



Hoosier Academy, Inc.
Regular Board Meeting February 26, 2019
5:30 p.m.

I. PRELIMINARY

Upon determining the presence of a quorum, Gary Meyer called the meeting to order at 5:45P.M. Tuesday, February 26, 2019.

Gary Meyer read the Board Mission: 1) make sure that our school accomplishes the outcomes it was chartered to produce (i.e. student achievement) and 2) Make sure that nothing illegal, unethical, or imprudent occurs.

A. ROLL CALL

Name	Present	Absent	Arrived Late	Departed Early	Electronic Participation
John Marske		x			
George Giltner	x				
Gary Meyer	x				
Maurice Boler	x				
Michelle Study-Campbell	x				

Others in Attendance:

K12 Representatives	HA Staff	Community Members
Enrico Rudolph Liz Roth Jill Landers Jennifer Waterman	Tracy Shepard Elizabeth Lamey via phone Jill Landers Julia O'Sullivan Amelia Torres Patsy Woods Kris Phillips	4 unnamed community members

B. Approval of January Minutes. There was a motion to approve the January 22, 2019 minutes. The motion was seconded and passed.

C. Adoption of December Agenda:

The February 26, 2019 meeting agenda was presented as is and was seconded. The motion passed.

D. Oral Communications:

E. None

II. HOOSIER ACADEMY- GOVERNANCE AND ORGANIZATION

- A. Resolution 2019-1 Approval of School Administration issued Credit Card. Reviewed with addition of tax-exempt language added. Resolution to be presented at next Board Meeting.
- B. 2019-2020 School Board Meeting Dates Initial Review. Moved to next Meeting. Agreed to keep Board Meetings on the last Tuesday of the month.
- C. 2019-2020 School Calendar Initial Review. Moved to next meeting.
- D. School website. School Website has been updated to reflect contacts for students and families for all services provided at Hoosier Academy.
- E. Hybrid Buildings Open Door/Closed Door. Tabled to next meeting

III. HOOSIER ACADEMY - FINANCIAL, LEGAL, AND SCHOOL OPERATIONS

- A. Financials, *Enrico Rudolph*. Mr. Meyer motioned to accept the November financials subject for review and audit. Motion passed
- B. Building Leases Update, Finance Committee. Board will meet at future time, before the next board meeting to discuss.
- C. Community Report Jennifer Waterman reviewed community report.
- D. Enrollment Report submitted and reviewed George Giltner requested enrollment numbers for this years vs last year to be presented at the next Board Meeting.
- E. Compliance Report was reviewed and accepted
- F. Personnel Report was reviewed and accepted.

IV. HOOSIER ACADEMY - SCHOOL AND STUDENT OUTCOMES

- A. Academic & FAST Report – *was reviewed and accepted.*

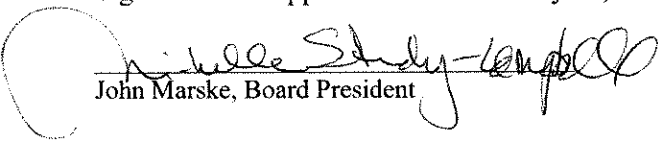
V. BOARD DEVELOPMENT

- A. Items for next month agenda
 1. Credit Card Resolution
 2. School Calendar review
 3. Open/Closed Door Policy at Hybrid
 4. Lease and Consolidation
 5. Review reauthorization letter from BSU

VI. Additional Materials

NEXT MEETING: March 19, 2019 at 5:30pm Franklin Rd.

Signatures for Approval of the February 26, 2019 Minutes.



 John Marske, Board President

 Date

 George Giltner, Board Secretary

 Date

BOARD RESOLUTION

HOOSIER ACADEMY, INC.

APPROVAL OF REVISED FISCAL POLICY AND PROCEDURES

RESOLUTION 2019-1

March 21, 2019

WHEREAS, the Board of Directors (“Board”) of Hoosier Academy, Inc. (“Corporation”) is responsible for adopting and approving Fiscal Policies and Procedures for the administration of the financial affairs of the Hoosier Academy Network of Charter Schools; and

WHEREAS, the Board previously adopted Fiscal Policies and Procedures for the Corporation, and since the time of the most recent updates to the Policy, the Board has considered revising the policy to update provisions related to credit card usage and the addition of a School Credit Card Usage Agreement; and

WHEREAS, the Board has reviewed the attached revised and restated Fiscal Policies and Procedures and deems it to be prudent and in the interest of the Corporation to adopt the revised and restated Fiscal Policies and Procedures.

NOW, THEREFORE, BE IT RESOLVED that the Fiscal Policies and Procedures, as presented to the Board of Directors, attached to this Resolution, and considered at this meeting, be, and they hereby are, approved and adopted by the Corporation and the Hoosier Academy Network of Charter Schools.

