



enCompass Academy

Financial Policies

**Board Approved
October 17, 2018**

TABLE OF CONTENTS

Fiscal Management Goals.....	4
School Budget.....	4
Budgeting System.....	4
Budget Priorities	5
Adoption of a Calendar.....	5
General Operating Contingencies.....	5
Fund Balance	5
Budget Preparation.....	6
Budget Hearing.....	7
Budget Implementation.....	7
Funding Proposals and Applications.....	7
Revenues from Private, State and Federal Sources	8
Grants from Private Sources	8
Income from Program Related Sales and Services.....	8
Depository of Funds.....	8
Authorized Signatures.....	9
Fiscal Accounting and Reporting.....	9
Financial Reports and Statements.....	9
Audits	10
School Purchasing.....	10
Federal Grant Procurements	10
Property Inventory and Capitalization	11
Disposal of enCompass Academy Property	11
Personal Services and Other Contracts.....	11
Vendor Relations.....	12
Payment Procedures.....	12

Procedures for Approval of Grant Expenses.....	12
Payroll.....	13
Payday Scheduled.....	13
Time and Effort Procedures for Federal Grants.....	13
Salary Deductions.....	13
Expense Reimbursements.....	14
Staff Expense Reimbursement.....	14
Travel - Use of Private Vehicles.....	15
Out of District Travel (In-State) - Use of Private Vehicles.....	15
Out-of-State Travel.....	15
Insurance Coverage.....	15
Meals and Meetings.....	16
Travel Advances.....	16
Reservations, Commercial Carrier and Lodging.....	16
Vehicle Rentals.....	17
Cancelled Trips.....	17
Personal Travel Combined With Charter School Business Travel.....	17
Expense Reimbursement Request and Accounting Procedures.....	18
Reimbursable Expense Limitations.....	19
Expenditure of Charter School Funds for Meals, Refreshments and Gifts.....	20
Meals and Refreshments.....	21
Gifts.....	21
Ethical Standards / Conflict of Interest.....	22 - 24
Regulation.....	25

Preface

In an effort to create a uniform system of financial policies that is easily and readily recognized by various oversight groups who may audit enCompass Academy for compliance with recognized standards that conform to state law, enCompass Academy has created these policies. The policies are modified from The Suggested Model Financial Policies for Nevada Charter Schools which were developed by the Nevada Department of Education to assist Nevada's charter schools in their attempts to establish and maintain strong financial standing and accountability.

- Financial policies adopted by enCompass Academy are reviewed by the school's legal counsel and approved by the enCompass Academy Board of Directors;
- enCompass Academy Policies will also be reviewed and approved by the Washoe County School District.

Fiscal Management Goals

enCompass Academy Board of Directors will review the fiscal needs of the school annually, considering instruction, capital outlay, building improvements and adjustments to accommodate any growth or decline of student enrollment. The Board encourages the input of staff, parents and members of the community as a part of the review and recommendation process. After due consideration of recommendations, the Board will adopt fiscal goals for the school year.

enCompass Academy School Budget

The enCompass Academy budget will serve as the financial plan of operation for the school and will include estimates and purpose of expenditures for a given period and the proposed means of financing the estimated expenditures. enCompass Academy will provide the budget and budget documents in accordance with the rules and regulations as specified by the Nevada Department of Education on an annual basis.

The enCompass Academy budget will be prepared in full compliance with NRS 386.550 and NAC 386.370. After approval of the budget by the Board of Directors, the administrator and the school's bookkeeper will be responsible for the preparation of the budget document.

Budgeting System

The budgeting system will be in accordance with federal and state laws, regulations and sponsor and charter school procedures.

Budget Priorities

As the budget is prepared, staff will use a prioritizing system consistent with program needs as identified by staff and the administrator. Priorities should be established to be used as a basis for budget additions or reductions.

A budget or finance committee may review suggested priorities and will either accept, modify or reject the priorities.

Adoption of a Calendar

The Board will adopt and comply with a calendar, which identifies dates and deadlines required for the legal presentation and adoption of the calendar as determined by the Nevada Department of Education. The calendar will be prepared on an annual basis.

The administrator will prepare and recommend a proposed calendar for the Board's approval. The calendar will identify dates and activities to include those needed to comply with state law.

General Operating Contingencies

General operating contingencies may be established at an amount deemed sufficient by the Board to responsibly enable enCompass Academy to meet unforeseen financial needs due to emergencies and changing school needs. The Board of Directors will establish the amount during the budget development process.

The administrator may recommend general operating contingencies for Board approval. The need, purpose and amount of the transfer shall be duly recorded.

Fund Balance

The Board of Directors recognizes its responsibility to establish an unreserved fund balance¹ in an amount sufficient to

1. Protect enCompass Academy from unnecessary borrowing in order to meet cash-flow needs;
2. Provide prudent reserves to meet unexpected emergencies and protect against catastrophic events;
3. Meet the uncertainties of state and federal funding; and
4. Help ensure a credit rating that would qualify enCompass Academy for lower interest costs.

Consequently, the Board directs the administrator to manage the currently adopted budget in such a way to ensure [strive for] an ending fund balance of at least 8 percent of total adopted revenues.

