings for the School.

Section 3.3. Open and Free Competition. The Superintendent shall ensure that all procurement transactions are conducted in a manner that provides open and free competition. The Superintendent shall ensure that the procurement procedures do not contain features which unduly restrict competition.

Section 3.4. Conflicts of Interest: Standards of Conduct. The Superintendent shall ensure that no employee, officer, or agent of RMA, 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 not solicit or accept favors, gratuities, or anything of monetary value from contractors or their agents. The Superintendent shall maintain written standards of conduct governing the performance of employees engaged in the award and administration of contracts. The written standards of conduct shall also address organizational conflicts of interest. The Superintendent shall disclose in writing any potential conflict of interest to the Board, to TEA, and to the federal awarding agency.

Section 3.5. Disclosures of Misconduct. The Superintendent shall ensure that any evidence of fraud, bribery or a gratuity violation is promptly reported to the Board, to TEA, and to the federal awarding agency. The Superintendent shall also report any such evidence to local law enforcement authorities.

Section 3.6. Small and Minority Firms, Women's Businesses. The Superintendent shall ensure that RMA takes all necessary affirmative steps to assure that minority firms, women's business enterprises, and labor surplus area firms are used when possible.

Section 3.7. Record Documentation. The Superintendent shall maintain records sufficient to detail the history of each procurement secured with federal funds. The records must include, but not be limited to, the rationale for the procurement method, the selection of the contract type, contractor selection or rejection, and the basis of the contract price.

Section 3.8. Mandated Contract Provisions. The Superintendent shall ensure that all legally mandated provisions are included in each procurement contract.

SECTION 4. Special Fiscal Requirements under Title I, Part A of NCLB

Section 4.1. Supplement not Supplant. The Superintendent shall ensure that Title I funds will be used to supplement, not supplant regular non-federal funds.

Section 4.2. Documentation. Documentation shall be maintained, or caused to be maintained, by the Superintendent. The documentation must clearly demonstrate the supplementary nature of federal funds.

Section 4.3. District Improvement Plan. The Superintendent shall ensure that Title I funds used shall be aligned to the campus improvement plan. There shall be no costs expended that are not directly related to the campus improvement plan.

- a. A comprehensive needs assessment shall be conducted that will inform the drafting of the district improvement plan. The district improvement plan shall be aligned to the needs assessment and only needs that can be met with current funding levels shall be addressed in the district improvement plan.
- b. New goals shall be added as new money is identified.
- c. The Superintendent shall ensure that a needs assessment and district improvement plan is conducted prior to any grant application.

Section 4.4. Comparability Testing. Unless exempt from Title I's comparability requirements, the Superintendent or designee shall ensure compliance with all applicable comparability requirements. To ensure proper use of the receipt of any Title I, Part A funding, RMA will strive to avoid diverting state and local resources away from its Title I, Part A campus(es) by:

- a. Implementing a School-wide salary schedule. The Superintendent shall recommend for Board approval a salary schedule that indicates salary comparability across all Title I and non-Title I campuses and positions. The School-wide salary schedule shall allow for fair and comparable compensation for each position based each employee's job duties, special assignments, education, certifications, and experience. The Superintendent shall administer the compensation plan in a manner consistent with the annual budget adopted by the Board;
- b. Ensuring equivalence among campuses in teachers, administrators, and other staff. The ratio of students to teachers, administrators, and other staff at each Title I campus shall be equivalent to the ratio of students to teachers, administrators and other staff at non-Title I campuses. Equivalence shall be determined by various reasonable and appropriate factors;
- c. Ensuring equivalence among campuses in the provision of curriculum materials and instructional supplies. Each Title I and non-Title I campus shall receive equivalent funding for curriculum and instructional materials. Equivalence shall be determined by various reasonable and appropriate factors; and
- d. Adjusting to Ensure Comparability. The Superintendent or designee shall conduct testing to measure comparability and maintain records documenting compliance. If any instances of noncompliance are identified, the Superintendent or designee shall promptly implement adjustments as needed to ensure comparability, seeking Board approval where necessary or appropriate.

SECTION 5. Special Fiscal Requirements under IDEA, Part B (Special Education)

The Superintendent shall ensure compliance with the specific requirements applicable to the receipt of special education funding including maintenance of effort, excess costs, supplemental use, and Coordinated Early Intervening Services.

SECTION 6. Charter Schools Program (CSP), NCLB Title V, Part B

Section 6.1. Compliance. If RMA receives CSP grants, the Superintendent shall ensure compliance with all statutes, regulations, and approved applications.

