

[ACCOUNTING POLICIES FILE A]

ACCOUNTING POLICIES

GENERAL POLICIES	Page
Introduction	1
Accounting Method	1
Check Signing Authorities	2
Credit Cards	2
Borrowing Authorities	2
Annual Budget	3
Fiscal Year	3
Accounts Reconciliation	3
Checks Received / Deposited.....	3
Disbursements.....	3
Payroll.....	4
Accounts Receivable.....	4
Accounts Payable.....	4
Fixed Assets	5
Inventories.....	5
Reports Development and Distribution	5
 CASH MANAGEMENT & RELATED POLICIES	
Cash Received/Deposited	6
Credit Card Receipts and Refunds	6
Petty Cash	6
Control of Checks	6
Banking Relationships	6
Investment of Excess Funds.....	7
 INTERNAL CONTROLS	
Internal Controls and Auditing	8
Annual Financial Audit.....	8
Auditor's Representation Letter	8
Auditor's Management Letter.....	8
Inspection of Books and Records / Other Audits.....	9
 Policies Distribution and acknowledgement.....	9

ACCOUNTING POLICIES

INTRODUCTION

The policies that follow are intended to provide fiscal oversight and management controls supporting the Foundation's use of resources in pursuit of its annual budget and strategic plans.

Policies, herein, address significant accounting and budgeting functions including: planning and financial analysis, disbursements, payroll, cash, debt and investment management etc.

Finally, these policies provide a means and a linkage between resource allocation and budget, as well as supporting infrastructure, compliance requirements and expected standards.

Policies addressing the purchasing function follow within this manual.

ACCOUNTING METHOD

The Foundation's Financial Assistant records entries and produces reports on a cash basis. The Financial Assistant reviews copies of Invoices and related Check Requisitions, prepares checks for payment of invoices.

The Financial Assistant also produces monthly financial reports for the Board and reconciles the Foundation's Checking and Money Market Statements.

The Foundation uses FundEasy Software for both its Accounting and Fundraising.

The Board Treasurer interacts regularly with the Financial Assistant and reviews and approves Monthly Board Reports.

The Board Treasurer receives and reviews copies of the Foundation's Checking and Money Market Accounts, periodic basis, and also reviews and initials monthly Credit Card Statements.

An independent CPA/Accounting firm is engaged for the Foundation's Annual Audit and to prepare the Foundation's IRS Form 990.

CHECK SIGNING AUTHORITIES

See page 2

ACCOUNTING POLICIES

CHECK SIGNING AUTHORITIES

Policy is that checks, drafts and orders for payment are to be signed by any officer.

Checks up to \$3000 are authorized for the single signature of the President/CEO or any member of the Executive Committee.

Checks \$3000 and over require 2 signatures of those above specified.

Money Market Accounts

The Foundation maintains 1 or more Money Market accounts representing the investment of Foundation excess funds and a restricted funds account.

Signature authorizations and requirements are the same as for the Operating Account. Transfers to the Operating Account are authorized by the President/CEO and executed by the Financial Assistant. Note: Transfers from the Foundation's Investment Account are not authorized.

Disclosure of Overdrafts

It is the responsibility of the Foundation's President/CEO to notify the Board Treasurer and Chairperson, immediately, in the event of any overdraft on the Foundation's Business Operating Account.

CREDIT CARDS

The Foundation uses an American Express Credit Card. Authorized signers are the President/CEO and the Senior Program Director. The Treasurer reviews and initials related statements.

BORROWING AUTHORITIES

Borrowing authorities for the organization are as follows:

An affirmative vote of the majority of the Board of Directors is required for any borrowings.

Borrowing signers are the President/CEO, and the Board Chairperson or Board Treasurer, based upon Board approved Resolution supporting the borrowing.

Note: it is the responsibility of the Foundation's President/CEO to immediately notify the Board Chairperson, in the event of default, or in the event that any written loan covenants are broken.

ACCOUNTING POLICIES

ANNUAL BUDGET

Policy is that an Annual Budget is prepared on a yearly basis to plan for the Foundation's forthcoming financial needs. Budget preparation is the responsibility of the Foundation's President/CEO. Operationally, the Bookkeeper is responsible for budget preparation.

Budget information is compiled for presentation to the Board Treasurer, who in turn will present to the Finance Committee, annually, at the June Board Meeting.

The budget shall reflect anticipated income, expenses related to staffing, general expenses, etc. Capital funds for modification of existing facilities, high dollar equipment or machinery, etc., shall be separately presented in a Capital Funds Budget.

The Board of Directors will approve, or amend and approve, the final annual budget before the fiscal year begins. Budgeted income and expenses are input on a cost center basis; thereafter, they will be the primary comparative in reviewing monthly financial statements.

FISCAL YEAR

The Foundation's Fiscal Year is July 1 through June 30

ACCOUNTS RECONCILIATION

Reconciliation of Commercial Checking Account and Money Market and Investment Accounts are done by the Financial Assistant and reviewed by the President/CEO. Accounts are required to be reconciled within 15 days of receipt.