In determining an appropriate unreserved fund balance, the Board will consider a variety of factors with potential impact on enCompass Academy's budget including the predictability and volatility of its expenditures²; the availability of resources in other funds as well as the potential drain upon general fund resources from other funds³; liquidity⁴; and designations⁵. Such factors will be reviewed annually.

Budget Preparation

The administrator has the overall responsibility for budget preparation and will develop such procedures necessary to ensure that the proposed budget reflects all areas of enCompass Academy's operation.

Legal Reference(s):

¹The Government Finance Officers Association (GFOA) recommends, at a minimum, that general-purpose governments, regardless of size, maintain an unreserved fund balance in their general fund of no less than 5 to 15 percent of regular general fund operating revenues, or of no less than one to two months of regular general fund operating expenditures. The Nevada Association of School Business Officials recommends, at a minimum, an unreserved ending fund balance of no less than 3 to 8 percent of the general fund budget. In general practice, levels of fund balance, typically, are less for larger governments than for smaller governments because of the magnitude of the amounts involved and because the diversification of their revenues and expenditures often results in lower degrees of volatility.

²Higher levels of unreserved fund balance may be needed if significant revenue sources are subject to unpredictable fluctuations or if operating expenditures are highly volatile.

³The availability of resources in other funds may reduce the amount of unreserved fund balance needed in the general fund, just as deficits in other funds may require that a higher level of unreserved fund balance be maintained in the general fund.

⁴The disparity between when financial resources actually become available to make payments and the average maturity of related liabilities may require that a higher level of resources be maintained.

⁵The need to maintain a higher level of unreserved fund balance to compensate for any portion of unreserved fund balance already designated for a special purpose.

The administrator and the Board of Directors will establish budget priorities for the school and will make appropriate recommendations related to those priorities.

The administrator will deliver the budget message and actual budget document to the Board of Directors when the message and budget have been completed and are ready for presentation.

The following steps will be followed in preparing the budget:

1. In developing the proposed budget, the administrators will solicit participation by teachers and other staff in determining the budget requirements necessary to meet identified student needs;
2. The administrator will evaluate proposed staff budget requests to ensure compatibility with enCompass Academy's goals, curriculum goals and fiscal guidelines
3. After screening requests, the administrator will submit the proposed budget to the management team for discussion and possible modification before presentation to the Board;
4. The administrator will work with the management team and other supervisory staff to develop proposed budgets for the various units of enCompass Academy;
5. The administrator will compile the proposed budget and will present it to the Board of Directors. He/She will see that Board members have detailed as well as summary information early enough to allow time for adequate study before decisions are made.

Budget Hearing

After the administrator has approved the budget document, a public hearing will be held regarding the recommended budget document. At the hearing, any person may speak for or against items in the budget document, in accordance with the restrictions authorized under Nevada Open Meeting Law.

Budget Implementation

The budget, as adopted by the Board of Directors, becomes the financial plan of enCompass Academy for the ensuing budget period.

The administrator and staff are authorized to make expenditures and commitments in accordance with the policies of the Board and the approved budget.

The administrator will make the Board aware of any substantial changes in expected revenues or unusual expenditures to the Board by January 31st and the end of the fiscal year.

Funding Proposals and Applications

enCompass Academy shall pursue federal, state or private grants or other such funds that will assist the school in meeting adopted Board of Directors and enCompass Academy's goals.

Proposals for external funds will be submitted to the Board for evaluation and approval.

In the event an opportunity arises to submit a grant proposal and there is insufficient time to place it before the Board, the administrator is authorized to use his/her judgment in approving it for submission. The administrator will review the proposal with the Board at its next regular meeting. The Board of Directors reserves the right to reject funds associated with any grant.

The Board shall, before an acceptance of such funds, consider enCompass Academy's obligations, expectations or encumbrances when the grant ceases.

Revenues from Private, State and Federal Sources

The Board may authorize, accept and use private, state or federal funds available to enCompass Academy to carry out school educational programs. enCompass Academy will comply with all regulations and procedures required for receiving and using such funds.

Grants from Private Sources

Grant proposals for external funds from private sources will be submitted to the Board of Directors for evaluation and approval.

In the event an opportunity arises to submit a grant proposal and there is insufficient time to place it before the Board of Directors, the administrator is authorized to use his/her judgment in approving it for submission. The administrator will review the grant proposal with the Board of Directors at its next regular meeting. The Board of Directors reserves the right to reject funds associated with any grant, which has been approved.

Income from Program-Related Sales and Services

Certain activities allow students to charge the public for goods and services. These activities are designed for educational purposes and not to compete with community businesses. Charges for work performed and goods sold through these activities will be kept current with costs for the service or item. Money collected will be deposited and marked for student body activity and related expenses.

Depository of Funds

The Board will, at its annual organizational meeting following January 1, or at other times deemed necessary by the Board, designate one or more banks which meet charter school, state and federal guidelines as official depositories for charter school funds.

Money collected within the school will be taken to enCompass Academy's designated depository on a weekly basis.

Authorized Signatures

The Board will, at least annually or at other times deemed necessary by the Board of Directors, designate and authorize check signors with one signature required on all enCompass Academy checks and two signatures for non-recurring expenses exceeding \$3,000 (three thousand dollars).

Fiscal Accounting and Reporting

enCompass Academy's accounting and reporting system will be in accordance with generally accepted accounting principles and will conform to state laws and regulations.

