



ki charter
every **change** has a story

Module 100: *Financial Operations Charter Board Policy*
Ki Charter

100.020. ANNUAL OPERATING BUDGET

SECTION 1. Budget Process

SECTION 1.1. FASRG. The Superintendent will ensure that Ki Charter follows a budgeting process that is consistent with the requirements in the Budgeting Module of the Texas Education Agency's ("TEA") Financial Accountability System Resource Guide.

SECTION 1.2. The Superintendent is responsible for the preparation of the annual budget.

SECTION 1.3. Campus Improvement Plan. Each year before the annual operating budget is drafted, the Superintendent shall ensure that a campus improvement plan, which is based on a needs assessment of Ki Charter, is drafted and finalized. The needs assessment and campus improvement plan shall be completed by July 1st. The campus improvement plan shall inform the drafting of the annual budget.

SECTION 1.4. Adoption. The Board shall formally adopt the budget, in a meeting open to the public, before the fiscal year of July 1st begins and before the expenditure of any funds.

SECTION 1.5. Minutes. The Secretary of the Board will record the adoption of the budget and any amendments in the Board meeting minutes in which the adoption occurs.

SECTION 1.6. Post-Adoption. After the adoption of the budget, the Superintendent and the Board shall review actual fund disbursements compared to the adopted budget and make amendments as needed. This shall occur soon after actual student enrollment is determined.

SECTION 1.7. Application for Accelerated Payments. The Superintendent will determine annually whether Ki Charter may be eligible for accelerated payments from the Foundation School Program, and if so, will make a recommendation to the board concerning whether the charter school should apply to the Commissioner for accelerated payments of state funding.

SECTION 2. Fiscal Compliance

The Superintendent shall ensure that Ki Charter complies with all state and federal laws and rules concerning the budget and related processes of the school, including but not limited to, laws and rules concerning online budget posting and financial solvency.

100.40. USE OF STATE FUNDS**SECTION 1. Use of State Funds**

The Superintendent of Ki Charter shall ensure that the school uses state funds only for lawful purposes.

SECTION 2. Prohibition Against Co-mingling of Charter & Non-Charter Business

The Superintendent shall ensure that the business activities of Ki Charter that are not directly related to the management and operation of Ki Charter shall be kept in a separate and distinct accounting, auditing, budgeting, reporting, and record keeping systems from those recording the business activities of Ki Charter.

SECTION 3. Interested Transactions

SECTION 3.1. Each member of the Board shall comply with all conflict of interest laws and rules applicable to affected board members.

SECTION 3.2. The Superintendent shall ensure that the employees of Ki Charter shall comply with all conflict of interest laws and rules applicable to affected employees.

SECTION 3.3. The Superintendent shall ensure that the following shall be recorded in the accounting, auditing, budgeting, reporting, and record keeping systems for the management and operation of the school:

- a. Financial transactions between the school and the non-charter activities of the charter holder;
- b. Financial transactions between the school and an officer or employee of the charter holder or the school;
- c. Financial transactions between the school and a member of the governing body of the charter holder or the school;
- d. Financial transactions between the school and a management company charged with managing the finances of a school; and
- e. Financial transactions between the school and any other person or entity in a position of influence over the charter holder or the school.

100.60. FISCAL COMPLIANCE

SECTION 1. Fiscal Year

The Ki Charter Board adopts July 1st as the fiscal year for Ki Charter.

SECTION 2. Financial Accounting

SECTION 2.1. Compliance. The Superintendent shall ensure that Ki Charter fully complies with: generally accepted accounting principles, Texas Education Agency's ("TEA") Financial Accountability System Resource Guide, TEA's Student Attendance Accounting Handbook, Public Education Information Management System (PEIMS), and any other applicable federal or state standards for financial management systems.

SECTION 2.2. Financial Reporting. The Superintendent, or designee, shall make an accurate, current, and complete disclosure of financially assisted activities in accordance with financial reporting requirements of each grant or sub-grant.

SECTION 2.3. Accounting Records. The Superintendent, or designee, shall maintain records that adequately identify the source and application of funds provided for activities assisted with state or federal funds.

