

Adopted: July 12, 2016
Revised: July 18, 2018

LAFAYETTE CHARTER SCHOOL POLICY No. 7.1 SEGREGATION OF DUTIES

I. PURPOSE

The purpose of this policy is to establish internal controls that will enable Lafayette Charter School to properly safeguard its assets and to comply with state and federal laws.

II. POLICY STATEMENT

It is the policy of Lafayette Charter School to have internal controls that will adhere to Generally Accepted Accounting Principles, and applicable mandates of state and federal law.

III. BANKING AND CASH MANAGEMENT

- A. Bank accounts. The Lead Teacher and the Business Manager shall be designated as parties authorized to open bank accounts on behalf of Lafayette Charter School. All banking documents shall require the signature of these two individuals.
- B. Check preparation. The Business Manager shall be responsible for preparation of all checks.
- C. Deposits, withdrawals and transfer of funds. The Lead Teacher and Board Treasurer shall be responsible for all deposits, withdrawals and fund transfers. Specific policies regarding electronic fund transfers are contained in Board Policy 7.3.1.
- D. Blank checks. Business Manager shall be the custodian of all blank checks.
- E. Reconciliation. The Business Manager shall reconcile cash and bank transactions monthly.
- F. Petty cash. The Administrative Assistant shall be responsible for management of petty cash. The Administrative Assistant shall ensure that the receipts and cash in the petty cash fund are equal to the total value of the petty cash fund.

IV. PAYROLL AND RELATED LIABILITIES

This policy does not constitute legal advice; any questions regarding this policy should be directed to your attorney.

- A. Timekeeping. The Lead Teacher, in consultation with the Business Manager shall establish policies for employee timekeeping. Those policies shall be presented to the Board annually for its review and approval.
- B. Payroll. The Lead Teacher shall contract with a payroll vendor approved by the Board. The vendor shall establish and implement policies regarding appropriate disbursement of payroll to bona fide employees, record payroll disbursements accurately, and will develop an adequate system for necessary payroll taxes and other withholdings. The Lead Teacher shall be responsible for ensuring that the payroll vendor adheres to the policies established and those policies shall be reviewed by the Board annually.

V. FIXED ASSETS

- A. Purchases.
 - 1. Conformity to budget. All purchases shall be demonstrably related to activities and functions identified in the annual budget.
- B. Inventory. The Lead Teacher shall ensure that an appropriate inventory of all fixed assets is maintained.

VI. GRANTS, DONATIONS

- A. The Business Manager shall establish a procedure for recording all monetary contributions and shall maintain documentation of such contributions.
- B. All grants, gifts and donations shall be administered in accordance with Board Policy 2.6.

Legal References: Minn. Stat. §124D.10 subd. 8(j) (Charter School Law/Auditing Requirements)