Accounting procedures shall show a detailed and meaningful analysis of both receipts and expenditures. This analysis should be adequate for study and evaluation by the Board and school management, and will serve as a basis to make financial and related educational decisions, to formulate future plans, to safeguard public funds and to ensure adequate financial accountability.

Payment on all enCompass Academy accounts, including the general fund and special accounts, shall operate according to established accounting procedures.

All cash received is to be properly receipted. Money received shall be placed in deposit.

The Principal shall be the lawful custodial officer of all charter school funds and shall demand receipt for, and safely keep according to law, all bonds, mortgages, notes, moneys, effects, books and papers belonging to the enCompass Academy. Funds may be commingled in the depository so long as they are budgeted and accounted for separately.

From time-to-time, funds may become available to enCompass Academy prior to the time they are needed to offset current expenditures. The administrator shall forward all such receipts to the school's General Fund account or other investment instrument as authorized by enCompass Academy's investment policies. Funds that are not currently needed for the operation of enCompass Academy will be invested with the interest from these funds being credited to the same account as that to which the invested funds revert.

Financial Reports and Statements

The Board of Directors will receive and accept financial reports that include estimates of expenditures for the general fund in comparison to budget appropriations, actual receipts in comparison to budget estimates and enCompass Academy's overall cash condition. Supplementary reports on other funds or accounts will be furnished upon request of the Board or administrator. Appropriate staff will be available at any Board meeting, upon the Board's request, to respond to questions and to present current financial information. The administrator will notify the Board at any time of substantial deviations in the anticipated revenues and/or expenditures.

Audits

An accountant selected by the Board of Directors will make an audit of all enCompass Academy accounts at least annually.

A copy of the audit report will be presented to the Board. The administrator will submit a copy of the audit report to the sponsor, Legislative Counsel Bureau and Nevada Department of Education.

School Purchasing

The function of enCompass Academy's purchasing is to serve the educational program by providing the necessary supplies, equipment and services.

The administrator is the purchasing agent appointed by the Board of Directors. He/She will be responsible for developing and administering enCompass Academy's purchasing program.

Any officer or employee of the Board may incur no obligation unless that expenditure has been authorized in the budget or by Board action and/or Board policy.

The administrator or designee is authorized to enter into and approve payment on contracts obligating enCompass Academy funds not to exceed \$15,000 for products, materials, supplies, capital outlay and services that are within current budget appropriations. The Board shall approve all contracts that are

collective bargaining agreements or service contracts that include the provision of labor performed by enCompass Academy employees, such as custodial, food service and transportation services.

enCompass Academy shall approve and have in plan a Conflict of Interest Policy for its Board of Directors. No Board member, officer, employee or agent of enCompass Academy shall use or attempt to use his/her official position to obtain financial gain or for avoidance of financial detriment for himself/herself, a relative or for any business with which the Board member or a relative is associated. Acceptance of any gratuities, financial or otherwise, from any supplier of materials or services to enCompass Academy by any Board member, officer or employee of enCompass Academy is prohibited.

Federal Grant Procurements

enCompass Academy shall follow the Federal Procurement Standards for the following levels of purchases:

1. Micro purchases less than \$10,000 to be equitable among suppliers.
2. Simplified acquisition threshold of more than \$10,000 but less than \$250,000 may purchase property or services using small purchase methods. Price quotes must be obtained from an adequate number of vendors, but the sealed bid / competitive proposal process is not required.
3. Acquisition threshold more than \$150,000 requires sealed bid / competitive proposal process.

Property Inventory and Capitalization

enCompass Academy will maintain a complete “Blue Tag” property inventory, which lists all school buildings, equipment and supplies with a value greater than \$5,000 and “Red Tag” property inventory are non-capitalized Inventory Items of Value which lists computer hardware with a purchase value between \$250 and \$4,999.99. These inventories will be updated as necessary.

enCompass Academy will maintain an inventory of all capital assets in accordance with governmental accounting standards enCompass Academy’s inventory will be updated annually to include property newly purchased and disposed.

Capital assets include all school-owned property such as land, buildings, improvements to property other than buildings (i.e., parking lots, athletic fields, playgrounds, etc.) and equipment with a value greater than \$5,000.

Disposal of enCompass Academy Property

Except as stipulated, the administrator may, at any time, enCompass Academy property as surplus and authorize its disposal when such property is no longer useful to enCompass Academy, unsuitable for use, too costly to repair or obsolete.

If reasonable attempts to dispose of surplus properties fail to produce a monetary return to enCompass Academy, the administrator or designee may dispose of them in another manner.

Personal Services and Other Contracts

enCompass Academy may enter into personal services contracts with qualified professionals. Personal services contracts, as used in this policy, means contracts for specialized skills, knowledge and resources in the application of highly technical or scientific expertise or the exercise of professional, artistic or management discretion or judgment. enCompass Academy may enter into a personal services contract with a current school employee only when the individual meets independent contractor status in accordance with state, Public Employees Retirement System (PERS) and Internal Revenue Service (IRS) requirements.

Selection of a personal services contractor will be based primarily on qualifications and performance history, expertise, knowledge and creativity and the ability to exercise sound professional judgment.

All personal services contracts shall be based on demonstrated qualifications and competence to perform the required services, encourage competition, discourage favoritism and obtain services at a fair and reasonable price.