Voice Vote:

Ayes: 5 No: 0

Date: _____

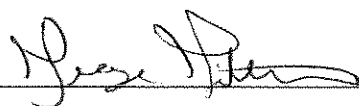
Certification of Board Secretary: 

EXHIBIT A
FISCAL POLICIES AND PROCEDURES

Hoosier Academy Network of Schools

Fiscal Policies and Procedures

Revised: March 21, 2019

INTRODUCTION

The Board of Directors (“Board”) of Hoosier Academy, Inc. (“Hoosier Academy” or “Charter School”) has the responsibility of administrating the financial affairs of the Charter School. Faithful performance of this duty requires establishing a comprehensive fiscal plan and policies from the budgeting process through the annual audit (hereafter referred to as the “Fiscal Policy”). The Fiscal Policy must be organized to provide a uniform classification of receipts and disbursements and to establish effective internal controls and audit trails for post-audit purposes. Additionally, the Fiscal Policy must conform to legal requirements as established by legislation and administered by the controlling agencies. At the heart of the Fiscal Policy are internal controls, which are the methods and procedures used to provide reasonable assurance to:

1. Safeguard assets;
2. Ensure validity of financial reports and records;
3. Promote adherence to policies, procedures, regulations and laws;
4. Promote effectiveness and efficiency of operations;
5. Ensure financial systems are secure and backed up as needed.

In establishing internal controls at all stages of Hoosier Academy’s fiscal plan, the following control principles will be implemented when applicable:

1. **Segregation of Duties:** Duties are divided so that no one person has complete control over a key function or activity;
2. **Authorization and Approval:** Proposed transactions are authorized when they are consistent with policies, procedures, regulations and laws;
3. **Custodial and Security Arrangements:** Responsibility for custody of assets is separated from the related record keeping;
4. **Review and Reconciliation:** Records are examined and reconciled to determine that transactions were properly processed and approved; and
5. **Physical Controls:** Equipment, inventories and other assets are secured physically, counted periodically and compared with amounts shown on control records.

This Fiscal Policy outlines the internal controls to be followed by Hoosier Academy, the Board and K12 Classroom, LLC (“K12”).

INTERNAL CONTROL PRACTICES

Accounting, Budgetary Control and Financial Closing

Review and Reconciliation:

- Hoosier Academy shall use the accrual method of accounting and shall keep its books in accordance with Generally Accepted Accounting Principles (“GAAP”).

- To account for the financial activities of the Charter School and to comply with the Indiana State Board of Accounts (“SBOA”) requirements, Hoosier Academy shall use fund accounting as described in Part 3 of the *Accounting and Uniform Compliance Guidelines Manual for Charter Schools* issued by the SBOA (“*Accounting Compliance Manual*”).
- The K12 Finance Group (“K12 Finance”), with the assistance of the Hoosier Academy Head of School (“HOS”), shall prepare a budget annually based on estimates of revenues and expenditures. The budget draft shall be presented to the Board on or before May 15th preceding the start of the applicable school year covered by such proposed budget. On or before October 31st of each school year, K12 Finance shall submit any proposed modifications of the annual budget for that school year which takes into account the actual student enrollment for such school year and other changes in key assumptions. The Board shall review and act upon each such approved proposed budget and any such proposed modifications within forty-five (45) days following of the submission thereof by K12 Finance.
- The K12 Managed School Accounting Group (“K12 MSA”), shall prepare and forward a monthly financial reporting package to the HOS by the 7th business day after the end of each month. The financial reporting package will include, at a minimum, the monthly bank account reconciliation with supporting detail, unaudited financial statements, any journal entries made with supporting detail and the general ledger transaction detail (revenue and expenditures) by fund. K12 Finance then compiles a report comparing the actual revenue and expenditures with the budget (“Budget-to-Actual Report”). The most recent Budget-to-Actual Report shall be provided to the Board at each monthly Board Meeting. Budget-to-Actual Reports shall contain written explanations of any overages greater than five percent (5%).

Segregation of Duties

- The HOS is required to approve the monthly financial reporting package within 30 days of receipt.

Banking

Authorization and Approval:

- Bank Signatory Authority: The HOS, the Operations Manager, the Board Chairman and the Board Treasurer shall be the only signatories/agents for all Hoosier Academy bank accounts.
- Two signatures from authorized bank signatories are required for any expenditure greater than \$10,000.
- The cash balance of any Hoosier Academy bank account shall never be reduced below zero.
- Checks outstanding and unpaid for a period of one year shall be investigated and declared; void, included as receipts and removed from the outstanding check listing or remitted to the state under applicable escheatment laws.

- The HOS or Operations Manager must approve any adjustments to cash, such as the write-off of old outstanding checks.

Segregation of Duties:

- Bank Reconciliations
 - The HOS shall review the monthly bank statements and reconciliations included in the monthly financial package by the 30th of each month. If the HOS has questions about or desires to see more detail on any of the transactions, the HOS will request further information from K12 MSA.
 - K12 MSA will follow up on any questions the HOS may have and shall perform the monthly bank reconciliation in compliance with Section 3-13 of the *Accounting Compliance Manual*. The bank reconciliation must include the beginning cash balance, a listing of all cleared checks/payments and deposits/credits, a listing of all un-cleared checks/payments and deposits/credits and the ending cash balance.

