

Robert F. Kennedy Charter School
Fiscal Management Policies and Procedures
April 20, 2023

Objective

The Fiscal Management Policies and Procedures of Robert F. Kennedy Charter School are designed to meet and comply with all requirements of the New Mexico Procurement Code and Administration Regulations adopted by the New Mexico Board of Education.

Assurances

All Robert F. Kennedy Charter School financial transactions will comply with the Uniform Chart of Accounts (UCOA) as defined by the New Mexico Public Education Department.

NMAC 6.20.2.13(C) Chart of accounts: All school districts shall prepare, maintain, and report budget and financial information utilizing a standard and uniform chart of accounts.

NMAC 6.20.2.14 “cash control standards.” A. School districts shall establish and maintain a cash management program to safeguard cash and provide prompt and accurate reporting that adheres to cash management requirements of the Office of Management and Budget (OMB) Circular A-102, and applicable state and federal laws and regulations.

INTERNAL CONTROL POLICIES & PROCEDURES

GENERAL

These policies and procedures are established for the purpose of providing reasonable assurance that the capital assets of Robert F. Kennedy Charter School are safeguarded against loss from unauthorized use, to ensure transactions are executed with proper authorization and recorded to permit the preparation of accurate financial statements and ensure compliance with federal and state laws, regulations and established policies and procedures.

Basic Elements of Internal Control – Practices and Procedures:

Personnel - Sound fiscal policies and the proper education and training of employees is the foundation of internal financial control.

Educating and training the employees regarding the established policies and procedures, as well as the thorough investigation at the time of hiring, is the responsibility of the Director. The Business Office will work with the Director to assist with any training on Fiscal Management Policies and Procedures.

Segregation of Duties – The assignment of duties to staff members involved in the financial transactions of Robert F. Kennedy Charter School is done with the intent of limiting their ability to cause and conceal errors and irregularities. There is clear segregation of duties between the comparison of reports, purchase orders and invoices and the person disbursing the funds. The Business Office will maintain an internal control structure to provide Management with reasonable assurance that assets are safeguarded against loss from unauthorized use, access or disposition, and that transactions are executed in accordance with management’s authorization and recorded properly to permit the preparation of general-purpose financial statements in accordance with GAAP. The Business Office will review employee access to the accounting system annually or as needed and remove or add individuals if required.

Transaction Authorization – The Business Office is responsible for monitoring the budget and assuring each request is appropriate and necessary.

Transaction Recording – All transactions are recorded at the time of authorization. The Business Office is responsible for verifying the amounts, the proper account and fund classifications and authorization of all transactions for recording in the financial management system. All source documents (checks, purchase orders, etc.) are pre-numbered for accountability. All voided documents are stamped VOID and kept on file for the auditor’s review.

Safekeeping Assets – The access to capital assets is limited by assigning primary custodians. The custodian is responsible for monitoring access to the buildings, cash and other assets.

Record Reconciliation – The Business Office administers the comparison of actual assets on hand with the amounts recorded in the financial statements. Reconciliation of bank statements, fixed asset records and other financial records are prepared and verified during the monthly closing process. All discrepancies during the reconciliation process are researched and corrected when detected. These closeout procedures are administered by the Business Office staff. At the end of each month the Business Office will ensure there is adequate pledged collateral on the Business Checking account. Bank reconciliations are submitted and reviewed at the monthly Finance Committee meeting and presented at the Governance Council meeting.

Systems Descriptions/Procedures for Processing Transactions:

Budget – Robert F. Kennedy Charter School prepares and adopts an annual budget in accordance with State statutory and regulatory requirements. The operating budget is prepared under the supervision of the Director. A budget committee from the Governance Council will help to ensure representation from instructional, program, parent and administrative areas and groups. The budget committee will be utilized to make decisions regarding budgetary issues, including site-based allocations, staffing and salary increases.

Robert F. Kennedy Charter School
Fiscal Management Policies and Procedures

The operating budget is reviewed for technical accuracy. The budget is first approved by the Governance Council, second by Albuquerque Public Schools as the authorizer, and then by the New Mexico Public Education Department.

Robert F. Kennedy Charter School must provide notice of the public hearing to approve the operating budget pursuant to the Open Meetings Act Resolution adopted by the Governance Council. Adopting a resolution is an annual requirement under NMSA §10-15-1(D).

The approved and certified budget constitutes the operating budget, which is authorization for Robert F. Kennedy Charter School to begin operations on July 1 of the fiscal year. The Business Office integrates the budget formally into the financial statements for the fiscal year. Upon completion of the final close for each fiscal year, Robert F. Kennedy Charter School determines the actual cash balances for all funds and reports them to the PED by the designated deadline.