Contracts over \$15,000.00 shall require prior Board approval.

The administrator will develop administrative regulations as necessary to implement this policy.

Vendor Relations

enCompass Academy welcomes business and bids from all eligible vendors. Preferential treatment will not be extended to any vendor. Orders will be placed on the basis of quality, price and delivery, with past services being a factor if other considerations are equal.

The administrator may allow sales representatives or agents of educational products to contact staff members at times that will not interfere with the educational program.

Advertising is not allowed in enCompass Academy unless the administrator approves it. No school employee will receive compensation of any kind from any vendor for the sale of supplies or services.

Payment Procedures

All claims for payment from enCompass Academy funds will be processed by the bookkeeper in conformance with enCompass Academy procedures. The administrator will be responsible for assuring that budget allocations are observed and that total expenditures do not exceed the amount allocated in the budget.

The administrator will review bills due and payable for the purchase of supplies and services to determine if they are within budget amounts. After appropriate administrative review, the administrator will direct payment of the just claims against enCompass Academy. The administrator is responsible for the accuracy of all bills and vouchers.

Procedures for Approval of Grant Expenses

1. Grant transactions will be reviewed in two manners by two different staff members (with some overlap of duties). One level will be the administrator and the other level will be the bookkeeper.
2. The administrator and financial assistant will review all transactions for budget and fiscal approval. The intention is to verify the:
 - a. proper Object code is used
 - b. account number is correct
 - c. expense is within budget
 - d. cost comply with federal cost principles
3. The administrator and financial assistant will review all transactions for program approval. The intention is to verify the expense is:
 - a. allowable to the specific grant program
 - b. legal from the perspective of all applicable state & federal regulations
 - c. allocable, reasonable and necessary
 - d. and finally, a proper use of the funds

Payroll

Preparation of payroll, including time schedules and payroll periods, will be done in accordance with each employee's agreement with the Board of Directors. Employee health, dental and other types of insurance will be provided as outlined in the agreements. Mandatory payroll deductions will be withheld as required by state and federal law.

No other automatic deductions except those required by law will be made from an employee's pay without authorization of the administrator.

Payday Schedule

Regular salary checks will be issued on the Board of Directors approved pay date(s). The Board of Directors must approve deviations from this schedule.

Time and Effort Procedures for Federal Grants

All federal grants are subject to US Office of Management & Budget (OMB) regulations. The Uniform Guidance, 2 CFR Part 200 requires that salaries and wages charged to federal grants be supported by certain records related to time distribution. Charges to federal grants for salaries and wages must be based on records that accurately reflect the work performed.

1. Employees whose salary is 100% from either one federal grant or cost objective require form “Federally Funded Semi-Annual Certification (SAC)”.
2. Employees whose salary is funded by two or more cost objectives (different job tasks), part of which involves at least one federal grant, are required to use form “Federally Funded Personnel Activity Report (PAR)”.

Salary Deductions

Authorized payroll deductions will be made upon an appropriately submitted written request from the employee and only upon approval by the administrator.

There must be two or more employees participating in any one program in order for that plan to qualify for payroll deduction. enCompass Academy reserves the right to limit the number of **TSA** programs. Changes of TSA companies or plans will only be allowed from the starting of fall in-service to the payroll cutoff date for September of that fiscal year.

Subject to standard accounting procedures, employees may authorize modification of their salary or withholdings to include deductions such as:

1. Tax-Sheltered Annuities (TSA), as authorized by the Internal Revenue Service and approved by the Board of Directors;
2. Insurance premiums in excess of enCompass Academy contributions to Board-approved programs;
3. The employee will comply with federal requirements that establish maximum annual TSA allowable contributions.
4. Automatic deductions, except those required by law, will not be made from an employee’s pay without the administrator’s authorization.

Expense Reimbursements

The Board of Directors recognizes that enCompass Academy employees in carrying out authorized duties incur certain expenses. The Board of Directors approves the reimbursement of necessary and reasonable expenditures as outlined in the accompanying administrative regulation and consistent with Internal Revenue Service requirements and Nevada Administrative Codes.

All approval and reimbursement procedures must be followed prior to reimbursement.

Reimbursement for out-of-state travel by private vehicle will be made on the basis of air fare or mileage rate, whichever is lower.

Staff Expense Reimbursement

Expense reimbursement for staff traveling on approved enCompass Academy business will be governed by the following procedures. Travel expenses include travel fares, meals and lodging and expenses incident to travel. Only travel expenses as are ordinary and necessary in the conduct of approved travel for enCompass Academy business purposes and directly attributable to it will be reimbursed. As used in this regulation an “ordinary” expense means one that is common and accepted in the profession; a “necessary” expense means one that is essential and appropriate in order to conduct enCompass Academy business. Reimbursement procedures established by enCompass Academy will also apply to Board of Directors members traveling on Board-approved enCompass Academy business, as applicable.

Travel – Use of Private Vehicles

1. Staff will use enCompass Academy -owned vehicles, whenever possible, in conducting school business that requires travel within district boundaries.
2. Private vehicles may be used in conducting enCompass Academy business only with prior administrative approval. In-district travel approval may be granted by the administrator for individual trips or by blanket approval, as deemed appropriate.
3. Travel in a private vehicle for the purpose of conducting enCompass Academy business may be approved when:
 - a. An enCompass Academy vehicle is not available;
 - b. The destination is not conveniently accessible by commercial carrier;
 - c. Various points must be visited and commercial carrier schedules are such that the use of commercial carrier transportation is not practical;
 - d. Carrying articles by commercial carrier would not be feasible; or
 - e. Commercial travel is deemed to be less economical.