SECTION 2.4. Internal Control. The Superintendent, or designee, shall maintain effective control and accountability of all federal grant and sub-grant cash, real and personal property, and other assets obtained with federal funds. The Superintendent, or designee, shall safeguard all such property and assure that it is used solely for authorized purposes.

SECTION 3. Grant Management Standards

SECTION 3.1. Compliance. If Ki Charter receives a grant directly from a state or federal agency the Superintendent shall ensure that Ki Charter is in compliance with the grant requirements of that state or federal agency.

SECTION 3.2. Employee Time Sheet. If a Ki Charter employee's compensation is funded by any grant, the Superintendent shall ensure that the employee maintains a time sheet on which he or she records the time spent during the work day along with a description of the service he or she performed during that time.

SECTION 3.3. Signature. The Superintendent shall ensure that the time sheets will contain the signatures of the employee that completed the time sheet, a school official, and the Ki Charter's grant manager.

SECTION 4. Annual Audit by the Charter

SECTION 4.1. Annual Audit. Annually, the President of the Board for Ki Charter shall ensure the engagement of a certified public accountant ("CPA") to have

the financial and programmatic operations of Ki Charter audited. Ki Charter shall select and contract only with CPAs that are licensed by the Texas State Board of Public Accountancy and registered as a provider of public accounting services.

SECTION 4.2. Filing with TEA. The Superintendent shall ensure that Ki Charter timely files a copy of the annual audit report with the TEA division responsible for school financial audits. The report shall include a certificate of the Board which will include the original signatures of both the presiding officer and the secretary of the Board. The certificate shall indicate if the Board approved or disapproved the contents of the report along with the date of the Board's approval or disapproval. This approval or disapproval shall be supported in the Board's meeting minutes. The Superintendent shall ensure that if the Board disapproved the audit, it shall still be filed with TEA along with a statement identifying the reason(s) for Board disapproval.

SECTION 4.3. Disclosure of Interest. On behalf of the Ki Charter, the Superintendent shall ensure that all persons with a substantial interest in a management company are separately disclosed in the annual audit.

SECTION 5. Annual Financial Statement

SECTION 5.1. Annual Financial Statement. The Superintendent of Ki Charter shall prepare, or cause to be prepared, an annual financial statement for each fund subject to the authority of the Board during the fiscal year showing:

- a. the total receipts of the fund, itemized by source of revenue, including taxes, assessments, service charges, grants of state money, gifts, or other general sources from which funds are derived;
- b. the total disbursements of the fund, itemized by the nature of the expenditure; and
- c. the balance in the fund at the close of the fiscal year.

SECTION 5.2 Posting of Annual Financial Statement. The Superintendent, or designee of Ki Charter shall ensure that the annual financial statement is posted continuously on the school's Internet website.

SECTION 6. Annual Financial Management Report

SECTION 6.1. The Superintendent shall ensure that Ki Charter complies with the reporting procedures TEA develops for charter holders to prepare and distribute the school's annual financial management report.

SECTION 7. Audit by the Commissioner

SECTION 7.1. Ki Charter and its officers, employees, and agents shall fully cooperate with an audit by the commissioner of education and will take all actions necessary to secure the cooperation of a management company.

SECTION 8. Attendance Accounting

SECTION 8.1. Compliance. The Superintendent shall ensure that Ki Charter complies with the TEA Student Attendance Accounting Handbook and all other laws and rules concerning charter school student attendance accounting, reporting, and record keeping.

SECTION 8.2. Responsibility. The Superintendent, chief campus leaders, and teachers of Ki Charter will be responsible to the Board of Ki Charter and to the state to maintain accurate, current student attendance records;

SECTION 8.3. When Attendance is Taken. Attendance at Ki Charter will be determined by teachers submitting official attendance at 10:00am each day school is in session. Ki Charter will not change the established period in which absences are recorded during the school year;

SECTION 9. PEIMS Data Standard

SECTION 9.1. PEIMS. The Superintendent shall ensure Ki Charter's fiscal accounting system is compatible with PEIMS data standards and conforms to Generally Accepted Accounting Principles.⁶

SECTION 9.2. Account Code Structure. The Superintendent shall ensure that, with the exception of the codes that may be used at local option, Ki Charter shall use the account code structure described in TEA's Special Supplement to the Financial Accountability System Resource Guide, Nonprofit Charter School of Accounts.

