



THE COLLABORATIVE

Fiscal Control Policy: Accounts Payable and Record Keeping

The Collaborative Charter Services Organization

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ACCOUNTS PAYABLE AND RECORD KEEPING POLICY

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ACCOUNTS PAYABLE AND RECORD KEEPING POLICY**ACCOUNTS PAYABLE****Invoice Authorization**

1. Staff will carefully review each invoice, attach all supporting documentation, and verify that the specified services and/or goods were received.
2. When receiving tangible goods from a vendor, the person designated to receive deliveries shall trace the merchandise to the packing list and note any items that were not in the shipment. Staff will adjust the invoice for any missing items not received before processing for payment.
3. Staff will stamp a check authorization on the invoice and complete the required information, including noting the specific budget line item that is to be charged for the specified expenditures and SACS coding as applicable.
4. Invoices and supporting documentation will be provided to the appropriate supervisor for approval.
5. All invoices and supporting documentation shall be sent to the organization's back office provider on at least a weekly basis. The fiscal services department shall process the invoices for payment only upon receiving sufficient supporting documentation.
6. The CEO may authorize to pay recurring expenses (e.g. utilities) when the dollar amounts fall within a predetermined range.

Payments

1. The CEO will be authorized to open and close bank accounts, following a Board resolution directing the same. Two overseeing board members may sign bank checks.
2. The Director of Fiscal Services at The CSO will be responsible for all blank checks and will keep them under lock and key.
3. Checks may not be written to cash, bearer, or petty cash. Under no circumstance will any individual sign a blank check.
4. Staff will record the check transaction(s) into the appropriate electronic checkbook and in the general ledger.
5. Staff will distribute the checks and vouchers as follows:
 - a. Original – mailed or delivered to payee
 - b. Duplicate or voucher – attached to the invoice and filed by account number
 - c. Canceled Checks – filed numerically with bank statements

Bank Reconciliation

1. The Budget Analyst will examine all paid checks for date, name, cancellation, and endorsement and report any discrepancies to the CEO. Any discrepancies regarding the paid checks or any undeposited checks over 60 days will be researched and resolved.

ACCOUNTS PAYABLE AND RECORD KEEPING POLICY

2. The Budget Analyst will prepare the bank reconciliation, verifying the bank statements and facilitating any necessary reconciliation.
3. The Director of Fiscal Services will compare the reconciled bank balance to the cash in the bank account and to the general ledger, immediately reporting any material discrepancies to the CEO or designee.
4. The Director of Fiscal Services will prepare a monthly summary report to be approved by the CEO and ratified by the Board of Directors

RECORD KEEPING

To provide an accurate and auditable record of all financial transactions, the Organization's books, records, and accounts are maintained in conformity with generally accepted accounting principles as applicable to nonprofits.

Further, the School specifically requires that:

1. No funds or accounts may be established or maintained for purposes that are not fully and accurately described within the books and records of the School.
2. Receipts and disbursements must be fully and accurately described in the books and records.
3. No false entries may be made on the books or records nor any false or misleading reports issued.
4. Payments may be made only to the contracting party and only for the actual services rendered or products delivered. No false or fictitious invoices may be paid.

Basis of Accounting

The School will maintain their accounting records and related financial reports on the accrual basis of accounting.

Accounting Policies

The accounting policies and financial reporting adopted are consistent with the special purpose governmental unit requirements of the Governmental Accounting Standards Board (GASB), including Statement of Governmental Accounting Standards No. 34 – Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments. GASB is the recognized standard-setting body for establishing governmental accounting and financial reporting principles. However, since the School is its own legal, non-profit entity it must follow the guidelines of Financial Accounting Standards Board (FASB) when preparing financial statements (audits).

Revenues

Under the accrual basis of accounting, revenues are recognized when earned.

ACCOUNTS PAYABLE AND RECORD KEEPING POLICY**Expenditures**

Under the accrual basis of accounting, expenses are recognized when services are incurred or goods are received.

Security of Financial Data

The financial system's administrator is responsible for backing up data. The web-based database is provided by an external entity and is leased by The CSO. All relevant reports are backed up by the CSO's fiscal staff.