Out-of-District Travel (In-State) – Use of Private Vehicles

1. Staff will use enCompass Academy-owned vehicles, whenever possible, in conducting approved enCompass Academy business that requires in-state travel outside district boundaries.
2. Private vehicles may be used only with prior administrative approval. Out-of-District travel approval may be granted by the administrator for individual trips or by blanket approval, as deemed appropriate.

Out-of-State Travel

Out-of-state travel requires prior administrator approval.

Insurance Coverage

1. Insurance costs are included as part of the mileage reimbursement for employees authorized to use a private vehicle to conduct enCompass Academy business. It is the responsibility of the owner or driver of the vehicle to be certain that the vehicle is adequately covered by insurance.
2. The responsibility of enCompass Academy for damages resulting from vehicle accidents is not the same as set forth in enCompass Academy's general liability insurance policy. The employee's insurance coverage provides primary coverage when the employee is driving his/her own vehicle on approved enCompass Academy business.
3. All enCompass Academy employees operating private vehicles on approved school business are required to complete and maintain on file with enCompass Academy verification of vehicle liability insurance that meets or exceeds Nevada statutory minimum limits. This verification is required prior to any approval to conduct school business in a private vehicle. Employees are required to update their verification of vehicle liability information maintained on file with enCompass Academy upon **any** change in the employee's vehicle insurance coverage.

Meals and Meetings

1. Reimbursement will be made for ordinary and necessary meal expenses incurred in the course of approved travel for school business. Meals include amounts spent for food, beverage, taxes and related gratuities. enCompass Academy will not reimburse for alcoholic beverages.

2. Expenses in excess of enCompass Academy established limit are ordinarily the responsibility of the employee and may be reimbursed only with administrator approval. Receipts for all meal expenses must be secured and attached to the claim.

Travel Advances

1. A travel advance may be requested when the estimated cost for meals, lodging, etc., exceeds \$50.00. The travel advance may be requested by completing the form provided by enCompass Academy.
2. The cost of commercial travel tickets will not be included in a cash advance request.
3. At least 15 working days are required for processing an advance check after the approved request is received by the business office.
4. Only one cash advance may be outstanding to any employee at any time.

Reservations, Commercial Carrier and Lodging

1. Travel must be conducted in the most expeditious and cost-effective manner, as determined by the administrator.
2. Each employee is responsible for making his/her own reservations by obtaining a purchase order number from the business office and furnishing that number to the local travel agency or commercial carrier.
3. Individuals traveling on approved school business by a carrier offering travel credits (i.e., frequent flyer mileage, etc.) are required to account for credits received and may use the credits for future approved school travel purposes only. [enCompass Academy prohibits the accrual of travel credits for individuals traveling on approved school business.

Vehicle Rentals

1. Rental vehicles may be used only when use will effect a savings or otherwise be more advantageous to enCompass Academy or when the use of other transportation is not feasible.

2. Rental of a compact vehicle is recommended when suitable for approved enCompass Academy business because of the lower initial rate and the guaranteed rate. Certain rental agencies guarantee the compact rate in all owned stations and in most licensee stations, which means that if a reservation for a compact vehicle is accepted and one is not available, a standard-sized vehicle will be substituted at the compact rate.
3. Rental vehicles will be used only for official travel or in lieu of taxi for necessary travel. Any additional costs incurred for other usage will be the personal responsibility of the traveler.
4. Employees will be informed if enCompass Academy carries the rental car endorsement as part of its insurance coverage. In the event enCompass Academy does not carry the rental car endorsement, the employee will be authorized to purchase insurance coverage from the rental agency.

Cancelled Trips

1. If an employee cannot leave at the scheduled time, it is his/her responsibility to call the travel agency or carrier and arrange to have the tickets cancelled or exchanged.
2. Commercial carrier reservation cancellations must be made at least 24 hours before departure time, whenever possible.
3. The employee as soon as possible to avoid a cancellation charge must cancel lodging reservations.
4. If a trip is cancelled after an advance and/or tickets have been issued, the advance and tickets must be returned to the business office immediately.

Personal Travel Combined With School Business Travel

1. If an individual traveling on approved enCompass Academy business engages in both business and personal activities, travel expenses incurred will be reimbursed only for expenses that are ordinary and necessary in the conduct of school business. Expenses incurred as a part of personal business are the sole responsibility of the traveler.
2. When personal travel is combined with approved school business travel and the individual is traveling by less than the most expeditious and cost-effective manner, any additional costs must be paid by the traveler.
3. Time away from work caused by traveling by less than the most expeditious means available for personal purposes must be charged to personal time off or other appropriate leave.

