Fiscal Management

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Fiscal Year

The school's fiscal year shall consist of the twelve-month period beginning July 1 and ending on the following June 30.

LEGAL REFERENCE:
Ark. Code Ann. § 6-20-410

Use of Funds and Loss of Funds

The Arkansas Constitution provides that: "No money or property belonging to the public school fund, or to this State, for the benefit of schools or universities, shall ever be used for any other than for the respective purposes to which it belongs."

The funds of the school which have been received from public funds must only be used to benefit the school and its operation and related expenses. If the use of the funds is restricted by the public agency from which the funds are received, then the funds must only be expended in accordance with those restrictions.

Examples of uses of public funds which are impermissible are:

- Donation or loaning of funds to non-profit, for-profit corporations, associations, institutions or individuals (unless pursuant to specific statutory authority);
- Payment for birthday, holiday or other parties, gifts or office decorations for employees, employees and family members, or Board members from state or federal funds; and
- Traveling expenses of those non-employees officially representing the school, authorized by the Board, and traveling with Board members or employees.

Any loss of funds that amounts to one thousand dollars ($1,000.00) or more in a calendar year shall be reported to Arkansas Legislative Audit by a school employee with supervisory fiduciary responsibility over all fiscal matters of the school. This includes, without limitation, any apparent unauthorized disbursements of public funds; or the apparent theft or misappropriation of public funds or property.

LEGAL REFERENCES:
Arkansas Constitution Art. 14, § 2; Ark. Code Ann. § 25-1-124 (b)(1); Ark. Code Ann. § 21–1–603

School Budget

The Board of Directors shall approve the annual school budget at a legally held meeting no later than August 30 of each year. The budget shall contain the information required by the Arkansas Department of Education and prepared in the Arkansas Public School Computer Network.

The budget shall be filed by the school with the Department no later than September 30 each year.

The Finance Officer shall keep a record of the following information in the format required by the Department of Education:

1. The daily expenditures and receipts of the school; and

2. Information on fund balances maintained by the school including, but not limited to:

    - Sources of the funds maintained as fund balances, to the extent practicable;
    - Reasons for maintaining, instead of spending, the fund balances; and
    - Amount of Funds transferred between various funds during the past year.

The school shall identify the funds transferred and the amount of funds transferred; and amount of fund balances dedicated for the construction, maintenance, or repair of facilities.

The Finance Officer shall make such financial reports to the Department of Education as are required by law.

An annual report summarizing the information required above in a format required by the Department of Education shall be filed by August 31 of each year with the Department of Education.

A final close must be performed in the school's applicable general ledger data-base no later than September 15 of each year.

LEGAL REFERENCE:	CROSS REFERENCES:
Ark. Code Ann. § 6-20-2202	School Website—Required Information and Placement, Posting of Budget Information on Website

School Budget Publication in Newspaper

The Board of Directors shall publish the two-year projected school budget one time in a newspaper published in the county or counties in which the school is administered or in a newspaper with a bona fide circulation in the county or counties in which the school is administered as early as July 15 of each year and no later than August 31 of each year.

LEGAL REFERENCE:	CROSS REFERENCE:
Ark. Code Ann. § 6-13-622	Sample Budget

School Finance Officer/General Business Manager

The school shall hire a Finance Officer/General Business Manager who shall be primarily responsible for the fiscal affairs of the School.

The Finance Officer's responsibilities shall include, but are not limited to, the following:

- All responsibilities and requirements set forth in the school's Charter;
- Preparing and submitting a monthly statement to the Board of Directors of the financial condition of the school;
- Preparing and submitting an annual statement of the affairs of the school to the Board of Directors in July of each year;
- Preparing and submitting such financial reports as required by the Arkansas Department of Education;
- To not be interested directly or indirectly in any contract authorized by the Board of Directors; and
- All other statutory requirements for the position of Finance Officer.

The Board shall cause to be filed an executed Certificate of Appointment with the county clerk, the county treasurer, and the Secretary of the Department of Finance and Administration in order to register the Treasurer as representing the school.