100.080 FEDERAL FISCAL COMPLIANCE

Section 1. Commitment to Compliance

Prior to expending federal grant funds, the Superintendent shall ensure that Ki Charter consults the appropriate compliance standards. The Superintendent shall adopt and follow appropriate procedures to ensure that all grant funds are expended in accordance with applicable requirements, including where applicable, the Education Department General Administrative Regulations (EDGAR).

Section 2. Federal Grant Time and Effort

The Superintendent or designee shall develop and maintain an electronic record keeping system that can receive, store, and reproduce electronic records and signatures of electronic transactions in their original form. The records shall be retained in an accessible format for as long as legally required.

Section 2.1. Employee Time Sheet. If Ki Charter employee's compensation is funded by any federal grant, the Superintendent shall ensure that the employee maintains a time sheet on which he or she records the time spent during the work day along with a description of the service he or she performed during that time.

Section 2.2. Signature. The Superintendent shall ensure that the time sheets contain the signatures of the employee who completed the time sheet, a school official, and the Ki Charter grant manager or designee.

[Section 2.3. Substitute System for Time and Effort Reporting. Each school year, the Superintendent shall submit a management certification form by the deadlines required by the Texas Education Agency to qualify as a participant under the substitute system of semi-annual time and effort reporting for employees of Ki Charter. The Superintendent shall also ensure that any eligible employee participating in the substitute system of federal time and effort reporting completes a schedule and certification form at least semi-annually. The Superintendent shall ensure that the semi-annual certification form contains the signature of the employee and the employee's supervisor. The semi-annual certifications for each employee shall be maintained as part of the records of the charter school.]

Section 3. Use of Federal Grant Funds for Procurement

Section 3.1. Compliance. When expending federal grant funds, The Superintendent, or the Superintendent designee shall require compliance by Ki Charter employees, officers, and agents with all applicable federal and state procurement standards and policies. Violations of applicable laws or policies may lead to disciplinary consequences including and up to termination of employment or removal from any officer position, if applicable.

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Section 3.2. Shared Services. The Superintendent is encouraged to participate in group purchasing programs, shared services agreements, inter-local contracts and inter-entity agreements whenever possible to generate a cost savings for the charter school.

Section 3.3 Open and Free Competition. The Superintendent shall ensure that all procurement transactions are conducted in a manner that provides open and free competition. The Superintendent shall ensure that the procurement procedures

implemented by Ki Charter have written selection procedures that do not contain features which unduly restrict competition.

Section 3.4. Conflicts of Interest: Standards of Conduct. The Superintendent shall ensure that no employee, officer, or agent of Ki Charter, who has a real or apparent conflict of interest, participates in the selection, award, or administration of a contract supported by federal funds. Employees, officers, and agents may not solicit or accept favors, gratuities, or anything of monetary value from contractors or their agents. The Superintendent shall maintain written standards of conduct governing the performance of Ki Charter employees engaged in the award and administration of contracts. The written standards of conduct shall also address organizational conflicts of interest. The Superintendent shall disclose in writing any potential conflict of interest to the Board of Directors, to the Texas Education Agency, and to the federal awarding agency.

Section 3.5. Disclosures of Misconduct. The Superintendent shall ensure that any evidence of fraud, bribery or a gratuity violation is promptly reported to the Board of Directors, to the Texas Education Agency, and to the federal awarding agency. The Superintendent shall also report any such evidence to local law enforcement authorities.

Section 3.6. Small and Minority Firms, Women's Businesses. The Superintendent shall ensure that Ki Charter takes all necessary affirmative steps to assure that minority firms, women's business enterprises, and labor surplus area firms are used when possible.

Section 3.7. Record Documentation. The Superintendent shall maintain records sufficient to detail the history of each procurement secured with federal funds. The records must include, but not be limited to, the rationale for the procurement method, the selection of the contract type, contractor selection or rejection, and the basis of the contract price.

