



BUSINESS OFFICE POLICIES & PROCEDURES HANDBOOK

Fiscal Year 26-27
ScholarMade®



SCHOLARMADE ACHIEVEMENT PLACE OF ARKANSAS BUSINESS OFFICE POLICIES & PROCEDURES HANDBOOK

OVERVIEW

These policies and procedures ensure that the school's funds are budgeted, spent, tracked, and safeguarded in support of our mission. ScholarMade's contracted financial services provider serves as the Business Manager and fully complies with DESE rules and requirements for this role. This framework promotes transparency, accountability, and responsible stewardship of district resources.

ANNUAL FINANCIAL AUDIT

An independent, third-party auditor will conduct the school's annual audit in accordance with the schedule and statutes prescribed by the Department of Secondary and Elementary Education. The auditor's report will address both the accuracy of the financial statements and the school's compliance with applicable laws, regulations, and DESE requirements.

BUDGET PROCESS: The budget cycle begins by projecting revenues—based on anticipated enrollment, grants, and donations—and allocating those funds to support instructional and operational programs in compliance with state and federal regulations. The Chief Executive Officer drafts the budget which the Board adopts; thereafter, the Board authorizes the CEO to adjust allocations as conditions change. The Board also approves recurring expenditure that aligns with the approved budget. Once adopted, the Business Manager uploads the budget into eFinance to produce monthly budget-vs-actual reports and guide expenditure coding. If circumstances warrant, the Board authorizes formal budget amendments.

PROCUREMENT: The Chief Executive Officer oversees all procurement, authorizing expenditure and signing contracts within the approved budget while the Board reviews any vendor agreements exceeding \$25,000 or extending beyond the fiscal year. The Board also approves the recurring services, utilities, debt obligations, and other authorized expenses. The CEO or Chief of Staff approves purchases before the transaction occurs, and competitive bids are secured whenever legally required or in the school's best interest. Unauthorized personal expenditures are not reimbursed, whereas approved purchases are refunded upon submission of proper documentation. Additionally, the CEO may grant individuals access to a school purchase card or online payment options, in accordance with established guidelines: The school issues purchase cards to employees approved by the CEO or Chief of Staff, with transaction and monthly spending limits established by the CEO and adjustable as needed. Personal charges or unauthorized transactions are the cardholder's responsibility to pay promptly (these charges will not be paid from the school's account). Cardholders retain receipts along with a brief business justification for each purchase and submit them to the Business Manager. Cards and PINs must be stored securely; any loss or theft must be reported immediately. Repeated or serious misuse will result in revocation of card privileges and may lead to disciplinary action.

CONTRACTS: Office staff maintain a central contract file that documents all competitive bids—secured whenever legally required or in the school's best interest and ensure every engagement is governed by a signed, written agreement detailing the scope of services and delivery schedule. Contractors, consultants, and subcontractors are paid as they complete work and bill according to their contract or purchase order terms, while the Managing Director or Chief of Staff oversees full compliance with those terms. Any potential conflicts of interest must be disclosed at the outset, and any board member, Chief of Staff, or CEO with a conflict must recuse themselves from related discussions and votes; if required by law or charter terms, the DESE Commissioner's approval will be obtained.

EXPENSE REPORTS: Employees with an approved purchase order submit receipts and documentation and will be reimbursed in the next open accounts-payable cycle. Requests older than 30 days are not reimbursed unless the CEO grants an exception for urgent circumstances.

TRAVEL: All out-of-town trips require the CEO's advance approval via a Travel Request. Mileage is reimbursed at the current IRS rate for one-way trips over ten miles. Overnight stays more than fifty miles from home or work must be pre-authorized by the CEO, and staff should secure the lowest available hotel rates (including corporate, nonprofit, or government discounts). Travel advances need written CEO approval, and all receipts must be submitted upon return.

BOARD OF DIRECTORS EXPENSES: Board members submit a signed expense report after incurring authorized costs while performing their duties. The CEO signs off on each report, and the Business Manager processes payment in the next open accounts-payable cycle.



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ACCOUNTS PAYABLE: The Accounts Payable Clerk shall review each invoice and reconcile it with the approved quote or proposal if applicable and all supporting documentation to verify that the goods or services were received as authorized. Once the review is complete, the invoice shall be submitted to the Chief Executive Officer for approval. No payment shall be processed until the Chief Executive Officer has approved the invoice.

PETTY CASH: The School may maintain a petty cash fund of up to \$200 under the oversight of the Chief of Staff. No single disbursement shall exceed \$100, and each disbursement must be supported by a voucher and recorded in the petty cash log. The fund shall be kept in a locked cash box within a locked file cabinet or safe, with access limited to the Chief of Staff and the Accounts Payable Clerk. Any discrepancy must be reported immediately in writing to the Chief Executive Officer. Overage funds shall be deposited as miscellaneous revenue. Any unexplained shortage shall be reimbursed by the petty cash custodian to restore the fund to its authorized balance.

BANK RECONCILIATION: The Chief Executive Officer shall review all bank statements. The Business Manager shall review paid checks, verify dates, payees, cancellations, and endorsements, and investigate outstanding checks over 90 days old. The Business Manager shall complete the monthly bank reconciliation, report any significant discrepancies to the Chief Executive Officer, and prepare the monthly financial reports for the Chief Executive Officer's review and submission to DESE.

CASH COLLECTIONS: The School shall minimize the acceptance of cash whenever practical and encourage electronic payment methods. When cash is accepted, all funds must be receipted immediately using a pre-numbered receipt or approved point-of-sale system.