LEGAL REFERENCE:
Ark. Code Ann. § 6-13-701

School Finance Officer Qualifications

The Finance Officer shall meet the minimum qualifications to hold and maintain the position (as well as the other requirements set forth in law and these policies), as set forth in the Arkansas Division of Elementary and Secondary Education
Rules Governing the Arkansas Fiscal Assessment and
Accountability Program.

LEGAL REFERENCES:
Ark. Code Ann. § 6-15-2302, Arkansas Division of Elementary and Secondary Education Rules Governing the Arkansas Fiscal Assessment and Accountability Program

School Activity Funds

The school may maintain activity funds and school service funds at the school.

The term "activity funds" means those funds whose sources of revenue include but are not limited to:

- The sale of tickets to athletic contests or other school-sponsored activities;
- The sale of food, except that which is sold in the lunchroom;
- The sale of soft drinks, school supplies, and books; and
- Fees charged by clubs and organizations.

All activity funds and school food service funds shall be maintained and accounted for in accordance with guidelines and procedures established by the Arkansas Department of Education.

The President shall maintain the activity funds and school food service funds, and shall be the official custodian of all activity funds and school service funds and shall be responsible and accountable for the funds.

By resolution adopted by a majority vote of the Board of Directors, the President may appoint another school employee to be the co-custodian of any or all activity funds and school food service funds.

The co-custodian shall also be responsible and accountable for activity funds and school food service funds maintained by the co-custodian.

LEGAL REFERENCE:
Ark. Code Ann. § 6-13-701

Petty Cash Fund

The Board of Directors, if it deems necessary to simplify and expedite fiscal affairs of the school relating to the payment of miscellaneous items of expenditure incident to its operation, may authorize the creation of a petty cash fund.

No payment shall be made from the petty cash fund until the supplies or materials have been delivered and a copy of the invoices filed with the approval of the Board of Directors.

As funds in the petty cash fund become depleted, the Finance Officer of the school shall draw a warrant upon the Finance Officer payable out of the appropriate fund for reimbursement of expenditures made from the petty cash fund.

The Finance Officer of the school shall attach to the office a copy of the warrant the original invoice or receipt of payment thereof of all expenditures made from the petty cash fund during the previous month.

The balance to the credit of the petty cash fund shall at no time exceed the sum of $200 for each campus within the School.

LEGAL REFERENCE:
Ark. Code Ann. § 6-20-409

Fundraising

Groups wishing to participate in fundraising activities must receive prior approval from the President or his or her designee. The School may decline any offer of fundraising which does not meet the school's needs or goals, or for any other reason. Student participation in fundraising efforts may be rewarded from time to time, but no student shall be punished for choosing not to participate. Fundraising shall not count toward or against any graded class assignment and may not be done for extra credit.

LEGAL REFERENCE:
Ark. Code Ann. § 6-18-1104

Donations and Gifts

The school appreciates private gifts and donations. All donations and gifts to the school become the property of the school upon donation, and are subject to the same rules, use, discretion, and disposal as all other state school resources. Before offering a gift or donation to the school, individuals and organizations should contact the school to ensure need, compatibility, and space availability. The school will strive to assist donors in making arrangements as necessary for donations of equipment or services. The school may choose to deny any gift or donation which does not further the school's goals or which obligates the school to commit resources, time, or finances.

All administrators, board members, and employees of the school and family members of the same are prohibited from receiving gifts, donations, or transfers from the school of any public property, funds, or resources. The school shall not give public property valued at more than $100 to any leaving or retiring board member, administrator, employee, or member of the immediate family of those listed.

LEGAL REFERENCE:
Ark. Code Ann. § 6-21-110

Payroll Procedures

The Finance Officer, with the approval of the President, shall establish a list of dates for all employee payroll forms to be submitted to the Finance Officer (or his or her designee) for processing as well as the dates in which paychecks (or electronic fund transfers) shall be distributed to the employee.

Each non-salaried employee shall be responsible to complete a timesheet (on a format to be provided by the school) showing his or her days and hours work, any leave taken during the pay period, etc. The timesheets shall be signed and dated by the employee no later than the first business day after the end of the pay period and submitted to the employee's designated supervisor whose signature shall certify the accuracy of the information contained in the document. The supervisor will then submit the timesheets to the Finance Officer or his or her designee.

