

**BUSINESS
(Series 400)**

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410 PURPOSE OF BUDGET

The GRCS budget is developed as an extension of the institution's planning process to support the mission of GRCS. These policies are to provide a budgetary framework for operation of GRCS. The CFO, in consultation with GRCS and building administrators, is responsible for the overall budget preparation.

GRCS, building, and department administrators are responsible for managing expenditures within the allocated budget. If there are developments that will negatively impact the ability of the cost center manager to operate within the budget, then the CFO should be notified. A plan to resolve the problem shall be developed by the appropriate administrator in conjunction with the CFO.

The CFO shall provide financial information for each department showing budget allocation and expenditures to date. The CFO shall monitor all budgets on a continuing basis and notify departments and the appropriate administrators of unusual variances. The CFO also must meet monthly with the Operations & Finance Committee to review financial and budget issues.

420 FUNDS

GRCS utilizes separate Funds as follows:

- a. Operating Fund – used for general operations of GRCS
- b. Endowment Fund – used for the preservation of endowed and non-endowed funds.
- c. Special Projects Funds – used for special projects and capital expenditures outside of general operations. Student Activity/Special School Funds –maintained for each school. The building principal is responsible for the proper management of the fund.
- d. GRCS Eagle Partners (New 2 You) – incorporated as a non-profit corporation and conducts business under the assumed name of the New2You Shoppe, Inc, to receive donated goods from businesses and individuals, sell those goods to the general public, and donate a portion of the net profits to GRCS in order to reduce the tuition costs for all students.
- e. Eagle-TRIP LLC – a single member limited liability company formed to provide a tuition scrip program for the benefit of Grand Rapids Christian Schools.
- f. Eagle Impact LLC – a single member limited liability company formed to provide various programs and activities, including the operation of Eagles Ice Center.
- g. Parent Organization Funds – established for each school for the purpose of advancement of Christian education through GRCS in consultation with the building principal. Funds are required to be under the custody of the GRCS Administrative Business Office.

421 Operating Fund Revenue

All Operating Fund revenue will be maintained in a central revenue account. The Operating Fund reflects the financial activity for GRCS in advancing the mission of Grand Rapids Christian Schools. Decisions related to allocating available revenue to achieve this mission are delegated to the Superintendent, building Principals, and department administrators through the budgeting process. Appropriate budget allocations are based upon factors such as tuition increases, anticipated enrollment changes, competing needs and priorities, immediate and anticipated demands, and the overall financial health and stability of GRCS. In order to maintain a focus of allocating resources based upon the planning and needs of the institution as a whole, the Operations & Finance Committee oversees the budgeting process, reviews and approves all sources of funds found in Section 410, reviews key provisions with the Board of Trustees, and annually recommends the Operating Budget to the Board of Trustees for its review and approval.

422 Facilities Rental Income

In general, building rental income should be deposited in the rental revenue account of the Operating Fund. However, certain facilities, by their nature, are consistently used by the community and require unique policies as a result of this public usage.

422.1 Use of Rental revenues

The following facilities collect and deposit rental and other income from their facilities into the Operating Fund checking account. The CFO maintains records of transactions:

422.1.1 DeVos Center for Art & Worship (CAW)

All funds received and raised for the benefit of fine arts programs at GRCS will be under the custody and oversight of the GRCS Administrative Business Office. These funds include but are not limited to those received from:

- Outside rentals
- Summer camps
- Theater department productions
- Music department performances
- Program advertisements
- Ticketing and box office sales

422.1.2 Eagles Ice Center (EIC)

All funds raised and received through rental and concessions sales will be under the custody and oversight of the GRCS Administrative Business Office. The CFO is responsible to develop an annual budget for EIC, including rental revenues, fees, and expenses associated with its operations.

423 Special Funds Administration

423.1 Parent Group Funds

PTO, Parent Volunteer Team (PVT), and/or other parent groups are encouraged to provide special financial assistance to their respective schools. Generally speaking, those aspects of a school's operation that add

quality or convenience but are not covered by the budget, are appropriate areas for parent group assistance.