Review and Reconciliation:

- Bank Reconciliations
 - The HOS and Board Treasurer shall review and approve the bank reconciliations prepared by K12 MSA. As part of the review, the HOS and Board Treasurer shall note that check sequence was maintained from the prior month.
 - After the HOS and Board Treasurer review and approve the bank reconciliations, the bank reconciliations shall be submitted to the Board for review and acceptance for audit.

Custodial and Security Arrangements:

- K12 MSA and the Operations Manager will maintain blank check stock. The ability to create and sign a check is separated as follows: Anyone with software access to create a check cannot sign the check (e.g. they are not an authorized signer on the bank account) and all authorized bank signatories do not have software access to create a check.
- A copy of all check registers will be kept by the Operations Manager. The Board Treasurer shall sign the AP Voucher register that is included in the monthly financial package. This is a SBOA requirement.
- All voided checks shall be maintained at the school with a copy emailed to K12 MSA. For each voided check, the signature section shall be marked out or removed and the reason the check was voided shall be noted on the check.
- Hoosier Academy shall not maintain any petty cash.

Credit Card Use

Authorization, Approval and Purpose

- The Board must approve the application for any school credit card. The Board may authorize the payment of an annual fee if the Board determines it is in the best interest of Hoosier Academy to have a credit card with an annual fee.

- Any credit card issued in Hoosier Academy's name shall only be used to pay for Hoosier Academy expenses. Any use of credit cards must be approved by the HOS or Operations Manager.
- Credit cards shall not be used to bypass the accounting system.

Segregation of Duties

- The HOS or Operations Manager shall be responsible for applying for any credit card authorized by the Board.
- The HOS and Operations Manager shall be the designated employees for any credit card approved by the Board and issued to Hoosier Academy as required by Section 10-5 of the *Accounting Compliance Manual*. As the designated employees, the HOS and Operations Manager shall maintain an accounting system or log which includes the names of individuals requesting usage of a credit card, their position, estimated amounts to be charged, fund and account numbers to be charged and the date the card is issued and returned.
- An employee who requests use of a credit card shall sign the School Credit Card Usage Agreement contained in Appendix A to this document before receiving the card.
- The credit card must be returned to the HOS or Operations Manager after each use.

Review and Reconciliation

- Payment shall not be made based on a statement or credit card slip only. Procedures for payments shall be no different than for any other claim. Supporting documents such as paid bills and receipts must be available.
- The procedures for reporting credit card expenses shall be the same as the procedures outlined in the Expenditures section of this Fiscal Policy below.
- The monthly credit card statements shall be submitted by the HOS or Operations Manager to the Board for review.
- Any interest or penalty incurred due to late filing or furnishing of documentation by an officer or employee shall be the responsibility of that officer or employee.

Revenue

Authorization and Approval:

- The issuance of debt must be authorized by the Board.

Segregation of Duties:

- Direct Deposits: deposits related to state student funding and federal grants shall automatically be deposited into the Hoosier Academy bank account. The Operations Manager will send a copy of all supporting documentation for direct deposits to K12 MSA for posting.
- Other Deposits: The Operations Assistant shall open all mail and keep a Receipt Book of all checks and cash received for Hoosier Academy. The ledger shall be sent to K12 MSA to reconcile with the actual deposits made per the bank reconciliation. Any deposits in the form of cash or check will be deposited into the Hoosier Academy bank account by

the Operations Manager, Operations Assistant or the HOS, who must all be bonded. The Operations Assistant will send a copy of all backup documentation for these deposits to K12 MSA for posting.

- K12 MSA provides excel file (one tab per month) with deposit data. Operations manager completes the Receipt field. This is used for a SBOA form EDICT.

Custodial and Security Arrangements:

- All cash and checks shall be kept in a fireproof safe until deposited. Pursuant to Indiana Code § 5-13-6-1, deposits shall be made no later than the business day following the receipt of funds and in the same form in which the funds were received.
- Any compensation, premium, bonus or product earned as a result of the purchase of goods or services by the school becomes the property of the school.

Review and Reconciliation:

- The Operations Assistant shall issue a receipt immediately upon the receipt of cash or checks.
- K12 MSA shall reconcile the revenue accounts monthly to ensure that all deposits were properly recorded. The deposit ticket or attached documentation must provide a detailed listing of the deposit, which includes, at a minimum, check numbers and the corresponding names of the payors.
- K12 MSA shall maintain a listing of open accounts receivable, which shall be reviewed and reconciled monthly. Any delinquent receivables should be reviewed and investigated. Any write-offs must be approved by the Board.
- The HOS will approve the revenue as part of the monthly financial closing process.

Expenditures

Authorization and Approval:

- Subject to the provisions of these expenditure policies, the HOS and the Operations Manager are authorized by the Board to approve and make expenditures on behalf of Hoosier Academy for the following purposes: insurance coverage required to comply with agreements entered into by Hoosier Academy; payroll expenses and payroll taxes; other required taxes; and for payment required to comply with any agreement approved by the Board, including the Ball State University Charter Sponsor ("Charter Sponsor") fees and management/technology fees.
- The Board has authorized the HOS, in conjunction with the Operations Manager, to approve and make expenditures for all Hoosier Academy operational needs up to \$10,000.00 as long as said expenditures fall within the parameters of the Board-approved budget. Any expenditure that (1) is greater than \$10,000.00 or (2) does not meet the requirements will require Board approval in advance of payment.
- Checks payable to K12 may not be signed solely by any K12 employee, but must also be signed by the Board Chairman or the Board Treasurer.