Departing employees must complete a final timesheet reflecting all hours worked and all approved leave taken through their last day of employment with the school before their final paycheck will be issued.

Departing employees must also return all school-issued property (to include, but not necessarily limited to: equipment, computers, electronic devices, and related charging devices and accessories, RFID passes, and issued keys, etc. Items shall be returned in good working condition to the School Finance Officer.

FAILURE TO RETURN SCHOOL PROPERTY AND RETURNED BUT DAMAGED PROPERTY

A cost list will be maintained by the President, Dean, or Finance Officer for replacement of lost items. Any item not turned in within five (5) calendar days from the date of resignation, termination, or non-renewal will be considered lost. The replacement cost may be withheld from the employee's final paycheck, unless it would violate federal or state law, or if other payment arrangements are made.

Damaged items will be evaluated for cost of repairs or replacement as required. The repair/ replacement cost may be withheld from the employee's final paycheck, unless it would violate federal or state law, or if other payment arrangements are made.

Reimbursement to Teachers for Classroom Supplies

The teacher shall provide to the school district a receipt documenting any purchase, so that the Finance Officer may properly reimburse the teacher for the purchased items.

Before the school, through its Finance Officer, shall authorize reimbursement to any teacher for said supplies, the teacher must complete and submit to the Finance Officer a requisition form for the supplies, and receive approval for the purchase.

LEGAL REFERENCE:
Ark. Code Ann. § 6-21-303

Purchase of Commodities

"Commodities" means all supplies, goods, material, equipment, machinery, facilities, personal property, and services, other than personal and professional services, purchased for or on behalf of the school (construction services are not included in the definition of "Commodities");

"Open market purchases" means those purchases of commodities by any purchasing official in which competitive bidding is not required;

"Purchase" means and includes not only the outright purchase of a commodity but also the acquisition of commodities under rental-purchase agreements, lease-purchase agreements, or any other type of agreement whereby the school has an option to buy the commodity and to apply the rental payments on the purchase price thereof;

"Purchase price" means the full sale or bid price of any commodity without any allowance for trade-in;

"Purchasing official" means the Board of Directors of the school or a lawfully Board-designated agent of the school with authority to contract or make purchases on behalf of the school; and

"Specifications" means a technical description or other description of the physical or functional characteristics of a commodity.

LEGAL REFERENCE:
Ark. Code Ann. § 6-21-301, Ark. Code Ann. § 6-21-304

Solicitation of Bids

The Board of Directors shall adopt a policy describing the method of soliciting bids and may adopt other rules governing the procurement of commodities, and shall designate the President or his or her designee as the "Purchasing Official" for the school.

All purchases of commodities by the school shall be made as follows:

In each instance in which the estimated purchase price shall equal or exceed $20,000 (adjusted annually by the Commissioner of Elementary and Secondary Education on July 1, by the percentage change in the Consumer Price Index for All Urban Consumers) the commodity shall be procured by soliciting bids, provided that the purchasing official may reject all bids.

Open market purchases may be made when the purchase price is less than $20,000 (adjusted annually by the Commissioner of Elementary and Secondary Education on July 1, by the percentage change in the Consumer Price Index for All Urban Consumers) if state funds are used. The purchasing official shall neither parcel nor split any item or items with the intent or purpose to enable the purchase to be made under a less restrictive procedure.

In soliciting bids for the purchase of a commodity, the school or a person or organization acting on behalf of a school shall not impose qualifications or specifications that unreasonably restrict competition for the purchase of a commodity.

Any specifications used by the school shall not include the name or identity of any specific vendor but may include a specified brand if justified.

The school shall notify in writing all actual or prospective bidders, who make a written request to the school for notification of opportunities to bid. The notice shall be provided in sufficient time to allow actual or prospective bidders to submit a bid.

Any competitive bid submitted to the school in response to a solicitation for bid for the purchase of a commodity shall be accompanied by a form substantially similar to the form attached at the end of this section that is signed and notarized by the agent of the bidder declaring that no representative of the school has had any inappropriate discussions regarding the bid.