All funds raised by and received through efforts associated with parent groups will be under the custody and oversight of the GRCS Administrative Business Office.

The building principal, in consultation with the officers of the group, shall recommend the expenditure of these funds.

423.2 Student Activity/Special District Funds

The CFO shall maintain a student activity fund for each school. The building principal is responsible for the proper management of the fund.

430 TUITION, FEES, AND TUITION ASSISTANCE

431 Determination of Financial Commitments

431.1 Tuition Rates and Fees

Tuition rates are intended to cover the total anticipated cost of GRCS' educational program including appropriate maintenance, capital, and other operating reserves.

Fees may be assessed for various purposes as determined annually through the development of the budget and approved by the Board of Trustees.

431.2 Optional Grants

Grants may be made available annually for the purpose of reducing the actual cost of tuition.

431.3 Payment Plan Options

GRCS may engage a third party to process tuition payments.

432 Tuition Assistance

GRCS may provide tuition assistance to families who are not able to pay for the full cost of tuition for their children. GRCS may utilize a third party to assist with the assessment of a family's financial status and need for tuition assistance.

433 Supporting Organizations

GRCS will work in partnership with supporting churches, Calvin College,

New 2 You, and other supporting agencies in the determination and distribution of tuition assistance.

440 ACCOUNTS RECEIVABLE

The CFO is responsible for assessment and adjustment of charges for tuition assistance and fees, approval of financial awards and emergency tuition assistance, and write-off of delinquent assets.

441 Collections

The responsible party will receive a copy of the enrollment form and is responsible for the payment of all charges, including tuition and fees. Responsible parties may include:

- Parents or Guardians of students
- Churches providing tuition assistance to students
- Calvin College providing tuition assistance to students of Calvin College employees
- Agencies representing international students

The Finance Department staff to assure correct balances and accurate reporting continually analyzes tuition accounts receivable. Accounts are referred to GRCS' Collection Attorney if there are no students currently enrolled, collection efforts by staff are unsuccessful, and the balance owed exceeds \$1,000.

If satisfactory payment arrangements are not made, the responsible party is notified of pending transmission of outstanding accounts to GRCS' collection attorney for appropriate collection and/or legal action and the account balance is written off as a Bad Debt.

School Officials have discretion in withholding student records of transferred students who have an unresolved financial matter. The principals will have discretion to provide verbal information to the new school in situations of special need.

450 ACCOUNTING POLICIES

GRCS has several primary bank accounts for general institutional operations. All bank accounts must be approved for use by the CFO and either the superintendent or current chair of the Finance and Operations Committee of the board in the absence of the superintendent. Bank statements shall be opened independently of the person responsible for reconciliations prior to being turned over to that individual.

451 Procedures

Bank reconciliations are prepared monthly and reviewed and approved by the CFO to ensure that all transactions posted through the bank accounts agree to the same transactions posted on GRCS accounting records.

452 Check and Signature Control

The CFO and either the superintendent or current chair of the Finance and Operations Committee of the board in the absence of the superintendent has the overall responsibility of designating authorized check-signers. The CFO has the primary responsibility of signing checks and can designate another individual including the superintendent to sign checks. There will not be signature stamping devices. The blank check stock will be secured in the safe.

460 BUILDING RENTAL AND USE

General Provisions

GRCS utilizes its school facilities for various events that promote the goals and objectives of the Schools. When an event is sponsored by GRCS and hosted at any of its schools, alcohol may not be served or available for purchase.

School facilities are available for use by approved groups when not needed for scheduled school activities subject to the approval of the administrator in charge of the particular facility. Activities programmed shall not be an embarrassment to the school or GRCS. Concern for the Christian principles of the school shall be exercised in the evaluation of applications. All school rental amounts are the property of GRCS and shall be immediately forwarded to the GRCS finance department.