Section 6.2. Fiscal Control. The Superintendent shall directly administer or supervise the administration of any projects funding through CSP funds and shall use fiscal control and fund accounting procedures that ensure proper disbursement of, and accounting for, federal funds.

Section 6.3. Conflicts of Interest. Board members and employees shall avoid apparent and actual conflicts of interest. An individual is prohibited from participating in an administrative decision regarding a project funded through CSP funds if the decision is likely to benefit that person or an immediate family member and the person is a public official or has a family or business relationship with RMA. A person is prohibited from using his or her position for a purpose that is, or gives the appearance of being, motivated by a desire for a private or financial gain for that person or for others.

Section 6.4. Procurement. When using CSP funds to enter into a contract for equipment or services, the Superintendent or designee shall comply with the applicable federal procurement standards. No Board member, employee, officer, or agent of RMA may participate in the selection, award, or administration of any contract supported by federal funds if a real or apparent conflict of interest exists.

SECTION 7. National Child Nutrition Programs

SECTION 7.1. National School Breakfast Program Participation. If at least 10 percent of enrolled students are eligible for free or reduced-price breakfasts under the national school breakfast program, provided for by the Child Nutrition Act of 1966, RMA shall participate in the program and make the benefits of the program available to all eligible students.

Unless the Board has obtained a waiver from the Commissioner for the applicable school year, all students shall be provided a free breakfast if at least 80 percent or more of the students qualify for a free or reduced-price breakfast under the National School Breakfast Program.

The Superintendent shall ensure the School's compliance with all federal and state rules governing administration of the National School Breakfast Program.

SECTION 7.2. National School Lunch Program. The Superintendent shall ensure compliance with all federal and state rules governing the administration of the National School Lunch Program.

SECTION 7.3. Child Nutrition Program Expenditures. Revenues must be used for expenses that are necessary for School Nutrition Program operation and improvement. This includes, but is not limited to food, equipment, supplies, and program personnel. The School Nutrition Program account funds must not be used for expenditures that are not directly related to the School Nutrition Program operation and improvement. All financial transactions related to expenditures are subject to the procurement regulations outlined by the Texas Department of Agriculture.

An expenditure of any single item or service that exceeds \$5,000 must have preapproval from Texas Department of Agriculture for the cost to be allowable.

100.100. CASH MANAGEMENT & CREDIT CARD PROCEDURES

The Board adopts the following policy which shall be effective on the date of adoption.

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. School checks shall not be made payable to "Cash". The Superintendent shall ensure that appropriate "separation of duties" are complied with in the handling of all money transactions, including reconciliation.

SECTION 1. Accounting for Cash Transactions

SECTION 1.1. Documentation. No cash in the amount over \$30, per transaction, per student, will be collected by any RMA staff member. Any amount over \$30 will only be accepted in the form of a check or money order or recorded as separate transactions. All cash transactions shall be recorded in writing, such as by handwritten 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 Principal on the same school day as it is received for deposit. The Principal will exchange this cash for a money order and mail it, certified, to the office of the Superintendent on a weekly basis.

SECTION 1.2. Depositing Cash. The Superintendent or designee shall be responsible for ensuring that all monies received are deposited in RMA's bank account. Deposits shall be made weekly.

SECTION 1.3. Petty Cash Prohibited. The use of petty cash shall not be allowed.

SECTION 2. Checks

SECTION 2.1. RMA Checks. Any authorized checks drafted on RMA's bank account over \$50,000 shall have two authorized signers. The following RMA officers are authorized to sign checks from RMA's bank account on behalf of RMA: Superintendent, Chief Financial Officer, Board President. Each check must be completed in its entirety before it is signed by either party.

SECTION 2.2. Checks Received. Checks received shall be endorsed "for deposit only" and shall be deposited weekly.

SECTION 2.3. Check Requests. Services or products rendered, reimbursement requests with original receipts, or mileage reimbursements may receive payment with a check. A Travel Expense Form or a Reimbursement Request Form must be completed by the requestor and approved with a signature by the appropriate supervisor. The forms shall contain the name of the payee, the date of the request, the amount of the request, a brief description for the issuance of the check, and the funding source that it will be drawn from. The Form shall be entered into the district financial software for processing. Checks made payable to "Cash" are prohibited.

SECTION 2.4. Check Acceptance Policy. In the event a check submitted to RMA is returned for insufficient funds, or any other reason, RMA shall collect from the check maker the

amount originally due in addition to any fee amount assessed by the bank because of the returned check. Parents and employees should be provided notice of this policy.