Section 3.8. Mandated Contract Provisions. The Superintendent shall ensure that all legally mandated provisions are included in each procurement contract.

Section 4. Special Fiscal Requirements under Title I, Part A of NCLB ("Title I")

Section 4.1. Supplement not Supplant. Superintendent shall ensure that Title I funds will be used to supplement, not supplant regular non-federal funds.

Section 4.2. Documentation. Documentation shall be maintained, or caused to be maintained, by the Superintendent. The documentation must clearly demonstrate the supplementary nature of federal funds.

Section 4.3. Campus Improvement Plan. The Superintendent shall ensure that Title I funds used by Ki Charter shall be aligned to the campus improvement plan. There shall be no costs expended that are not directly related to the campus improvement plan.

- a. A comprehensive needs assessment shall be conducted that will inform the drafting of the campus improvement plan. The campus improvement plan shall be aligned to the needs assessment and only needs that can be met with current funding levels shall be addressed in the campus improvement plan.
- b. New goals shall be added as new money is identified.

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- c. The Superintendent shall ensure that Ki Charter shall conduct the needs assessment and campus improvement plan prior to any grant application.

Section 4.4. Comparability Testing. Unless the charter school is exempt from Title I's comparability requirements, the Superintendent or designee shall ensure that Ki Charter remains in compliance with all applicable comparability requirements. To ensure proper use of the receipt of any Title I, Part A funding, Ki Charter will strive to avoid diverting state and local resources away from its Title I, Part A campus(es) by:

- a. Implementing a district-wide salary schedule. The Superintendent shall recommend for Board approval a salary schedule that indicates salary comparability across all Title I and non-Title I campuses and positions. The district wide salary schedule shall allow for fair and comparable compensation for each position based each employee's job duties, special assignments, education, certifications, and experience. The Superintendent shall administer the compensation plan in a manner consistent with the annual budget adopted by the Board;
- b. Ensuring equivalence among campuses in teachers, administrators, and other staff. The ratio of students to teachers, administrators, and other staff at each Title I campus shall be equivalent to the ratio of students to teachers, administrators and other staff at non-Title I campuses. Equivalence shall be determined by various reasonable and appropriate factors;
- c. Ensuring equivalence among campuses in the provision of curriculum materials and instructional supplies. Each Title I and non-Title I campus shall receive equivalent funding for curriculum and instructional materials. Equivalence shall be determined by various reasonable and appropriate factors; and
- d. Adjusting to Ensure Comparability. The Superintendent or designee shall conduct testing to measure comparability and maintain records documenting compliance. If any instances of noncompliance are identified, the Superintendent or designee shall promptly implement adjustments as needed to ensure comparability, seeking board approval where necessary or appropriate.

Section 5. Special Fiscal Requirements under IDEA, Part B (Special Education)

The Superintendent shall ensure that Ki Charter complies with the specific requirements applicable to the receipt of special education funding including maintenance of effort, excess costs, supplemental use, and Coordinated Early Intervening Services.

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Section 6. Charter Schools Program (CSP), NCLB Title V, Part B

Section 6.1. Compliance. If Ki Charter receives CSP grants, the Superintendent shall ensure that Ki Charter shall comply and use the federal funds in accordance with all statutes, regulations, and approved applications.

Section 6.2. Fiscal Control. The Superintendent shall directly administer or supervise the administration of any projects funding through CSP funds, and shall use fiscal control and fund accounting procedures that ensure proper disbursement of, and accounting for, federal funds.

Section 6.3. Conflicts of Interest. Ki Charter Board members and employees shall avoid apparent and actual conflicts of interest. An individual is prohibited from participating in an administrative decision regarding a project funded through CSP funds if the decision is likely

to benefit that person or an immediate family member and the person is a public official or has a family or business relationship with Ki Charter. A person is prohibited from participating in a project to use his or her position for a purpose that is, or gives the appearance of being, motivated by a desire for a private or financial gain for that person or for others.