- a. A rental shall not interfere with school use.
- b. Written application is required.
- c. A renting party may serve alcohol at events that occur outside of school hours only at times when no school events are being hosted. The renting party is required to contract with a licensed and preferred vendor. The renting party at events when alcohol is served may not utilize GRCS students in any capacity; the renting party is required to confirm the age of guests and visibly designate minors upon arrival.
- d. Consideration should be given to requiring a preferred vendor to name GRCS as an additional insured on the vendor's liability insurance.

470 CAPITAL ASSETS

GRCS manages its financial transactions in a prudent and fiscally responsible fashion. Capital Expenditures have a major effect on operational cash flow and future financial statement expense in the form of depreciation. Dollar limits have been established for authorization of purchase of capital goods so that cash flow and depreciation expense can be managed effectively. An order for a capital expenditure is placed only after proper authorization is given.

Title to property rests with the Board of Trustees for GRCS and is the responsibility of GRCS rather than with a school or department, regardless of whether the property may have been fabricated, donated, purchased from school or department budget allocations or Parent groups. Schools and departments may be assigned property for custody and use, and may be made accountable for such property.

471 Definitions

471.1 Capital Asset/Property

For the purpose of this policy, "capital assets" will be referred to as "property" and will include: (1) land, (2) improvements to land, (3) buildings, (4) improvements to buildings, (5) leasehold improvements, (6) vehicles, (7) equipment, and (8) computer software.

GRCS will regard the purchase of software programs as fixed assets subject to the above capitalization policy, and will amortize over an estimated useful life of 3 years. Costs associated with software maintenance and customer support are considered operating expenditures and will not be capitalized.

471.2 Capital Expenditure

The purchase of a depreciable asset that at the time of its acquisition meets the following criteria:

- a. Has a useful life of more than one year; and
- b. Has a cost of at least \$1,000; and
- c. Is acquired in quantity and the cost of the quantity is at least \$1,000.

Expenditures that keep an asset in an ordinarily efficient operating condition and add to its value or appreciably prolong the asset's useful life are generally also recorded as capital expenditures.

471.3 Repairs

Expenditure that keeps the property in ordinary efficient operating condition. The cost of the repair does not add to the value or prolong the life of the asset. All repair expenditures are approved by the appropriate department administrator and charged to the school or department.

471.4 Improvements

Expenditure for additions, alterations and renovations that appreciably prolong the life of the asset, materially increase its value or adapt it to a different use. Improvements of this nature are capitalized.

472 Capital Expenditure Approval Matrix

The CFO is responsible for establishing procedures for control and reporting of property and significant other transactions and the governance around them.

Approvals up to:

	<u>Principal Dept. Adm.</u>	<u>Supt./CFO CFO</u>	<u>Finance Committee</u>	<u>BOT</u>
Capital Spending	\$1,000	\$200,000	\$1 M	>\$1 M
Property Acquisition	NA	\$200,000	\$2 M	>\$2 M
Enter into a Lease	\$1,000	\$500,000	\$1.5 M	>\$1.5 M
Approval of Other				
Significant Contracts	NA	\$500,000	\$2 million	>\$2 M
Operating Expense Outside of Annual Budget	NA	\$100,000	\$500,000	>\$500,000
Borrow Funds or Enter Borrowing Arrangement	NA	NA	\$1 M	>\$1 M

473 Other

473.1 Property Acquisitions

The CFO is responsible for ensuring that property acquisitions are made in compliance with GRCS purchasing procedures, the capital budget, and limits of financial authority.

473.2 Property Control

The CFO is responsible for maintaining accounting records of GRCS property, and for periodic verification and reconciliation of accounting records to property actually on hand. Directors of administrative departments and building principals are responsible for the safeguarding, care, maintenance, and proper use of all property assigned to their oversight.

473.3. Property Disposal

The CFO or his/her designee has authority and responsibility for property disposal, and is responsible for securing any special disposition approvals.