Foundation bank statements are reviewed and initialed, monthly, by the president/CEO and , at will, by the Board Treasurer.

CHECKS RECEIVED / DEPOSITED

Policy is that the person receiving incoming checks and possibly cash, in the Foundation's mail, be a different person than that person who makes deposits.

The Administrative Assistant receives all mail including checks for deposit and immediately stamps them "for deposit only". Checks and any cash received are entered to a Log maintained by the Administrative Assistant. The President /CEO then receives such transactions.

The Bookkeeper deposits checks and provides a copy of bank deposit receipts to the President/CEO.

DISBURSEMENTS

Invoices should be entered upon receipt and payment is scheduled to occur semi monthly.

Policy is that the duties of purchasing, payment of invoices, the signing of checks and the reconciliation of bank statements and credit cards be separated to the greatest extent possible.

ACCOUNTING POLICIES

PAYROLL

Payroll for Foundation employees is processed by an outside vendor PEO at 2 week intervals. Vendor computes required withholdings and taxes, etc, provides computer generated Payroll Register, and pays employees by direct deposit or check(s).

The Financial Assistant accumulates time records for input, verifies the information and completes the vendor's Master Timesheet. The President/CEO approves the Master Timesheet prior to submission.

Any deadline missed for payroll taxes must be reported, immediately, to the Board Treasurer and Chairperson.

Separately, The Foundation's District Employees are salaried and paid through the District.

Confidentiality

Policy is that salaries of staff members are confidential. Access to payroll information is limited to the Financial Assistant, President/CEO and the Executive Committee. No staff member, other than those above listed should have access to the Foundation's payroll information. Cautions should be taken in handing any payroll-related records, i.e., checks, print-outs, etc., so that confidentiality is fully maintained.

ACCOUNTS RECEIVABLE

The Administrative Assistant is responsible for ongoing maintenance of general Accounts Receivable. The Financial Assistant is responsible for Accounts Receivable related to grants, donations, fund raising and reimbursements.

Any accounts of problem status are to be promptly brought to the attention of the President/CEO. Receivables past due more than 60 days are brought to the attention of the Board Treasurer, immediately.

Collection of Accounts Receivable is the responsibility of the President/CEO.

Charge off of Accounts Receivable over \$500 requires Board approval

ACCOUNTS PAYABLE

The Financial Assistant is responsible for authenticity of all invoices approved for payment.

Payable obligations past due more than 60 days must be reported to the Board Treasurer, and Chair immediately.

ACCOUNTING POLICIES

FIXED ASSETS

Foundation assets such as computers, shelving and forklift, and other equipment are depreciable assets whose value or usefulness is diminished as time passes. A portion of the cost of such assets is charged as depreciation expense, with annual adjustment. Adjustment figures may be reviewed by the Foundation's independent accountant

INVENTORIES

The Foundation maintains a significant inventory of school supplies, desks, computers, and school clothing, etc. Inventories are performed on a quarterly basis and reported to the board, quarterly.

REPORTS DEVELOPMENT AND DISTRIBUTION

The following financial reports are developed for Foundation use.

The reports listed below have been board approved to be presented at the frequencies indicated. No listed report may be omitted without board approval :

Report Title	Frequency	Distributed To
Statement of Activities and Changes in Net Assets	Monthly	Board of Directors and Executive Committee
Statement of Financial Position	Monthly	Board of Directors and Executive Committee and Finance Committee

The following are financial reports are also developed:

Report Title	Frequency	Distributed To
Investment Reports	Periodically	Finance Committee & Board
Inventory Reports	Quarterly	Board & Exec Comm.

Special Reports:

Report Title	Frequency	Distributed To
IRS Form 990	Annual	Reviewed by Finance Committee and approved by the Board
Annual Audit	Annual	Approved by Board

ACCOUNTING POLICIES

CASH RECEIVED

The Foundation often receives donations in cash from various school sources. Related records are maintained by the Bookkeeper.

PETTY CASH [N/A , included for possible future use]

Location and Amounts

Petty cash is maintained in the following location and in the amount designated:

<i>Administrative Office</i>	<i>Maximum Amount</i>	<i>\$200.00</i>
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Safekeeping Responsibility: Office Administrator

Disbursements

All disbursements from petty cash must be supported by related receipts initialed by the requesting party. Also required are the initials of the President & CEO.

Replenishment

Replenishment of petty cash is accomplished by check drawn on the Business Operating Account.

Reconciliation and Audit

Petty cash is subject to spot audits and is reconciled monthly by the Office Manager and Administrative Officer.

CONTROL OF CHECKS

Checks are maintained in locked status by the Financial Assistant and all numbered checks are accounted for.

BANKING RELATIONSHIPS

It is the Foundation's policy to attempt to maintain stable, long term banking relationships while, simultaneously, assuring itself that related costs remain appropriate.