Cash collections shall be counted and verified by two employees, documented on a Cash Collection/Deposit Summary, and secured in a locked location until deposited. All funds shall be deposited intact and shall not be used to make purchases, provide change, or cash personal checks. Deposits shall be made no later than the next business day or sooner when collections exceed established limits. Any discrepancy between the amount collected and the amount deposited must be reported immediately to the Chief Executive Officer and documented in writing.

All fundraising activities require Chief Executive Officer approval and are overseen by the Chief of Staff. Online payment is the preferred method for all fundraising activities. When cash is accepted, the School's Cash Collection Policy shall be followed.

RETURNED CHECK POLICY: The school charges a fee on all returned checks, and, unless the Chief of Staff waives it, payments for the original check and fee must be made by money order, certified check, or cash. If an individual has two checks returned in one semester, their check-writing privileges are suspended and all future payments by them must be by certified funds. Each returned item must be redeposited on a separate ticket marked "REDEPOSIT," with the Business Manager correcting the original entry in eFinance. Unpaid checks by semester's end may lead to withholding of report cards or transcripts until the balance is settled (or alternate arrangements are approved), and, if collection efforts fail, legal action may follow. Any parent with an outstanding returned check at semester's close will have their privileges suspended for the next semester until the debt is cleared.

PERSONNEL: The Chief of Staff oversees the completion and maintenance of each new hire personnel file, ensuring all items on the Personnel File Checklist are collected before employment begins. No new employee may start work until the background check is cleared and their file contains all required documentation. Once approved, the Chief of Staff provides the Business Manager with the employee's job title, start date, confirmed pay rate, budget coding, and a signed contract.

PAYROLL PROCESSING: Hourly staff must log their hours in the designated time-tracking system, with any overtime—defined as hours beyond forty per workweek—requiring written preapproval from both their supervisor and the Chief Executive Officer (except in emergencies). Overtime is reserved for exceptional circumstances, and recurring needs should trigger a review with senior leadership. Time records are submitted to the Business Manager on the final workday of each payroll period. Salaried employees likewise confirm their workdays via the same system. The Chief of Staff signs off on all payrolls through the EFINANCE pre-calculation report, with corrections managed in the next cycle when possible; any essential adjustments outside that window fall to the Business Manager. Finally, the entire payroll process or any part of it may be automated using an approved electronic system.

PAYROLL LIABILITIES: The Business Manager handles all payroll tax obligations—preparing liability reports, issuing payments to the appropriate agencies, and filing state and federal quarterly and annual payroll tax forms—while a designated staff member tracks each full-time employee's Paid Time Off and alerts the Chief of Staff if anyone exceeds their allotment or has unpaid absences. The Chief of Staff and Business Manager jointly maintain those PTO



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records, which are reconciled upon employee request, and each staff member is responsible for keeping their own contemporaneous attendance and paid time off records.

FINANCIAL REPORTING: The Business Manager compiles and submits all DESE-required FMS cycle reports, provides any eFinance financial reports to the Chief Executive Officer and Board upon request, and supports the school's external auditors during the annual financial audit.

DEBT SERVICES: All third-party loans including long-term loans, lease purchases, or installment contracts—require approval by the Chief Executive Officer and Board (and in some cases DESE or other lenders), after which a promissory note is carried out by the Chief Executive Officer or designated fiscal agent. All loan documentation is filed in the business office, and employee loans are prohibited.

FINANCIAL INSTITUTIONS: The Chief Executive Officer, as the Board-designated fiscal agent, holds exclusive authority to open or close bank accounts. All school deposits carry FDIC insurance and, where required by the Arkansas Code, appropriate collateralization.

RETENTION OF RECORDS: Financial records and related fiscal files are retained in accordance with state law (or longer at the Chief Executive Officer's discretion) and shredded once their retention period expires. Regularly backed-up electronic and paper records are stored securely off-site.

RISK MANAGEMENT

Funds Balance Reserve: The Business Manager recommends maintaining a reserve of at least 5 percent of unrestricted General Fund revenues and delivers monthly balance sheets to the Chief Executive Officer, who—with the Board monitors cash flow and prioritizes payments. Together with the Chief of Staff, they oversee all financial operations and ensure the school's fiscal health.

Insurance: The Chief Executive Officer and Chief of Staff secure comprehensive coverage—general liability, workers' compensation, student accident, professional liability, officers' coverage, and after-hours/activity protection—through a reputable insurer. The Chief of Staff and Business Manager keep current policy documents, certificates, procedures, and claim forms on file.

PROPERTY & EQUIPMENT INVENTORY: Items valued at \$2,500 or more (useful 2 years) receive asset tags upon arrival, tracked by the Managing Director, and recorded by the Business Manager for audit reporting. A separate log captures assets over \$1,500 with descriptions, serial numbers, locations, and condition. Physical inventories occur yearly, and any theft, loss, damage, or disposal plans—complete with dates and methods—are reported in writing to the Chief Executive Officer and Business Manager.

PARKING LOT LIABILITY: Damage to vehicles on or near campus is the owner's responsibility, as the school carries no coverage—except when an adult witnesses a student accidentally causing damage during a school activity. In all other cases, the individual at fault (student's guardian, visitor, or employee) bears liability, and if the culprit is unknown, vehicle owners seek recovery through their personal insurance.

AMENDING THIS MANUAL

The Chief Executive Officer and Business Manager will update this manual as needed but annually. No amendments will be Made to this manual at any time unless the Chief Executive Officer and Business Manager all agree to review and amend the manual and the Board of Directors consents to amending the manual.