473.4 Miscellaneous

- 473.4.1 Capital Acquisition Form must be completed, submitted to the CFO, and approved prior to any Capital Acquisition. A copy of the Approved Capital Acquisition Form must be attached to invoices for payment.
- 473.4.2 Directors of administrative departments and building principals are responsible for informing the CFO of all property received by donation.
- 473.4.3 Departments assigned property that has been lost or stolen are responsible for informing the CFO or his/her designee. The CFO or his/her designee is responsible for making the necessary reports to GRCS' Insurance Agent.
- 473.4.4 GRCS will acknowledge in writing the gift of a donated asset, but will not provide, nor determine, the value of that asset.
Rather, it is the responsibility of the donor to determine the value.

480 TRANSPORTATION

It is the policy of GRCS to provide safe, efficient and reliable transportation to the schools in a manner that complies with applicable State law and GRCS policies, as well as to help coordinate public school busing for students who are eligible for those services. Information about GRCS's transportation procedures, including but not limited to student eligibility, transportation services provided, routes, student behavior guidelines, and safety procedures, can be found in the parent handbook at each school.

481 Public Schools-Provided Busing

The public school districts in which GRCS students reside have varied interpretations of their legal obligation to transport non-public students. GRCS families who qualify for public school transportation are encouraged to use it. GRCS will not provide route service for families who qualify for public schools service.

- a. GRCS will not provide alternate transportation on those days when GRCS are in session but public schools are not. Parents are responsible for transporting students on those days.
- b. Students who ride public school buses shall demonstrate responsible behavior and follow public school and GRCS rules. Further, students are encouraged to bear witness to the Christian faith.

482 Snow/Fog

The Transportation Supervisor shall advise the Superintendent when snow or fog threatens the safe operation of buses. The Superintendent decides to close/delay school and/or GRCS busing operations. The Superintendent communicates changes to media.

483 Tornado

In the event of a Tornado Watch, routine bus route service will remain in effect (section 741). In the event of a Tornado Warning, students already at school will be kept there until the Superintendent announces "All Clear". Bus drivers mid-route when a Warning is announced should seek suitable shelter for their passengers.

484 Transporting Students in Personal Vehicles

The Board authorizes the transportation by private vehicle of students by employees of Grand Rapids Christian Schools. The designated GRCS Administrator in accordance with GRCS administrative guidelines must approve any such transportation in advance and in writing. No employee shall be permitted to transport students who is not the holder of automobile liability and personal injury insurance in the amount required by GRCS administrative guidelines listed below. The Administrator may withdraw authorization of any

private vehicle driver whose insurance is not adequate. The responsibility of professional staff members for the discipline and control of students extends to their transportation of students in a private vehicle. Drivers who are not professional staff members are required to report student misconduct to their respective building administrator.

In addition, employees who are required as a responsibility of their position to transport students on a regular and/or scheduled basis must possess a valid Chauffeur's license and notify their immediate supervisor of any change in license status or driving record.

When operating a personal vehicle for this purpose, an employee's:

- Personal auto liability insurance is the primary payer if an accident occurs and a claim is filed.
- Auto insurance policy must specify a minimum person/incident/ bodily injury and property damage/occurrence liability coverage.

Appendix A Signature Form

490 FUNDRAISING

Advancement is responsible for raising funds for all aspects of the mission of Grand Rapids Christian Schools. Priorities for raising funds are determined by the Board of Trustees.

- a. All gifts and fundraising activities must support the Schools' mission statement.
- b. All estate gifts, unless otherwise designated, are applied to the endowment.
- c. All memorial and honorary gifts, unless otherwise designated, are applied to the annual fund.
- d. All non-estate, undesignated, annual fund gifts are applied to the operating budget.
- e. Donors may designate the purpose of their gift and its ultimate use as long as it is in keeping with IRS guidelines and Grand Rapids Christian Schools' charitable purpose.
- f. Designated, permanent endowment funds may be created by a donor, and must be supported in writing by a signed (by the donor and school representative) fund agreement.
- g. An individual may designate a contribution for a specific student or employee of the schools; however, in keeping with IRS guidelines, Grand Rapids Christian Schools will not issue a charitable receipt for such a designated contribution. Such transfers of money will be considered personal gifts, not charitable contributions.