4. Sick or personal leave may be taken in conjunction with approved school travel subject to the following:
 - a. Time delays related to approved school business are charged as working time even if no work is performed;
 - b. If the employee travels by less than the most cost-effective manner, as determined by the administrator, for approved school business or for personal travel combined with travel for enCompass Academy business purposes, he/she must pay the additional cost (e.g., increased fare, meals, lodging expenses, etc.) incurred as a result of the personal travel;
 - c. All subsistence and local transportation (taxi, vehicle fare, etc.) while on vacation status or other appropriate leave must be paid by the employee;
 - d. The traveler will not be required to pay any of the basic transportation costs incurred as a part of the approved school business, even though he/she spends a substantial part of the total time away from home on vacation or other personal leave, provided the employee was traveling on approved enCompass Academy business;
 - e. A traveler who decides on his/her own to conduct school business without prior approval, while on vacation or other personal leave, cannot then use this as a justification to have enCompass Academy pay his/her basic transportation cost from enCompass Academy to the location visited, or submit a request for other expense reimbursement.

Expense Reimbursement Request and Accounting Procedures

1. Reimbursement requests detailing actual expenditures must be submitted on enCompass Academy's travel expense form and be approved by the administrator in writing. Receipts and supporting documentation must accompany all expense reimbursement requests. This includes, but is not limited to, receipts for transportation, lodging, meals, registration, conference and workshop fees. All requests must be submitted to the administrator within 10 working days of the conclusion of the trip.
 - a. If the completed travel expense report totals less than the travel advance, the difference must be returned within 10 working days to the business office with the report.
 - b. Reimbursement for expenditures in excess of a travel advance, or where no travel advance has been requested, will be made within 30 working days after the business office receives the approved travel expense report.
2. Expenses which consist primarily of the cost of furnishing meals for others will be reimbursed upon submission of a travel expense report which includes:
 - a. Names of guests;
 - b. Organizations involved;
 - c. Full explanation of school business purpose of the meeting.

3. In the event a vehicle was rented, a copy of the rental agreement must be attached to the travel expense report. The rental charge should be paid from the amount advanced, as applicable. Purchase of gas and oil which have been deducted from the rental charge by the rental agency must be included.
4. Any claim for mileage reimbursement only may be submitted at the end of each month in which reimbursement is to be claimed. A claim must be submitted no later than 90 calendar days of incurring the expense. Reimbursement claims later than 90 calendar days of the expense will be denied.
5. Mileage for approved enCompass Academy business travel in a private vehicle will be reimbursed at the current rate per mile established by the Internal Revenue Service (IRS), as applicable.
6. Reimbursement that exceeds the IRS rate will be included as income to the employee in accordance with IRS regulations.
7. Meal expenses for approved school business travel purposes may be reportable as income to the employee in accordance with IRS regulations. Generally, meal expenses incurred for approved school business purposes in which school business is conducted with at least one or more other persons or that is incurred on approved enCompass Academy business for a trip that is overnight, or long enough that the individual needs to stop for sleep or rest to properly perform his/her duties, as defined by the IRS, will not be reportable as income to the employee.
8. In the event the total of the amount charged to, and/or received from, enCompass Academy by the employee as advances, reimbursement or otherwise, exceeds the ordinary and necessary business expenses, the excess must be reported as income in accordance with IRS requirements.

Reimbursable Expense Limitations

1. Meal expenses may be reimbursed subject to the following limitations:

Allowance: Breakfast	\$5
Lunch	\$10
Dinner	\$15
2. Gratuities must not exceed 15 percent and must be included as a part of the receipt. Gratuities in excess of 15 percent are the responsibility of the employee and will not be reimbursed by enCompass Academy.
3. Other expenses such as toll charges, parking fees, valet services, cleaning, pressing and laundry may be reimbursed if the length of the trip or circumstances demands.

4. Mileage reimbursement for actual miles traveled on school business, may be approved subject to the following limitations:
 - a. In-District mileage reimbursement will not be granted to an employee, other than a school-approved tutor, for traveling from his/her residence to the place where work begins for the day or for returning home from the last place worked during the day.
 - b. Reimbursement will be made only for those miles actually traveled in the course of completing approved enCompass Academy business. When chauffeured, mileage for two round trips and short-term parking will be reimbursed if not greater than the cost of one round trip plus economy parking.
 - c. Group travel may be requested on one travel request form for a group traveling together as long as advance and reimbursement is payable to one person who has complete responsibility for reporting expenses.
 - d. In the event a private vehicle is approved for use from home, to or from airport or railroad station, mileage for one round trip and economy parking will be reimbursed. Parking receipts are required.
 - e. Individuals requesting reimbursement for use of a private vehicle on approved enCompass Academy business must meet insurance requirements. See **Insurance Coverage** above.
5. Lodging will be reimbursed at reasonable commercial rates.
6. Local taxi, shuttle, bus fares and vehicle rentals may be reimbursed, subject enCompass Academy requirement that travel selected is by the most expeditious, cost-effective manner, as determined by enCompass Academy

Expenditure of enCompass Academy Funds for Meals, Refreshments and Gifts

enCompass Academy recognizes there may be occasions when it is appropriate for Board members, administrators and others to expend school funds in the course of conducting school business to provide meals or refreshments (bakery goods, snacks, fruit, punch, coffee, tea, soft drinks, etc.). The purchase of gifts may also be approved, in certain situations. Such occasions may include, but are not limited to, various school and staff meetings, gatherings to celebrate school successes or recognize individual achievements, contributions or outstanding service to the school and other school and school-sponsored activities. Such expenditures may be made with prior administrative approval only, subject to the provisions of this administrative regulation.