SECTION 3. Paying Bills with State or Federal Grant Funds

Grant funds shall not be requested from TEA until the School is prepared to pay any outstanding balances within three days from when the funds are deposited in RMA's bank account. The Superintendent shall ensure that all bills, including payroll and related withholding taxes, shall be paid within three working days from when such funds are deposited.

SECTION 4. Bank Reconciliations

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

SECTION 5. Credit Card Procedures

Only the following are authorized to use the RMA credit card: Superintendent, Chief Financial Officer, the Executive Director of Instructional Operations and the Director of Instructional Technology, Grants & Expansion. All authorized users of the RMA credit card assume the responsibilities pertaining to the use and reconciliation of the credit card. The credit 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.

Each credit card transaction by any user must be accompanied by appropriate documentation such as original receipts documenting each transaction.

SECTION 6. Activity Funds

SECTION 6.1. Parent/Volunteer Groups. The Superintendent or designee shall develop procedures for parent and school volunteer groups to follow in the collection of funds. Such procedures should distinguish between funds the school is collecting and funds the parent group is collecting. See Texas Education Code §12.108 for allowable fees that may be collected by the School.

SECTION 6.2. Activity Expenditures. The following individual(s) is/are authorized to approve activity expenditures: Principal, Chief Financial Officer, Executive Director of Instructional Operations, Director of Instructional Technology and Superintendent.

100.110 ELECTRONIC SIGNATURES AND RECORD KEEPING

The Board adopts the following policy, which shall be effective on the date of adoption.

SECTION 1. Acceptance of Electronic Signatures

RMA wishes to promote effective and efficient use of electronic communications to conduct School business. An electronic signature shall have the full force and effect of a manual signature only if the electronic signature satisfies all of the following requirements:

SECTION 1.1. The individual affixing his or her electronic signature to a document, contract, data transmission, or report is otherwise authorized by the Board to represent RMA in legal transactions, to commit the resources of the School, or to make or affirm representations concerning operations of the School.

SECTION 1.2. The electronic signature identifies the individual signing the document by his or her name and title.

SECTION 1.3. The electronic signature and the document to which it is affixed cannot be altered once the electronic signature is affixed.

SECTION 1.4. The identity of the individual signing with an electronic signature is capable of being validated.

This policy does not require electronic signatures to be created or used for any particular business transactions for the charter school.

SECTION 2. Electronic Recordkeeping

The Superintendent or designee shall develop and maintain an electronic recordkeeping system that can receive, store, and reproduce electronic records and signatures of electronic transactions in their original form. The records shall be retained in an accessible format for as long as legally required.

100.120. ACCOUNTING FOR CAPITAL ASSETS

The Board adopts the following policy, which shall be effective on the date of adoption.

SECTION 1. Capital Assets

SECTION 1.1. Capital Asset. A capital asset for RMA is an asset that is:

- a. Tangible in nature;
- b. Has a life that exceeds one year;
- c. Is valued at \$5,000.00 per unit; and
- d. Is reasonably identified and controlled through a physical inventory system.

SECTION 1.2. Documentation. The Superintendent shall ensure the maintenance of accurate records of capital assets in accordance with applicable rules.

SECTION 1.3. Inventory. The Superintendent will ensure that a physical inventory of capital assets takes place once every two years in accordance with rules.

SECTION 1.4. Financial and Compliance Report. For purposes of the Financial and Compliance Report, the Superintendent 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 RMA, and all property presently held by RMA, may be considered public property.

100.140. INVESTMENT OF STATE FUNDS

The Board adopts the following policy, which shall be effective on the date of adoption.

SECTION 1. Investment of Funds

The Superintendent shall ensure that the School invests state funds in accordance with applicable state law and rules. The investment of state funds shall be made with judgment and care and not for speculation, but for investment, considering the probable safety of capital and the probable derived income.

SECTION 2. Investment Management Firm and/or Officer

The Board may contract with an investment management firm that is registered under the appropriate governmental entities to provide for the investment and management of the funds. Such a contract shall not exceed two years. If the Board determines to renew any such contract the board shall issue the appropriate order or resolution.

SECTION 3. Discrete Maintenance of Records

The Superintendent shall ensure that all investments will be maintained in a discrete, charter investment account, separate from any other accounts.

SECTION 4. Investments

The following investments have received approval by the Board for the one-year period from (None at this time).