Section 6.4. Procurement. When using CSP funds to enter into a contract for equipment or services the Superintendent, or the Superintendent designee, shall comply with the applicable federal procurement standards. No Board member, employee, officer, or agent of Ki Charter may participate in the selection, award, or administration of any contract supported by federal funds if a real or apparent conflict of interest exists.

100.100. CASH MANAGEMENT & CREDIT CARD PROCEDURES

School funds are public funds. Consequently, all expenditures of school funds, including cash expenditures, shall be documented and accounted for by daily receipts.

As a general rule, cash will not be used to make purchases except from petty cash, as described below. School checks shall not be made payable to "Cash".

The SUPERINTENDENT of Ki Charter shall ensure that appropriate "separation of duties" are complied with in the handling of all money transactions, including reconciliation.

SECTION 1. Accounting for Cash Transactions

SECTION 1.1. Documentation. All cash transactions shall be recorded in writing, such as by hand written receipt, which shall be signed and dated by the individual who receives the cash. Staff members who receive or collect money from parents or teachers shall document from whom the money was received and in what amount. A copy of the receipt shall be kept with the cash received. Such money shall be submitted to the Director of Operations on the same school day as it is received for deposit.

SECTION 1.2. Depositing Cash. The Superintendent shall be responsible for ensuring that cash received is deposited in Ki Charter's bank account. Deposits shall be made whenever cash receipts total \$500 or, at a minimum, weekly. A copy of the validated deposit slip shall be returned to the school on same day the deposit is made or the next day after the deposit is made.

SECTION 1.3. Petty Cash Prohibited. The use of petty cash shall not be allowed at Ki Charter.

SECTION 2. Checks

SECTION 2.1. Ki Charter Checks. Any authorized check drafted on Ki Charter's bank account over \$5,000 shall have two authorized check signers. The following Ki Charter officers are authorized to sign checks from Ki Charter's bank account on behalf of Ki Charter: Board President, Superintendent, Director of Operations, Curriculum Coordinator. Each check must be completed in its entirety before it is signed.

SECTION 2.2. Checks Received. Checks received shall be endorsed "for deposit only" and shall either be deposited when the total amount is at least \$5,000 or at least weekly, whichever is more frequent.

SECTION 2.3. Check Requests. Services or products rendered, reimbursement requests with original receipts, or mileage reimbursements may receive payment with a check. A check request form must be completed by the requestor and approved with a signature by the applicable school administrator. The check request form shall contain the name of the payee, the date the check is requested to be written, the amount of the check, a brief description for the issuance of the check, and the funding source that will be drawn from. Checks made payable to "Cash" are prohibited. The check request shall then be submitted to the business office for processing. All check request forms shall be maintained by the business office in electronic format.

SECTION 2.4. Check Acceptance Policy. Parents of students enrolled at Ki Charter and employees of Ki Charter must receive prior notice from Ki Charter that in the event a check

they have submitted to Ki Charter is returned for insufficient funds, or any other reason, Ki Charter shall collect from the check maker the amount originally due in addition to any fee assessed to Ki Charter by the bank because of the returned check.

SECTION 3. Paying Bills with State or Federal Grant Funds

SECTION 3.1. Grant funds shall not be requested from the Texas Education Agency until Ki Charter is prepared to pay any outstanding balances within three days from when the funds are deposited in Ki Charter's bank account. The Superintendent shall ensure that all bills, including payroll and related withholding taxes, shall be paid by Ki Charter within three working days from when such funds are deposited in Ki Charter's bank account.

SECTION 4. Bank Reconciliations

The Superintendent or Superintendent's designee is responsible for bank reconciliations a minimum of once a month. Each Ki Charter bank statement, assets, and liabilities shall be reconciled to both the check register and the general ledger.

SECTION 5. Credit Card Procedures

Only the following are authorized to use the Ki Charter credit card: Superintendent, Director of Operations or individual as designated for a specific one-time purchase.

All authorized users of the Ki Charter credit card assume the responsibilities pertaining to the use and reconciliation of the credit card. The Ki Charter credit card shall only be used for school business expenditures. It may not be used for personal purchases and/or cash transactions and shall be maintained by the highest level of security.