The use of enCompass Academy funds, as used in this regulation, means the use of money in any of the general accounts of the school. This includes the General Fund, Food Service Fund and others. It also includes money in student body accounts held that are derived from any student activity or from parent organizations. Exceptions are funds collected from staff members or others for the specific purpose of

providing gifts or parties. It is also recognized that the school may have established a “social fund” or “sunshine fund” to which each staff member may voluntarily contribute. Such funds are generally used for birthday recognition, bereavement and illness acknowledgment activities, etc. These funds are also exempt from the following requirements.

Meals and Refreshments

enCompass Academy funds may be used to pay for individual or group meals only if official school business is being conducted during the time in which the meal is provided and only if the meal provides a particularly practical time or setting for the discussion, consistent with Board policy and the following:

1. Meals may be provided by the school to recognize the contributions of staff, through retirement dinners or other recognition events;
2. The school may provide meals as a part of Board or administrative work sessions, at school or staff committee meetings or other school-approved activities.
3. Meals not directly business related may be provided to staff or others at the individual’s expense only.

Board members, administrators and other school administrative staff may use school funds to provide refreshments for staff, parents or others at meetings, in-service programs or other similar charter school or school-sponsored activities, not to exceed \$15.00 per participant and subject to the following additional requirements:

1. The purchase of alcoholic beverages with school funds is strictly prohibited;
2. The use of charter school funds for parties is prohibited.

Gifts

There are numerous occasions that may arise whereby Board members, administrators or other school staff may feel the need to recognize employees, i.e., Bosses’ Day, Secretaries’ Day, classified employees’ week, birthday, etc. A Board member, administrator or other charter school employee may provide such recognition at his/her expense only, unless as otherwise permitted below:

1. The school may provide a small token of appreciation for a Board member’s or employee’s retirement and years of service and other related activities utilizing school funds, as approved in advance. For example, the Board generally proclaims special recognition for classified employees’ week and teacher appreciation week;

2. Administrators may use school funds to provide an appropriate token of appreciation on behalf of the Board. The value of this item may not exceed \$25.00 per person;
3. No other expenditure of school funds for gifts is permitted without prior authorization from the Board of Directors or the administrator.

Ethical Standards / Conflict of Interest

1. The following ethical standards are hereby established as a guide for the conduct of all employees of enCompass Academy.
 - a. All employees of enCompass Academy shall also comply with state and federal laws and regulations related to ethical standards.
 - b. For the purposes of conflict of interest and/or ethical standards, the enCompass Academy will recognize relationships within the Third Degree of Consanguinity (see below).
2. Conflict of interests
 - a. No employee of enCompass Academy shall engage in any apparent or actual activities that place them in a conflict of interest between their official activities and any other interest or obligation.
 - i. An actual conflict is a situation where the employee knows that his/her judgement is likely to be compromised.
 - ii. An apparent conflict is one where a reasonable person might think that the employee's judgement is likely to be compromised.
 - b. Conflict of interest requires all employees of enCompass Academy to disqualify themselves from participating in a decision when a financial or personal interest is present.
3. Prohibited conduct includes, but is not limited to:
 - a. Accepting gifts, services, favors, employments, engagement, emolument, or economic opportunities which would tend improperly to influence a reasonable person in his/her position to depart from the faithful and impartial discharge of his/her duties in connection with enCompass Academy;
 - b. Receiving or giving unwarranted privileges, preferences, exemptions or advantages for oneself or any member of one's household, any business entity in which he/she has financial interest or to any other person;
 - c. Using confidential information for personal gain;

- d. Suppressing information for pecuniary (any economic) interests;
- e. Using or loaning enCompass Academy resources for personal use, without prior approval of a supervisor where applicable;
- f. Improperly influencing subordinates;
- g. Accepting any salary, retainer, augmentation, expense allowance or other compensation from any private source for the performance of his/her duties as an employee of enCompass Academy.
 - i. No teacher employed at enCompass Academy shall tutor his/her students for pay in established curriculum subject matter areas during the school year unless special permission for such tutoring has been granted by the Principal/Director.
- h. No employee of enCompass Academy shall use his/her knowledge or special information about pupils to solicit funds or to sell products to students or adults.

4. Employee – Vendor Relationships

- a. An enCompass Academy employee and/or relative of an employee, with the third degree of consanguinity, shall not sell or lease goods of contract services with the enCompass Academy as to create an employee-vendor relationship.
- b. For the purposes of this regulation, an employee-vendor relationship is defined as a relationship in which:
 - i. An employee proposes for consideration a contract with enCompass Academy
 - ii. A relative of an employee proposes for consideration a contract with enCompass Academy and the employee is directly involved in the selection process or management of the contract;
 - iii. An employee or a relative of an employee who owns or controls more than a one percent (1%) interest in any business which proposes for consideration a contract with enCompass Academy and the employee is directly or indirectly involved in the selection process or management of the contract;
 - iv. An employee or a relative of an employee who service on a board of any organization, including a not-for-profit or any charitable organization, that stands to benefit from any contract, charitable, or other contributions from enCompass Academy and the employee is directly or indirectly involved in the selection process or management of the contract or contribution; or,
 - v. An employee personally benefits as a result of a contract or any other type of transaction with enCompass Academy that is in addition to their employment with enCompass Academy.
- c. Any situation meeting the definition of employee-vendor relationship above is prohibited unless extraordinary circumstances are found to exist, as determined by the Principal/Director.
- d. Unless specifically prohibited by law, an official or employee of enCompass Academy is not precluded from making a bid on a enCompass Academy contract if the contracting

process is controlled by rules of open competitive bidding, the sources of supply are limited, he/she has not taken part in developing the contract plans or specifications, and he/she will not be personally involved in opening, considering, or accepting offers.

