

Financial Controls and Procurement Policy

The purpose of this Financial Controls and Procurement Policy is to establish internal controls that will enable the School to properly safeguard its assets and to comply with state and federal laws. To ensure strong internal controls and appropriate separation of duties related to accounts receivable transactions, procurement procedures, and expenditures, all funds received or expended will be properly accounted for and managed in accordance with generally accepted accounting procedures. The following Policies shall apply to all of the School's funds, receipts, expenditures, and procurements. All of the School's employees, officers, and agents shall comply with these Policies.

FINANCIAL CONTROLS

Receipt of Funds

The Principal will authorize office staff who are allowed to accept funds. An authorized receiver must not be involved in the fund posting or accounts receivable process. The authorized receivers may include the secretary, receptionist, and other staff members trained and authorized by the Principal.

In Person Payments

If a payment is made in-person, the authorized receiver shall verify any funds presented while the payer is present and the payer shall be provided with a receipt. The funds must be stored in a secure temporary location and the payment recorded on the appropriate Receipts Log.

Mailed Payments

If a payment is made via mail, the authorized receiver shall open the mail and endorse each check immediately by stamping "For Deposit Only" on the back. The authorized receiver shall prepare a receipt and mail it to the payer by the next business day. The funds shall be stored in a secure temporary location and the payment recorded on the appropriate Receipts Log.

Recording Fund Payments

The authorized receiver shall record each receipt of funds in the Receipts Log. The Receipts Log must be kept in a secure location so that only authorized persons have access to it. A copy of the receipt shall be bundled with the funds and played in a secure temporary location.

Voided Fund Payments

If a receipt is made unusable for any reason, it shall be voided. the voided receipt, and any copies, shall remain in the receipt book with the work "VOID" written across it.

Deposit of Funds

Only the Principal, the Treasurer of the Board, or staff members authorized by the Principal may make bank deposits. The person making deposits may not be the same person who receives the funds, records the funds into the general ledger, nor the person completing reconciliations. All funds received by the School shall be prepared for deposit daily. Until the funds can be taken to the bank for deposit, they must be stored in a secure location in the School's office. Deposits shall occur at least two times per week. Deposit slips will be written for every deposit listing each check and the total cash amount to be deposited. The deposit slip shall be verified by one additional person in addition to the person who

prepared the slip. One copy of the deposit slip should be stored at the School along with a copy of the checks to be deposited.

Recording, Reconciliation, and Financial Reports

A scanned copy of all deposit slips should be sent to School Financial Services (“SFS”), along with a summary of each deposit. SFS shall record each deposit in the general ledger and perform all reconciliations. SFS shall also generate all financial reports related to the School. If at any time an irregularity is discovered in the financial reports or while conducting reconciliations, SFS shall immediately report such irregularities to the Principal and Treasurer of the Board.

Donations

Any cash donation received by the School will be handled using the School’s normal cash receipt procedures as described herein. Restricted donations must be documented with a written statement from the donor indicating the intended purpose of the donation and any alternative use. A donation of \$5,000 or more with any restrictions must be approved by a resolution of the Board of Directors prior to acceptance of said donation. An acknowledgement letter will be provided to the donor where requested or as appropriate.

Payment of Funds

The Principal shall be ultimately responsible for the handling and expenditure of all School funds. Accurate records of all transactions shall be kept and reports on expenditures shall be given to the Board of Directors on a quarterly basis and at each Board of Directors meeting.

Authorization for Payments

The School shall adhere to the following requirements for the authorization of all payments and purchase orders, so long as such payments are provided for in the most current budget approved by the Board of Directors:

- A. If the School wishes to make a payment of \$5,000 or less, the Principal may solely authorize such payment, except as otherwise required by this Policy.
- B. Any payments in excess of \$5,000 shall be jointly authorized by the Principal and Treasurer of the Board.

Authorized Signatories

The Principal shall be the designated signatory for all checks used in satisfaction of authorized payments. In the absence of the Principal, the Treasurer of the Board may also act as signatory. The Principal and NCS Board may authorize other school employees or Board members to serve as signatories.

Invoices and Check Requests

The Principal shall authorize certain staff members to receive and handle invoices. An authorized receiver shall open any invoices, scan the invoices, and post them into the School’s online portal. If the invoice has been sent to the School in response to a purchase order, the authorized receiver should attach the invoice to the purchase order using the School’s online portal.

Purchase Orders

All purchase orders must be authorized in accordance with this policy. Purchase orders must include the following information:

- A. Date
- B. Purchase order number
- C. Vendor name
- D. Vendor telephone number
- E. General description of items / services
- F. Estimated amount of the purchase
- G. Preparer's information and signature

Issuance of Payments

Once a payment has been duly authorized by the Principal or authorized designee, SFS shall issue payment directly to the vendor.

Reconciliation

The School shall send to SFS a copy of all bank statements and other materials documenting a payment. SFS shall perform all reconciliations and send a reconciliation report to the School each month.

PROCUREMENT

Conflicts of Interest Prohibited

No employee, officer, or agent shall participate in the selection, award, or administration of a contract if he or she has a real or apparent conflict of interest. A conflict would arise when the employee, officer or agent, any member of his or her immediate family, his or her partner, or an organization which employs or is about to employ any of the parties indicated herein, has a financial or other interest in the firm selected for an award. The officers, employees, and agents of the School shall neither solicit nor accept gratuities, favors or anything of monetary value in connection with a procurement contract. Any Board member with a real or perceived conflict of interest will not vote and will recuse himself or herself from the meeting during discussion.