LEGAL REFERENCE:	CROSS REFERENCE:
Ark. Code Ann. § 6-21-303, Ark. Code Ann. § 6-21-304, C.F.R. §200.320	Purchasing Authority for Purchases under Twenty One Thousand Six Hundred Four Dollars ($21,604)

RESOURCE:
Sample Bid Form

Exceptions to Bid Solicitation Requirements

The following commodities may be purchased without soliciting bids:

- Commodities in instances of an unforeseen and unavoidable emergency. No emergency purchase shall be approved by the President unless a statement in writing shall be attached to the purchase order describing the emergency necessitating the purchase of the commodity without competitive bidding;
- Commodities available only from the federal government;
- Utility services, the rates for which are subject to regulation by a state agency or a federal regulatory agency;
- With the exception of used school buses, used equipment and machinery; and
- Commodities available only from a single source.

The purchasing official must determine in writing that it is not practicable to use other than required or designated commodity or service, and a copy of this statement shall be attached to the purchase order.

LEGAL REFERENCE:
Ark. Code Ann. § 6-21-305

Bidding Protest Procedures

Any actual or prospective bidder, offeror, or contractor who is aggrieved in connection with the solicitation or award of the school contract may protest to the President in accordance with procedures established by the Board of Directors.

The school's protest procedures are as follows:

- The President has authority from the Board of Directors to settle and resolve a protest of an aggrieved person concerning the solicitation or award of a contract;
- Any person aggrieved by the school's solicitation or award of a contract shall submit such a protest in writing within 7 calendar days after the aggrieved person knows or should have known of the facts given rise to the protest;
- The President shall give written notice to all persons involved and the opportunity for those persons to respond to the protest issues in writing to the superintendent within 10 calendar days after the receipt of the notice;
- The President shall issue a decision concerning the protest in writing within 10 calendar days from the receipt of all written responses that states the reasons for the action taken which is provided to all interested parties;
- The President shall promptly notify, in writing, the aggrieved party and any other affected party of the impact of the protest on continuing with the solicitation or award of the school district contract pending the resolution of the protest;
- The President's written decision shall address the award of costs with regard to successful protests; and
- A decision on a protest under these procedures shall be final and conclusive.

LEGAL REFERENCE:
Ark. Code Ann. § 6-21-304

Purchasing Authority for Purchases Under Twenty One Thousand Six Hundred Four Dollars ($21,604)

For commodities that have an estimated purchase price of less than $21,604 for the 2021-2022 school year, the purchasing official shall prepare specifications for the type and quantity of commodity desired. Annually, the purchasing official shall adjust the purchasing price threshold to reflect that published by the Commissioner of Education, based upon the percentage change in the Consumer Price Index for All Urban Consumers, or its successor. The purchasing official shall advise the superintendent of the new threshold amount within a reasonable amount of time following its annual publication on or before July 1.

The purchasing official shall then obtain price quotations from at least 3 vendors who sell the desired commodity, if such number of quotations can be obtained. The goal in this process is to obtain the best value for the school in obtaining the commodity. After review of the quotations, the purchasing officer shall consult with and advise the superintendent, and proceed to purchase to purchase the commodity.

The purchasing officer shall work collaboratively with the treasurer to ensure that all necessary paperwork and documents have been prepared and executed and that such items are properly recorded in the financial records of the school.

LEGAL REFERENCE:	CROSS REFERENCE:
Ark. Code Ann. § 6-21-303 Ark. Code Ann. § 6-21-304	Solicitation of Bids

Acquisition of Professional Services

Competitive bidding shall not be used for the procurement of services such as legal, financial advisory, architectural, engineering, construction management, and land surveying professional consultant services.

Process

In the procurement of professional services, the school may encourage firms engaged in the lawful practice of these professions to submit annual statements of qualifications and performance data to the political subdivision or may request such information as needed for a particular project. The school shall evaluate current statements of qualifications and performance data of firms on file or may request such information as needed for a particular public project whenever a project requiring professional services is proposed. If the school utilizes construction management services, it shall encourage construction management firms to submit to the school annual statements of qualifications and performance data or may request such information as needed for a particular public project. The school shall evaluate current statements of qualifications and performance data on file with the school or when submitted as requested whenever a project requiring professional services of a construction manager is proposed.