Employees issued a Ki Charter credit card must receive prior, documented approval from the Superintendent or designee before the use of the credit card. Each credit card transaction by any user must be accompanied by appropriate documentation such as original receipts documenting each transaction.

SECTION 6. Activity Funds

SECTION 6.1. Parent/Volunteer Groups. If a parent group is organized at Ki Charter, the Superintendent, or Superintendent's designee, shall develop procedures for parent and school volunteer groups to follow in the collection of funds. Such procedures should distinguish between what the school is collecting and what the parent group is collecting.

SECTION 6.2. Activity Expenditures. The following individual(s) is/are authorized to approve activity expenditures: Superintendent and/or Director of Operations.

100.110 ELECTRONIC SIGNATURES

The governing body ("Board") of Ki Charter adopts the following policy which shall be effective on the date approved by the Board.

Section 1.

Ki Charter wishes to promote effective and efficient use of electronic communications to conduct school business. An electronic signature shall have the full force and effect of a manual signature only if the electronic signature satisfies all of the following requirements:

Section 1.1. The individual affixing his or her electronic signature to a document, contract, data transmission, or report is otherwise authorized by the governing body to represent the Ki Charter in legal transactions, to commit the resources of the charter school, or to make or affirm representations concerning the operations of the charter school.

Section 1.2. The electronic signature identifies the individual signing the document by his or her name and title;

Section 1.3. The electronic signature and the document to which it is affixed cannot be altered once the electronic signature is affixed; and

Section 1.4. The identity of the individual signing with an electronic signature is capable of being validated.

Section 2.

The Superintendent or designee shall develop and maintain an electronic record keeping system that can receive, store, and reproduce electronic records and signatures of electronic transactions in their original form. The records shall be retained in an accessible format for as long as legally required.

Section 3.

This policy does not require electronic signatures to be created or used for any particular business transactions for the charter school.

100.120. ACCOUNTING FOR CAPITAL ASSETS

SECTION 1

SECTION 1.1. Capital Asset. A capital asset for Ki Charter is an asset that is:

- a. Tangible in nature;
- b. Has a life that exceeds one year;
- c. Is valued at \$5,000 per unit; and
- d. Is reasonably identified and controlled through a physical inventory system.

SECTION 1.2. Documentation. The Superintendent shall ensure that Ki Charter maintains accurate records of capital assets in accordance with applicable rules.

SECTION 1.3. Inventory. The Superintendent will ensure that a physical inventory of capital assets takes place a minimum of once every two years in accordance with rules.

SECTION 1.4. Financial and Compliance Report. For purposes of the Financial and Compliance Report, the Superintendent shall ensure that the report includes:

- a. An exhibit in the financial and compliance report identifying all capital assets and the ownership interest of local, state, and federal parties; or
- b. A statement that all property acquired during the term of the Ki Charter, and all property presently held by Ki Charter, may be considered public property.

100.140. INVESTMENT OF STATE FUNDS

SECTION 1. The Superintendent shall ensure that Ki Charter invests state funds in accordance with applicable state law and rules. The investment of state funds shall be made with judgment and care and not for speculation, but for investment, considering the probable safety of capital and the probable derived income.

SECTION 2. Investment Management Firm and/or Officer. The Superintendent may determine to recommend to the Board to contract with an investment management firm that is registered under the appropriate governmental entities to provide for the investment and management of the funds. Such a contract shall not exceed two years. If the Board determines to renew any such contract the board shall issue the appropriate order or resolution.

SECTION 3. Discrete Maintenance of Records. The Superintendent shall ensure that all investments will be maintained in a discrete, charter investment account, separate from any other of Ki Charter's accounts.

SECTION 4. Investments. The following investments have received approval by the Board.

Assets of the School may be invested only in the following instruments as further defined by the Financial Investment Policy. If changes are made to the Act they will not be authorized until this Policy is modified and adopted by the governing body. All investment transactions will be made on a competitive basis.