100.160 PAYROLL

The Board adopts the following policy, which shall be effective on the date of adoption.

SECTION 1. Accurate & Timely Payroll

The Superintendent shall ensure that school employees are paid accurately and timely in accordance with applicable laws and rules.

SECTION 2. Paydays

The paydays for all employees shall be on the 15th and 30th of each month. When these days fall on a weekend or a holiday, RMA will pay on the business day prior.

SECTION 3. Withholding of Wages

The Superintendent shall ensure that the wages of school employees are not withheld except as expressly required or expressly permitted by applicable laws and rules.

100.180 PROPERTY

The Board adopts the following policy, which shall be effective on the date of adoption.

SECTION 1. Public Property Held in Trust

SECTION 1.1. Public Property. An interest in real estate or personal property acquired, improved, or maintained using state funds that were received by RMA on, or after, September 1, 2001, is public property for all purposes under state law.

SECTION 1.2. Public Property Held in Trust. Public property is held by RMA in trust for the benefit of enrolled students.

SECTION 2. Use of Public Property

SECTION 2.1. Allowable Use. The Superintendent shall ensure that public property shall only be used for a purpose for which a school district may use school district property and only to

implement a program that is described in the open-enrollment charter and is consistent with the Texas Education Code §12.102. RMA shall ensure that RMA employees, agents, contractors, and management companies do not use or apply public property for any purpose other than a program approved by the Superintendent.

SECTION 2.2. Exception to Allowable Use. Employees may use local telephone service, cellular phones, electronic mail, and Internet connections for incidental personal use under the following conditions:

- a. Such incidental personal use must not result in any direct cost paid with state funds. If this does happen, the Superintendent shall ensure that the employee which caused the direct cost to be incurred by RMA shall reimburse the School;
- b. Such incidental personal use shall not impede the functions of RMA;
- c. The use of public property for private commercial purposes is strictly prohibited; and
- d. Only incidental amounts of an employee's time for personal matters, comparable to reasonable coffee breaks during the day, are authorized under this section.

SECTION 2.3 Violations of Section 2.

Section 2.3.1 Employee Violations. RMA shall ensure that a violation of Section 2 of this policy by an employee of RMA shall have disciplinary consequences, which may include termination of employment.

SECTION 2.3.2. Contractor Violations. The Superintendent shall ensure that each contract between RMA and another party includes language stating the allowable use of public property and that a violation of the allowable use may lead to termination of a contract. If a contract is terminated, based on a violation of Section 2 of this policy, RMA will compensate the entity for services performed as required by law.

SECTION 2.4 Joint Use of Real Property. The Board President shall ensure that the Board takes a separate vote to approve any joint use of real property for charter and non-charter activities. In the meeting minutes of the vote approving the joint use, the Board Secretary shall ensure that the minutes set forth the methodology used to allocate shared costs and the percentage allocation basis between charter and non-charter activities.

SECTION 3. Lease of RMA Facilities

RMA may lease its facilities to various organizations such as those that are educational, religious, or civic in nature. However, the availability of facilities for lease by outside entities will depend on RMA's own needs and convenience.

100.200 PURCHASING & CONTRACTING

The Board adopts the following policy, which shall be effective on the date of adoption.

SECTION 1. Public Works Contracts – Chapter 44 of the Education Code

SECTION 1.1. 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 ("construction services"), RMA will comply with Chapter 44, Subchapter B, of the

Education Code. Pursuant to Chapter 44, Subchapter B, of the Education Code, RMA shall select a method pursuant to Chapter 2269 of the Texas Government Code for construction services.

SECTION 1.2. Bidding Threshold. This policy applies when an expenditure of more than \$50,000.00 in public funds is required for construction services.

SECTION 1.3. Delegation of Authority. The Board of Directors may/may not delegate any or all of its authority under this Policy to the Superintendent. The act of delegating authority itself shall be accomplished through an act of the Board of Directors at a lawfully held meeting in compliance with the Texas Open Meetings Act. Upon delegation of such authority, the Superintendent shall have and may exercise the power and authority of the Board of Directors pursuant to this Policy.

- a. If the Board of Directors has delegated any of its authority under this Policy, the Superintendent shall ensure that any request for bids (RFB), proposals (RFP), or qualifications (RFQ) issued by RMA, shall provide notice of the delegation, the limits of such delegation, and include the name and title of each person to whom authority has been delegated. If the Superintendent fails to include such notice, any action taken under this Policy by the Superintendent must be ratified by the Board through formal action at a meeting held in compliance with the Texas Open Meetings Act.