- All purchase requisitions under \$10,000 shall be approved by either the HOS or the Operations Manager. All purchase requisitions over \$10,000 shall be approved by the HOS and the Operations Manager.
- All technology expenditures must be approved by the IT personnel assigned to Hoosier Academy.
- For expenditures greater than \$10,000.00, the HOS or the Operations Manager shall obtain three (3) quotes for review and selection by the Board. For expenditures greater than \$25,000.00, the HOS or the Operations Manager shall obtain three (3) competitive bids or requests for proposals for review and selection by the Board.
- All service contracts must be supported by a current written contract.
- Loans to Hoosier Academy employees, K12 employees or Board Members are prohibited. Exception – retirement plan loans.
- Pursuant to Section 10-3 of the *Accounting Compliance Manual*, compensation and other payments for goods and services shall not be paid in advance of receipt of goods and services.
- All invoices must be paid in a timely manner and within thirty (30) days when possible. Hoosier Academy may not pay finance fees for late payment.
- For a payment to be processed, there must be a fully-itemized invoice, the invoice must be approved by the appropriate individual as listed in the *Segregation of Duties* section below and the invoice must be matched to a purchase requisition, if required.
- Gift Cards may be used if the following criteria are observed in accordance with Volume 200, Page 8 of *The School Administrator and Uniform Compliance Guidelines* (December 2012):
 - The Board must authorize gift card purchases through a resolution which has been approved in the minutes;
 - The purposes for which gift cards may be issued must be specifically stated in the resolution;
 - Purchase and issuance of gift cards shall be handled by an official or employee designated by the HOS;
 - The designated responsible official or employee shall maintain an accounting system or log which includes the name of the business from which the gift cards were purchased, their amounts, fund and account number to be charged, date the card was issued, person gift card was issued to, proof that the gift card was received by the person it was issued to, etc.
 - Gift cards shall not be used to bypass the accounting system.
 - Procedures for payments shall be no different than for any other claim.
- Hoosier Academy Gift Card Procedure. In addition to the above-stated SBOA requirements, the following procedures shall be followed when Hoosier Academy employees use gift cards:
 - Even after receiving Board approval, a purchase order must be completed and approved by the HOS or the Operations Manager for all gift card purchases.
 - Gift cards must be kept in a fireproof safe until signed out by the HOS or the Operations Manager. All gift cards will be tracked via a log as described above.

The Operations Manager shall keep the original log and send a copy of the log to K12 MSA.

- If gift cards are to be distributed to Hoosier Academy teachers or staff members, each gift card number must be attached to the teacher's or staff member's name. The Operations Manager shall forward this information to payroll so that it can be included as income to the respective teacher or staff member.
- If gift cards are to be distributed to parents or students from a teacher (e.g., for assistance with gas expense for travel to testing facilities), the teacher may be assigned a group of gift cards to distribute to eligible students or parents. The teacher shall keep a log documenting which gift card was distributed to which student or parent. The log shall be sent to the Operations Manager.

Segregation of Duties:

- K12 MSA creates all checks and records payment for Hoosier Academy. However, K12 MSA does not have signing authority for Hoosier Academy checks. Checks shall only be issued for approved expenses as outlined in the *Authorization and Approval* section above. Invoices presented for payment without the appropriate approval shall be returned.
- Payroll and Benefits
 - Payroll and benefits are administered by Insperity, a professional employee organization, with the assistance of the HOS and the Operations Manager. Payroll is run twice a month.
 - Requests for Time Off ("RTO") must be submitted by each employee for vacation, sick time, personal days and other leaves with or without pay. RTOs are received by the Department Heads who compare the request to the leave time report generated by Insperity at the end of each pay period. Each Department Head shall verify that the leave time accruals are in agreement with each employee's contract.
 - Insperity shall maintain a master salary spreadsheet. At the end of each pay period, Insperity shall generate a spreadsheet that captures all changes in payroll information for that pay period, such as new hires, terminations, salary changes, bonuses and employee hours as input by the Operations Manager.
 - New hires, resignations and terminations are updated monthly and submitted to the Board for acceptance.
 - The HOS, Operations Manager and the Board liaison have full access to payroll reports for Hoosier Academy. Only the HOS or an individual designated by the HOS may approval payroll. If approved, any of these individuals may click on the "Approve Payroll" button to approve payroll for the then-current pay period. The designee will only approve payroll in the absence of and by direction of the HOS. Once the "Approve Payroll" button is clicked, Insperity will process the payroll checks and direct deposits for the Hoosier Academy employees.
 - K12 MSA will access payroll information from Insperity to include the payroll information in the financial records of Hoosier Academy.
 - K12 MSA shall reconcile the payroll register to the general ledger monthly.

