



# **Fiscal Control Policy: Accounts Payable and Record Keeping**

**Excel Academy**

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*Page 1 of 5*

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**ACCOUNTS PAYABLE AND RECORD KEEPING FISCAL POLICY**

**TABLE OF CONTENTS**

<b>ACCOUNTS PAYABLE</b>	<b>3</b>
Invoice Authorization	3
Payments	3
Bank Reconciliation	3
<b>RECORD KEEPING</b>	<b>4</b>
Basis of Accounting	4
Accounting Policies	4
Revenues	4
Expenditures	5
Security of Financial Data	5

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**ACCOUNTS PAYABLE AND RECORD KEEPING FISCAL POLICY****ACCOUNTS PAYABLE****Invoice Authorization**

1. All original invoices will immediately be forwarded to the Finance Department for processing. Department personnel will carefully review each invoice, attach all supporting documentation, and verify that the specified services and/or goods were received and, if applicable, match the PO in the online purchase order system.
2. All invoices and supporting documentation shall be sent to The CSO on at least a weekly basis. The CSO shall process the invoices for payment only upon receiving sufficient supporting documentation.
3. The Executive Director may authorize The CSO to pay recurring expenses (e.g. utilities) without a PO on the invoice when dollar amounts fall within a predetermined range. A list of the vendors and the dollar range for each vendor must be provided to The CSO in writing and updated on an annual basis.

**Payments**

1. The Executive Director shall be authorized to open and close bank accounts, subject to any Board of Directors (“Board”) resolution directing the same. Two overseeing Board members may sign bank checks, subject to any Board resolution or bylaws directing the same.
2. The Executive Director may appoint a designee to process payments on behalf of California Pacific Charter Schools (“School”) and only after the School personnel provide an authorized PO with matching invoice. The designee will ensure that payments are drawn on the appropriate bank fund account.
3. Stampli, the accounts payable automation software, or equivalent if replaced, will be utilized for most payments. The Executive Director will be responsible to approve payments within the system.
4. On the occasion that a bank check must be used, the Executive Director will be responsible for all pre-printed check stock and will keep them under lock and key.
5. Once approved by the Executive Director, the Administrative Assistant shall prepare the check based on the check authorization prior to obtaining the appropriate signature(s).
6. Checks may not be written to cash, bearer, or petty cash. Under no circumstance will any individual sign a blank check.
7. The Accounting Manager shall prepare the journal entry to record the check transaction(s) into the appropriate checkbook and in the general ledger. The journal entry shall be reviewed and posted by the Assistant Director of Finance.
8. The Accounting Manager shall distribute the checks and vouchers as follows:
  - a. Original – mailed or delivered to payee.
  - b. Duplicate or voucher – attached to the invoice and filed by account number.
  - c. Canceled Checks – filed numerically with bank statements.

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**ACCOUNTS PAYABLE AND RECORD KEEPING FISCAL POLICY****Bank Reconciliation**

1. The Budget Analyst will examine all paid checks for date, name, cancellation, and endorsement and report any discrepancies to the Director of Fiscal Services. Any discrepancies regarding the paid checks or any undeposited checks over 60 days will be researched and if applicable corrected in the accounting system.
2. The Budget Analyst will prepare the bank reconciliation, verifying the bank statements and facilitating any necessary reconciliation.
3. The Director of Fiscal Services will compare the reconciled bank balance to the cash in the bank account and to the general ledger, immediately reporting any material discrepancies to the Executive Director or designee.
4. The Director of Fiscal Services will prepare a monthly summary report to be approved by the Executive Director and ratified by the Board of Directors.

**RECORD KEEPING**

To provide an accurate and auditable record of all financial transactions, the School's books, records, and accounts are maintained in conformity with generally accepted accounting principles as applicable to Charter Schools.

Further, the School specifically requires that:

1. No funds or accounts may be established or maintained for purposes that are not fully and accurately described within the books and records of the School.
2. Receipts and disbursements must be fully and accurately described in the books and records.
3. No false entries may be made on the books or records nor any false or misleading reports issued.
4. Payments may be made only to the contracting party and only for the actual services rendered or products delivered. No false or fictitious invoices may be paid.

**Basis of Accounting**

The School will maintain their accounting records and related financial reports on the accrual basis of accounting.

**Accounting Policies**

The accounting policies and financial reporting adopted are consistent with the special purpose governmental unit requirements of the Governmental Accounting Standards Board (GASB), including Statement of Governmental Accounting Standards No. 34 – Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments. GASB is the recognized standard-setting body for establishing governmental accounting and financial reporting principles.

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**ACCOUNTS PAYABLE AND RECORD KEEPING FISCAL POLICY**

However, since the School is its own legal, non-profit entity it must follow the guidelines of Financial Accounting Standards Board (FASB) when preparing financial statements (audits).

**Revenues**

Under the accrual basis of accounting, revenues are recognized when earned.

**Expenditures**

Under the accrual basis of accounting, expenses are recognized when services are incurred or goods are received.

**Security of Financial Data**

The financial system's administrator is responsible for backing up data. The web-based database is provided by an external entity and is leased by The CSO. All relevant reports are backed up by the CSO's fiscal staff.