SECTION 1.4. Selection of Construction Methodology. For each expenditure of more than \$50,000.00 for construction services, the Board of Directors shall determine the procurement method that provides the best value to RMA in accordance with applicable law. The procurement methods available to RMA are as follows:

- a. Competitive Bidding;
- b. Competitive Sealed Proposals;
- c. Construction Manager-Agent;
- d. Construction Manager-at-Risk;
- e. Design-Build Contract; and
- f. Job Order Contracts.

SECTION 1.5. Use of Architect or Engineer; Use of Other Professional Services. The selection or designation of any architect or engineer, or the procurement of construction materials, engineering services, testing and inspection services, or verification testing services shall be made on the basis of demonstrated competence and qualifications in accordance with Section 3 of this Policy.

SECTION 1.6. Sealed Bids. The Superintendent shall ensure that all bids, proposals or qualifications are sealed.

SECTION 1.7. Contract Award. In determining the award, regardless of the procurement method selected, the Board must consider any existing laws, including any criteria,

related to historically underutilized businesses and/or existing laws or criteria related to the use of women, minority, small or disadvantaged businesses. The Board may take into account several factors, including:

- a. Price;
- b. Experience and Reputation;
- c. Quality of Goods and Services;
- d. Impact on the ability of RMA to comply with rules relating to historically underutilized businesses;
- e. Safety Record;
- f. Proposed Personnel;
- g. Financial capability appropriate to the size and scope of the project; and
- h. any other relevant factor provided it is specifically listed in the RFB, RFP, or RFQ.

The Board shall make its selection based on the applicable criteria for the procurement method and document the basis for its selection. The Superintendent shall ensure that the evaluations are made public not later than the seventh (7th) day after the date any contract is awarded.

SECTION 1.8. Advertisement/Notice of Procurement Request and Notice. The Superintendent shall ensure compliance with any advertisement or notice required by Chapter 2269, Texas Government Code upon the issuance of a request for proposal, bid or qualifications, and that any such notice contains the following:

- a. The time by when and the place where the bids, proposals, or responses will be received and opened; and
- b. The criteria for the particular procurement method that will be used to evaluate the bids, proposals or responses.

SECTION 2. Professional Services

SECTION 2.1. Applicable Law. The Superintendent shall ensure that professional service providers are selected in accordance with the applicable law.

SECTION 3. Workers Compensation

Section 3.1. Applicable Law. RMA shall ensure that any workers compensation benefits for employees are selected and provided in accordance with applicable law.

SECTION 4. Cooperative Purchasing Programs and Interlocal Contracts

To the extent that the RMA charter contract permits RMA to enter into a cooperative purchasing program and an interlocal contract, the Superintendent shall ensure full compliance with all applicable law and rules.

SECTION 5. Other Purchasing and Contracting

Section 5.1 Appropriate Value. In awarding contracts for goods and services that are not governed by Sections 1, 2, 3 or 4 of this policy, the Superintendent shall ensure that RMA receives appropriate value for the expenditure.

Section 5.2. Competitive Process Threshold. In an expenditure of school funds for a contract awarded under Section 4 will exceed \$50,000.00, then the Superintendent may engage a competitive process before selecting a person or entity to which to make the award.

Section 5.3. Purchase Order Required. The Superintendent shall establish procedures identifying a purchase order process as the method for purchasing or expending funds. Approval for a purchase or expenditure of funds must be obtained by certain Central Office Staff and Principals before the purchase or expenditure of funds is made. See approval amounts below:

- a. Superintendent: Up to \$49,999.99;
- b. Chief Financial Officer: Up to \$24,999.99;
- b. Executive Director of Instructional Operations: Up to \$24,999.99;
- c. Executive Director of Instructional Technology, Grants & Expansion: Up to \$24,999.99; and
- d. Principal: Up to \$999.99.

SECTION 6. Board Approval Required

For any contract or purchase made pursuant to this policy, the Board shall approve all contracts valued above \$49,999.99. The \$49,999.99 limit is clarified as, any one-time purchase or contract totaling that amount or above. The Superintendent does not have authority to bind the Board or the School to any contract for goods and services valued above \$49,999.99. Any contract or purchase valued above this amount that is not approved by the Board is void and ineffective.

SECTION 7. State Travel Management Program

Board members, officers, and employees, engaged in travel on official business of RMA, shall utilize the Texas Comptroller's State Travel Management Program to the extent it provides a better value.