- Expense Reports
 - Staff shall prepare expense reports and submit them to Department Heads for review. Each Department Head shall then review the expense reports to ensure the expenses follow the Board-approved Travel and Expense Policy, in accordance with federal or state requirements, if applicable, and for complete supporting documentation of the expenses. Once reviewed and approved by the Department Head, copies of the expense report(s), related invoices and all supporting documentation are sent to the Operations Assistant and the Operations Manager, who shall review for compliance.
 - The expense reports of the Operations Manager shall be reviewed by the Regional Operations Manager or the HOS. The expense reports of the HOS shall be reviewed by the Regional Vice President.
 - If the Operations Manager is not available to approve the invoices, the HOS may approve in his or her absence.
 - K12 MSA creates the check file for the corresponding approved expense reports. The Operations Manager prints, signs and mails the checks.
- K12 Invoices
 - Management and Technology Fees
 - The HOS, the Finance Manager and the Board Finance Committee Member shall review all management and technology fee invoices prior to payment to ensure the invoices comply with the Board-approved Amended and Restated Educational, Administrative, and Technology Services Agreement between Hoosier Academy and K12 (“Management Agreement”). As of the date of this Policy, the management fees equal fifteen percent (15%) of the sum of federal and state student revenue and grants received by Hoosier Academy. The technology fees equal seven percent (7%) of the sum of federal and state student revenue and grants received by Hoosier Academy.
 - Student computer invoices, On-Line School (“OLS”) invoices and materials invoices shall be reviewed against student records and shall be approved by the Finance Manager. In addition, the Board Finance Committee Member and the HOS must approve all student invoices prior to forwarding to K12 MSA for check processing.
 - Pursuant to the Management Agreement, K12 is specifically authorized to initiate payment to K12, out of the Charter School funds managed by K12, the fees set forth in Exhibit A of the Management Agreement provided that: (i) the fees have been budgeted and approved by the Board; (ii) K12 has provided documentation for the fees setting forth in reasonable detail a description of the fee, the method of computation and any other information requested by the Board; (iii) the Board approves the payment; and (iv) all current Non-K12 Charter School Expenses (as defined in the Management Agreement) are first paid.

- Oversight Fees
 - Oversight invoices payable to the Charter Sponsor shall be sent to the HOS and the Operations Assistant. The HOS shall review the oversight invoices to ensure they comply with the Charter Agreement. As of the date of this Policy, oversight fees equal three percent (3%) of the sum of the basic tuition collected by Hoosier Academy.
 - Once approved by the HOS, the oversight invoices are forwarded to K12 MSA for processing a check to be sent to the Charter Sponsor.

Internet Service Provider (“ISP”) Payments

- The Operations Assistant shall process ISP payments twice a year: (1) in February for September through January services and (2) in July for February through June services.
- After downloading student and family information, the Operations Assistant shall complete a payment report based on approved enrollment dates, withdrawal dates and grade level. Payments shall be pro-rated if students have not been enrolled during the entire service period. Students shall be reimbursed at the current approved rate.
- The HOS shall review and approve the payment report which includes parent / guardian information and the student’s name. This is created by the Operations Assistant before any payment is made. Payment for the processing invoice will be made by the school.

- Other Expenses
 - Grant Purchases and Other One-Time Purchases
 - Purchase requisitions (“PR’s) shall be completed for all grant purchases and other one-time purchases. All PR’s shall show the amount of the purchase, grant name, item purchased, accounting code and purchase order or quote, if applicable. The HOS and Operations Manager must determine that all expenditures are in accordance with grant requirements and with federal and state requirements, as applicable, before approving grant expenditures. Approvals must be secured prior to purchase. Quotes and other supporting documentation shall be attached to the PR. Items requiring PR’s include, but are not limited to, the following: Technology purchases such as computers, printers and software; Fixed Assets, Furniture and Equipment such as file cabinets; Memberships; and Training or Professional Development expenditures.
 - The Regional Technology Manager and either the HOS or the Operations Manager shall approve all technology purchases.
 - The Operations Manager and the Special Education Coordinator shall approve all special education provider payments.
 - Checks shall never be made payable to “Cash”.

- General Operating Expenses
 - The HOS or the Operations Manager shall approve all invoices for normal monthly operating expenses, such as utilities, rent and telephone services, before submitting the invoices to K12 MSA for check processing.

Review and Reconciliation:

- In the event of overpayment to a vendor, a refund shall be collected.

Capital Assets and Inventory

General Principals

- Hoosier Academy shall have complete inventory of all capital assets owned which reflects their acquisition value. Such inventory must be recorded on the applicable Capital Assets Ledger.
- Criteria for Capital Asset Capitalization:
 - The asset has a useful life of one (1) year or longer; and
 - The cost of the asset is greater than \$1,000.00.
- Valuation
 - Pursuant to Section 15-1 of the *Accounting Compliance Manual*, the inventory shall reflect the capital assets' acquisition value.
 - Donated capital assets shall be valued at the donor's estimated fair market value at the time of gifting.
- Depreciation
 - Capital assets shall be depreciated using straight-line depreciation. Estimated life for capital assets shall follow IRS guidelines.
- Pursuant to Section 15-1 of the *Accounting Compliance Manual*, Capital assets include the following:
 - Land;
 - Buildings;
 - Improvements other than buildings; and
 - Equipment and construction work in progress.
- The following information shall be maintained for all capital assets:
 - Description;
 - Asset classification;
 - Location;
 - Purchase price;
 - Vendor;
 - Date purchased or leased;
 - Accumulated depreciation; and
 - Method and reason of disposal, if applicable.
- Capital assets may not be used in a manner unrelated to the functions and purposes of Hoosier Academy.