- A. Obligations of the United States Government, its agencies and instrumentalities and securities with the full faith and credit backing of the US Government with a maximum stated maturity of two years and to exclude mortgage backed securities
- B. Fully collateralized depository certificates of deposit of banks doing business in Texas, with a maximum maturity of one year guaranteed or insured by the Federal Deposit Insurance Corporation, or its successor, or secured in accordance with this Policy.
- C. AAA-rated, constant-dollar Texas Local Government Investment Pools as defined by the Act and authorized by resolution for participation of the governing body.
- A. AAA-rated, SEC registered money market mutual funds as defined by the Act.
- B. FDIC insured, brokered certificates of deposit securities from a bank in any US state, delivered versus payment to the School's safekeeping agent, not to exceed one year to maturity. Before purchase, the Investment Officer must verify the FDIC status of the bank on www.fdic.gov to assure that the bank is FDIC insured.
- C. General debt obligations of any state or political subdivision in any US state rated AA or better with a stated maturity not to exceed one year.
- D. FDIC insured or collateralized interest bearing and money market accounts from any FDIC insured bank in Texas.

100.160. PAYROLL

SECTION 1.1. Accurate & Timely Payroll. The Superintendent shall ensure that school employees are paid accurately and timely in accordance with applicable laws and rules

SECTION 2.2. Paydays.

- a. Exempt Employees. The paydays for exempt employees shall be on the 15th and 30th of each month. If the regular scheduled payday falls on a holiday or weekend, payday will be the day before.

- b. Non-exempt Employees. The paydays for non-exempt employees shall be on the 15th and 30th of each month. If the regular scheduled payday falls on a holiday or weekend, payday will be the day before.

SECTION 2.3. Withholding of Wages. The Superintendent shall ensure that the wages of school employees are not withheld except as expressly required or expressly permitted by applicable laws and rules.

100.180. PROPERTY

SECTION 1. Public Property Held in Trust

SECTION 1.1. Public Property. An interest in real estate or personal property acquired, improved, or maintained using state funds that were received by Ki Charter on, or after, September 1, 2001, is public property for all purposes under state law.

SECTION 1.2. Public Property Held in Trust. Public property is held by the Ki Charter in trust for the benefit of enrolled students.

SECTION 2. Use of Public Property

SECTION 2.1. Allowable Use. The Superintendent shall ensure that public property shall only be used for a purpose for which a school district may use school district property and only to implement a program that is described in the open-enrollment charter and is consistent with the Texas Education Code §12.102.

The Superintendent also shall ensure that Ki Charter employees, agents, contractors, and management companies do not use or apply public property for any purpose but a program described in Ki Charter's charter.

SECTION 2.2. Exception to Allowable Use. Employees of Ki Charter may use local telephone service, cellular phones, electronic mail, and internet connections for incidental personal use under the following conditions:

- a. Such incidental personal use must not result in any direct cost paid with state funds. If this does happen, the Superintendent shall ensure that the employee which caused the direct cost to be incurred by Ki Charter shall reimburse Ki Charter;
- b. Such incidental personal use shall not impede the functions of Ki Charter;
- c. The use of public property for private commercial purposes is strictly prohibited; and
- d. Only incidental amounts of an employee's time for personal matters, comparable to reasonable coffee breaks during the day, are authorized under this section.

SECTION 2.3. Violations of Section 2.

SECTION 2.3.1. Employee Violations. The Superintendent shall ensure that a violation of Section 2 of this policy by an employee of Ki Charter shall have disciplinary consequences which may include termination of employment.

SECTION 2.3.2. Contractor Violations. The Superintendent shall ensure that each contract between Ki Charter and another party includes language stating the allowable use of public property and that a violation of the allowable use may lead to termination of a contract. If a contract is terminated based on a violation of Section 2 of this policy Ki Charter will compensate the entity for services performed as required by law.

SECTION 2.4 Joint Use of Real Property. The Board President shall ensure that the Board takes a separate vote to approve any joint use of real property for charter and non-charter activities. In the meeting minutes of the vote approving the joint use, the Board Secretary shall ensure that the minutes set forth the methodology used to allocate shared costs and the percentage allocation basis between charter and non-charter activities.

