

General Fiscal Management Policy

GUAJOME PARK ACADEMY

A. Purpose

The purpose of this General Fiscal Management Policy is to establish consistent standards and procedures for the responsible management of Guajome Park Academy's financial resources. The policy is intended to promote fiscal accountability, transparency, accuracy, appropriate internal controls, and compliance with applicable laws, regulations, grant requirements, contractual obligations, and Guajome Schools policies.

Guajome Park Academy shall maintain financial practices designed to safeguard assets, ensure funds are used for authorized purposes, maintain accurate financial records, and reduce the risk of error, fraud, theft, loss, or mismanagement.

B. Scope

This policy applies to all departments, programs, employees, administrators, and other individuals who have responsibility for receiving, spending, approving, recording, safeguarding, or otherwise managing funds or financial assets on behalf of Guajome Park Academy.

C. Guiding Principles

1. Accountability and Transparency: Financial transactions shall be properly authorized, documented, recorded, and available for appropriate review.
2. Accuracy: Financial records shall be maintained accurately and in accordance with Guajome Schools' accounting and financial reporting standards.
3. Internal Controls: Appropriate internal controls shall be maintained to safeguard assets and help prevent and detect errors, fraud, and misuse of funds.
4. Segregation of Duties: Whenever practical, authorization, custody of assets, recording of transactions, and reconciliation responsibilities shall be assigned to different individuals.
5. Fiscal Responsibility: Funds shall be used prudently and only for legitimate and authorized school purposes.
6. Compliance: Financial activities shall comply with applicable federal and state laws and regulations, funding restrictions, contractual requirements, and established Guajome Schools policies and procedures.

D. Budgeting and Financial Planning

1. An annual budget shall be developed based on anticipated revenues, expenditures, enrollment, staffing, program needs, and organizational priorities.
2. The budget shall be reviewed and approved in accordance with Guajome Park Academy's established governance and approval procedures.
3. Actual financial activity shall be periodically compared with the approved budget.
4. Significant budget variances shall be reviewed by the Finance Department and communicated to the Head of School and, when appropriate, the governing board.
5. Budget amendments shall be made and approved when necessary in accordance with established authorization procedures.

E. Revenues and Cash Receipts

1. All funds received by Guajome Park Academy, including cash, checks, electronic payments, donations, fees, reimbursements, and other receipts, shall be properly documented and recorded.
2. Cash and checks shall be secured immediately upon receipt and deposited in a timely manner.
3. Appropriate receipts or other supporting documentation shall be maintained for funds received.
4. Responsibilities for receiving funds, preparing deposits, recording transactions, and reconciling accounts shall be segregated to the extent practical.
5. Funds received for a restricted or designated purpose shall be separately identified and accounted for in accordance with the applicable restriction.
6. Cash collections from special events, fundraisers, or similar activities shall be counted, documented, secured, and submitted to the Finance Department in accordance with established cash-handling procedures.

Detailed procedures for receiving, safeguarding, depositing, recording, and reconciling funds may be maintained separately as administrative or fiscal procedures.

F. Purchasing and Expenditures

1. All expenditures shall be for legitimate and authorized school purposes.
2. Purchases shall follow established approval and purchasing procedures before commitments are made whenever prior approval is required.
3. Expenditures shall be supported by appropriate documentation, which may include invoices, purchase orders, contracts, receipts, reimbursement forms, or other supporting records.
4. Individuals shall not approve payments or reimbursements to themselves without independent review and approval.
5. Purchases shall be charged to the appropriate account, program, grant, or funding source.
6. Restricted or grant-funded expenditures shall comply with all applicable funding requirements.
7. Personal expenditures shall not be paid with Guajome Park Academy funds.

G. Accounts Payable and Disbursements

1. Payments shall be made only after appropriate review and authorization.
2. Supporting documentation shall be reviewed to confirm the validity, accuracy, and business purpose of the expenditure.
3. Duplicate payments shall be prevented through appropriate accounting controls.
4. Checks, electronic payments, and other disbursements shall be appropriately authorized and recorded in the accounting system.
5. Blank checks, payment credentials, and electronic banking access shall be appropriately secured and limited to authorized personnel.

H. Payroll

1. Payroll shall be processed based on authorized employment, compensation, and payroll information.

2. Changes to compensation, employment status, deductions, or other payroll information shall require appropriate authorization.
3. Payroll records shall be reviewed for accuracy and maintained in accordance with applicable record-retention requirements.
4. Payroll expenses shall be appropriately recorded in the accounting system and allocated to the appropriate programs or funding sources.

I. Cash and Asset Management

1. Cash, checks, financial records, banking information, and other financial assets shall be appropriately safeguarded.
2. Cash on hand shall be kept to the minimum amount reasonably necessary for operations.
3. School property and equipment shall be safeguarded against loss, theft, unauthorized use, or disposal.
4. Capital assets shall be recorded and tracked as required by applicable accounting standards and Guajome Schools procedures.