491 Capital Spending/Debt

The Board of Trustees may approve capital projects and related borrowing when a sufficient amount of cash and pledges in support of a project has been secured.

492 Gift Acceptance Policy

The following guidelines govern acceptance of gifts made to Grand Rapids Christian Schools and Grand Rapids Christian Schools Foundation. They will be listed jointly as Grand Rapids Christian Schools in this document.

492.1 Authorization to negotiate and accept charitable gifts

- a. All communication with prospective donors shall be in accordance with the following policies and limited to the Superintendent or authorized professional staff.
- b. All gifts involving cash or readily marketable securities shall be accepted only by the Superintendent or authorized professional staff.

- c. All gifts involving unusual or complicated negotiation or tax consequences must be reviewed by the Superintendent, authorized staff, and if deemed necessary, Legal Counsel before they are accepted.
- d. Gifts of real or tangible personal property, non-publicly traded stocks, bonds, or notes will be received upon the approval of the Superintendent or authorized professional staff.

492.2 Types of gifts

The following gifts generally will be accepted provided that the acceptance of any asset for which there is no established public market will necessitate greater review to ascertain that the cost and/or risks of ownership do not exceed the benefit of holding and eventually marketing the asset:

- Cash
- Tangible Personal Property
- Securities
- Real Estate
- Remainder Interests in Property
- Life Insurance
- Commodities

492.3 Criteria for acceptance

The following criteria govern the acceptance of each gift form:

- a. Cash

Cash is acceptable in any form provided that foreign currency will be credited to its intended use in US dollars only in the amount of US dollars received upon conversion. Checks or drafts shall be made payable to Grand Rapids Christian Schools and shall be delivered by mail or in person to any office of Grand Rapids Christian Schools.

- b. Tangible Personal Property

All gifts of tangible personal property shall be examined in light of the following criteria:

- Is the property consistent with the mission of Grand Rapids Christian Schools?
- Is the property marketable?
- Are there any restrictions on the use, display, or sale of the property?
- Are there any carrying costs for the property?

c. Securities

Both publicly traded securities and closely held securities may be accepted.

Publicly Traded Securities

Marketable securities may be transferred to an account maintained by Grand Rapids Christian Schools at its brokerage firm(s) or delivered physically with the transferor's signature or stock power attached and signature(s) guaranteed. As a general rule, all marketable securities will be sold upon receipt unless otherwise directed by the Superintendent or other authorized employee.

Closely Held Securities

Closely held securities will include only equity positions in non-publicly traded corporations, limited partnerships, limited liability companies or other ownership forms and will be accepted subject to the approval of the Superintendent. All such gifts must be reviewed prior to acceptance to determine if:

- There are any restrictions on the security that would prevent Grand Rapids Christian Schools from ultimately converting those assets to cash;
- The security is marketable;
- There are substantial transactional, holding or marketing costs; and
- There are any governance responsibilities.

d. Real Estate

Grand Rapids Christian Schools receives gifts of real estate. Gifts of real estate may include developed property, undeveloped property, or gifts subject to a prior life interest. Prior to acceptance of real estate, Grand Rapids Christian Schools generally shall require an initial environmental review of the property to identify any environmental concerns with the property. In the event that the initial review

identifies a potential problem, Grand Rapids Christian Schools will require a professional inspection by a qualified inspection firm. The cost of the environmental inspection shall be at the expense of the donor.

All gifts of real property generally shall be conveyed, unless otherwise directed or desired, to Grand Rapids Christian Schools by Warranty Deed unless facts and circumstances allow the use of a Quit Claim Deed in which case a title search may be required by Grand Rapids Christian Schools prior to the acceptance of the real property gift. The cost of this title search shall generally be at the expense of the donor.