SECTION 3. Lease of Ki Charter Facilities

Ki Charter may lease its facilities to various organizations such as those that are educational, religious, or civic in nature. However, the availability of facilities for lease by out- side entities will depend on Ki Charter's own needs and convenience.

100.200. PURCHASING & CONTRACTING

Section 1. Public Works Contracts Pursuant to Chapter 271, Subchapter B, Local Gov't Code

SECTION 1.1 Applicable Law. In awarding contracts that will involve the construction, repair, or renovation of a structure, road, highway, or other improvement or addition to real property, the Ki Charter, will comply with Chapter 271, Subchapter B, of the Local Government Code. The Superintendent shall ensure that all applicable advertisement notice bid requirements are satisfied.

SECTION 1.2. Bidding Threshold. The Superintendent shall engage the applicable law when an expenditure of more than \$50,000 in public funds is required.

SECTION 1.3. Contract Award. The Superintendent shall make a recommendation to the Board concerning the award of a public works projects bid pursuant to this policy.

In determining the contract award, the Board may take into account several factors, including:

- a. The safety record of the bidder;
- b. Whether the bidder, its employees, and agents have relevant and mandatory licenses/registrations;
- c. Complaints and/or accident reports to relevant local and/or state agencies;
- d. The purchase price;
- e. The reputation of the bidder and of the bidder's goods or services;
- f. The quality of the bidder's good or services;
- g. The extent to which the goods or services meet Ki Charter needs;
- h. The bidder's past relationship with Ki Charter;
- i. The impact on the ability of Ki Charter to comply with the laws and rules relating to historically underutilized businesses;
- j. The total long-term cost to Ki Charter to acquire the bidder's goods or services; and
- k. Any other relevant factor specifically listed in the request for bids or proposals.

Section 1.4. Definition of Safety Record. The safety record includes a bidder's Occupational Safety and Health Administration inspection log for the last three years, a loss analysis from the bidder's insurance career, any known safety violations on previous projects, and a loss history covering all lines of insurance coverage by the bidder.

SECTION 2. Professional Services

SECTION 3.1. Applicable Law. The Superintendent shall ensure that professional service providers are selected in accordance with the applicable law.

SECTION 3. Cooperative Purchasing Programs and Interlocal Contracts

Section 5.1. The Superintendent shall ensure full compliance with all applicable law and rules if Ki Charter has amended its charter to enter into a cooperative purchasing program.

Section 5.2. The Superintendent shall ensure full compliance with all applicable law and rules if Ki Charter has determined to enter an interlocal contract with another open-enrollment charter school or any other entity permitted by law to enter into interlocal contracts.

SECTION 4. Other Purchasing and Contracting

Section 4.1 Appropriate Value. In awarding contracts for goods and services that are not governed by Sections 1, 2, 3 or 4 of this policy, the Superintendent shall ensure that the Ki Charter receives appropriate value for the expenditure.

Section 4.2. Competitive Process Threshold. In an expenditure of school funds for a contract awarded under Section 4 will exceed \$50,000, then the Superintendent shall engage a competitive process before selecting a person or entity to which to make the award.

Section 4.3. Purchase Order Required. The Superintendent shall establish procedures identifying a purchase order process as the method for purchasing or expending funds. Approval for a purchase or expenditure of funds must be obtained by THE SUPERINTENDENT or Director of Operations before the purchase or expenditure of funds is made.

SECTION 5. Board Approval Required

For any contract or purchase made pursuant to this policy, the board of directors shall approve all contracts valued above \$50,000. The Superintendent does not have authority to bind the board of directors or the Ki Charter to any contract for goods and services valued above \$50,000. Any contract or purchase valued above this amount that is not approved by the Ki Charter board of directors is void and ineffective.

SECTION 6. State Travel Management Program

Board members, officers, and employees, engaged in travel on official business of Ki Charter, shall utilize the Texas Comptroller's State Travel Management Program where it provides a better value for Ki Charter.

SECTION 7. Workers Compensation

Section 7.1. Applicable Law. The Superintendent shall ensure that any workers compensation benefits for employees are selected and provided in accordance with applicable law.