Policy is that banking relationships be considered for bid at 3 year intervals

If a bank line of credit is currently in place, it should be reviewed, annually, for actual use, proposed sufficiency, current rate and retention charges.

ACCOUNTING POLICIES

INVESTMENT POLICY

The Foundation maintains several, separate investment funds. That Investment Portfolio is described as follows:

Agency Funds

These funds represent the donations of individuals, corporations or other entities for various educational purposes which align with Broward County Public Schools Programs and Objectives. Distribution of these funds is controlled by the agency entities as to timing and amounts.

Temporary Restricted Funds

These funds also represent the donations of individuals, corporations or other entities in support of Broward County Schools objectives such as scholarships and other focused programs. Distribution of these funds is solely at the discretion of the Foundation.

Endowment Funds

Endowment funds represent the donations of individuals, corporations and other entities, who have donated funds with the intent of maintaining principal at the full amount donated, and thereafter, utilizing gain on funds in support of Broward County School System objectives such as scholarships. Distribution of the earnings of these funds is determined by the Foundation's Board of Directors in compliance with the donor's intent.

Reserve Operating Funds

These funds are comprised of excess funds from the Foundation's operations and any unrestricted donations intended for Foundation operations. Distribution of these funds are at the Board's discretion.

The Foundation's investment funds are currently managed by a Board approved outside investment advisor.

The Foundation's Finance Committee recommends policies governing the Foundation's investment portfolio to the Foundation's Board of Directors and/or Executive Committee for final approval. The Finance Committee also recommends the selection of investment advisors and managers.

The Finance Committee establishes targets for each fund and overall investment parameters. Ongoing periodic reviews lead to recommendations for the rebalancing of funds as appropriate.

The Finance Committee, periodically and annually, reviews the Foundation's investment portfolio and provides a summary report annually to the Board of Directors

Actions recommended related to the foundations investment portfolio are subsequently presented to the Foundation's Board of Directors or Executive Committee for approval.

Disbursements from these investment accounts requires Board or Executive Committee approval and President/CEO authority to transfer funds to the Foundation's Operating account for distribution.

ACCOUNTING POLICIES

Any exception to the Foundation's Investment Policy must be approved by a majority vote of the Foundation's Board of Directors.

INTERNAL CONTROLS AND AUDITING

The Organization has established a comprehensive set of By-laws & Governance Policies, Accounting Policies, Purchasing Policies and Insurance Policies to provide a higher level of internal control.

The major components of policy, from the exposure standpoint, have been carried over to the Job Descriptions of administrative staff including the President/CEO and the Foundation's Bookkeeper. Also, the Job Descriptions of major board committees include review of those Foundation operations that present major areas of exposure. Effectively, the Board's committees monitor the most important policy requirements.

Additionally, a program of recurring review of risks in major operational functions is in place at the Foundation, administered internally.

Finally, appropriate policies, within the Policies Manual are provided to those involved in related duties for their review and certification by written acknowledgement.

Review of Prior Year's Audit Corrections

Policy is that the President/CEO will review prior year's audit corrections, semi-annually, to ensure corrective procedures continue to be followed. Related findings are reported to the Board.

ANNUAL AUDIT

The Foundation's policy is to have an Annual Financial Audit performed by an independent CPA /Auditor, following Generally Accepted Auditing Standards (GAAS) Standards and Government Auditing Standards (Yellow Book).

EXIT INTERVIEW

Policy is that the Foundation's Finance Committee will attend the auditor's exit interview. Completed Annual Audits must be `accepted' by majority vote of the Board of Directors.

AUDITOR'S REPRESENTATION LETTER

The Auditor's Representation Letter requires the President/CEO to attest that he/she knows of no material information or omissions not addressed by the audit.

Such an attestation made in bad faith is grounds for immediate dismissal or suspension pending clarification of charges.

ACCOUNTING POLICIES

AUDITOR'S MANAGEMENT LETTER

The President/CEO is responsible for correction of any audit "findings" and for establishment of corrective procedures, and a continuing method of oversight for the findings noted in the Auditors Letter to Management will be presented to the Board of Directors and Executive Committee.

INSPECTION OF BOOKS AND RECORDS / OTHER AUDITS

All books and records of the Foundation, except salary records, may be inspected by any currently serving Director for any purpose at any reasonable time, upon written request.

[Below N/A, included for possible future use if other funding streams developed so require]

From time to time, various types of audits may be conducted by the Foundation's funding sources. Foundation personnel involved in these audits are expected to cooperate fully with the auditing representatives and to provide requested information as appropriate.

Prior notification of these audits is typically provided to the Foundation's management; however, surprise audits may be conducted, when deemed appropriate.

Results of all audits must be presented to the Foundation's Finance Committee and Board of Directors for their approval.

POLICIES DISTRIBUTION AND ACKNOWLEDGEMENT

Those policies relevant to each employee's position are issued for written acknowledgement at employee orientation and, again, annually with the same requirement.