

**CORAL FOUNDATION FOR EXCELLENCE IN EDUCATION**  
**FINANCIAL POLICIES AND PROCEDURES MANUAL**

**Approved 2/21/2019**

## **Introduction**

The board of directors of Coral Foundation for Excellence in Education (CFEE), in its governing capacity, is responsible for approving the various policies needed in order for the organization to operate effectively. Among these are the Financial Policies and Procedures Manual.

Within the general policy framework, the Board of Directors has delegated day-to-day management responsibility for all organizational components to the Executive Director who, in turn, is responsible for the rest of the administrative and program staff.

CFEE contracts with an Executive Director and a bookkeeper and has a volunteer Board of Directors, whose members carry out certain fiscal policies. In the future, the board may expand the number of CFEE staff to carry out the day-to-day fiscal policies and procedures as presented in this manual. This policies and procedures manual is to be regularly reviewed and updated as appropriate.

The Board of Directors and all CFEE employees and volunteers are subject to all applicable federal, state and other regulations regarding the proper use of program funds.

Once the annual revenue of the organization exceeds \$500,000, or the organization receives federal funding, the Board of Directors will be responsible for engaging a Certified Public Accountant to conduct an audit of CFEE's fiscal operations on an annual basis, if an audit is not also conducted in conjunction with the Coral Community Charter School. The contracted audit must meet all reporting requirements of CFEE's funding agencies.

The Treasurer and/or Finance Committee of the Board of Directors makes recommendations to the full Board regarding financial and fiscal aspects of CFEE's operations.

**Policy #:** 001  
**Subject:** Cash Balances  
**Effective Date:** 08/01/16  
**Revised Date:**

**POLICY:**

It is the policy of CFEE to ensure that the cash position of the corporation is accurately monitored on a weekly basis.

**RESPONSIBILITY:**

It is the responsibility of the Executive Director to ensure that cash balances of all bank accounts are monitored on a weekly basis.

**PROCEDURE:**

All deposits, checks, bank transfers, and other transactions shall be recorded on a weekly basis. The Executive Director or designee shall maintain records of deposits, checks, bank transfers and other transactions in a locked file, to be made accessible to the bookkeeper and treasurer on a monthly basis for reconciliation and in accordance with Policy 002.

**Policy #:** 002  
**Subject:** Bank Reconciliations  
**Effective Date:** 08/01/16  
**Revised Date:**

**POLICY:**

It is the policy of CFEE to ensure that all cash accounts be reconciled on a monthly basis as a means of providing an accurate presentation of both the transaction activity of the period and the balance of the accounts.

**RESPONSIBILITY:**

It is the responsibility of the Executive Director to ensure that all bank accounts are reconciled on a monthly basis.

**PROCEDURE:**

Once a month the treasurer should review the bank statements, journal entries, and all activity through the final day of the previous month as prepared by the accountant and Executive Director. Appropriate financial reports, as designated by the Board, should be created and presented to the Board for their review. The financial report will then be approved at the next regularly scheduled Board meeting.

**Policy #:** 003  
**Subject:** Cash Receipts  
**Effective Date:** 08/01/16  
**Revised Date:**

**POLICY:**

It is the policy of CFEE that the receipt of cash be managed in a responsible manner such that internal controls are established and followed in order to protect the assets of the corporation.

**RESPONSIBILITY:**

It is the responsibility of the Executive Director to develop and maintain management tools for the sole purpose of organizing and safeguarding cash receipts.

**PROCEDURE:**

All cash receipts by mail shall be opened by a Coral Community Charter School employee, and logged in a numbered cash journal and signed by someone not involved in the accounting functions of CFEE.

After a total of the cash receipts is calculated, the Executive Director will determine which bank account to deposit the money in, and a deposit form will be prepared (as appropriate).

The Executive Director or designee will review, approve, and provide general ledger account numbers for the items on the deposit form so that the deposit information can be entered in the accounting system.

Deposits shall be made on a weekly basis, and shall be kept in a secure location until they are deposited.

**Policy #:** 004  
**Subject:** Cash Flow Model and Forecasting  
**Effective Date:** 08/01/16  
**Revised Date:**

**POLICY:**

It is the policy of CFEE to ensure that a cash flow model is developed and maintained for the purposes of analyzing short and long-term cash availability.

**RESPONSIBILITY:**

It is the responsibility of the Executive Director to perform Cash Flow forecasting in an accurate and timely manner.

**PROCEDURE:**

The Cash Flow Model will be reviewed and updated monthly and provided to the Executive Director on a monthly basis, and to the Board of Directors at the regular convened meetings.