Prior to receiving real property, Grand Rapids Christian Schools will be named as an insured on an owner's policy with the cost of the policy to be paid by the donor.

Prior to acceptance of real property, the gift shall be approved by the Superintendent or other authorized employee. Criteria for acceptance of the real property shall include:

- Is the property marketable?
- Are there any restrictions, reservations, easements, or other limitations associated with the property?
- Does the donor wish to continue residing on the property or renting the property from Grand Rapids Christian Schools?
- Are there carrying costs, which may include insurance, property taxes, maintenance costs, mortgage payments, etc. associated with the property?
- If utilized, does the environmental review or audit reflect that the property is free of environmental problems?

e. Remainder Interests in Property

Grand Rapids Christian Schools will accept a remainder interest in a personal residence, farm, or vacation property subject to the provisions of paragraph D above. The donor(s) may continue to occupy the real property for the duration of the stated life. At the death of the donor(s), Grand Rapids Christian Schools may use the property or convert it to cash. The expenses for maintenance, real estate taxes, insurance and any property indebtedness are to be paid by the donor or their estate.

When the donor desires to remain on the property or enjoy any benefit from it, only a remainder interest in the property will be accepted.

f. Life Insurance

Generally, Grand Rapids Christian Schools must be named as both beneficiary and owner of an insurance policy before a life insurance policy can be recorded as a gift. For purposes of booking the policy, the gift is valued at its cash surrender value upon receipt. If the donor contributes future premium payments, Grand Rapids Christian Schools will include the entire amount of the additional premium payment as a gift in the year it is made.

g. Commodities

This type of gift will require the following:

- A written assignment from the donor transferring the commodity to Grand Rapids Christian Schools (i.e. description of gift, location, and gift date).
- A letter of Authorization of Sale that Grand Rapids Christian Schools will send to facilitate selling the commodity.

h. S Corporation Stock

A CPA, attorney, or other tax professional shall be consulted to discuss any tax effects of an S Corporation stock gift before accepting the gift.

i. Other Types of Gifts

All other types of gifts require the approval of the Superintendent and outside legal counsel, if deemed necessary.

492.4 Planned Gift Arrangements

The following Planned Gift Arrangements are acceptable:

a. Charitable Gift Annuities

Grand Rapids Christian Schools may offer Charitable Gift Annuities to its donors, but does not provide investment management or annuity services. Grand Rapids Christian Schools utilizes a 3rd party for the management of its Charitable Gift Annuity program. The Barnabas Foundation, Grand Rapids Community Foundation, and West Michigan Christian Foundation are approved by Grand Rapids Christian Schools as 3rd parties for the management of Charitable Gift Annuities.

b. Charitable Remainder Trusts

Grand Rapids Christian Schools may accept designation as remainder beneficiary of a Charitable Remainder Trust when the desires of the donor for ultimate distribution of the remainder interest do not conflict with the principles and Christian purposes of Grand Rapids Christian Schools. Grand Rapids Christian Schools will not accept appointment as Trustee of a Charitable Remainder Trust.

c. Charitable Lead Trusts

Grand Rapids Christian Schools may accept designation as income beneficiary of a Charitable Lead Trust when the desires of the donor for distribution of the income interest does not conflict with the principles and Christian purposes of Grand Rapids Christian Schools. Grand Rapids Christian Schools will not accept appointment as Trustee of a Charitable Remainder Trust.

d. Retirement Plan Beneficiary Designations

Grand Rapids Christian Schools may be named as beneficiary of retirement plans. Donors will be encouraged to consult with Grand Rapids Christian Schools planned giving personnel to ensure that the donor's intended desires for ultimate distribution of the retirement plan will occur upon donor's death. In the event tax law allows distribution of retirement plan assets to charity during donor's lifetime without taxation of the distribution amounts, Grand Rapids Christian Schools will accept such gifts.