- Capital Asset Disposal
 - The Board shall approve the retirement of any capital assets with a fair market value greater than or equal to \$5,000.00. When equipment has been purchased with Federal or State grant funds, grant rules and regulations must be followed.
 - The HOS or the Operations Manager shall approve the retirement of any capital assets with a fair market value less than \$5,000.00.
 - Examples of reasons for retirement include:
 - The asset is damaged beyond repair;
 - The asset is damaged and the cost to repair it exceeds the current fair market value; and
 - The asset is not able to support current technology needs.
 - When possible, the capital asset shall be stripped of useful components and stored as ready service spares for other assets.
 - The inventory shall be updated to include the reason for retirement and date of write-off.

Physical Controls:

- An annual inventory of capital assets shall be performed during June of each year by the Operations Manager and K12 IT. The inventory must be for all capital assets, and for all computers that do not meet the \$1,000.00 capitalization threshold. The inventory is performed to determine that all capital assets are present, in usable condition, located in the assigned area and properly recorded.
- All capital assets shall be tagged with a Hoosier Academy capital asset tag.
- All capital assets and inventory are secured in a safe location.

Review and Reconciliation:

- The Operations Manager shall maintain a capital asset listing. The capital asset listing shall be updated monthly to include new purchases, retirements or transfers of assets. The Operations Manager shall also reconcile the capital asset listing to the accounting records as part of the month-end financial reporting process.
- If an asset relates to a grant, the capital asset tag must indicate the specific grant funds used to purchase the asset.

Segregation of Duties:

- Once the annual physical inventory is conducted by the K12 Regional Technology Manager, the Operations Manager should review and approve the results. As part of the reconciliation, the Operations Manager should compare the physical inventory to both the accounting books and the fixed asset schedule.
- The HOS shall be contacted immediately if there is a concern that assets may be missing.

Fundraising

Authorization and Approval

- All fundraising must be pre-approved by the HOS.

- Fundraising activities and procedures are governed by the Fundraising Policy approved by the Board on January 30, 2018, pursuant to Resolution No. 2018-01.

Custodial and Security Arrangements

- Monies collected relating to fundraising activities must be receipted, accounted for, and directed without delay to the Operations Manager.
- Fundraising monies shall be recorded and tracked in a separate account specific to the group organizing the fundraising.

Segregation of Duties

- Distribution of monies from fundraising accounts shall be by request of the fundraising sponsor and must be approved by the HOS.
- The organizer or sponsor of a fundraiser will provide donors with written acknowledgement of cash contributions in the form approved by the Operations Manager. Acknowledgements shall include the amount of the cash contribution and a statement that no goods or services were provided by the Charter School in exchange for the contribution (if that was the case). A copy of the acknowledgement must be forwarded to the Operations Manager for record retention purposes.

State Reporting and Annual Audit

Review and Reconciliation:

- The Board shall identify an independent audit firm with governmental accounting and/or charter school audit experience and will arrange for an independent audit of the Charter School's financial condition on an annual basis. The Board Treasurer will be involved in the audit exit meetings. The final audit report will be reviewed by the Board and shared with the Charter Sponsor and all government agencies required by law.
- State reporting requirements will be completed by K12 MSA and shall be approved by the HOS and K12 Finance.

Annual Review of Fiscal Policies and Procedures

Review and Reconciliation:

- The Board, the HOS, the Operations Manager and K12 Finance shall monitor changes in authoritative guidance and regulations and make changes to Hoosier Academy's Fiscal Policies and Procedures as necessary.
- The Board shall review and, if necessary, update the Fiscal Policies and Procedures annually at the August Board Meeting.

SUPPORTING FUNCTIONS

Information Technology

- Disaster Recovery
 - Hoosier Academy has and shall maintain a disaster recovery plan that includes procedures for recovering all vital data and system programs in the case of a total loss from a disaster (e.g., fire, tornado, flooding, etc.). The plan includes system replacements, system backups, laptop and desktop images and data restoration.
- Back Up Processing
 - Financial Documents and records stored at the school on their server is covered under the Schools IT Back-Up and Recovery Plan.
 - All data stored on network resources shall be backed up daily using a leading software package and portable hard drives. Copies of the backed-up data shall be stored off-site weekly to ensure data integrity. Hoosiers financial records are maintained in the cloud at Sage/InTacct. Sage will provide an SSAE-16 (SOC-1) compliance certificate at least annually.
- Physical Security
 - All computer systems shall be located in a secure data room. Access to the data room is limited to the HOS, the Regional Technology Manager and the Operations Manager. All computer terminals and laptops are equipped with current virus protection.
- Logical Security
 - Each user is required to maintain their own local password on their school-issued laptop.
 - The Regional Manager maintains server passwords.
- Change Controls
 - K12 MSA uses InTacct as the accounting software for Hoosier Academy financial reporting. The only authorized modifications to the source code of InTacct are vendor-issued updates.
- Input Controls
 - All information is properly authorized before it is entered into the system to ensure the accuracy of the information and to ensure the information is only input one time. Whenever possible, electronic controls are used to validate information. Transaction dates are system-generated dates which cannot be modified by users.