The Executive Director will provide training for all recipients of the Cash Flow Model to ensure the information provided by the model is thoroughly and consistently understood for the purpose of decision making.

**Policy #:** 005  
**Subject:** Management of Accounts Receivable  
**Effective Date:** 08/01/16  
**Revised Date:**

**POLICY:**

It is the policy of the CFEE to ensure that all accounts receivable are managed in a manner that ensures accurate presentation of accounts receivable, of revenue in the financial records of the corporation, and to guarantee an accurate presentation of future cash flows.

**RESPONSIBILITY:**

It is the responsibility of the Executive Director to manage all accounts receivable.

**PROCEDURE:**

The Executive Director or designee shall prepare, and the Executive Director shall review on a monthly basis, all Accounts Receivable balances in order to accurately update any cash flow projections and identify any problems in billings or collections. Any Accounts Receivable identified as being unusually delinquent in payment shall be actively pursued so that payment is received as soon as possible.

Proper documentation should be kept for all activity conducted during fundraising events, golf outings, etc. making proper note of all registrants/participants, booth fees, sponsorship fees paid, goods and services received, etc.

This review and reconciliation shall be conducted in parallel to Policy #002.

**Policy #:** 006  
**Subject:** Recording Fixed Asset Activity  
**Effective Date:** 08/01/16  
**Revised Date:**

**POLICY:**

It is the policy of CFEE to ensure that fixed asset activity (all purchases of non-expendable items greater than \$500) is recorded on a monthly basis in the general ledger, and that depreciation is calculated on a monthly basis, in accordance with generally accepted accounting principles (GAAP).

**RESPONSIBILITY:**

The Executive Director in conjunction with the bookkeeper shall ensure that fixed asset activity is recorded in accordance with GAAP.

**PROCEDURE:**

The fixed asset sub-ledger shall be reconciled with the general ledger on a monthly basis. Any purchases of fixed assets during the month shall be entered into the fixed asset sub-ledger. This information shall include a description of the property, acquisition date and cost, estimated useful life, and funding source under which the equipment was purchased.

Any purchase over \$500 shall be recorded in the fixed asset sub-ledger. At the discretion of the Executive Director, permanent items under \$500 may also be capitalized if deemed appropriate.

Depreciation of fixed assets will be recorded monthly in accordance with GAAP.

**Policy #:** 007  
**Subject:** Management of Fixed Assets  
**Effective Date:** 08/01/16  
**Revised Date:**

**POLICY:**

It is the policy of CFEE that fixed assets be managed to ensure compliance with all applicable regulations.

**RESPONSIBILITY:**

It is the responsibility of the Executive Director to ensure fixed assets are managed to ensure compliance with all funding agency regulations.

**PROCEDURE:**

Fixed asset purchases may be made only with the prior approval of the funding agency. The purchase of the asset must be included in the project's approved budget, which will suffice as approval by the funding agency.

All disposals of capitalized fixed assets, such as trade-ins or sales of equipment, will not be allowed without the approval of the Executive Director, so as to ensure that such disposal meets the requirements of the funding agency through which the asset was purchased.

**Policy #:** 008  
**Subject:** Physical Inventory of Property, Plant and Equipment  
**Effective Date:** 08/01/16  
**Revised Date:**

**POLICY:**

It is the policy of CFEE to ensure that federal guidelines governing the physical inventory of property be followed. The governing guidelines are found in OMB Circular A-110. This federal circular requires that a physical inventory of property be taken and reconciled to the detail property records at least once every two years. It is the policy of CFEE to ensure that the detail property records are reconciled annually to the general ledger in order that the value of the fixed assets are accurately represented.

**RESPONSIBILITY:**

The accuracy of the detail property records and the annual physical inventory is the responsibility of the Executive Director.

**PROCEDURE:**

At a time coinciding with the end of CFEE fiscal year end, the Executive Director or designee will conduct a physical inventory of all property. During the inventory, all equipment on the list will be checked off when the item is located and determined to be the property of CFEE.

**Policy #:** 009  
**Subject:** Management of Accounts Payable  
**Effective Date:** 08/01/16  
**Revised Date:**

**POLICY:**

It is the policy of CFEE to ensure that Accounts Payable are managed in such a way as to meet the current obligations of CFEE in an accurate and timely manner while simultaneously safeguarding the liquidity of the corporation.

**RESPONSIBILITY:**

It is the responsibility of the Executive Director to manage Accounts Payable.