e. Bequests

Grand Rapids Christian Schools may be named as recipient of bequests in donor's Wills and Trusts so long as donor's desires for ultimate distributions do not conflict with the principles and Christian purposes of Grand Rapids Christian Schools.

f. Life Insurance Beneficiary Designations

Grand Rapids Christian Schools may be named as beneficiary or contingent beneficiary of life insurance policies so long as donor's desires for ultimate distribution do not conflict with the principles and Christian purposes of Grand Rapids Christian Schools.

g. Bargain Sales

Grand Rapids Christian Schools can accept Bargain Sales with the approval of the Superintendent or designated professional staff. The donated property must be in keeping with the Schools' charitable purpose.

492.5 Gift Administration

a. Valuation

Where value is difficult to determine, ordinarily one or more qualified appraisals will be required by Grand Rapids Christian Schools, normally at the donor's expense, in order to determine the value of the gift for tax and sale purposes. Such appraisals of fair market value will be on the basis of a cash sale within a reasonable time.

In accordance with rules established by the Tax Revision Act of 1984, under no circumstances shall Grand Rapids Christian Schools or any of its employees or directors participate in appraising any property donated to the Schools. As required, Grand Rapids Christian Schools shall furnish to every donor for property sold (other than publicly traded stock) a copy of a report filed with the Internal Revenue Service regarding such sale, unless the donor shall have certified in writing to the Schools that the donor intends to claim as a charitable donation for Federal income tax purposes less than \$5,000 in deductions for the combination of such donations and donations of similar items of property to other charitable donees during the same tax year.

b. Restricted Gifts

If a gift is restricted for use, a written agreement will be required outlining the specific terms of use of the funds.

c. Receipts for Gifts

Promptly after the receipt of gifts to Grand Rapids Christian Schools, a receipt letter will be issued to the donor describing the asset and the gift arrangement. All receipts will include the statement describing the extent to which goods or services were received in exchange for the gift in accordance with IRS regulations. In the case of property that requires an appraisal, the calculation for the charitable deduction will be included in the gift letter so long as the appraisal has been provided to Grand Rapids Christian Schools.

d. IRS Filings

Grand Rapids Christian Schools will file form 8282 for all gifts for which the charitable deduction value is over \$5,000 and the asset sold within the time frame specified by the IRS.

492.6 Use of Professional Legal Counsel

- a. All prospective donors will be encouraged to consult, employ and pay for their own legal and financial counsel in matters related to charitable life income agreements and other planned gifts and bequests involving Grand Rapids Christian Schools but especially in the following cases.
 - Gifts of closely held stock, whether or not governed by restrictions or buy/sell agreements.
 - Transactions with potential conflict of interests that may not meet tax law and regulation guidelines.
- b. Grand Rapids Christian Schools generally also may consult with its outside Legal Counsel, the cost of which generally will be charged to any resulting gift.
- c. All agreements shall, if possible, follow the format of specimen agreements approved by Grand Rapids Christian Schools' outside Legal Counsel.

490-A FRAUD

This policy is implemented to advise employees about activities which may be fraudulent, illegal or otherwise unethical. The Grand Rapids Christian Schools will not tolerate such activities and disciplinary measures will be implemented as appropriate.

491-A Scope

This policy applies to any fraud, or suspected fraud, involving employees as well as consultants, vendors, contractors, outside agencies doing business with employees of such agencies, and any other parties with a business relationship with Grand Rapids Christian Schools.

492-A Policy

Fraud and fraudulent activity is strictly prohibited.

Each employee or agent of Grand Rapids Christian Schools shall be responsible for reporting any observed or suspected fraud or fraudulent activity to the Business Office, the Superintendent or the Board President.

All administrators shall be vigilant for any conduct that may appear to constitute fraud within the areas of their responsibility.

493-A Definitions of Fraud

Fraud is defined as the intentional, false representation or concealment of a material fact for the purpose of inducing another to act to his/her detriment.