Document Retention

- Hoosier Academy shall preserve, keep, maintain or file all the official records of Hoosier Academy required by all applicable federal and state legal requirements.
- Pursuant to the reproduction of records statutes (Indiana Code § 5-15-1 et. seq.), a public record is defined as all documentation of the informational, communicative or decision-making processes of a political subdivision in connection with the transaction

of public business or governmental functions, which documentation is created, received, retained, maintained or filed by the political subdivision as evidence of its activities or because of the information value of the data in the documentation, and which is generated on paper or paper substitutes; photographic or chemically based media or machine readable media; or any other materials, regardless of form or characteristics.

- Hoosier Academy shall follow the retention guidelines as may be issued under federal or state law including those contained in the *Indiana Public Schools General Retention Schedule* published by the Indiana Commission on Public Records, dated July 11, 2012 and as may be amended.
- Each employee's acts are a matter of record. Regardless of the capacity served by an employee, upon completion of his or her service, all records and forms are to be surrendered to his successor.
- Supporting documentation such as receipts, canceled checks, tickets, invoices, bills, contracts and other public records must be available for audit to provide supporting information for the validity and accountability of monies disbursed. Payments without supporting documentation may be the personal obligation of the responsible official or employee.
- All financial transactions pertaining to the Charter School must be recorded in the records of Hoosier Academy.
- All documents and entries to records shall be done in a timely manner to ensure that accurate financial information is available to allow Hoosier Academy to make informed management decisions and to help ensure compliance with Indiana Code § 5-15.1-1, *et. seq.*
- Permanent documents that Hoosier Academy should retain indefinitely include but are not limited to the following: records of incorporation, bylaws, amendments and corporate charter, 501(c)(3) approval letter, minutes of Board meetings, annual reports, tax returns, financial audit reports and student records.
- Financial records, including but not limited to balance sheets, detailed ledgers, banking records, vendor payments and payroll records should be retained for a period of 7 years or the retention period required by federal or state requirements, whichever is longer.
- If appropriate for destruction pursuant to federal or state document retention requirements, any document with confidential student, employee or financial information shall be destroyed by shredding the document or by using a Certified Document Destruction vendor.

APPENDIX A
SCHOOL CREDIT CARD USAGE AGREEMENT



HOOSIER
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SCHOOL CREDIT CARD USAGE AGREEMENT

I, [EMPLOYEE'S NAME], hereby acknowledge receipt of the [NAME OF CREDIT CARD] / XXXX-XXXX-XXXX-_____
[LAST 4 DIGITS OF CREDIT CARD NUMBER] for the purpose of [INSERT BRIEF DESCRIPTION].

I agree to accept responsibility and accountability for the protection and proper use of the card and will return the card to the Head of Schools or the Operations Manager after the above-described purchase is complete. I also agree to complete the attached Form ST-105 General Sales Tax Exemption Certificate and submit it to the retail merchant if appropriate.

I understand that I must submit to the Head of Schools or the Operations Manager documentation of **all** purchases in the form of a receipt or paid invoice and that **I will be personally liable for all charges that are unauthorized and/or for which proper documentation is not provided.** If interest and/or penalties are incurred due to any delay on my part in submitting proper documentation of charges, I understand that I will be personally liable for such interest and/or penalties. If Hoosier Academy, Inc. pursues legal action to recover the cost of any such charges, it shall also be entitled to recover from me its costs of collection, including reasonable attorney fees.

I understand that my use of this credit card for any purpose other than that described above will also result in disciplinary action, up to and including termination of my employment.

I understand that, consistent with Hoosier Academy Network of Schools' Travel and Expense Reimbursement Policy, under no circumstances may alcoholic beverages be purchased with this credit card.

I understand that under no circumstances may I take a cash advance on this credit card.

I agree to comply with the terms and conditions of this Agreement and the Hoosier Academy Network of Schools Fiscal Policies and Procedures. I hereby acknowledge receipt of the Fiscal Policies and Procedures and confirm that I understand these terms and conditions.

EMPLOYEE

HEAD OF SCHOOLS OR OPERATIONS MANAGER

Signature

Signature

Printed Name

Printed Name

Date

Date

Pre-Approved Amount: \$ _____

Date Card Delivered to Employee: _____

Fund/Accounts to Be Charged: _____

Date Card Returned: _____

Form ST-105

State Form 49065
(R5 / 6-17)

Indiana Department of Revenue
General Sales Tax Exemption Certificate

Indiana registered retail merchants and businesses located outside Indiana may use this certificate. The claimed exemption must be allowed by Indiana code. Exemption statutes of other states are not valid for purchases from Indiana vendors. **This exemption certificate can not be issued for the purchase of Utilities, Vehicles, Watercraft, or Aircraft.** Purchaser must be registered with the Department of Revenue or the appropriate taxing authority of the purchaser's state of residence.