**PROCEDURE:**

The Executive Director or designee shall develop and maintain a system of organization for the processing and payment of all invoices. This shall include maintaining separate vendor files, maintaining an accurate method of printing 1099's, filing non-taxable transaction certificates, and printing aged Accounts Payable reports.

Check and payment requests should be made via a request form that should include review by the treasurer (as appropriate). The form should include when the invoice was paid, be attached to a receipt and included as part of the monthly reconciliation (see Policy #002). This documentation procedure should be followed for all payments made and received (for fundraisers, events, etc.).

On a monthly basis, the aged Accounts Payable ledger will be reconciled to the general ledger. The Executive Director will review the aged Accounts Payable list to ensure that vendors are being paid in a timely manner.

All invoices will be marked with an approval before processing to prevent any invoice from being paid more than once.

**Policy #:** 010  
**Subject:** Standardized Coding of Invoices  
**Effective Date:** 08/01/16  
**Revised Date:**

**POLICY:**

It is the policy of CFEE to ensure that all invoices are coded to the correct general ledger account to provide consistency in published financial statement information.

**RESPONSIBILITY:**

It is the responsibility of the Executive Director to ensure that a standardized method of coding invoices is utilized.

**PROCEDURE:**

CFEE revenue and expenses are coded to Administration, Facilities or Fundraising. Documentation for all activity for each vendor, sponsor, participant, should be maintained for each event as appropriate.

**Policy #:** 011  
**Subject:** Company Credit and Debit Cards  
**Effective Date:** 08/01/16  
**Revised Date:**

#### **POLICY:**

It is the policy of CFEE that employees may be issued company credit or debit cards if the employee regularly incurs expenses that need to be paid immediately, especially for extended traveling away from the office or office supplies. Use of a card should be limited to those occasions where it is not feasible or possible for expenses to be processed and approved and paid in a normal manner. Use of a card should not be used to circumvent the normal purchasing process. Personal use of the company card is not allowed. Individual credit limits and purchasing limits will be reviewed and approved by the Executive Director and reported to the Treasurer, or by the President and Treasurer for any cards issued to the Executive Director.

#### **RESPONSIBILITY:**

It is the responsibility of the card holder and/or user to ensure that charges incurred are appropriate, and to forward all receipts to the Executive Director in a timely manner and in time for the monthly reconciliation (see Policy #002). Receipts should include a brief description of the nature of the charge and should specify administration, facilities or fundraising (or other appropriate account) so that the expense can be properly recognized in the accounting system. It is the responsibility of the Executive Director to monitor the invoices for signs of misuse. Users of the card should return the card to a secure area within the organization's physical office space in a timely manner after use. If the user does not return the card in a timely manner and/or becomes no longer associated with the organization, it is the responsibility of the Executive Director and the President to ensure the appropriate financial institution is notified and the card is deactivated.

#### **PROCEDURE:**

When credit card statements are received, they will be matched up with receipts received from the credit card holder before payment is made. When credit card receipts are lost the employee must submit a memo to the Executive Director explaining the nature of the charge and verify that the credit card statement is in fact correct.

**Policy #:** 012  
**Subject:** Procurement Standards of Conduct  
**Effective Date:** 08/01/16  
**Revised Date:**

**POLICY:**

It is the policy of CFEE that standards of conduct be followed when purchasing goods and services.

**RESPONSIBILITY:**

It is the responsibility of the Executive Director and the Treasurer to ensure that standards of conduct are followed in the procurement process.

**PROCEDURE:**

The officers, employees, or agents of CFEE shall neither solicit nor accept any personal benefit such as gratuities, favors, or anything of monetary value from vendors or potential vendors. Any and all gifts or donations shall be recorded as either an in-kind or cash donation to CFEE by the Executive Director and retained by CFEE for use in fundraising events such as raffles, etc. CFEE will then issue a donation letter to said vendor.

No purchase shall be made from a supplier in which the employee making the purchase, or their immediate family (parents, spouses, or children), has a financial interest.

No purchase shall be made from members of the CFEE Board of Directors or their immediate families, or from CFEE employees or their immediate families, without written approval by the Executive Director and Board President, or in the case of the Executive Director, from the Board President and Treasurer. Any written approval must demonstrate that the amount to be paid does not exceed Fair Market Value for the product or service. In addition, a record of all such transactions will be reflected in the minutes of the Board meeting in which the transaction was discussed.

**Policy #:** 013  
**Subject:** Purchasing of Goods and Services  
**Effective Date:** 08/01/16  
**Revised Date:**

## **POLICY:**

It is the policy of CFEE that procurement standards be established to ensure that the authorization of the disbursement of funds is rendered in a manner such that the assets of the corporation are safeguarded, and that the procurement requirements as set forth in OMB Circular A-110 are satisfied.