The operating budget may be adjusted by the use of a Budget Adjustment Request (BAR). All increases, decreases and adjustments to the operating budget are presented to the Governance Council for approval, and forwarded to the PED as needed, for approval. Budget adjustments, which do not alter the total amount of the budget, are processed as follows:

- Intra-budget transfers – transfers between expenditure account codes within the same function are presented to the Robert F. Kennedy Charter School’s Governing Council for approval. Once approved, the adjustments are recorded in the financial statements.
- Inter-budget transfers – transfers between expenditure account codes outside the same function are submitted to Governance Council for approval. The transfer requests are then submitted to PED for approval. Once all approvals are in place, the change is recorded to the financial statements.

The Business Office maintains all original budget documents for the permanent file. Copies are distributed to the appropriate staff for recording and are made available to the auditor annually.

Personnel and Payroll – The personnel and payroll will be administered through the Robert F. Kennedy Charter School’s Business Office, Director, and ultimately the Robert F. Kennedy Charter School Governance Council.

The following procedures will be utilized:

1. All employees will be thoroughly investigated with a background check as part of the hiring process.
2. The Director is responsible for hiring employees, authorizing salaries, initiating employment contracts and maintaining the staffing levels approved in the annual budget.
3. All personnel will be educated on policy, procedures and job requirements.
4. Payroll will be processed by the Business Office and approved by the Director. All payrolls will be processed from the approved employment contracts with authorization for payroll exceptions for overtime, substitute pay, stipends or extra-

Robert F. Kennedy Charter School
Fiscal Management Policies and Procedures

- hour agreements being provided in writing.
5. The Director and Robert F. Kennedy's Business Manager are responsible for reporting absences and substitute employees and submitting those records to the business office for payroll purposes and entering into accounting system. Leave taken without sufficient leave balances will be docked from the employee's pay by the business office on the same payroll as leave is entered. A report will be provided to the director as part of the payroll authorization process.
 6. All pay rates and deduction authorizations will be submitted in writing and signed off by the employee. These records will be maintained in the employee's personnel file.
 7. The payroll check register and automatic deposit register will be provided to the Director. All employees will be required to utilize the direct deposit method of receipt for their paychecks. The payroll tax deposits will be made by the IRS electronic payment system (EFTPS).
 8. Employees will be paid twenty-six (26) times per year. When an employee is hired after the beginning of the year, their pro-rated salary is divided by the number remaining checks to calculate the bi-weekly payment.
 9. All employee earnings, deductions, leave records, and personnel information will be maintained by the Business Office. All personnel files maintained must include Form W-4, Employee's Withholding Allowance Certificate, and I-9 (this form is to be filed in a binder separate from EE file), Employment Eligibility Verification. Other information in the personnel file should include employment contracts where applicable, written documentation concerning salary or hourly rates of pay, date of hire, and other agreements, such as sick pay or vacation, retirement or health insurance deductions, must be maintained in the file. An accurate narrative of any problems or discussions with the employee, as well as annual evaluations, must also be recorded, but should be maintained separately from the personnel file by the Director.
 10. The school must maintain payroll sheets or time cards for at least five years.
 11. All payroll information is highly confidential and should be safeguarded.
 12. All payroll liabilities will be paid by the 9th of each month to ensure timely filing, a report will be given to the director for approval and review.

Vendor set-up – Current and new vendors will be required to complete a “Applicant Vendor Questionnaire” and submit the completed application to the Business Office. In addition, a current IRS Form W-9 will need to be submitted to the Business Office. No purchases and/or services can be initiated until the Business Office has reviewed the “Applicant Vendor Questionnaire” and has completed the Vendor setup in AptaFund.

Purchasing and Accounts Payable – The Business Office is responsible for assuring that all purchases against their assigned budgets are appropriate and necessary. A request for purchase (requisition) is submitted to the Director in writing and the Office Manager enters requisition into the financial management system. The requisition is then assigned a purchase order by the Business Office. One copy is delivered to the vendor and the Business Office maintains a copy. When the merchandise is received, it must be verified against the purchase order to determine accuracy of the order. The Business Office has the responsibility of reviewing each invoice, when received. The amounts are verified against existing PO, the amount due, shipping costs,

Robert F. Kennedy Charter School
Fiscal Management Policies and Procedures

checking extensions and other applicable discounts, etc. All payments must be made by pre-numbered check in a timely manner. The invoice and purchase order must be attached to the check when presented to the signers for payment.