The following are examples of prohibited acts:

- a. Falsification of any GRCS record with the intent to conceal information to GRCS' detriment or the individual's advantage, particularly financial record.
- b. Forgery of a check, bank draft, wire transfer or any other GRCS financial document
- c. Unauthorized alteration of a financial document or account belonging to GRCS
- d. Misappropriation of funds, supplies or other assets of GRCS

- e. Impropriety in the handling or reporting of money or financial transactions
- f. Disclosing confidential and proprietary information to outside parties for personal gain (either directly or indirectly)
- g. Asking for or accepting anything of material value from contractors, vendors or persons providing services or materials to GRCS, except as provided in gift policies

Unauthorized destruction, removal, or use of records, furniture, fixtures and/or equipment for personal gain (either directly or indirectly)

- h. Misuse of State or Federal funds for other than their designated purposes

This list is meant to illustrate the types of activities that are prohibited. It is not comprehensive. Other misconduct of a similar nature is similarly prohibited.

494-A Investigation

If the allegations of fraudulent misconduct involve an employee, the Superintendent shall determine whether an investigation is warranted. If the Superintendent determines that the allegations appear to involve criminal misconduct, the matter shall be referred to the law enforcement officials.

If the allegation involves the Superintendent or a Board member, the allegation shall be referred to the Board Attorney. The Board Attorney shall determine whether an investigation is warranted. If the allegations appear to involve criminal misconduct, the matter shall be referred to appropriate law enforcement. If the allegations do not appear to involve criminal misconduct, the matter shall be assigned by the Board Attorney to a third party, who is not an employee or an employee of the Board Attorney's firm, for the purpose of conducting an investigation concerning the allegations. Upon the conclusion of this investigation, the investigator shall forward the report to the Board Attorney. The Board Attorney shall forward the report to the Board, which shall take such action as is appropriate.

Any investigation conducted pursuant to this policy shall be conducted without regard for the length of service, position/title, or relationship of the individual who is alleged to have committed or concealed fraud.

495-A Confidentiality

Grand Rapids Christian Schools will maintain confidentiality with regard to the reports of suspected misconduct and the investigation. However,

absolute confidentiality for reporting witnesses and investigation results cannot be guaranteed.

Except as authorized by the Superintendent or his/her designee, the reporting witness and others interviewed are not to discuss the allegations or investigation with other GRCS employees or officials, vendors or contractors. Such discussions may interfere with the investigation. Further, because of the nature of the alleged misconduct, unsubstantiated allegations that are not privileged could harm an innocent individual's reputation and result in potential civil liability.

496-A Non-Retaliation

Those who, in good faith, report suspected fraudulent activity will not be subject to any retaliation as a result of bringing the suspected misconduct forward.

**Grand Rapids Christian Schools
Transporting Students in Personal Vehicles**

Section 474 – *Transporting Students in Personal Vehicles* of the GRCS Policy Handbook articulates the responsibilities of an employee who transports a student(s) in a personal vehicle as a responsibility of their position.

Please complete, sign, and submit this form to Sara Buchholz, GRCS Administrative Assistant, prior to the start of school or prior to transporting a student(s) in a personal vehicle. Please note that all boxes must be checked prior to being approved to transport students.

Employee Name _____

I am or may be required to transport a student(s) as a responsibility of my position.

I have reviewed GRCS Policy 474 and confirm that I hold a valid driver’s license and will notify my supervisor of any change in status or driving record.

My personal auto insurance policy includes a minimum of \$400,000/person/incident for bodily injury and \$1,000,000 property damage/occurrence liability coverage.

(I understand I may be asked to provide a copy to GRCS Administration.)

My signature reflects my commitment to retain auto insurance coverage at the minimum levels indicated above and to notify GRCS if I no longer retain the minimum level of coverage, which is required for me to transport students in my personal vehicle.

Signature

Date

Approved

Not Approved

Administrative Assistant’s Signature

Date