## **RESPONSIBILITY:**

The role of the Executive Director in the purchasing process is to perform a service for all units of CFEE and to act as a focal point in reference to internal control issues.

The essential roles of the Executive Director or designee in the area of procurement may include the following:

Investigate and select vendors for purchase

Evaluate products and vendors in order to ensure timely delivery of quality products at the lowest possible prices.

Perform all operations necessary to complete transactions between CFEE and the vendor, which includes appropriate documentation to meet all policy requirements.

For items, which are recurring, and not subject to frequent revision, a regular review on prices should be undertaken. A single vendor, or more than one, may be selected as the main supplier of regularly used items (i.e.: paper, office supplies, building services).

Assist project managers in defining quantities and costs in budget preparations.

## **PROCEDURE:**

All procurement transactions shall be conducted in a manner to provide, to the maximum extent possible, open and free competition.

All necessary steps shall be taken to avoid purchasing unnecessary or duplicate items.

Solicitations for goods and services shall be based on a clear and accurate description of the technical requirements for the material, product, or service to be procured. Such a description shall not contain features that unduly restrict competition.

The type of procuring instruments used must be appropriate for the particular procurement and for promoting the best interests of the program.

Some form of price or cost analysis should be made in connection with every procurement process. Cost analysis is “the review and evaluation of each element of cost to determine reasonableness, allocability, and allowability.”

All proposed sole source contracts, or where only one bid or proposal is received in which the total cost exceeds \$5000, must receive prior approval from the CFEE’s Board of Directors.

Procurement records and files for purchases in excess of \$5000 shall include the following:

1. Basis for vendor selection.
2. Justification for lack of competition when competitive bids or offers are not obtained.
3. Basis for award cost or price.

In addition to the above general procedures, the following specific limits shall apply:

For the purchase of items less than \$1,000, the Executive Director shall have the discretion to approve these purchases.

For the purchase of individual items greater than or equal \$5,000, three quotes from vendors must be obtained. A decision will be made based not only on cost, but on other factors that will be determined on a case-by-case basis, i.e.: durability, availability, and vendor reputation. As a general rule, however, the purchase shall be awarded to the lowest bidder, given equal product specifications, quality, and purchase terms.

The Executive Director and either the Board President or Treasurer must approve all purchases from \$1,000 to \$5,000.

For the purchase of items in excess of \$5,000, a formal bid or proposal process must be followed, and the item to be purchased must be included in the approved budget for that project, and approval from a quorum of the board of directors is required.

**Policy #:** 014  
**Subject:** Check-Signing Procedure  
**Effective Date:** 08/01/16  
**Revision Date:**

**POLICY:**

It is the policy of CFEE there be three current signatories on all bank accounts, and that all checks disbursed from CFEE be signed by two (2) signatories. No person is authorized to be the sole signer if that person is also a payee.

**RESPONSIBILITY:**

It is the responsibility of the Executive Director that all checks have the appropriate signatories before being released.

**PROCEDURE:**

All checks will be reviewed for appropriate signatures before being released. The signers are to be President, Executive Director and other member as approved by the Board of Directors.

**Policy #:** 015  
**Subject:** Maintenance of the General Ledger  
**Effective Date:** 08/01/16  
**Revised Date:**

**POLICY:**

It is the policy of CFEE that general ledger records, hard copy, and electronic data, including subsidiary ledgers, is maintained in a manner as to ensure the preservation of financial data and the records of the corporation.

**RESPONSIBILITY:**

It is the responsibility of the Executive Director or designee to maintain all general ledger records, hard copy and electronic data.

**PROCEDURE:**

The Executive Director shall periodically review the financial operations to ensure that internal controls are in place.

**POLICY #:** 016  
**Subject:** Maintenance of the Chart of Accounts  
**Effective Date:** 08/01/16  
**Revision Date:**

**POLICY:**

It is the policy of CFEE that the chart of accounts be maintained in a manner as to ensure that the integrity of all contract activity is maintained within the accounting records, and that the financial information is sufficient to satisfy the terms and reporting requirements of contracts.

**RESPONSIBILITY:**

It is the responsibility of the Executive Director to maintain the chart of accounts such that all reporting requirements are met.

**PROCEDURE:**

The CFEE Chart of Accounts listed in Policy #010.

**Policy #:** 017  
**Subject:** Approval of Journal Entries to the General Ledger  
**Effective Date:** 08/01/16  
**Revised Date:**

**POLICY:**

It is the policy of CFEE to ensure that all journal entries are reviewed for accuracy and approved by the appropriate party.