All checks are signed by individuals with signatory authority on the bank accounts.

All bank accounts will be reconciled on a monthly basis by the Business Office and reviewed by the Finance Committee and then presented to the Governance Council on a monthly basis.

The Business Office requires every employee, requesting the fuel card or the purchasing card, to sign for the card prior to obtaining the card. A log is maintained in the Business Office.

Robert F. Kennedy Charter School policies and procedures are designed to meet all of the requirements in accordance with Chapter 13 of the New Mexico State Procurement Code. (2022-004)

Travel – Employees of Robert F. Kennedy Charter School are entitled to reimbursement of registration fees, mileage, per diem and other costs associated with authorized trips for official school business.

Employees may, under certain circumstances, find it necessary to use their personal vehicles for travel in the performance of their duties. Upon written approval from the Director and Business Office, payment can be made to cover these costs. The rate of reimbursement is to be concurrent with state standards for travel reimbursement.

All travel must have administrative approval, prior to traveling. The approval is requested on the leave request form. The purpose of the trip must be justified and all costs associated with the trip must be itemized, if reimbursement is to be made. The reimbursement will only be made with sufficient approvals and required documentation, such as agendas and invoices attached to the reimbursement request. All reimbursements are processed in accordance with the Per Diem and Mileage act, as outlined in the DFA regulations. All receipts for out-of-pocket expenditures for transportation, registration and miscellaneous expenses are required for reimbursement. Any meals and/or lodging costs included in the registration fee are deducted from the per diem reimbursement. Employees are eligible for reimbursement of travel related expenses upon return from their approved trip.

Cash Receipts – All monies received are receipted by the Office Manager or designee. All monies are receipted using pre-numbered receipts by the Office Manager or designee. The pre-numbered receipts should indicate the form of payment (cash or check), check number if applicable, name of payer, date received what the payment was for and the amount received. All monies are to be deposited intact, and must be identified as to their source. The receipt and deposit are given to the Business Manager to deposit using Wells Fargo Desktop Deposit Management. Cash deposits will be taken to the bank. All deposits are deposited within 24 hours of receipt of the monies by the Business Manager or designee.

Robert F. Kennedy Charter School
Fiscal Management Policies and Procedures

Activity Funds – All monies collected at fund raising events (games, concession stand, donations, etc) will be counted by 2 designated staff members or 1 staff member and 1 student. All money will then be given to the Business Manager or designee to verify then all monies received are receipted by the Office Manager or designee. All monies are receipted using pre-numbered receipts by the Office Manager or designee. The pre-numbered receipts should indicate the form of payment (cash or check), check number if applicable, name of payer, date received what the payment was for and the amount received. All monies are to be deposited intact, and must be identified as to their source. The receipt and deposit are given to the Business Manager to deposit using Wells Fargo Desktop Deposit Management. Cash deposits will be taken to the bank. All deposits are deposited within 24 hours of receipt of the monies by the Business Manager or designee. All individual subaccounts will be evaluated annually or as needed, by the Director or designee and the Business Manager. If a specific activity is no longer active, then under the discretion of the Director or designee, the available funds will be consolidated with an active subaccount.

Accounts Receivable - The Business Office is responsible for monitoring the collection of all amounts due from other departments and/or outside agencies including the Public Education Department. Cash Requests or reimbursement requests (RFRs) are entered in OBMS in a timely manner and a copy of the request is filed in the Business Office for receipt documentation. RFRs are prepared by the Business Office and approved by the Director. The responsibility for the collection rests with the Business Office under the supervision of the Director. All funds received will be documented on a Receivables log, under the proper account code, in the Business Office.

Request for Reimbursements – Reimbursement requests (RFRs) are entered in OBMS in a timely manner and a copy of the request is filed in the Business Office for receipt documentation. RFRs are prepared by the Business Office and approved by the Director. The Business Manager and the Director will review reimbursement requests on a monthly basis to insure they are submitted in a timely manner and year end deadlines.

Fixed Assets – (2022-001) The Business Manager and assigned RFK employee maintains fixed asset inventory records with Sage Inventory Software. The inventory database must include an asset number, a description of the item, the serial number, the purchase order number if applicable, the acquisition date, and the location. An annual inventory must be taken by school personnel and the documentation is maintained in the Business Office using Sage Inventory Software. The Governance Council and the State Auditor's Office must approve all surplus property, deletions and discards. In no case should equipment be removed or discarded without proper authorization.