J. Capital Assets and Depreciation

Guajome Park Academy shall capitalize significant purchases of equipment, buildings, and improvements rather than recording qualifying purchases solely as current-period operating expenses.

1. Equipment: Equipment valued over \$5,000 per unit that supports operations and is not a recurring expense shall be capitalized.
2. Buildings and Improvements: Buildings and improvements valued over \$50,000 when acquired shall be capitalized.
3. The acquisition cost of qualifying capital assets shall be recorded in the general ledger. These capitalization thresholds are intended to balance the administrative cost of maintaining detailed asset records with the need to ensure that significant capital purchases are appropriately capitalized.
4. Depreciation expense shall be recorded in the statement of activities in accordance with generally accepted accounting principles.
5. Guajome Park Academy shall use the mid-year, straight-line method of depreciation over the estimated useful life of the asset.

The following useful lives shall generally apply:

Asset Classification	Useful Life
Computers	3 years
Office Equipment	5 years
Vehicles	5 years
Office Furniture	7 years
Leasehold Improvements	Life of lease or 5 years, whichever is greater
Building Improvements	20 years
Buildings	30 years

Capital asset records shall contain sufficient information to identify the asset, acquisition date, acquisition cost, applicable useful life, accumulated depreciation, and other information necessary for financial reporting and asset management.

K. Accounting and Financial Records

1. All financial transactions shall be recorded accurately and in a timely manner.
2. Financial records shall contain sufficient supporting documentation to establish the nature, amount, authorization, and purpose of each transaction.
3. Transactions shall be recorded in the appropriate accounting period and account classification.
4. Financial documentation shall be retained in accordance with applicable legal, audit, grant, and organizational record-retention requirements.

L. Bank and Account Reconciliations

1. Bank accounts and other significant financial accounts shall be reconciled regularly.
2. Reconciliations should be performed or independently reviewed by an individual who does not have primary responsibility for initiating the transactions being reconciled whenever practical.
3. Unusual transactions, discrepancies, outstanding items, or errors identified through reconciliation shall be investigated and resolved promptly.
4. Appropriate documentation of reconciliations and reviews shall be retained.

M. Restricted Funds, Grants, and Donations

1. Funds subject to donor, grantor, governmental, contractual, or other restrictions shall be separately identified and tracked.
2. Restricted funds shall be used only for authorized purposes.
3. Required documentation shall be maintained to demonstrate compliance with applicable funding requirements.
4. Financial reports required by grantors, governmental agencies, or other funding sources shall be prepared accurately and submitted as required.

N. Financial Reporting

1. The Finance Department shall prepare periodic financial reports reflecting the financial condition and activities of Guajome Park Academy.
2. Financial reports shall be reviewed by appropriate management and presented to the governing board as required.
3. Material discrepancies or significant financial concerns identified during financial review shall be investigated and addressed promptly.

O. Segregation of Duties and Internal Controls

To the extent practical, no single individual should control all aspects of a financial transaction. Responsibilities for authorization, receipt or custody of funds, processing transactions, accounting, and reconciliation should be appropriately separated.

When staffing limitations prevent complete segregation of duties, additional review or compensating controls shall be established.

P. Fraud, Irregularities, and Financial Concerns

Suspected fraud, theft, misuse of funds, material accounting errors, or other significant financial irregularities shall be promptly reported to appropriate management and handled in accordance with applicable Guajome Schools policies and legal requirements.

Financial discrepancies shall be investigated promptly, and corrective action shall be taken when appropriate.

Q. Audit and Compliance

1. Financial records and internal controls shall be made available for review as part of Guajome Schools' independent audit and other authorized financial reviews.
2. The Finance Department shall cooperate with auditors and provide requested financial documentation.
3. Audit findings, internal-control deficiencies, and other identified financial concerns shall be addressed promptly through appropriate corrective action.

R. Responsibilities

1. Finance Department: Responsible for maintaining the accounting system, financial records, reconciliations, financial reporting, cash management procedures, capital asset and depreciation records, and appropriate financial documentation and internal controls.
2. Staff and Department Personnel: Responsible for complying with established fiscal procedures, obtaining required approvals, maintaining appropriate documentation, safeguarding school assets, and promptly submitting financial information to the Finance Department.
3. Head of School: Responsible for general oversight of fiscal operations, reviewing financial information, ensuring appropriate internal controls are maintained, and approving financial matters within established authority.
4. Governing Board: Responsible for fiscal oversight and for reviewing and approving matters requiring board action under applicable law, policy, or organizational procedures.

S. Administrative Procedures

The Head of School and Finance Department may establish and maintain administrative procedures, forms, approval thresholds, and internal controls necessary to implement this policy.

Specific procedures addressing areas such as cash receipts, purchasing, accounts payable, payroll, credit cards, reimbursements, banking, fundraising, capital assets, depreciation, and asset disposal may be maintained separately and incorporated into the organization's fiscal procedures.

T. Policy Review

This policy shall be reviewed periodically and updated as necessary to maintain effective financial controls and compliance with applicable financial, legal, and operational requirements.