**RESPONSIBILITY:**

Journal entries are prepared by the contract bookkeeper and it is the responsibility of the Executive Director to review and approve all journal entries.

**PROCEDURE:**

All journal entries should be prepared on a standard journal entry sheet. The person preparing the report shall sign the form, and then submit it to the appropriate party for review and approval.

Once it has been reviewed and approved by the Executive Director, the Treasurer will include a final sign-off/review as part of the monthly reconciliation process outlined in Policy #002 and to be included as part of the financial report requiring approval by the full Board of Directors.

**Policy #:** 018  
**Subject:** Issuing Financial Statements  
**Effective Date:** 08/01/16  
**Revision Date:**

**POLICY:**

It is the policy of CFEE to ensure that financial statements are issued in a timely and accurate manner in order to provide useful information to management and the Board for the purposes of making sound financial decisions.

**RESPONSIBILITY:**

It is the responsibility of the Executive Director to ensure that financial statements are issued in an accurate and timely manner.

**PROCEDURE:**

The Executive Director shall review all financial statements for accuracy and reasonableness prior to the release of such documents to management of the Board.

The CFEE Board of Directors shall review and approve financial statements at their regularly convened meetings and state their acceptance and approval at their regularly convened meetings.

**Policy #:** 019  
**Subject:** Budget Development  
**Effective Date:** 08/01/16  
**Revised Date:**

**POLICY:**

It is the policy of CFEE to ensure that an annual operating budget is developed and submitted to the Board of Directors for review and approval prior to each fiscal year.

**RESPONSIBILITY:**

It is the responsibility of the Executive Director to develop and present an annual operating budget to the Finance Committee and/or full Board.

**PROCEDURE:**

Prior to the beginning of each fiscal year, the Executive Director will develop the annual operating budget. Upon approval by the Treasurer and/or Finance Committee and approval by the Board of Directors, the general fund budget will be entered into the accounting system so that monthly actual reports can be compared to the approved budget. This budget should be reviewed throughout the fiscal year and adjusted as needed.

**Policy #:** 020  
**Subject:** Contract Administration  
**Effective Date:** 08/01/16  
**Revised Date:**

#### **POLICY:**

It is the policy of CFEE to ensure that all investments are managed in a manner that guarantees the preservation of invested capital.

#### **RESPONSIBILITY:**

It is the responsibility of the Executive Director to responsibly manage all investments. This management of fund includes the responsibility of providing a means of accountability to all interested parties.

#### **PROCEDURE:**

All subcontracts shall include certain provisions. These provisions include, but are not limited to, the following:

1. All subcontracts shall contain contractual provisions or conditions that allow for administrative, contractual, or legal remedies in instances in which subcontractors violate or breach subcontract terms and provide for such remedial actions as may be appropriate.
2. All subcontracts must be time-limited and price-limited and include a specified beginning and ending date, and maximum contract amount
3. All subcontracts shall contain provisions for termination by CFEE, including the manner by which termination will be effected and the basis for settlement
4. All subcontracts shall describe conditions under which the subcontract may be terminated for default, as well as conditions where the subcontract may be terminated because of circumstances beyond the control of CFEE
5. All subcontracts having a value of more than \$2,000 shall contain a provision requiring compliance with Executive Order 11246, "Equal Employment Opportunity" as amended by Executive Order 11375 and supplemented in Department of Labor regulations (41 CFR, Part 60)
6. All subcontracts in excess of \$100,000 shall contain a provision that requires the subcontractor to comply with all applicable standards, orders, or regulations issued pursuant to the Clean Air Act of 1970 and the Federal Water Pollution Control Act as amended
7. Subcontracts shall be made only with responsible subcontractors who possess the potential ability to perform successfully.

**Policy #:** 022  
**Subject:** Long Term Debt  
**Effective Date:** 08/01/16  
**Revised Date:**

**POLICY:**

It is the policy of CFEE to ensure that all long-term debt is incurred with the authorization of the Executive Director and the Board of Directors, and in concurrence with the corporate by-laws. Incurring long term debt should only be considered when it is determined that the corporation can safely meet the repayment schedule.

**RESPONSIBILITY:**

It is the responsibility of the Executive Director under the direction of the Board of Directors, to incur long term debt when deemed appropriate to fulfill the operating and/or long-term goals of the corporation.

**PROCEDURE:**

The Executive Director in conjunction with the Board of Directors shall seek out all available resources of funding in order to attain the best possible financing terms.

The Executive Director shall present all available financing options to the Board of Directors prior to any binding agreements being made with any financing institution.