Record Reconciliation – (2022-001 & 2022-002) The Business Office administers the comparison of actual assets on hand with the amounts recorded in the financial management system. Monthly reconciliation of bank statements, fixed asset records, and other financial records are prepared and verified during the monthly closing process. All discrepancies found during the reconciliation process are researched and corrected at the time they are detected. Reconciliation of bank accounts is handled by the Business Office. The fixed asset listing is

Robert F. Kennedy Charter School
Fiscal Management Policies and Procedures

maintained and reconciled to the general ledger by the Business Office and verified by the Director.

Special Revenue Funds – All proposals for special funding require administrative approval from the Director and the Business Office. The original, approved proposal is submitted to the Governing Council President for final approval and signature.

Upon receipt of an award notice, the budget document is prepared and submitted to the Business Office for review and processing. New award budgets are presented to the Governance Council for approval and then forwarded to the PED for final approval.

Final approved budgets are returned the Business Office and are entered in the financial management system. Senior administration is responsible for monitoring the budgets and compliance.

Insurance – The New Mexico Public School Insurance Authority provides insurance for employee benefits and property and liability coverage. Robert F. Kennedy Charter School will provide Worker’s Compensation Insurance through NMPSIA and will adhere to all statutory regulations regarding application of this program. Premiums are determined for health, vision and dental coverage by the Authority and their staff with procedures set by statute. Property and liability coverage are determined by a claims loss ratio by the Authority and their insurance carrier. A Memorandum of Coverage is provided to the Insurance Authority for each fiscal year and forwarded to the independent public accountant for annual review. The memorandum outlines the coverage provided under the risk insurance program.

Reporting – (2022-003) Monthly reports are prepared and maintained by Robert F. Kennedy Charter School. Bank statements are received by Robert F. Kennedy Charter School and reviewed by the Director. The funds activities are reconciled monthly on a year-to-date basis and reviewed by the Business Office for accuracy and to determine all adjustments have been properly made and all transactions recorded. All statements will comply with the Uniform Chart of Accounts (UCOA) as defined by the NM Public Education Department [NMAC 6.20.2.13(C)].

Journal Entries – Robert F. Kennedy Charter School limits access for journal adjustments outside of the automated Financial Management System adjustments to the Business Office personnel who have adequate training in the operation of complex financial software for fund and allocation accounting. All journal entries are jointly approved by the Business Manager and Director or designee. The Business Office will process journal entries as needed by the end of each month prior to any submission of report deadlines.

A copy of Robert F. Kennedy Charter School’s reports should be filed off-site or in a fireproof safe and maintained in accordance with the Schedule for Retention and Disposition of Records [Section 13-6-2, NMCA, 1978]. Copies will be forwarded to the Governing Council, the Authorizer and the Public Education Department in a cash basis presentation, as required.

Contracts – New Mexico law and Public Education Department regulations will govern the

Robert F. Kennedy Charter School
Fiscal Management Policies and Procedures

issuance of contracts. All bidding requirements and processes will be implemented in accordance with New Mexico’s Procurement Code [NMSA Sections 13-1-28 through 13-1-199].

The issuance of contracts will comply with State and Federal laws regarding non-discrimination.

Real Property Disposition – New Mexico law and Public Education Department regulations will govern the leasing, selling or otherwise disposing of real property belonging to the school.

Reporting History with APS - All monthly, quarterly and annual reports will be submitted in the required timeframe assigned by Albuquerque Public Schools.

Annual Audit – An external, State Auditor approved, CPA firm will conduct an annual audit of financial records of Robert F. Kennedy Charter School. This audit is included in the Albuquerque Public School audit as a component unit. Robert F. Kennedy Charter School will pay its portion of the audit.

Criteria and timeline for conducting the audit is required to comply with “generally accepted auditing standards and rules issued by the state auditor.” (NMSA §12.6.3(A).

Robert F. Kennedy Charter School will comply with the process and procedures for audit requirements as follows:

- NMSA 1978, Sections 22-8-1 through 2-28-42.
- Budget Preparation and Maintenance Standards set forth at NMAC Sections 6.20.2.9 and 6.20.2.10.
- Public School Accounting and Budgeting Supplement 6, NMPED, Financial and Compliance Audit.
- NMSA §12-6-1 through 12-6-14) pertaining to audits of state and local government divisions.
- Participate in the exit audit review by APS.

These procedures will be reviewed and changed periodically for applicable changes in legislative directives.

Date Approved: _____

President
Governance Council