Evaluation of Qualifications

In evaluating the qualifications of each firm, the school shall consider:

- The specialized experience and technical competence of the firm with respect to the type of professional services required;
- The capacity and capability of the firm to perform the work in question, including specialized services, within the time limitations fixed for the completion of the project;
- The past record of performance of the firm with respect to such factors as control costs, quality of work, and ability to meet schedules and deadlines; and
- The firm's proximity to and familiarity with the area in which the project is located.

Selection

The school shall select 3 qualified firms. The school shall then select the firm considered best qualified and capable of performing the desired work and negotiate a contract for the project with the firm selected.

Negotiation of Contracts

For the basis of negotiations, the school and the selected firm shall jointly prepare a detailed, written description of the scope of the proposed services. If the school is unable to negotiate a satisfactory contract with the firm selected, negotiations with that firm shall be terminated. The school shall then undertake negotiations with another of the qualified firms selected. If negotiations are un- successful with the second firm, negotiations with the firm shall be terminated.

If the school is unable to negotiate a contract with any of the selected firms, the school shall reevaluate the necessary professional services, including the scope and reasonable fee requirements, again compile a list of qualified firms and proceed in accordance with the process listed above. When unable to negotiate a contract for construction management, the school shall also perform a reevaluation of services.

LEGAL REFERENCE:
Ark. Code Ann. § 6-21-301, Ark. Code Ann. § 19-11-801 *et seq*.

Outsource Surcharge Election

For any new agreement with an outsourced contractor providing a service common to the normal daily operation of the school, as defined in Ark. Code Ann. § 24-7-506, the school shall make a one-time irrevocable election to be treated as either a participating employer or a surcharge employer within sixty (60) days of the outsourcing agreement on a form provided by or in a manner established by the Arkansas Teacher Retirement System.

The school shall consult counsel on the matter as necessary to make a proper determination of the most efficient election option in each circumstance.

LEGAL REFERENCE:
Ark. Code Ann. §24-7-202(17) Ark. Code Ann. §24-7-401 Ark. Code Ann. §24-7-406 Ark. Code Ann. §24-7-506 Ark. Code Ann. §24-7-1602

Audit

The school shall cause to be prepared an annual certified audit of the financial condition and transactions of the school as of June 30 of each year in accordance with generally accepted auditing procedures and containing any other data as required by the State Board of Education.

The school may request that the audit be performed by the Legislative Auditor; or if the Legislative Auditor declines to perform the audit or if the school so chooses, the audit may be performed by a licensed certified accountant or a licensed accountant in public practice.

If the audit is not performed by the Legislative Auditor, the audit must include, at a minimum, those subjects listed in Ark. Code Ann. § 6-1-101. A private audit, if utilized, must be completed by a firm approved by the Office of Accountancy.

The school's annual audit, if it is not conducted by the Division of Legislative Audit, shall be completed and filed with the Arkansas Department of Education and the Division of Legislative Audit within 9 months following the end of each fiscal year (i.e., within 9 months after June 30 of each year).

LEGAL REFERENCE:	CROSS REFERENCE:
Ark. Code Ann. § 6-1-101, Ark. Code Ann. § 6-20-1801	School Website—Required Information and Placement

Audit Review by Board of Directors

Audit reports, along with accompanying comments and recommendations, shall be reviewed at the first regularly scheduled Board of Directors meeting following receipt of the audit report if the audit report is received by the Board prior to 10 days before the regularly scheduled meeting. If the audit report is received by the Board within 10 days before a regularly scheduled meeting, the report will be reviewed at the next regularly scheduled meeting after the ten-day period.

The Board shall take appropriate action relating to each audit finding and recommendation within the audit report. The minutes of the meeting shall document the review of the audit and action taken by the Board. The School shall file with Arkansas Department of Education a corrective action plan addressing findings for state and federal findings.

LEGAL REFERENCE:
Ark. Code Ann. § 6-1-101

Property, Inventory, and Supplies

The school shall comply with all requirements contained in the Arkansas Financial Accounting Handbook (commonly known as “Handbook IIR2”).