Competition

All procurement transactions must be conducted in a manner to provide, to the maximum extent practical, open, and free competition. Each employee, officer, and agent of the School responsible for the procurement of goods and services will investigate potential organizational conflicts of interest as well as noncompetitive practices among vendors that may restrict or eliminate competition or otherwise restrain trade. If a vendor is deemed to be engaged in anticompetitive practices, that vendor must be deemed disqualified from participating in the procurement process. Awards must be made to the bidder or offeror whose bid or offer is responsive to the solicitation and is most advantageous to the School when considering price, quality, and other factors considered.

Vendor Qualifications

Contracts will be made only with responsible vendors who possess the ability to perform successfully under the terms and conditions of a proposed procurement. Consideration shall be given to factors such as the vendor's integrity, record of past performance, and financial and technical resources. The School will make positive efforts to utilize small businesses, minority-owned firms, and women's business enterprises whenever possible.

Procedures Generally

Awards must be made to the vendor whose bid or proposal is responsive to the solicitation and is most advantageous to the School, price, quality, and other factors considered. Any and all bids or offers may be rejected when it is in the interest of the School to do so. The School employees responsible for the procurement of goods and services will avoid purchasing unnecessary or duplicative items, and where appropriate, make an analysis of lease and purchase alternatives to determine which would be the most economical and practical procurement for the School. The School will document and retain all bids received and conduct a price comparison analysis.

Permissible Procurement Instruments

The type of procuring instruments used (e.g., fixed-price contracts, cost reimbursable contracts, purchase orders, and incentive contracts) will be determined at the discretion of the School but must be appropriate for the particular procurement. The School will utilize time and materials type contracts only after determining that no other contract is suitable and such contract must include a ceiling price. A time and materials contract means a contract whose cost to the School would be the sum of the actual cost of materials and direct hourly labor charges. Such contracts provide no positive incentive to the vendor for cost control or labor efficiency.

Solicitation

Bids or proposals, when required, must be solicited from an adequate number of known suppliers, providing them sufficient response time prior to the date set for open bidding. Solicitations for goods and services will include the following:

- A. A clear and accurate description of the technical requirements for the material, product, or service to be procured. In competitive procurements, a description shall not contain features which unduly restrict competition.
- B. Requirements which bidders must fulfill and all other factors to be used in evaluating bids or proposals.
- C. The time periods during which bids and proposals will be accepted.

When selecting a vendor, the procurement file must contain a written justification for approving the vendor.

Contract Administration

A system for contract administration shall be maintained to ensure the conformance of vendors with the terms, conditions, and specifications of a procurement contract, and to ensure adequate and timely follow up of all purchases. The School will evaluate vendor performance and document, as appropriate, whether the vendor has met the terms, conditions, and specifications of the contract.

Records

The School will maintain records sufficient to detail the significant history of a procurement. These records will include the rationale for the method of procurement, selection of contract type, the reasons for selecting and rejecting vendors, and the basis for the contract price.

Disputes

The School is responsible for settling and satisfying all contractual and administrative issues arising out of procurements, including but not limited to disputes, claims, protests of award, source evaluation or other matters of a contractual nature.

Procurement Methods

A. Procurement by "Micro-Purchase" Procedures (Less than \$10,000)

Micro-purchases may be awarded without soliciting competitive quotations if the price is considered to be fair and reasonable. Reasonableness may be determined by comparison to previous prices paid, market value, or other similar factors. The Principal or the Board of Directors may approve all such purchases.

B. Procurement by "Small Purchase Procedures" (\$10,000 or More, Less than \$250,000)

For proposed procurements, the aggregated value of which is less than \$250,000, the School may utilize small purchase procedures set forth herein. The School must solicit proposals from at least three vendors, but a formal bidding process is not necessary. The School should select the vendor whose proposal is most advantageous to the School, with price and other factors considered.

C. Procurement by Sealed Bidding for Purchases Greater than \$250,000

For proposed procurements, the aggregated value of which is \$250,000 or more, the School may utilize a sealed bidding process. The School will provide a public invitation to accept bids and solicit bids from an adequate number of known suppliers, providing them with sufficient time to respond. The invitation to accept bids must make clear the date and time that bidding will open and close and no bids should be accepted outside of this bidding period. A fixed-price contract will be awarded to the lowest responsible and responsive bidder. In assessing whether a bidder is responsible, the School may consider the timeliness of the bid and whether it conformed with the instructions made available in the invitation to accept bids. The School may reject all bids if there is a sound documented reason for doing so.

D. Procurement by Competitive Proposals for Purchases Greater than \$250,000

For proposed procurements, the aggregated value of which is \$250,000 or more, the School may utilize the competitive proposal process. This process may be used when using the sealed bidding process would be infeasible and where the award will be based on more than price. The School must publicly issue a request for proposals and solicit proposals from an adequate number of qualified vendors. Unlike the sealed bidding process, the School may negotiate with potential vendors before a contract is awarded regarding price, schedule, technical requirements, and the type of contract to be used. The School will award a contract to the vendor whose proposal is most advantageous to the School, with price and other factors considered.

E. Procurement by Noncompetitive Proposals

Procurement by noncompetitive proposals will only be used where the award of a contract under the small purchase procedures, sealed bids, or competitive proposals would be infeasible

and the item or service to be procured is available from only a single source or, after solicitation of a number of sources, competition is determined to be inadequate.

F. Procurement through “Piggybacking”

In lieu of requesting competitive solicitations, the School may make purchases at or below the specified prices from contracts awarded by any city or county governmental agencies, district school boards, community colleges, federal agencies, the public or governmental agencies of any state, or from state university system cooperative bid agreements, when the vendor awarded a contract by another entity described above will permit purchases at the same terms, conditions, and prices (or below such prices) awarded in such contract, and such purchases are to the economic advantage of the School. See Rule 6A-1.012(6), Fla. Admin. Code.