Sales tax must be charged unless all information in each section is fully completed by the purchaser. Purchasers not able to provide all required information must pay the tax and may file a claim for refund (Form GA-110L) directly with the Department of Revenue. A valid certificate also serves as an exemption certificate for (1) county innkeeper's tax and (2) local food and beverage tax.

Section 1 (print only)

Name of Purchaser: _____

Business Address: _____ City: _____ State: _____ ZIP Code: _____

Purchaser must provide minimum of one ID number below.*

Provide your Indiana Registered Retail Merchant's Certificate TID and LOC Number as shown on your Certificate.

TID Number (10 digits): _____ - LOC Number (3 digits): _____

If not registered with the Indiana DOR, provide your State Tax ID Number from another State
***See instructions on the reverse side if you do not have either number.**

State ID Number: _____ State of Issue: _____

Section 2

Is this a blanket purchase exemption request or a single purchase exemption request? (check one)

Description of items to be purchased: _____

Section 3

Purchaser must indicate the type of exemption being claimed for this purchase. (check one or explain)

Sales to a retailer, wholesaler, or manufacturer for **resale** only.

Sale of manufacturing machinery, tools, and equipment to be used directly in direct **production**.

Sales to **nonprofit organizations** claiming exemption pursuant to Sales Tax Information Bulletin #10. (May not be used for personal hotel rooms and meals.)

Sales of tangible personal property predominately used (greater than 50 percent) in providing **public transportation** - provide USDOT Number. A person or corporation who is hauling under someone else's motor carrier authority, or has a contract as a **school bus operator**, must provide their SSN or FID Number in lieu of a State ID Number in Section 1.

USDOT Number: _____

Sales to persons, occupationally engaged as farmers, to be used directly in production of **agricultural** products for sale.
Note: A farmer not possessing a State Business License Number may enter a FID Number or a SSN in lieu of a State ID Number in Section 1.

Sales to a **contractor** for exempt projects (such as public schools, government, or nonprofits).

Sales to **Indiana Governmental Units** (agencies, cities, towns, municipalities, public schools, and state universities).

Sales to the **United States Federal Government** - show agency name. _____
Note: A U.S. Government agency should enter its Federal Identification Number (FID) in Section 1 in lieu of a State ID Number.

Other - explain. _____

Section 4

I hereby certify under the penalties of perjury that the property purchased by the use of this exemption certificate is to be used for an exempt purpose pursuant to the State Gross Retail Sales Tax Act, Indiana Code 6-2.5, and the item purchased is not a utility, vehicle, watercraft, or aircraft.

I confirm my understanding that misuse, (either negligent or intentional), and/or fraudulent use of this certificate may subject both me personally and/or the business entity I represent to the imposition of tax, interest, and civil and/or criminal penalties.

Signature of Purchaser: _____ Date: _____

Printed Name: _____ Title: _____

The Indiana Department of Revenue may request verification of registration in another state if you are an out-of-state purchaser.
Seller must keep this certificate on file to support exempt sales.

Instructions for Completing Form ST-105

All four sections of the ST-105 must be completed or the exemption is not valid and the seller is responsible for the collection of the Indiana sales tax.

Section 1

- A) **This section requires an identification number.** In most cases this number will be an Indiana Department of Revenue issued Taxpayer Identification Number (TID - see note below) used for Indiana sales and/or withholding tax reporting. If the purchaser is from another state and does not possess an Indiana TID Number, a resident state's business license, or State issued ID Number must be provided.
- B) **Exceptions** - For a purchaser not possessing either an Indiana TID Number or another State ID Number, the following may be used in lieu of this requirement.
- Federal Government** – place your FID Number in the State ID Number space.
- Farmer** – place your SSN or FID Number in the State ID Number space.
- Public transportation haulers** operating under another motor carrier authority, or with a contract as a school bus operator, must indicate their SSN or FID Number in the State ID Number space.
- Nonprofit Organization** – must show its FID Number in the State ID Number space.

Section 2

- A) Check a box to indicate if this is a single purchase or blanket exemption.
- B) Describe product being purchased.

Section 3

- A) Purchaser must check the reason for exemption.
- B) Purchaser must be able to provide additional information if requested.

Section 4

- A) Purchaser must sign and date the form.
- B) Printed name and title of signer must be shown.

Note: The Indiana Taxpayer Identification Number (TID) is a ten digit number followed by a three digit LOC Number. The TID is also known as the following:

- a) Registered Retail Merchant Certificate
- b) Tax Exempt Identification Number
- c) Sales Tax Identification Number
- d) Withholding Tax Identification Number

The Registered Retail Merchant Certificate issued by the Indiana Department of Revenue shows the TID (10 digits) and the LOC (3 digits) at the top right of the certificate.