5. Disclosure

- a. No employee of enCompass Academy may approve, disapprove, vote, abstain from voting, or otherwise act upon a matter in which he/she has a financial interest without first disclosing the full nature and extent of such interest. Such a disclosure shall be made before the time when the employee is to perform his/her duty, or concurrently with that performance.
 - i. If the employee is a member of any decision-making body, he/she shall make disclosure to the chairperson and other members of the body.
 - ii. An employee shall inform the Principal/Director of any potential violation of this policy. The Principal/Director will determine if a conflict exists or if any extraordinary circumstances exist that may influence the conflict determination. An appropriate course of actions shall be determined after receiving concurrence from the Principal/Director.

6. Suspected Dishonest or Fraudulent Activities

- a. By the nature of its business, enCompass Academy employs many people in situations and circumstances where irregularities in the handling of money, documents and equipment are possible.
- b. The Principal/Director should be familiar with types of possible dishonest or fraudulent irregularities which may occur and he/she should also be alert for any indication that such an irregularity might exist or has occurred.
- c. If an individual suspects an irregularity in handling money, documents and/or equipment, it should be identified and investigated promptly in order to protect the interests of enCompass Academy and the taxpayers. In some cases, the enCompass Academy insurance carriers require it; in every case, business practice makes it essential.
- d. Any employee suspecting of irregularity should notify the Principal/Director. The Principal/Director shall determine whether or not the irregularity should be investigated further.
 - i. If the suspected irregularity involves the Principal/Director, then the President/Chair of the Board of Directors should be notified. The Board President/Chair will be responsible for coordinating investigations into such matters with legal counsel.
- e. Possible dishonest or fraudulent activities may include, but are not limited to, the following:
 - i. Intentional alteration or misstatement of school reports or records;
 - ii. Forgery of alteration of checks, drafts, promissory notes, shipping or receiving documents or records, etc.;

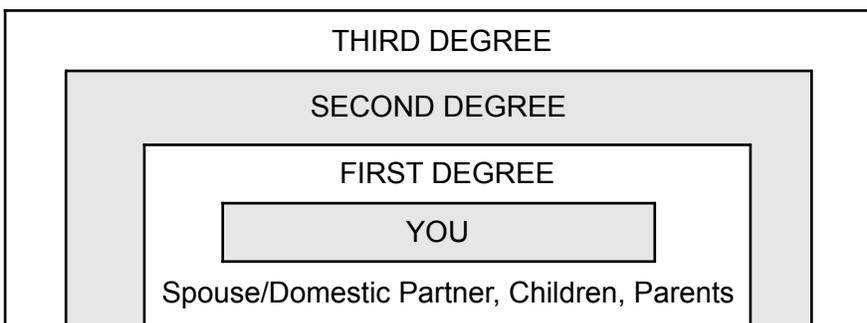
- iii. Any misappropriation or misapplication of funds, supplies, or any other assets of the school;
- iv. Any irregularity in handling or reporting of money transactions involving school funds;
- v. Unauthorized sale or other disposal of school furniture, fixtures, or equipment; or
- vi. Intentional alteration or misstatement in reporting of items such as employee expenses, personal/sick time; overtime, or of other records such as licenses or in-service credits, etc.

7. Acknowledgement and Compliance

- a. All enCompass Academy employees shall be responsible for compliance with Board Policy 4505, Standards of Professional Conduct, this regulation and any applicable state and federal laws and regulations. Failure to comply may result in disciplinary action.
- b. Staff shall, on an annual basis, acknowledge receipt and understanding of their responsibilities related to ethical standards and conflict of interest.
- c.

REGULATION

- 1. Conflict of Interest is “[a] real of seeming incompatibility between one’s private interests and one’s public or fiduciary duties.” (Black’s Law Dictionary)
- 2. Consanguinity refers to a relationship by blood or law:
 - i. A husband and wife/domestic partners are related in the First Degree of Consanguinity by marriage.
 - ii. For other relationships by marriage, the degree of relationship is the same as the degree of underlying relationships by blood.
- b. Third Degree of Consanguinity



Brothers/Sisters, Grand Children, Grand Parents

Great Grand Children, Nephews/Nieces, Uncles/Aunts

3. “Public employee” means any person who performs public duties under the direction and control of a public officer for compensation paid by the State of any county, city or other political subdivision. (NRS281A.150)
4. Contract includes any contract, agreement, lease or other legal document between enCompass Academy and another entity that involves the donation, lease, or sales of goods or services.
5. Compensation is any money, thing of value or economic benefit conferred on or received by any person in return for services rendered, personally or by another.
6. Nepotism and Cronyism
 - a. Nepotism refers to favoritism granted to relatives regardless of merit
 - b. Cronyism refers to partiality to friends and acquaintances